



Ministry for the
Environment
Manatū Mō Te Taiao

Annual Report *Pūrongo ā-Tau*

2024/25

Presented to the House of Representatives
pursuant to section 44 of the Public Finance Act 1989

Published in October 2025
by the Ministry for the Environment Manatū mō te Taiao
PO Box 10362, Wellington 6143, New Zealand

environment.govt.nz

Publication number: ME 1919

Cover photo: Father and son walking with surfboard by sea; Lola Gosling, truestock

© Crown copyright New Zealand 2025

This work is licensed under the Creative Commons Attribution 4.0 New Zealand licence. You are free to copy, distribute and adapt the work, as long as you attribute the work to the Ministry for the Environment and abide by the other licence terms.

The authors of this report used generative AI to help write and edit some of its content, and verified all points of fact in the AI-generated material.

Please note you may not use any departmental or governmental emblem, logo or coat of arms in any way that infringes any provision of the Flags, Emblems, and Names Protection Act 1981. Use the wording 'Ministry for the Environment' in your attribution, not the Ministry for the Environment logo.

Contents

1.	Introduction	
	<i>Kupu whakataki</i>	5
	Message from the Secretary for the Environment	5
	Statement of responsibility	7
	A selection of highlights and milestones from 2024/25	8
	Our Ministers	9
	Te Pūrengi – Our leadership team	10
2.	Our performance	
	<i>Ā mātou whakatutukinga</i>	11
	Progress on our strategic intentions	12
	Strategic priority 1: Improve the resource management system to be more efficient and effective	14
	Strategic priority 2: Strengthen the resilience of communities, businesses and places to climate change and natural hazards	16
	Strategic priority 3: Support the transition to a competitive low-emission, resource-efficient economy	18
	Strategic priority 4: Improve the quality and accessibility of evidence for all decision-makers	22
	Strategic priority 5: Ensure our investments, partnerships and relationships enable others to achieve impactful solutions	24
	Notes to progress on our strategic priorities	27
	Progress against <i>Strategic Intentions 2023–2027</i>	30
	Assessment of operations	31
	Implementing the Government’s priorities	31
	Assessment of operations	35
	Year-end performance information on appropriations	36
	Notes to year-end performance information on appropriations	53
3.	Our organisational health and capability	
	<i>Te hauora me te kaha o tō mātou whakahaere</i>	57
	Our workforce	58
	Our organisational systems and processes	63
	Sustainability	65
	Our emissions reporting	69
	Our ao Māori strategy	73
	Our funding and impact	76

4.	Our finances	77
	<i>Kōrero pūtea</i>	
	Financial statements for the Ministry for the Environment	78
	Non-departmental statements and schedules	108
	Appropriation statements	133
	Independent auditor's report	143
5.	Non-departmental performance reports	
	<i>Ngā pūrongo whakatutuki kore tari</i>	148
	Minister of Climate Change's Report on non-departmental appropriations 2024/25	149
	Minister for the Environment's Report on non-departmental appropriations 2024/25	151
	Notes to non-departmental appropriations performance report	157
6.	Interdepartmental executive board annual report 2024/25	
	<i>Te pūrongo ā-tau a te poari whakahaere waenga tari 2024/25</i>	159
	Climate Change Chief Executives Board Annual Report 2024/25	160

1. Introduction

Kupu whakataki

**Overview of the Ministry for the Environment
and the role we played as Aotearoa New Zealand's
lead advisor on the environment and climate
in 2024/25**

E ngā mana, e ngā reo, e ngā karangatanga maha o te motu, o te tai whakarunga, o te tai whakararo, nō te Tai Hau-ā-uru, ki te Tairāwhiti, tēnā koutou, tēnā koutou, tēnā tātou katoa.

Whakararo, nō te Tai Hau-ā-uru, ki te Tairāwhiti, tēnā koutou, tēnā koutou, tēnā tātou katoa.

He tau nui kua hipa, he tau i kākahutia ai te whenua ki ngā rautaki hou, ngā ture hou, me ngā hononga hou e whakakaha ana i te whakahaere o te taiao.

Ka nui te mihi ki ngā kaimahi o te Manatū mō te Taiao, mō tō rātou manawa tītī, me te kounga o ā rātou mahi, ahakoa ngā wero me ngā hau tukituki o te wā.

Nō reira, e te hunga pānui, nau mai, piki mai ki tēnei pūrongo ā-tau.

To the many authorities, to the many voices, to the many callings across the land, from the northern tides to the southern tides, from the western coast to the eastern sunrise – greetings, greetings, greetings to us all.

It has been a significant year, a year in which the land has been clothed with new strategies, new laws, and new relationships that strengthen environmental management. We deeply acknowledge the staff of the Ministry for the Environment, for their steadfastness and the quality of their work, despite the challenges and turbulent winds of the time.

Therefore, to our readers – welcome, come forth and engage with this annual report.

Message from the Secretary for the Environment

I am pleased to present the Annual Report of the Ministry for the Environment | Manatū mō te Taiao (the Ministry) for the 2024/25 year.

As Aotearoa New Zealand's lead advisor on the environment and climate, the Ministry addresses some of the most significant challenges facing the country – now and for future generations.

Over the past year, our work has ranged from implementing a scheme to reduce waste from used tyres, to setting New Zealand's second emissions reduction plan, and progressing major reform of the nation's planning and environmental management system. This reform is central to the Government's agenda for unlocking housing and infrastructure development, while ensuring environmental sustainability and supporting the Government's goals for economic growth.

Many of the industries that underpin our economy – such as pastoral farming, horticulture, forestry, and tourism – depend on healthy natural resources. Through our advice and stewardship of the planning and environmental management system, the Ministry plays a central role in enabling communities and businesses to thrive within natural and built environments.

The work we do is complex and rewarding. It attracts talented and dedicated people, and I am incredibly proud of the quality and volume of work our teams delivered over the past year, while also navigating significant internal change.

Like much of the public sector, we have needed to tighten our finances in response to broader government-wide savings initiatives and economic conditions. This has included reducing permanent staffing levels and prioritising work for greatest impact. As part of this, we reviewed and narrowed our strategic purpose and updated our strategic intentions. We are now working toward three strategic outcomes:

1. Our natural and built environments provide for the values, needs, and wellbeing of current and future generations.
2. Decision-makers at all levels take full and balanced account of environmental, social, and economic costs and benefits.
3. Te Tiriti o Waitangi is upheld, and the Māori-Crown relationship is strong.

Reform of the planning and environmental management systems has been a major focus and will continue to be as we finalise policy and prepare for implementation with partners in local government and communities. Two new Acts – one governing planning and the other the natural environment – are due to be introduced later in 2025. Also central to the Government's reform programme, the Fast-track Approvals Act 2024 became law in December 2024, with the first approval granted in August 2025.



The Ministry's impact is achieved largely through others. Over the past year, we have partnered with, invested in, and supported iwi Māori, industries, communities, and other partners to deliver meaningful environmental outcomes on the ground. I would like to acknowledge and thank these partners for their collaboration and commitment.

This includes our partnership with Toitū Tahua – Centre for Sustainable Finance, which is accelerating the Government's sustainable finance priorities and enabling innovative investment solutions for New Zealand's priority economic sectors.

Targeted waste investments through the Waste Minimisation Fund have also produced measurable economic and environmental benefits. For example, our partnership with EnviroNZ has enabled it to more than double composting capacity at its Hampton Downs organics facility from 12,000 to 30,000 tonnes annually.

We remain committed to meeting our statutory responsibilities as a Treaty partner, including through ongoing relationships, engagement, and investments with iwi and Māori. A key milestone in 2024/25 was a joint work programme with Pou Take Āhuarangi, which assessed more than 1,000 marae to identify climate vulnerabilities and potential pilot projects for the Māori Climate Platform funding.

Our advice stands or falls on the quality of our science, data, and evidence. We have a statutory obligation to report on some of this evidence, including six-monthly environmental domain reports, the three-yearly Our Environment report (released in April), and the annual Greenhouse Gas Inventory. These help us track progress toward meeting our international climate obligations and the Prime Minister's Target 9 priority – reducing net greenhouse gas emissions.

Looking ahead to 2025/26, we will focus on implementing the new planning and environmental legislation, advancing climate adaptation priorities, and continuing to strengthen our partnerships and ensure our work delivers for all New Zealanders.

I look forward to working with the Ministry's talented and committed people for another year. I invite you to read more about our work in this report.

Nāku noa, nā

A handwritten signature in black ink, appearing to be 'James Palmer', with a stylized, flowing script.

James Palmer
Secretary for the Environment

Statement of responsibility

I am responsible, as Chief Executive of the Ministry for the Environment (the Ministry), for:

- the preparation of the Ministry's financial statements, and statements of expenses and capital expenditure, and for the judgements expressed in them;
- having in place a system of internal control designed to provide reasonable assurance as to the integrity and reliability of financial reporting;
- ensuring that end-of-year performance information on each appropriation administered by the Ministry is provided in accordance with sections 19A to 19C of the Public Finance Act 1989, whether or not that information is included in this annual report; and
- the accuracy of any end-of-year performance information prepared by the Ministry, whether or not that information is included in this annual report.

In my opinion:

- the annual report fairly reflects the operations, progress, and the organisational health and capability of the Ministry;
- the financial statements fairly reflect the financial position of the Ministry as at 30 June 2025 and its operations for the year ended on that date; and
- the forecast financial statements fairly reflect the forecast financial position of the Ministry as at 30 June 2026 and its operations for the year ending on that date.



James Palmer
Secretary for the Environment

30 September 2025

A selection of highlights and milestones from 2024/25

July 2024

- » Government released a Climate Strategy, outlining its approach to responding to climate change.

September 2024

- » Changes to the National Policy Statement for Highly Productive Land came into effect to enable consenting for renewable energy.
- » New climate projections released, showing potential changes to temperature, wind and rainfall for the rest of the century.
- » New Zealand's first priority product stewardship scheme for end-of-life tyres became fully operational.

November 2024

- » New Zealand took part in the fifth Intergovernmental Negotiating Committee, in Busan, South Korea, to develop an international treaty on plastic pollution.
- » Minister of Climate Change co-chaired negotiations on carbon markets under Article 6 at the United Nations 29th Conference of Parties in Azerbaijan.

January 2025

- » Expert Advisory Group published blueprint report on replacing the Resource Management Act 1991.
- » New Zealand's second international climate target under the Paris Agreement announced.

March 2025

- » Government announced two new Acts will replace the Resource Management Act 1991.
- » Updated quarterly reporting showed New Zealand is tracking towards meeting Target 9 - Reduced net greenhouse gas emissions.
- » Government released its new strategy to reduce waste and improve waste management, and confirmed its waste work programme.

May 2025

- » Consultation started on proposals to change three packages of national direction.
- » Consultation started on auction settings and regulations for the New Zealand Emissions Trading Scheme.

August 2024

- » Annual New Zealand Emissions Trading Scheme settings decisions announced, to promote market certainty on price control and unit settings for the next five years.

October 2024

- » The Resource Management (Freshwater and Other Matters) Amendment Bill came into effect and made targeted changes to the Resource Management Act 1991, including pausing the rollout of freshwater farm plans and restricting the notification of freshwater plans.
- » *Our air 2024* released – a three-yearly report on New Zealand air quality.
- » The new Contaminated Sites and Vulnerable Landfills Fund opened, to help councils clean up historic landfills and other contaminated sites vulnerable to the effects of severe weather.
- » The Waste Minimisation Fund reopened for applications. The funding focuses on boosting New Zealand's performance in waste minimisation and associated emissions reduction.

December 2024

- » Second emissions reduction plan released.
- » Resource Management (Consenting and Other System Changes) Amendment Bill introduced to Parliament.
- » Fast-track Approvals Act 2024 came into effect.
- » Government approved drafting of regulations to support synthetic refrigerants product stewardship scheme.

February 2025

- » First Māori Climate Platform pilot project announced in Northland by the Minister of Climate Change.

April 2025

- » New Zealand's Greenhouse Gas Inventory (1990–2023) showed emissions fell in every sector of the economy between 2022 and 2023.
- » *Our environment 2025* was released – the Ministry for the Environment and Stats NZ's three-yearly update on the state of New Zealand's environment.

June 2025

- » Select Committee reported on the Resource Management (Consenting and Other System Changes) Amendment Bill.
- » The Emissions Trading Scheme Forestry Amendment Bill to restrict farm conversions to exotic forestry introduced to the House.
- » Government announced support for expanding voluntary nature credits market.
- » Emergency Waste Funding (EWF) opened for applications. EWF supports local authorities to act quickly in response to emergency events that present waste-related risks to people's health and the environment.

Our Ministers

During 2024/25, we served four Ministers and one Under-Secretary.



Hon Penny Simmonds
Minister for the
Environment



Hon Andrew Hoggard
Associate Minister for
the Environment



Hon Simon Watts
Minister of Climate Change



Hon Chris Bishop
Minister for Infrastructure
and Minister Responsible
for RMA Reform



Simon Court
Parliamentary Under-
Secretary for
Infrastructure and RMA
Reform

Te Pūrengi – Our leadership team

Te Pūrengi is responsible for leading the Ministry. It is accountable for setting and achieving the Ministry's overarching organisational and policy strategies and monitoring the impact of our work.



James Palmer

Secretary for the Environment
and Chief Executive



Laura Dixon

Chief Operating Officer /
Deputy Secretary,
Business Transformation
Services



Anne Haira

Deputy Secretary,
Partnerships,
Investments and
Enablement



Nadeine Dommissie

Deputy Secretary,
Environmental
Management and
Adaptation

Te Arawa, Ngāti
Kahungunu ki Wairarapa



Gina Rangī

Deputy Secretary,
Tūmatakōkiri (Māori
Strategy and
Performance)

Te Arawa (Ngāti
Tūwharetoa, Ngāti
Whakaue, Ngāti Tahu-
Whaoa), Raukawa,
Maniapoto



Natasha Lewis

Deputy Secretary,
Strategy, Stewardship
and Performance



Sam Buckle

Deputy Secretary,
Climate Change
Mitigation and Resource
Efficiency



Martin Workman

Chief of Staff

Ngāti Kahungunu ki
Wairarapa

2. Our performance

Ā mātou whakatutukinga

An assessment of our 2024/25 performance in relation to the strategic intentions and year-end results against appropriations

Progress on our strategic intentions

The Ministry for the Environment (the Ministry) engaged in a Ministry-wide reset in 2024/25. Our newly refined operating model has allowed us to focus on delivering the Government's priorities, while contributing to the broader public sector challenge of enhancing performance and efficiency.

Our strategic framework provides the whetū – the guiding star – which provides direction and unites our staff around a shared purpose. This is set out in our [Strategic Intentions 2025–2029](#).

The Ministry's whetū centres on being Aotearoa New Zealand's lead advisor on the environment and climate, to enable people and places to thrive, now and in the future. The Ministry advises central and local government and other decision-makers on the management of the nation's built and natural environments. We are the stewards of the resource, environmental and climate management systems, and provide environmental data, investments and tools, along with advice, to enable decision-makers to deal with some of New Zealand's biggest challenges.

The Ministry's work is guided by three strategic outcomes that reflect our obligations under the Environment Act 1986, and the interconnectedness of people, the economy and the environment.

1. Our natural and built environments can provide for the values, needs and wellbeing of current and future generations.
2. Decision-makers at all levels take full and balanced account of environmental, social and economic costs and benefits.
3. Te Tiriti is upheld, and the Māori–Crown relationship is strong.

To achieve these outcomes, we have identified five strategic priorities, reflecting the Government's objectives and areas where the Ministry can have the most impact. These priorities guide our work programme and provide a clear line of sight between our actions and the outcomes we seek. Although each priority contributes to multiple outcomes, our initial focus has been on aligning specific priorities with the impacts they most directly support. This approach ensures clarity, accountability and impact.

These five strategic priorities for 2025 to 2029 are as follows.

1. Improve the resource management system to be more efficient and effective.
2. Strengthen the resilience of communities, businesses and places to climate change and natural hazards.
3. Support the transition to a competitive low-emission, resource-efficient economy.
4. Improve the quality and accessibility of evidence for all decision-makers.
5. Ensure our investments, partnerships and relationships enable others to achieve impactful solutions.

This financial year, two sets of strategic intentions were in effect. We reset our strategic intentions following the change in government in 2023, then further refined and published the revised *Strategic Intentions 2025–2029* in February 2025. While some activities carried over, other work programmes were rescoped or stopped. Performance information from our previous *Strategic Intentions 2023–2027* is no longer specifically monitored as we have refocused our performance reporting to the current strategic intentions for the majority of the 2024/25 year.

For a summary of some of the work that has continued, see [Progress against Strategic Intentions 2023–2027](#).

Throughout the year we have focused on laying strong foundations – establishing the systems, partnerships and planning frameworks that will enable us to deliver and demonstrate impact over time. We are ensuring our work is transparent, accountable and aligned with public service expectations for efficiency and effectiveness.

Looking ahead to the 2025/26 financial year, we will undertake a programme of work that will review all our performance information. We will be clarifying the connection from our resources and inputs through to our strategic outcomes and ensuring we can adequately capture our impact and demonstrate where we add value.

The Ministry's performance reporting has been prepared in accordance with generally accepted accounting practice (GAAP) and the [Reporting Standard, FRS 48 Service Performance Reporting](#).

Strategic priority 1: Improve the resource management system to be more efficient and effective

A well-functioning planning system is essential for enabling well informed decisions about our natural and built environments. Over the past year, the Ministry has made progress in supporting the Government's reform of the resource management system to ensure it is more efficient, effective and fit for purpose. Our role is to ensure the system supports decision-makers with clear, consistent guidance and robust, relevant evidence and insights. This includes enabling decisions that take account of the full spectrum of environmental, cultural, social and economic considerations.

The Government's multi-year reform programme is now in its third phase,¹ focusing on replacing the Resource Management Act 1991 (RMA) with two new pieces of legislation – the Planning Act and the Natural Environment Act. These reforms aim to:

- reduce regulatory complexity, improve investment certainty and attractiveness, and enable faster, more cost-effective planning and development while delivering improved environmental outcomes
- unlock development capacity for housing and business growth
- enable the delivery of high-quality infrastructure for the future, including doubling renewable energy
- support growth in the primary sector growth.

At the same time, the Government recognises the need to:

- safeguard the environment and human health
- adapt to the effects of climate change and reduce our exposure to natural hazards
- uphold Treaty of Waitangi settlements and other related arrangements.

Part of our role, on behalf of the Crown as Treaty partner, is to ensure that settlements under the Tiriti o Waitangi (the Treaty of Waitangi) are upheld and the Crown's Treaty obligations are reflected in the new planning and environmental management system. Throughout the revision process, we have engaged with post-settlement governance entities (PSGEs) to ensure potential impacts on Treaty settlement arrangements are well understood and considered. We are establishing a process to work with PSGEs to reach the agreements necessary to uphold relevant Treaty settlement redress in the replacement of the RMA. We continue to provide advice to Ministers on the potential role of Māori in the future planning and environmental management system.

In this first year of reporting against our revised strategic intentions, we have focused on establishing the policy and legislative foundations, engaging with stakeholders, and developing the tools and guidance that will support implementation of the new system. These steps are critical to ensuring the system delivers long-term value, impact and efficiency.

¹ Phase 1 was the repeal of the Natural and Built Environment Act and the Spatial Planning Act. Phase 2 was the introduction of the Fast-track Approvals Act 2024, the Resource Management (Freshwater and Other Matters) Amendment Act 2024, and the Resource Management (Consenting and Other System Changes) Amendment Act, and confirmation of the national direction programme.

How we measure progress

How we make a difference	2024/25 ² performance and achievements
Deliver RMA legislative amendments consistent with Government priorities, objectives and timeframes	<p>The Ministry supported the Government in developing the following legislative amendments:</p> <ul style="list-style-type: none"> • The Resource Management (Consenting and Other System Changes) Amendment Bill had its third reading in August 2025 and was passed into law. • The Resource Management (Freshwater and Other Matters) Amendment Act 2024 was passed in October 2024. • The Fast-track Approvals Act 2024 was passed in December 2024. The fast-track applications process opened in February 2025, and expert panels were appointed to consider the first project applications in May 2025. <p>The quality of the advice provided to Ministers is reflected in our Year-end Performance Information on Appropriations.</p>
Deliver RMA national direction consistent with Government priorities, objectives and timeframes	<p>The Ministry supported the Government on the following national direction initiatives:</p> <ul style="list-style-type: none"> • Packages of national direction for infrastructure and development, the primary sector and freshwater could be in effect from late 2025. • Consultation on a housing package for the new system concluded in August 2025.
Deliver legislation to replace the RMA within the 2025 calendar year, consistent with Government priorities, objectives and timeframes	<p>Work to replace the existing RMA legislation is well underway, including through publishing the independent Expert Advisory Group report and providing extensive advice.</p> <p>The Government announced two new Acts (the Planning Act and Natural Environment Act) will replace the RMA. The Ministry is providing further advice to Ministers to inform the drafting of the Bills, which are expected to be introduced in 2025, with enactment anticipated around mid-2026.</p>
Plan for the implementation, performance monitoring and digitisation of the future resource management system	<p>We have started to prepare for the implementation of the future planning and environmental management system, and develop appropriate performance monitoring and digitisation.</p>

² The multi-year reform programme continues at pace beyond the 2024/25 financial year.

Strategic priority 2: Strengthen the resilience of communities, businesses and places to climate change and natural hazards

Climate change is increasing the frequency and intensity of severe weather events, placing pressure on communities, infrastructure and ecosystems. As lead advisor on the environment and climate, it is critical for the Ministry to support decision-makers at all levels to manage the risks they face from climate impacts. As climate change impacts all sectors, an all of government approach is essential for both efficiencies and effectiveness. This has been exemplified this year in the delivery of the [Government’s climate strategy](#) and in [Government’s response to the Climate Change Commission’s report on New Zealand’s first National Adaptation Plan](#).

This year, we progressed targeted changes to the RMA and began to develop the National Adaptation Framework, which sets out principles for managing climate risk and investment. We also advanced key evidence initiatives to provide more accurate, future-focused data that will inform risk management through planning, infrastructure design and emergency management. By combining legislative reform with improved hazard data and modelling, we are laying the groundwork for a more adaptive and resilient New Zealand – ensuring our natural and built environments can continue to support wellbeing for current and future generations.

In partnership with the Department of the Prime Minister and Cabinet (DPMC), we are developing our second long-term insights briefing, with a focus on building resilience to future hazards, such as flooding, pandemics and earthquakes. We can use the briefing to look ahead and provide advice on future challenges and opportunities. Public consultation on the briefing topic ended in November 2024, and the briefing is due to be published towards the end of 2025 following public consultation on the draft briefing.

How we measure progress

How we make a difference	2024/25 performance and achievements
Deliver national direction and legislation to strengthen natural hazard management and climate adaptation, consistent with Government priorities, objectives and timeframes	<p>We supported the Finance and Expenditure Committee Inquiry into Climate Adaptation through to publication of its report in October 2024. The Government responded formally to this inquiry in January 2025.</p> <p>In June 2025, the Independent Reference Group on Climate Adaptation completed its final report, A proposed approach for New Zealand’s adaptation framework, which was published in July 2025.</p> <p>Work is underway to develop a national adaptation framework. The Bill is expected to be ready for introduction by the end of 2025 with its first reading expected in early 2026.</p> <p>Natural hazards provisions to be included in the Resource Management (Consenting and Other System Changes) Amendment Bill were introduced to Parliament, and commencement planned for August 2025.</p> <p>Consultation was undertaken on the National Policy Statement for Natural Hazards (part of a package of national direction), with gazettal planned for late 2025.</p>

How we make a difference	2024/25 performance and achievements
<p>Support central and local governments to respond to major natural hazard events as required</p>	<p>The Severe Weather Emergency Recovery (Hawke’s Bay Flood Protection Works) Order 2024 (the Hawke’s Bay Flood Protection Works Order) is being amended to support the implementation of flood protection works in Wairoa as part of the recovery from Cyclone Gabrielle. The Amendment is expected to be enacted in August 2025.</p> <p>The Severe Weather Emergency Recovery Legislation Act 2023 requires orders to be kept under review and that the relevant Minister decide whether they continue to be satisfied in relation to certain statutory matters. A review of eight of the nine orders in council for which the Minister for the Environment is the relevant Minister was completed in June 2025.</p> <p>The review also provided the opportunity for the Ministry to identify and respond to issues, where possible. The findings of this review provided information and evidence to support the implementation of proposed emergency recovery regulations in the new planning system.</p> <p>The review of the ninth order (the Hawke’s Bay Flood Protection Works Order) will take place in 2026.</p>
<p>Lead/facilitate implementation of hazard management system improvements and monitoring of system performance</p>	<p>We have continued implementation of the National Adaptation Plan, along with annual monitoring and reporting.</p> <p>In July 2024, we published an adaptation preparedness update, reporting on how prepared core policy and service delivery organisations are.</p> <p>January 2025 saw publication of the Government response to the Climate Change Commission report – Progress report: National adaptation plan 2024, alongside an updated Table of actions: Addendum 2025 for the national adaptation plan.</p> <p>Work is underway to improve the consistency of flood hazard modelling and risk analysis. This will lead to more reliable and comparable results nationwide. This forms part of a wider cross-agency work programme for Natural Hazards Data System Improvements (NHDSI) led by the Ministry. Standards NZ will be developing the flood hazard modelling and risk analysis standards.</p> <p>The Ministry provided a deed of funding to Earth Sciences NZ to update the High Intensity Rainfall Design System (HIRDS) model and tool to include data up to 2025. HIRDS is used to assess the impacts of extreme rainfall on flooding and landslips, with the aim of mitigating damage and protecting communities.</p>

Strategic priority 3: Support the transition to a competitive low-emission, resource-efficient economy

As part of its ongoing climate strategy, the Government released the [second emissions reduction plan](#) (ERP2), which sets out policies, strategies and actions to achieve the second emissions budget from 2026 to 2030. ERP2 contains targeted actions for the greatest emitters and updates to key policies relating to the New Zealand Emissions Trading Scheme (NZ ETS) and sustainable finance (considering environmental, social and governance factors when making investment decisions). The Ministry was the lead agency developing ERP2, which incorporates feedback from New Zealanders and includes information on how we will monitor our progress and stay on track.

For waste management and recycling, fit-for-purpose legislation is needed to enable investment decisions and support an efficient market. Work is underway to modernise the Waste Minimisation Act 2008 and the Litter Act 1979. This sits alongside other important policy work to improve resource recovery, including implementation and progression of key product stewardship schemes. The Waste Minimisation Fund continues to boost priority projects such as improving infrastructure that enables resource recovery systems, increased diversion from landfill, and reduction of waste and waste-related emissions.

How we measure progress

How we make a difference	2024/25 performance and achievements
On track ³ to meet New Zealand’s 2050 net zero ⁴ climate change targets with total net emissions ⁵ of no more than 290 megatonnes from 2022 to 2025 and 305 megatonnes from 2026 to 2030 ⁶	With the implementation of policies from New Zealand’s second emissions reduction plan 2026-30 (ERP2), the emissions projections, published in December 2024, show that New Zealand is on track to achieve both the first (2022 to 25) and the second (2026 to 30) emissions budgets.

³ Progress is tracked as the net contribution New Zealand makes to the level of anthropogenic greenhouse gases emitted to the atmosphere. Further detail can be found here: [Target 9 technical annex – March 2025](#). New Zealand is on track to meet its 2050 net zero climate change targets if it is on track to meet its first (must not exceed 290 megatonnes) and second (must not exceed 305 megatonnes) emissions budgets. Each of these emissions budgets has an associated emissions reduction plan.

⁴ ‘Net zero’ refers to achieving a balance between the amount of greenhouse gases emitted into the atmosphere with the amount removed or offset. By 2050, Aotearoa commits to net zero emissions of all greenhouse gases except biogenic methane. For biogenic methane, the target is a reduction of 24 to 47 per cent below 2017 levels by 2050.

⁵ Net emissions represent:

- (a) gross emissions from all sectors of the New Zealand economy as the result of all human activities, except for land use, land use change, and forestry (LULUCF);
- (b) less net emissions from a subset of the emissions and removals in the LULUCF sector, as accounting rules are applied to the LULUCF sector for meeting targets.

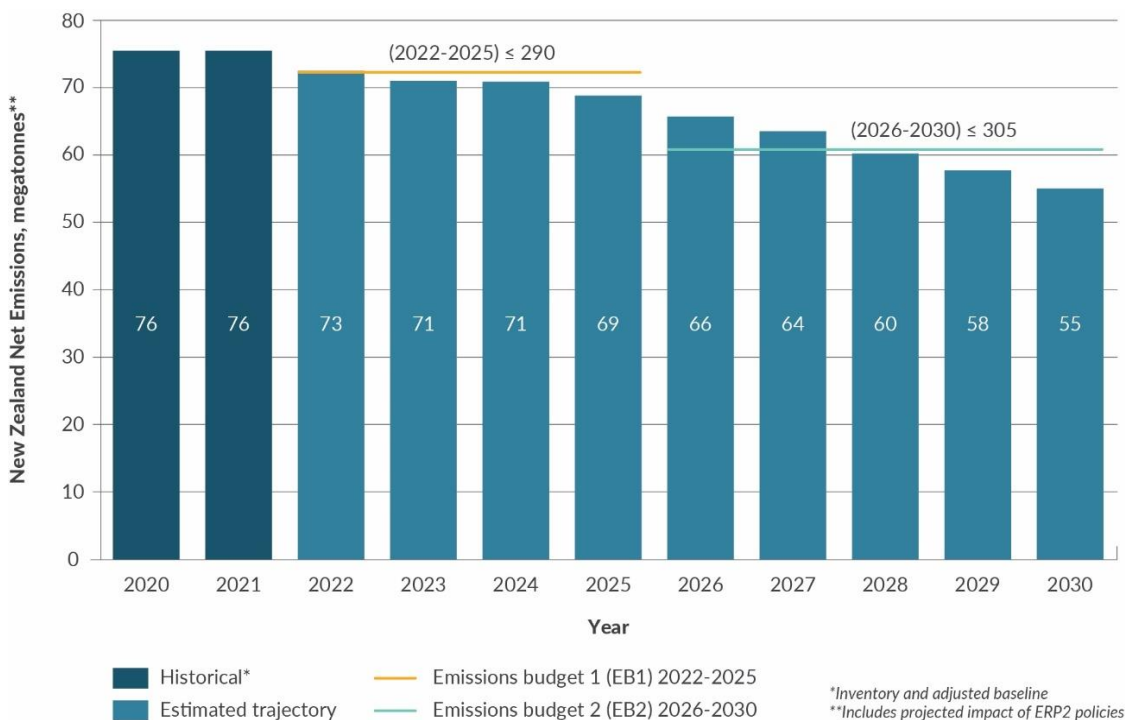
⁶ The measure is based on meeting New Zealand’s domestic emissions budgets, which act as stepping stones to guide us towards the 2050 targets under the Climate Change Response Act 2002. We apply a country-specific approach to measuring historical and estimated total domestic emissions based on a combination of guidelines and methods developed by the Intergovernmental Panel on Climate Change (IPCC) and agreed under the Paris Agreement for the relevant target.

How we make a difference	2024/25 performance and achievements
<p>This measure is one of the nine Government targets. For more information, see the Ministry webpage Government Target 9 quarterly reporting or the DPMC webpage Government Targets.</p> <p>See note 1</p>	<p>Our key deliverables supporting the transition to a competitive low-emission economy include:</p> <ul style="list-style-type: none"> • supporting the Government to publish ERP2 and the waste chapter⁷ on 11 December 2024 • updated target progress tracking alongside the release of new emissions projections annually. Historical and projected net emissions were estimated to be 5.9 megatonnes under the first emissions budget and 1.9 megatonnes under the second⁸. New projections will be released in the coming months. • supporting the Government to update the NZ ETS settings to reduce risks to meeting emissions budgets and to ensure New Zealand has a credible market (the number of units available from the Government’s primary auctions between 2025 and 2029 reduced from 45 million to 21 million) • continuing to monitor and report on progress against emissions budgets, including through the Prime Minister’s Target 9 quarterly reports.

⁷ The Waste chapter is a dedicated section within ERP2 that focuses on reducing greenhouse gas emissions from New Zealand’s waste sector. It outlines actions and policies to invest in resource recovery infrastructure, including for construction and demolition waste, improve organic waste disposal and landfill gas capture and implement regulated product stewardship for refrigerants.

⁸ [New Zealand’s projected greenhouse gas emissions to 2050](#).

Figure 1: Progress against Emissions budget 1 and Emissions budget 2, sourced from Ministry for the Environment projections as published 11 December 2024



The information in this graph is based on the 2024 submission of New Zealand's Greenhouse Gas Inventory 1990–2022 and reflects economic conditions and policies in late 2024. Projections are uncertain and are based on the best information available at that time. The 2022 estimate is projected rather than historical to be consistent with the second emissions reduction plan (ERP2) and from 2023 onwards, the estimated trajectory uses the central estimates from the 2024 Ministry for the Environment projections.

Waste tonnage per person decreases (based on annual data)

[See note 2](#)

Waste tonnage to Class 1 and 2 landfills per person has decreased 5.08% in 2024/25. In 2023/24, waste tonnage to Class 1 and 2 landfills per person decreased 10.74%.^{9,10}

Our key deliverables that support the transition to a resource-efficient economy and reduce impact from waste include:

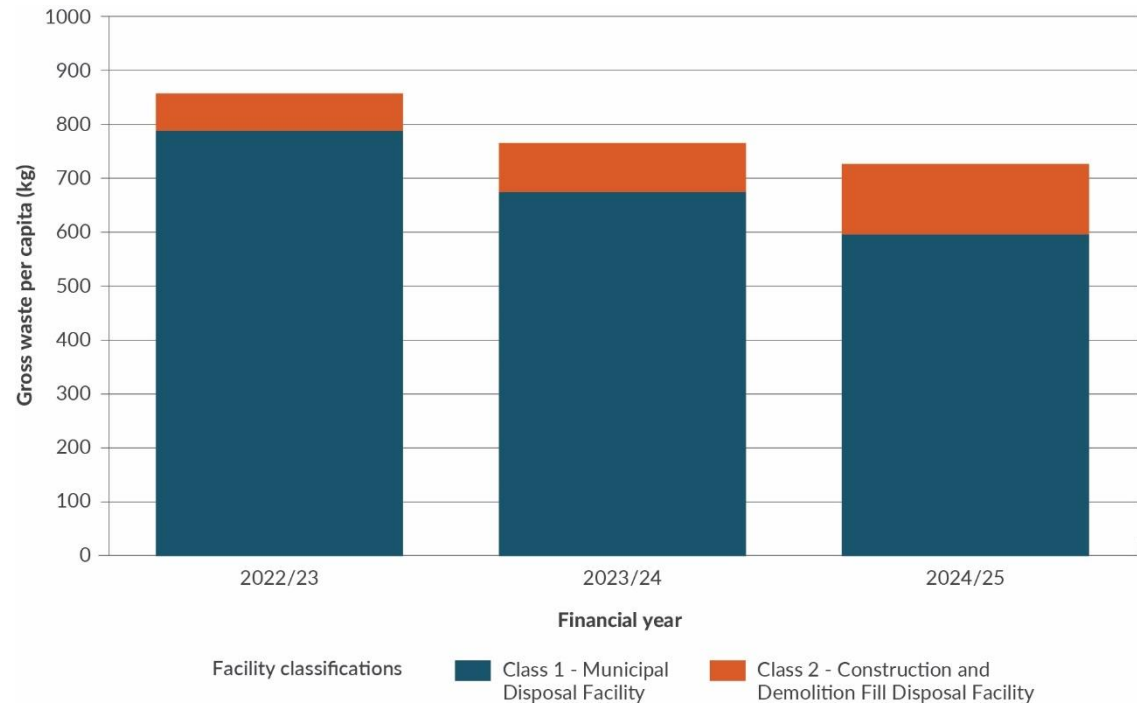
- completing public consultation and summary of submissions on proposals to amend the Waste Minimisation Act 2008 and Litter Act 1979 through development of a Cabinet paper, interim regulatory impact statement, and consultation document to create fit-for-purpose, modern waste legislation that provides more options and flexibility to reduce and manage waste effectively and efficiently
- leveraging the Waste Minimisation Fund to support investment in resource recovery systems and infrastructure
- developing a priority assessment tool (available to regional councils) to identify the number of at-risk landfills, supporting better management of vulnerable landfills and hazardous substances through targeted remediation

⁹ The 2023/24 result was previously reported as a decrease of 11.46%, this is now reported as a decrease of 10.74% due to an update of the Stats NZ resident population estimates for historical quarters.

¹⁰ For more information, see Ministry for the Environment. [Waste statistics](#) and [Waste facilities and disposal](#).

How we make a difference	2024/25 performance and achievements
	<ul style="list-style-type: none"> completing implementation of the Tyrewise product stewardship scheme and progressing other schemes, including the scheme for agricultural containers and farm plastics. For more information, see Product Stewardship – multi-category appropriation.

Figure 2: Waste disposed of at landfills subject to a waste disposal levy



Strategic priority 4: Improve the quality and accessibility of evidence for all decision-makers

Good-quality advice must be robust, relevant and able to stand the test of time. Evidence, including science, mātauranga and economics, must be rigorous, transparently managed and communicated in an accessible way. As lead advisor, it is essential that we continually strengthen our evidence base and improve how we monitor and evaluate environmental and climate outcomes, to support long-term, informed decision-making.

This year, alongside Stats NZ, the Ministry released [Our environment 2025](#) – a three-yearly update on the state of and change in New Zealand’s environment, including how people both shape change and are affected by the changes they cause. This report and the Greenhouse Gas Inventory¹¹ (updated and published annually) provide a critical foundation for understanding environmental trends and informing policy responses.

We have established a Ministry-wide process to guide strategic investment in data, science and evidence. This process sets clear evidence priorities to meet immediate policy needs and to build a foundational evidence base over time. Initial investments have focused on areas such as enhanced landfill emissions data, updated wetland mapping in the [Land Cover Database](#), and improvements to the National Estuary Monitoring Protocol. These upgrades support better decisions across waste policy, climate and biodiversity.

The Ministry’s evidence priorities are not just internal – they shape how we engage externally. This year, we have used them to proactively contribute to the Government’s science, innovation and technology reforms. We have made a critical connection between the data and capability needed to support environmental and climate outcomes, and the policy priorities that drive investment decisions. This alignment helps ensure that future system settings are better positioned to deliver the evidence needed for informed, long-term decision-making.

In 2025/26, through our Quality of Advice programme, we will strengthen how evidence and analysis are incorporated into policy advice. This includes developing and applying criteria to assess evidence quality and embedding these into policy processes.

¹¹ Ministry for the Environment. [New Zealand’s Greenhouse Gas Inventory 1990–2023](#). Retrieved 25 July 2025.

How we measure progress

How we make a difference

We have delivered on a long-term data, science and evidence (DSE) investment plan, aligned with strategic priorities and work programme, with measurable impacts on policy advice and Ministry actions. The following three DSE investments illustrate how the Ministry and the wider system have benefited.

National Waste Data Collection Programme

Objective of investment: Methane is a powerful greenhouse gas that contributes to climate change. We wanted to better understand what is going into New Zealand landfills and the resulting methane produced.

What we invested in: In the second half of 2024, we looked at eight landfill sites – sorting and weighing the waste, and measuring the gases coming off the surface. We used the [Solid Waste Analysis Protocol](#) to sort landfill waste into clear categories, and we have trialled new ways to achieve consistent and reliable analysis.

Impact of investment: Through delivery of a comprehensive dataset, we have a clearer picture of what is in New Zealand landfills and the impact on our climate. This work supports accurate emissions reporting, smarter waste policies, and informs targeted investment through the Waste Minimisation Fund, future product stewardship and other policy interventions. With better data, we are making better decisions – reducing emissions and long-term costs and creating new opportunities in the circular economy.

Updating the New Zealand Land Cover Database

Objective of investment: The Land Cover Database (LCDB) is one of New Zealand’s most critical environmental management datasets. It allows us to know what covers New Zealand’s land, where it is, and how that cover changes over time. Updates also strengthen the database through corrections and improvements.

What we invested in: The 2025 update of the LCDB includes a new wetland map layer to help regional councils meet national requirements and better protect these fragile ecosystems. It also captures the impacts of severe weather events like Cyclone Gabrielle, showing how land cover affects the way climate change plays out on the ground and the resilience service that wetlands can provide in the face of severe weather.

Impact of investment: The LCDB supports everything from climate reporting to biodiversity protection. It helps users understand how land use is changing, and the impact on the New Zealand environment. For example, the LCDB is used to calculate how much carbon the land is storing or losing – essential for the function of the NZ ETS. It also helps identify Crown land that could be planted with trees to meet climate targets, create jobs and improve water quality.

With inter-agency collaboration and investment, we have an updated tool that helps deliver on priorities within the Ministry for the Environment, Ministry for Primary Industries (MPI) and Department of Conservation (DOC). The update saw the Ministry share resources and expertise and strengthened relationships, with both our co-investors and the wider network of LCDB users.

New automation and image-processing techniques have made this update faster and more accurate, thanks to research supported by the Ministry of Business, Innovation and Employment. The Ministry for the Environment has also invested in understanding which improvements matter most to the people who use the LCDB (from scientists and councils, to DOC and MPI). That means future updates will be even more useful and efficient, especially as we progress the Government’s resource management reform programme and the Planning Act.

Updating the National Estuary Monitoring Protocol

Objective of investment: Estuaries are a valuable resource – providing food and recreation for communities, and shelter for taonga species – and they are vulnerable to pressures from upstream, including excessive nutrients or sediment. Nationally consistent data and clear guidance are required so we can effectively monitor and advise on management for estuary health.

What we invested in: Starting in April 2024, initial scoping and engagement with regional councils and unitary authorities revealed gaps in the National Estuary Monitoring Protocol and identified improvements required to lift its uptake and use. This fed into updating methods and guidance, including a comprehensive guidance module on the actions that are needed on the ground to achieve consistent data collection and downstream decisions on estuarine health. Work concluded at the end of the 2024/25 financial year.

Impact of investment: These improvements provide the underlying methodology to generate more efficient and robust data that will strengthen the evidence base for setting environmental limits to protect estuarine health and improve the reliability of our environmental reporting. Cost efficiencies are realised through the provision of national best practice guidance and through consistency, which will reduce duplication of effort by regional councils and ensure only the data that are needed are collected. Importantly, this work supports the Government’s resource management reform programme, as well as cross-agency collaboration, long-term data consistency, and easier data-sharing and integration.

Strategic priority 5: Ensure our investments, partnerships and relationships enable others to achieve impactful solutions

It is through our relationships and partnerships with others that the Ministry can achieve impactful solutions for our communities and environments. While the Ministry brings valuable expertise, it is the strength of relationships and the deep local knowledge of partners that shape meaningful and lasting solutions. Through our strong relationships the Ministry stays connected to communities to ensure they are informed, involved, and actively shaping the laws and policies that affect their lives.

Supporting resource management reform has been a key focus this year. We have worked with stakeholders, including planners and developers, to create a system that balances growth with environmental protection. Looking forward to implementation, we will continue to work closely with those on the ground (particularly local government) to ensure the system is best set up for success.

Alongside our Treaty partners, local government and key stakeholders, we work to gain a greater understanding of environmental system needs and solutions, and to determine where we need to invest to achieve the greatest impact, especially in the face of a changing climate. Our strong relationships with private sector partners bring valuable insights that help shape investment-ready solutions. Our partnership with Toitū Tahua | Centre for Sustainable Finance is accelerating the Government's sustainable finance priorities, enabling innovative investment solutions for New Zealand's priority economic sectors. The Ministry also administers funding for a wide range of projects, from tree planting, to waterway clean-ups, to waste minimisation initiatives. In between funding rounds, we work with groups to check that their projects are being delivered and making a tangible difference. For more information, see our webpage [Resources for seekers of environmental funding](#).

The Ministry is committed to meeting its statutory responsibilities arising from the Treaty, and building its capability to engage effectively and strengthen our relationships with iwi, hapū, and other groups to shape policy and support Government goals. A key milestone in 2024/25 was a joint work programme between the Ministry and Pou Take Āhuarangi, which involved assessing more than 1,000 marae to identify climate vulnerabilities and potential pilot projects for the Māori Climate Platform funding (for more information, see [Māori climate action](#) and [Supporting Equitable Transitions and Climate Resilience for Māori](#)). This work also supports our intent under strategic priority 2, to 'strengthen the resilience of communities, businesses and places to climate change and natural hazards'.

Further, approximately \$300,000 of funding went out to PSGEs in 2024/25 as part of Treaty settlement commitments to build resource management capability. We are now planning a programme for ongoing capability building. This work upholds Treaty settlements and supports Māori to participate in the new planning and environmental management system being delivered under strategic priority 1.

To better understand stakeholder perceptions and continue strengthening our relationships, we plan to implement a stakeholder perceptions survey starting in the 2025/26 financial year. Using this tool, we can track our progress and hear first-hand from our partners and stakeholders about where we can improve.

How we measure progress

How we make a difference	2024/25 performance and achievements
Targeted value-for-money evaluations of government funds show increasing positive return on investment	<p>Early evaluations of large-scale environmental investment funds (see reports listed below) show that for every dollar spent a positive result is achieved, with benefits growing year on year. These gains deliver measurable emissions reduction, build community capability, and help the Government and New Zealand avoid long-term costs. Although the 2025 evaluations are still underway, the emerging results confirm that long-term environmental benefits are on track, and positive returns are expected.</p> <p>Our key deliverables include:</p> <ul style="list-style-type: none"> • outcomes-focused, value-for-money evaluations,¹² including: <ul style="list-style-type: none"> – Waste Levy Review – prepared by Sapere – Efficiency and Effectiveness Review of Levy and Funds Administration – prepared by KPMG – <i>Jobs for Nature: Exploration of investment returns and lessons for future investment</i> (currently in draft) – prepared by MartinJenkins – <i>Investing in Minimising Waste: an impact assessment</i> (currently in draft) – prepared by MartinJenkins • consolidating environmental funding in the Ministry to improve efficiency, effectiveness and performance, and initiating work to explore cross-agency environmental investment management • developing the investment function roadmap to support ongoing maturation of our investment portfolio management and funding approach.

How we make a difference
<p>Targeted waste investments have produced real, measurable economic and environmental benefits. The following case studies show how two of these projects have made a difference.</p>
<p>Improving New Zealand's organics processing capacity: Hampton Downs Composting (EnviroNZ)</p> <p>Objective of investment: Organic waste makes up a large portion of household rubbish going to landfill, contributing to biogenic methane emissions and unnecessary disposal costs. The Waste Minimisation Fund (WMF) is currently investing in infrastructure projects that help divert organic waste from landfill.</p> <p>What we invested in: Beginning in 2018, multi-year WMF support was provided to EnviroNZ (Envirowaste) to expand capacity in two phases at their Hampton Downs organics composting facility, including six engineered aerated static pile bunkers.</p> <p>Impact of investment: By more than doubling composting capacity from 12,000 tonnes to over 30,000 tonnes of organic waste per year, the project is reducing methane emissions, creating a valuable soil product, and embedding new household waste habits that will have long-term environmental and cost benefits. EnviroNZ is producing a marketable compost product sold commercially and used in community projects, returning value to the local economy.</p>

¹² Independent reviews ensure objectivity and transparency through an impartial assessment of investments.

How we make a difference

Remediating a contaminated coastal site: Tāhunanui (Back Beach), Nelson

Objective of investment: The project aimed to protect people and the environment by removing historic sawdust fill contaminated with timber-treatment chemicals, which was exposed by coastal erosion, and prevent contaminants entering the estuary and beach.

What we invested in: In 2024/25 the Contaminated Sites and Vulnerable Landfills Fund provided \$2.41 million to Nelson City Council to investigate, plan and carry out urgent remediation, including excavation, removal and site restoration.

Impact of investment: 10,750 tonnes of contaminated sawdust and sand were removed, eliminating an active pollution source. The works restored the carpark and beach access, improved coastal resilience with dune-forming plantings, and reduced future clean-up risk and cost from storms. Transparent engagement strengthened trust and partnership with the community and iwi.

Notes to progress on our strategic priorities

In preparing performance information to demonstrate the progress made by the Ministry in advancing its strategic intentions, several key judgements have been made about the aspects of service performance to report against, the selection of appropriate and meaningful performance measures, and how to measure performance and/or targets.

The selection of performance measures is based on the Ministry's purpose, strategic outcomes, and strategic priorities as provided in the *Strategic Intentions 2025–2029*. Consideration is given to areas of the Ministry's performance that are expected to be of the most interest to the public and the Government.

As this is the first year of reporting against the new strategic intentions, the performance measures currently presented will evolve and improve over future reporting periods as better information and improved performance metrics become available. We will continue to assess and identify what matters most for New Zealanders, investing and monitoring where we can achieve the greatest impact.

The following notes provide further information to support an understanding of the performance information provided.

Note 1: Reduction of greenhouse gas emissions

The following points relate to the performance measure under strategic priority 3 that seeks to demonstrate the progress made in achieving the long-term outcome of reducing greenhouse gas emissions.

The Ministry continues to collect data to track progress towards domestic and international climate change targets, and to build a robust, scientific basis for policy. We calculate historical emissions by compiling New Zealand's Greenhouse Gas Inventory each year, and we use this as a basis to develop projections that help us understand how New Zealand is tracking towards its emissions reduction targets.

For the full disclosure on New Zealand's greenhouse gas emissions, including inventory uncertainties, methodologies and assumptions used in the calculations, see [New Zealand's Greenhouse Gas Inventory 1990–2022](#). The Greenhouse Gas Inventory, published in April every year, is the official report of all human-induced emissions and removals through forest in New Zealand. Greenhouse Gas Inventories are submitted annually under the Paris Agreement and the United Nations Framework Convention on Climate Change. Projections are submitted biennially under the Paris Agreement.

Quantifying greenhouse gas emissions is inherently uncertain. The scientific knowledge and methodologies to determine the emission factors and processes for calculating or estimating quantities of greenhouse gas sources are still evolving, as are greenhouse gas reporting and assurance standards. When the methodology or underlying data change, the whole inventory time series from the base year to the latest year is recalculated. This means that the emissions estimates are up to date in the latest inventory, and previous inventories are not useful for comparisons. Changes made to the inventory are often related to improvements in activity data collection, emissions factors, and methodology, or the identification of additional emission sources.

The above limitations also apply to emission projections, with the added uncertainty involved in forecasting emissions projections across a diverse economy. Accounting for the future

behaviour and actions of businesses and households, as well as the impacts of policies, is challenging, but modelling continues to improve. The further out in time the projections extend, the greater the uncertainty becomes. Our projections ultimately represent the best current understanding we have of New Zealand's overall future emissions.

Some of the key underlying assumptions in the projections of future GHG emissions used to assess whether New Zealand is on target to meet its 2050 net zero climate change targets include:

- (a) economic and population growth
- (b) the price of emissions in New Zealand's Emissions Trading Scheme (NZ ETS)
- (c) technological advancement
- (d) how favourable the weather is to generating hydroelectricity

For further detail on emissions projections uncertainties, see [Our journey towards net zero: New Zealand's second emissions reduction plan 2026–30: Technical annex](#).

Monitoring by Climate Change Commission

The Climate Change Commission (the Commission) is an independent Crown entity established by the Climate Change Response Act 2002 to:

1. provide independent, evidence-based advice to successive Governments on mitigating climate change (including through reducing emissions of greenhouse gases) and adapting to the effects of climate change
2. monitor and review progress towards emissions reduction and adaptation.

The Commission's 2025 emissions monitoring report¹³ concluded:

- New Zealand is likely to achieve the first emissions budget (for 2022 to 2025) due to a combination of emissions reductions and changes to accounting methods.
- The second emissions budget (for 2026 to 2030) can be met but there are some areas of significant risk.
- The Government's projections for the second emissions budget in the second emissions reduction plan show that budget of 305 megatonnes CO₂e would be achieved by 2030 by a narrow margin. The central projection is 303.1 megatonnes CO₂e.

Note 2: Waste disposal measures

The following points relate to the performance measure under strategic priority 3 that seeks to demonstrate the progress made in supporting the transition to a competitive low-emission, resource-efficient economy.

Waste Disposal Levy expansion. The Ministry notes that the Waste Disposal Levy is currently being expanded to additional classes of landfill, meaning that a significantly larger number of landfills are required to report waste volumes from 2023, and that the baseline tonnage for the measure will be constantly growing. To enable accurate comparison between financial years, the Ministry is including data collected from Class 1 and 2 landfills for 2024/25. From 2024/25 onwards, all landfill classes reporting waste volumes can be used as a baseline to

¹³ [Monitoring report: Emissions reduction – July 2025](#).

measure performance. Currently, no decision has been made on including Class 3 to 5 tonnage volumes in this measure.

Data constraints. There is a risk that some gross tonnage data are inaccurate where landfill sites do not use a weighbridge to calculate tonnage. We consider that the risk of material error resulting from these inaccuracies is low. Most of the large landfill sites use a weighbridge. Those sites without a weighbridge (which calculate tonnage by volume estimation and truck density (volume-to-weight conversion) factors) that are collecting large volumes are the Class 3, 4 and 5 sites, which collect more homogenous waste types (ie, soil), meaning the level of error in the conversion is relatively low. The exact level of material error is unknown, but auditing does help to keep this low. Operators have up to two years to submit amendments to the Online Waste Levy System (OWLS) for their waste returns, which can also cause minor fluctuations in historical tonnage data.

The Ministry has a compliance programme to ensure that disposal facility operators (DFOs) are accurately filing returns in OWLS. This programme is carried out by the Ministry's Compliance, Monitoring and Enforcement team. Compliance audits and enforcement cover the entire process at each DFO from the weighing stations through to the calculation and filing of returns.

Waste disposed of at landfills subject to a waste disposal levy – graph. The data used to generate statistics for this measure reflects the period to 30 June 2025, and is current as of 31 July 2025. The data may be subject to change in the future for the reasons outlined below. A version of the data used has been saved for record-keeping purposes. Any amendments to the data will be reflected in the Annual Report 2025/26.

Stats NZ resident population estimates for historical quarters may change with updates. As a result of a change to these quarterly estimates for 2023/24, the waste tonnage per person reported in the Annual Report 2023/24 has been updated in this year's report. The 2023/24 previously reported result, a decrease of 11.46 percent, is now reported as a decrease of 10.74 percent. The difference between estimated population used to calculate the statistics for 2023/24 and 2024/25 is -89,984 (Table 1).

Table 1: Stats NZ resident population estimates used for *Waste tonnage per person*: Annual Report 2023/24 and 2024/25

Financial year	Population estimates: Annual Report 23/24	Population estimates: Annual Report 24/25	Difference
2022/23	5,168,427	–	–
2023/24	5,338,900	5,248,916	-89,984
2024/25	–	5,308,106	–

Progress against *Strategic Intentions* 2023–2027

Please refer to 'Our performance context 2023/24' of the Ministry's Annual Report 2023/24 for an overview of work programmes at the end of 30 June 2024.

Strategic priority 1: Transform the environmental management system	<p>Status: A key priority of the Ministry continues to be improving the resource management system. While the approach has shifted, our role remains steadfast as we support the Government's reforms to ensure the new planning and natural environment legislation and future systems are fit for purpose, while planning for the impacts of a changing climate. Alongside the reforms, a national direction programme is underway with proposals that are intended to have immediate effect on the resource management system. The proposals are intended to flow through into the new system. The new reform programme is reported under strategic priority 1 in this Annual Report.</p> <p>Reporting: The impact indicators from the previous <i>Strategic Intentions 2023–27</i> are no longer specifically monitored. For the latest updates, refer to the Annual Report 2023/24, pages 19 to 26.</p>
Strategic priority 2: Reflect the Treaty of Waitangi in environmental decision-making	<p>Status: As we lead out on policy development, it's critical to ensure Māori perspectives, rights and interests are incorporated, and that Treaty settlements are upheld and reflected in the new planning and environmental management system. Effective engagement and the continued strengthening of relationships are integral to this and will remain foundational to all our work.</p> <p>Reporting: The impact indicators from the previous <i>Strategic Intentions 2023–27</i> are no longer specifically monitored. For the latest updates, refer to the Annual Report 2023/24, pages 27 to 31.</p>
Strategic priority 3: Improve the quality of New Zealand's urban environments	<p>Status: The work programme within this priority will continue as part of the national direction programme under strategic priority 1 in this Annual Report.</p> <p>Reporting: The impact indicators from the previous <i>Strategic Intentions 2023–27</i> are no longer specifically monitored. For the latest updates, refer to the Annual Report 2023/24, pages 32 to 34.</p>
Strategic priority 4: Build a sustainable and resilient land-use and food system	<p>Status: The majority of the work programmes within this priority are no longer relevant due to a change in strategic direction or are now reflected in strategic priority 1, strategic priority 3 or strategic priority 5 in this Annual Report.</p> <p>Reporting: The impact indicators from the previous <i>Strategic Intentions 2023–27</i> are no longer specifically monitored. For the latest updates, refer to the Annual Report 2023/24, pages 35 to 42.</p>
Strategic priority 5: Transition New Zealand to a climate-resilient, low-emission, circular economy	<p>Status: We remain committed to supporting the transition to a competitive low-emission, resource-efficient economy. We continue to monitor progress towards New Zealand's 2050 net zero climate change targets, and to track waste tonnage per person going to landfill. The majority of the work programme has continued and is reflected in strategic priority 3 in this Annual Report.</p> <p>Reporting: The impact indicators from the previous <i>Strategic Intentions 2023–27</i> are no longer specifically monitored. For the latest updates, refer to the Annual Report 2023/24, pages 43 to 51.</p>
Strategic priority 6: Improve how New Zealand's natural resources are allocated	<p>Status: The work programmes within this priority are no longer relevant due to a change in strategic direction.</p> <p>Reporting: The impact indicators from the previous <i>Strategic Intentions 2023–27</i> are no longer specifically monitored. For the latest updates, refer to the Annual Report 2023/24, pages 52 to 54.</p>
Strategic priority 7: Connect people and communities with te taiao	<p>Status: The majority of the work programme remains relevant and is embedded in strategic priority 4 and strategic priority 5 in this Annual Report.</p> <p>Reporting: The impact indicators from the previous <i>Strategic Intentions 2023–27</i> are no longer specifically monitored. For the latest updates, refer to the Annual Report 2023/24, pages 55 to 57.</p>

Assessment of operations

To deliver on the Ministry's strategic outcomes, we must be deliberate about which activities, services and key work programmes to focus on. The following sections give an assessment of our performance from an outputs and funding perspective, and explain how we deliver impact. We have set out our activities and performance against the Government's priorities and targets and against the appropriations outlined in Vote Environment.

Implementing the Government's priorities

Baseline savings

All departments are required to set out the amount saved in their Budget 2024 Initial Baseline Exercise (IBE) and how they achieved these savings, including contractor and consultant savings.

The Ministry's departmental, non-departmental baseline and tagged contingencies were reduced by \$184.345 million in 2024/25 because of the December 2023 mini-budget, Budget 2024 Initial Baseline Exercise and targeted savings exercise. We achieved these savings by reducing back-office functions and from ending or scaling back several work programmes. Despite the reductions, the Ministry was able to achieve significant deliverables.

For departmental expenditure, the following baseline savings were made for 2024/25:

- Reduction in Back Office Functions – Ministry for the Environment \$3.6 million
- Return of Funding – Climate Change Programmes \$3.5 million
- Return of Funding – Evidence and Data \$1.8 million
- Return of Funding – Freshwater \$2.5 million
- Return of Funding – Partnerships and Engagement \$1.6 million
- Return of Funding – Waste Minimisation \$2.5 million

For non-departmental expenditure, the following baseline savings were made:

- Return of Funding – Climate Change Programmes \$0.3 million
- Return of Funding – Climate Change Commission \$3.0 million
- Return of Funding – Freshwater \$13.0 million
- Return of Funding – Partnerships and Engagement \$8.9 million
- Return of Funding – Waste Minimisation \$8.4 million

Additional savings and new spending initiatives in Budget 2024:

- Reallocation of Funding – Waste Disposal Levy Targeted Savings \$88.2 million
- Return of Tagged Contingency – New Zealand Emissions Trading Scheme Market Governance \$9.5 million
- Resource Management Reforms – Replacement (new spending initiative) \$23.5 million
- December 2023 Mini Budget savings (return of Resource Management reform implementation funding) \$61.1 million

Reduction in expenditure on contractors and consultants

The Ministry achieved a reduction of \$12.820 million (spend \$10.253 million) in 2024/25, which represents 10.6 percent of total departmental workforce expenditure in 2024/25. This compares with expenditure of \$37.136 million and \$23.073 million for 2022/23 and 2023/24 respectively, which represents 24 percent and 18 percent of total departmental workforce expenditure in these years respectively.

Major spending decisions

Cabinet has established an enduring system for monitoring and reporting on major operating spending decisions of Government. Eleven major spending decisions will be subject to additional reporting requirements.

The Ministry had no Major Spending Decisions from Budget 2024 to report on.

Government targets

Nine Government targets have been approved by Cabinet and focus the public sector on achieving improved results in health, education, law and order, work, housing and the environment.

Target 9: Reduced net greenhouse gas emissions

The Climate Change Chief Executives Board is responsible for Target 9, which reads:¹⁴

On track to meet New Zealand's 2050 net zero climate change targets with total net emissions of no more than 290 megatonnes from 2022 to 2025 and 305 megatonnes from 2026 to 2030.

The Board's involvement reflects the cross-sectoral nature of New Zealand's emissions profile and the need for cross-agency oversight and engagement to achieve the target. It also reflects the role of the Board as the governance body responsible for monitoring progress on climate change. New Zealand's performance rating for Target 9 is informed by an assessment of official projections. Other leading indicators are also monitored for early insights on factors that may impact the annually produced official projections.

The component of Target 9 relating to the first emissions budget (2022 to 2025) has remained 'on track' throughout 2024/25. The performance rating for the component of Target 9 relating to the second emissions budget (2026 to 2030) has shifted from 'probable' to 'on track', following:

- the December 2024 publication of ERP2
- updated official projections reflecting the impact of ERP2 policies
- updates to the NZ ETS settings, made in 2024.

In this report, for additional performance information, see [strategic priority 3](#).

For more information, including on quarterly reporting, see our webpage [Government Target 9 quarterly reporting](#) or the DPMC webpage [Government Targets Quarterly Reports](#).

¹⁴ Department of the Prime Minister and Cabinet. [Target 9: Reduced net greenhouse gas emissions](#) [factsheet]. Wellington: Department of the Prime Minister and Cabinet.

Other Government and ministerial priorities

Government Quarterly Plan

The Government Quarterly Plan is a quarterly programme of priority actions across Government to focus efforts and signal the improvements intended to be delivered for New Zealanders, which will be actively monitored by Cabinet. The Ministry provides regular reporting on key actions included in the plan, and the reports are proactively released and available on the DPMC webpage [Publications](#). The key actions are intended to progress the ministerial priorities outlined below.

Ministerial priorities

Portfolio	Priority	Objective	Progress update or link in report
Environment	A pragmatic and balanced approach to freshwater.	Deliver national direction and legislation packages on freshwater.	For more information, see strategic priority 1 .
	Reviewing and amending the regulatory settings for biodiversity.	Deliver national direction and legislation packages on biodiversity settings.	For more information, see strategic priority 1 .
	Progressing other national direction (new or amendments to existing regulations).	Deliver national direction and legislation packages across infrastructure and development, the primary sector, housing in the new system, and freshwater.	For more information, see strategic priority 1 .
	Ensuring fit-for-purpose waste legislation, including for better management of vulnerable landfills and hazardous substances.	Complete waste legislation amendment, including levy allocation, to ensure that officials have fit-for-purpose legislation, and that funds are directed towards projects that promote waste minimisation and resource recovery.	For more information, see strategic priority 3 and Waste Minimisation – multi-category appropriation .
	More timely and comprehensive environmental reporting.	Consult with local authorities and ministerial colleagues and proceed with amendments to the Environmental Reporting Act 2015 by the second quarter of 2025.	The policy amendments received Cabinet approval on 14 April 2025, and drafting instructions were subsequently sent to the Parliamentary Counsel Office on 19 April 2025.
Climate	Take action to put and keep New Zealand on a path to meeting its climate targets.	For information related to the objective and progress for Target 9, see Government targets .	
	Drive a whole-of-government approach to our climate response, including delivering the actions required to put New Zealand on a 'pathway to net zero'.	Establish cross-ministerial governance to deliver the Government's 'pathway to net zero'.	For more information, see Government targets and Climate Change Chief Executives Board Annual Report 2024/25 .
		Improve the quality and accessibility of climate data by 2027, including projections of climate impacts, emissions and evidence-based policies.	For more information, see strategic priority 3 .

Portfolio	Priority	Objective	Progress update or link in report
	Strengthen New Zealand's ability to adapt to the effects of climate change.	Deliver a national adaptation framework as a first building block in New Zealand's long-term direction on adaptation.	For more information, see strategic priority 2 .
	Unlock private investment and partnerships in our climate response.	Monitor the implementation of the climate-related disclosures regime, with a full review between 2026 and 2028.	Other agencies have been consulted, and advice has been provided to Ministers on any changes to the regime.
	Strengthen international climate change engagement and cooperation.	Demonstrate intent towards meeting our nationally determined contributions under the Paris Agreement, including by complementing domestic action with exploring options for international cooperation.	The Biennial Transparency Report and second Nationally Determined Contribution were submitted by United Nations Framework Convention on Climate Change (UNFCCC) deadlines. Bilateral cooperation arrangements with partners in the Association of Southeast Asian Nations (ASEAN) are progressing. The Ministry is also contributing to market capacity-building and development through engagement in multilateral fora, including membership of the Paris Agreement Crediting Mechanism, Article 6 Implementation Partnership, and hosting of the Asia Pacific Carbon Markets Roundtable.
Resource management reform portfolio	Phase '2A' – Deliver a one-stop-shop fast-track approvals regime to facilitate the delivery of infrastructure and development projects with significant regional or national benefits.	Introduction of one-stop shop and permitting regime.	For more information, see strategic priority 1 .
	Phase '2B' – Changes to the RMA to make it easier to consent new infrastructure, allow farmers to farm, get more houses built and enable aquaculture and other primary industries.	Improve the efficiency and performance of the RMA, while maintaining environmental protections.	For more information, see strategic priority 1 .
	Phase 3 – Replace the RMA with new legislation based on property rights.	Replace the RMA with new resource management laws premised on the enjoyment of property rights as a guiding principle.	For more information, see strategic priority 1 .

Other significant Budget decisions

The following Budget decisions are considered to be 'significant' because they are important to the delivery of the Government's priorities, are important to Parliament and the public, and have a material impact on decisions for the Ministry.

The following table provides an overview of these significant Budget decisions and guides readers to specific performance details elsewhere in this report. Initiatives from Budgets 2024 and 2025 are described in their respective Vote Environment documents for those years.

Summary of initiative	Status
<p>2024/25: Resource Management Reforms – Replacement</p> <p>This initiative provides funding to deliver the Government’s resource management reforms, including fast-track consenting legislation, Resource Management Act (RMA) 1991 amendments, updates to national direction and RMA replacement legislation. Funding is provided in outyears for ongoing operation of the resource management system to support system change.</p>	<p>Work to replace legislation is well underway. The Government announced two new Acts (Planning Act and Natural Environment Act) will replace the RMA. The Ministry is providing advice to Ministers to inform the drafting of the Bills and the plans to introduce them into Parliament in the second quarter of 2025/26.</p> <p>The Fast-track Approvals Act 2024 was passed in December 2024. In May 2025, expert panels were appointed to consider the first project applications since the process opened in February 2025.</p> <p>For more information on progress, see strategic priority 1.</p>
<p>2025/26: Resource Management Act Reform Implementation – Phase 3</p> <p>This initiative provides new funding to implement the first two years of the national direction programme and Phase 3 of the Resource Management Act Reform. This initiative also reprioritises surplus funding within Vote Environment to support accelerated delivery of policy and scientific input, standardised zoning, legislative drafting, upholding Treaty and settlement commitments, legal support and a programme business case.</p>	<p>Consultation opened on 29 May 2025 on proposals to amend national direction instruments or create new ones, for infrastructure, development and the primary sector.</p> <p>Consultation on national direction on freshwater proposals has commenced.</p> <p>Progress against funded initiatives will be reported in the Annual Report 2025/26.</p>
<p>2025/26: Waste Disposal Levy – Further Reallocation of Funding</p> <p>This savings initiative changes the allocation of Waste Disposal Levy revenue. Revenue from the levy will fund a broader range of activities across government that reduce environmental harm or increase environmental benefits, which are currently funded by general Crown revenue. Accordingly, the total amount in the Waste Minimisation Fund will reduce by 49%, improving the value of that spending. An average of \$30.0 million per annum remains in the Waste Minimisation Fund for new initiatives.</p>	<p>Progress against funded initiatives will be reported in the Annual Report 2025/26.</p>

Assessment of operations

The Ministry operates under six departmental appropriations. The two primary appropriations under Vote Environment 2024/25 are Improving New Zealand’s Environment and Managing Climate Change in New Zealand.

The Minister for the Environment is responsible for the Improving New Zealand’s Environment appropriation and the Minister of Climate Change is responsible for the Managing Climate Change in New Zealand appropriation.

The table below provides a high-level overview of the Ministry's appropriation performance in 2024/25. See [Year-end performance information on appropriations](#) for the detailed financial and non-financial performance for each appropriation.

Appropriation	Summary and key points	Performance link in report
Managing Climate Change in New Zealand	Five out of six measures under this appropriation were achieved. The primary target for quality of advice was not met; however, the secondary target was exceeded. These activities support strategic priority 2 , strategic priority 3 , strategic priority 4 and strategic priority 5 .	Managing Climate Change in New Zealand
Improving New Zealand's Environment	Eight out of 13 measures under this appropriation were achieved. Ministerial services have exceeded the target for four out of five measures. The measure relating to the National Monitoring System was not achieved due to a delay that resulted from addressing a data quality concern. One out of two resource management measures were achieved; the second was not achieved as the national direction programme was rescoped. Although the primary target for quality of advice was not met, the secondary target was exceeded. Of all regulatory impact statements, 93% partially or fully met the criteria, meeting our primary target. These activities support strategic priority 1 and strategic priority 4 .	Improving New Zealand's Environment
Product Stewardship	All measures were achieved in 2024/25. The Tyrewise scheme became fully operational at the beginning of September 2024 and is overall performing well at the appropriation and category levels. This activity supports strategic priority 3 .	Product Stewardship – multi-category appropriation
Waste Minimisation	Fifteen out of 18 measures under this appropriation were achieved. The quality of policy advice for the Waste Minimisation Administration was rated highly and noted for being clear and well engaged with the wider work programme. In the operations space, for disposal facilities the inspection target was exceeded, but the audit target was not met. The territorial authority audit target was not met due to an identified need for a data cleanse to uplift the quality of data. Deed execution across the Waste Minimisation Fund and Plastics Innovation Fund did not meet the target due to multiple complex factors that were out of the Ministry's control. These activities support strategic priority 3 , strategic priority 4 and strategic priority 5 .	Waste Minimisation – multi-category appropriation
Departmental Capital Expenditure	The measure under this appropriation was achieved.	Departmental Capital Expenditure
Climate Change Chief Executives Board	The Board delivered 100% of progress reporting for the Government's climate change goals and Target 9 on time. See the Ministry webpage for Climate Change Chief Executives Board released material . The reporting supports strategic priority 3 .	Climate Change Chief Executives Board

Year-end performance information on appropriations

This reporting sets out the detailed financial and non-financial performance for each appropriation.

Our performance reporting against the estimates of appropriation complies with GAAP and service performance reporting standard PBE FRS 48.

Managing Climate Change in New Zealand

Departmental output expenses

This appropriation is intended to achieve quality policy advice to Ministers and solutions focused on domestic and international climate change issues.

	2023/24 Actuals \$000	2024/25 Budget \$000	2024/25 Revised Budget \$000	2024/25 Actuals \$000	2025/26 Forecast \$000
Revenue					
Crown	54,376	49,352	43,214	43,214	46,251
Departmental	241	92	92	–	92
Other	25	56	56	59	56
Total revenue	54,642	49,500	43,362	43,273	46,399
Total expenses	51,673	49,500	43,362	40,161	46,399
Net surplus (deficit)	2,969	–	–	3,112	–

At Mains Estimates, the 2024/25 budget for this output class was \$49.500 million. During the year, this appropriation decreased by \$6.138 million to \$43.362 million for 2024/25 due to:

- a fiscally neutral transfer of \$8.799 million to the Departmental Output Expenses: Improving New Zealand’s Environment (\$8.480 million) and the Climate Change Chief Executives Board (\$319,000) to enable the reallocation of resources to better align with revised work programme requirements following a departmental restructure
- a fiscally neutral transfer of \$13,000 to the Non-departmental Other Expense: Framework Convention on Climate Change appropriation to meet the shortfall in subscription funding due to movement in foreign exchange rates.

The above is offset by:

- an expense transfer of \$1.472 million from 2023/24 to 2024/25 to enable the timely implementation of the Supporting Equitable Transition and Climate Resilience for Māori work programme following changes to governance and delivery timeframes
- an expense transfer of \$500,000 from 2023/24 in relation to the Maximising Carbon Storage: Increasing Natural Sequestration to Achieve New Zealand’s Future Carbon Goals initiative (under the Climate Emergency Response Fund (CERF)) to enable delivery of field research measuring carbon in forest and wetland soils
- an expense transfer of \$400,000 from 2023/24 in relation to the implementation of ‘All-of-Government Climate Data Initiative’ to deliver improvements for the climate data system
- a drawdown of \$302,000 from the Ministry’s Salaries/Wages tagged contingency to enable delivery of the Government’s priorities work programme.

Actual expenditure for 2024/25 was lower than the revised budget due to delays in various work programmes related to climate change. The Ministry has sought an in-principle expense transfer to 2025/26 for legal costs related to the Waitangi Tribunal inquiry into the impacts of climate change.

Advice and support

Performance measure	2023/24 performance	2024/25 target	2024/25 performance
Technical quality of advice papers (assessed by a survey with a methodical robustness of 100%) See note 9	Primary: 41% of papers scored 3.5 or higher Secondary: 76% of papers scored 3 or higher	Primary: 70% of papers score at least 3.5 out of 5.0 Secondary: 80% of papers score at least 3.0 out of 5.0	Primary: 50% of papers scored 3.5 or higher Secondary: 89% of papers scored 3.0 or higher
2024/25 commentary: The average quality for all climate change papers improved from 3.1 to 3.25. The improvement in secondary results reflects a greater focus on review processes. The Ministry's leadership team has identified the need to lift policy quality as a strategic priority for 2025/26 and beyond. The Ministry improved its average policy quality score in 2024/25 but remains below the all-of-government average. It is developing a Policy Improvement Plan, which will draw on DPMC Policy Project frameworks, and include both immediate and longer-term actions to improve policy quality and capability. Independent assessments have concluded that the Ministry is able to communicate highly technical information to a good standard, however we are committed to continuous improvement and aim for the highest standard.			
All Emission Trading Unit auctions are held in accordance with published calendar	100%	100%	100%
2024/25 commentary: All Emission Trading Unit (known as the New Zealand Unit, NZU) auctions were held in accordance with the published calendar. The NZ ETS Auction noticeboard (operated by NZX and EEX) provides key information about upcoming auctions and where auctions, once held, are confirmed.			
Administer the funding for the ongoing costs of collecting the Synthetic Greenhouse Gas Levy by New Zealand Transport Agency and New Zealand Customs Service in accordance with respective Memoranda of Understanding See note 10	Achieved	Achieved	Achieved
2024/25 commentary: The Ministry continues to administer this funding in accordance with the Memoranda of Understanding with these agencies.			

Land Use and Carbon Analysis System (LUCAS)

Performance measure	2023/24 performance	2024/25 target	2024/25 performance
Percentage of business hours (excluding agreed maintenance outages) web services of national imagery datasets and land use mapping published by the Ministry for the Environment are available to key stakeholders	100%	98%	100%
2024/25 commentary: There were no system outages or hours during which datasets and maps were unavailable in 2024/25.			

Environmental monitoring and reporting

Performance measure	2023/24 performance	2024/25 target	2024/25 performance
All reports required under the Climate Change Response Act 2002 and international reporting on greenhouse gas emissions and progress towards the targets are delivered on time See note 21	Achieved	Achieved	Achieved
2024/25 commentary: Four reports were published as part of New Zealand's obligations under the Climate Change Response Act 2002: <ol style="list-style-type: none"> New Zealand's first Biennial Transparency Report under the Paris Agreement (December 2024) New Zealand's Greenhouse Gas Inventory for 2025 (April 2025) Government response to the Climate Change Commission report – Monitoring report: Emissions reduction 2024 (October 2024) Government response to the Climate Change Commission report – Progress report: National adaptation plan 2024 (February 2025). 			

Māori climate action

Performance measure	2023/24 performance	2024/25 target	2024/25 performance
Collaborate with Pou Take Āhuarangi to ensure the successful delivery of the joint work programme and ensure compliance with the deed of funding See note 1	New measure	Achieved	Achieved
2024/25 commentary: A joint work programme was developed and successfully implemented with Pou Take Āhuarangi, focused on climate adaptation, emissions reduction and data deliverables.			

Improving New Zealand's Environment

Departmental output expenses

This appropriation is intended to achieve quality advice and solutions, with a focus on improving environmental management frameworks.

	2023/24 Actual \$000	2024/25 Budget \$000	2024/25 Revised Budget \$000	2024/25 Actual \$000	2025/26 Forecast \$000
Revenue					
Crown	186,528	101,609	111,470	111,470	127,617
Departmental	732	476	476	–	476
Other	74	331	331	178	331
Total revenue	187,334	102,416	112,277	111,648	128,424
Total expenses	166,784	102,416	112,277	106,516	128,424
Net surplus (deficit)	20,550	–	–	5,132	–

At Mains Estimates, the 2024/25 budget for this output class was \$102.416 million. During the year, this appropriation increased by \$9.861 to \$112.277 million for 2024/25 due to:

- a fiscally neutral transfer of \$8.480 million from the Departmental Output Expense: Managing Climate Change in New Zealand to enable the reallocation of resources to better align with revised work programme requirements following a departmental restructure
- a drawdown of \$4.356 million from the Ministry's Natural Resources Cluster and Salaries/Wages tagged contingency to enable delivery of the Government's priorities work programme
- an expense transfer of \$2.025 million from 2023/24 in relation to the Freshwater Rights Litigation and to support development of the Risk Index Tool.

The above is offset by an expense transfer of \$5 million to 2025/26 for the work programme related to the resource management reforms.

Actual expenditure for 2024/25 was lower than the revised budget due to delays in various work programmes related to environment work programmes. The Ministry has sought in-principle expense transfers to 2025/26 for costs related to Fast-track Approvals implementation, Freshwater Farm Plans and Waitangi Tribunal hearings.

Advice and support

Performance measure	2023/24 performance	2024/25 target	2024/25 performance
Percentage of all Regulatory Impact Statements that partially or fully meet quality assurance criteria. See note 11	Primary: 93% partially or fully met the criteria Secondary: 33% fully met the criteria	Primary: At least 90% partially or fully achieve the criteria Secondary: At least 70% fully achieve the criteria	Primary: 93% partially or fully met the criteria Secondary: 39% fully met the criteria
2024/25 commentary: Over 2024/25 the Ministry led 33 regulatory impact statements, with 13 fully meeting and 18 partially meeting the assessment criteria. Urgent timeframes made it difficult to meet the secondary target.			
The satisfaction of the Minister for the Environment and the Minister of Climate Change with the advice service, as per the common satisfaction survey See note 12	4.06 (81%)	At least 4.0 out of 5.0	4.13 (83%)
2024/25 commentary: Ministers gave particularly high scores in: how the Ministry incorporates Treaty analysis and te ao Māori into our policy products, trust in officials, and confidence in the policy advice received.			
Technical quality of advice papers (assessed by a survey with a methodical robustness of 100%) See note 9	Primary: 28% of papers scored at least 3.5 out of 5.0 Secondary: 72% of papers scored at least 3.0 out of 5.0	Primary: 70% of papers score at least 3.5 out of 5.0 Secondary: 80% of papers score at least 3.0 out of 5.0	Primary: 55% of papers scored at least 3.5 out of 5 Secondary: 84% of papers scored at least 3.0 out of 5
2024/25 commentary: Papers under this appropriation saw an increase from an average of 3 (in 2023/24) to 3.3, which reflects improvements in written quality and technical analysis. This category includes papers dealing with improving resource management. See Advice and support under Managing Climate Change in New Zealand for details on the Ministry's programme of work to improve policy quality.			

Ministerial services

Performance measure	2023/24 performance	2024/25 target	2024/25 performance
Percentage of ministerial Official Information Act requests submitted within the timeframes agreed with the Minister's office	97.7%	95%	97%
2024/25 commentary: Agreed timeframes are typically 15 working days. Ministers' offices may request responses sooner, or may agree to additional time – typically a day or two. The Ministry provided responses to 226 ministerial Official Information Act requests between 1 July 2024 and 30 June 2025.			
Percentage of responses to departmental Official Information Act requests sent within statutory deadlines	97.9%	95%	99%
2024/25 commentary: The Official Information Act 1982 requires the Ministry to respond to departmental Official Information Act requests as soon as reasonably practicable, and no later than 20 working days after the date of receipt, unless a valid extension is made under section 15A of the Act. The Ministry provided responses to 452 departmental Official Information Act requests between 1 July 2024 and 30 June 2025.			
Percentage of ministerial correspondence replies completed within the timeframes agreed between the Ministry and the office of the Minister	New measure	95%	99%
2024/25 commentary: Agreed timeframes are typically 15 working days. The Minister's office may request responses sooner, or may allow short extensions – typically of no more than five working days. The Ministry provided responses to 1,208 pieces of ministerial correspondence between 1 July 2024 and 30 June 2025.			
Percentage of departmental correspondence replies completed within 20 working days	New measure	95%	88%
2024/25 commentary: The new departmental correspondence measure is trickier to achieve than other measures, because the wording does not permit extensions or negotiations around timelines, even where a compelling reason for a change in timeline exists. The Ministry also receives far fewer pieces of departmental correspondence. This means that even one or two responses sent outside of the 20-working-day timeframe can significantly impact timeliness measures. The Ministry responded to 126 pieces of departmental correspondence between 1 July 2024 and 30 June 2025.			
Percentage of written parliamentary questions completed within the timeframes agreed between the Ministry and the office of the Minister	New measure	95%	100%
2024/25 commentary: Agreed timeframes are typically between three and five working days, depending on the Minister's office. Ministers' offices may request responses sooner, or may allow short extensions – typically of a day at most. The Ministry provided responses to 1,849 written parliamentary questions between 1 July 2024 and 30 June 2025.			

Environmental monitoring and reporting

Performance measure	2023/24 performance	2024/25 target	2024/25 performance
Number of months the Ministry will publish the National Monitoring Systems data after receiving the complete dataset from local authorities	Achieved	No more than 6 months	Not achieved
2024/25 commentary: The National Monitoring System data were released seven months after receiving the final submission from local authorities. The release was delayed while the Ministry addressed a data quality concern raised by a local authority through final validation checks. The information is publicly available on our National Monitoring System webpage.			
Produce environmental reports required by the Environmental Reporting Act 2015 See note 13	Achieved	Achieved	Achieved
2024/25 commentary: Two reports were published under the Environmental Reporting Act 2015: <ol style="list-style-type: none"> 1. Our air 2024 (October 2024) 2. Our environment 2025 (April 2025). 			

Resource management

Performance measure	2023/24 performance	2024/25 target	2024/25 performance
Cabinet decisions taken on the major legislative architecture for the Government's replacement legislation for the Resource Management Act See note 2	New measure	Achieved	Achieved
2024/25 commentary: Cabinet made decisions on the approach to the development of new legislation to replace the RMA on 24 March 2025.			
Produce report(s) from submissions and recommendations on the subject matter of each national direction proposal to meet the requirements of the Resource Management Act See note 8	Revised measure	Achieved	Not achieved
2024/25 commentary: On track to deliver rescoped national direction programme as agreed by Cabinet in March 2025, aligning with new agreed timeframes in 2025/26.			

Freshwater farm plans

Performance measure	2023/24 performance	2024/25 target	2024/25 performance
Number of certified freshwater farm plans	1 certified plan	Year-on-year increase	Not achieved
2024/25 commentary: The freshwater farm plan system was paused in 2024 (everywhere except for Southland*) and is currently under review. Work is progressing to implement an improved freshwater farm plan system from 2026. As the system for delivering certified freshwater farm plans is currently paused, the target for 2024/25 could not be achieved.			
* The freshwater farm plan system remains in place in Southland, but farmers in the region have until mid-2026 before they must get their freshwater farm plan certified.			

Product Stewardship – multi-category appropriation

This multi-category appropriation (MCA) is intended to achieve reduction, reuse, recycling, recovery or appropriate treatment and disposal of end-of-life tyres through product stewardship scheme.

	2023/24 Actuals \$000	2024/25 Budget \$000	2024/25 Revised Budget \$000	2024/25 Actuals \$000	2025/26 Forecast \$000
Departmental appropriations revenue and output expenses					
Revenue Crown					
Product Stewardship Administration	1,833	1,047	1,047	1,047	1,154
Total revenue Crown	1,833	1,047	1,047	1,047	1,154
Expenses					
Product Stewardship Administration	721	1,047	1,047	624	1,154
Total expenses	721	1,047	1,047	624	1,154
Surplus/ (Deficit)					
Product Stewardship Administration	1,112	–	–	423	–
Total departmental surplus/(deficit)	1,112	–	–	423	–
Non-departmental appropriations					
Non-departmental output expenses					
Tyre stewardship fee disbursements	2,750	57,342	57,342	57,342	64,456
Total non-departmental output expenditure	2,750	57,342	57,342	57,342	64,456
Total Product Stewardship MCA expenditure	3,471	58,389	58,389	57,966	65,610

Actual expenditure for 2024/25 came under budget. The Tyrewise scheme has been partially operating since 1 March 2024 and fully operational since 1 September 2024, and the result reported reflects this. The Waste Minimisation Act 2008 makes no provision for the return of a year-end surplus from the product stewardship scheme to the Crown. Any year-end surplus must remain in the scheme.

Appropriation performance

Performance measure	2023/24 performance	2024/25 target	2024/25 performance
Tonnage of end-of-life tyres collected by the Tyrewise Product Stewardship scheme annually See note 3	Not available	13,000 tonnes	35,406 tonnes
2024/25 commentary: The 2024/25 target and performance result are for the first seven months of the Tyrewise scheme. Tyrewise has not been operating long enough to allow us to assess whether the high tonnage is an initial spike from the start of the scheme, or whether it will persist.			

Departmental output expenses

Product stewardship administration

	2023/24 performance	2024/25 target	2024/25 performance
Monitoring and auditing of the scheme to ensure the tyre stewardship fee is spent correctly and appropriately and achieving the expected outcomes See note 4	New measure	Achieved	Achieved
2024/25 commentary: The independent financial audit concluded that the expenses incurred by the Tyrewise scheme comply with the requirements of the Scheme Delivery Deed and the Operational Delivery Plan.			

Non-departmental output expenses

Tyre stewardship fee disbursements

Performance measure	2023/24 performance	2024/25 target	2024/25 performance
Auto Stewardship New Zealand meets 80% of the Ministry agreed milestones in their Deed/Operational delivery plan for the Tyrewise scheme See note 5	New measure	Achieved	Achieved
2024/25 commentary: The performance result reflects that the Tyrewise scheme has been partially operating since 1 March 2024 and fully operating since 1 September 2024. The scheme's progress is reported to the Ministry quarterly. Overall, the scheme is performing well, meeting 10 out of 11 performance measures. The measure not met, tonnes of tyre-derived fuel and tyre-derived product used in manufacturing as fuel or an ingredient in a new product, was 17 percent under the year-to-date target. The lower-than-forecast result was attributed to seasonal demand fluctuations and is anticipated to rise again.			

Waste Minimisation – multi-category appropriation

This multi-category appropriation (MCA) is intended to boost New Zealand's performance in waste and support a reduction in environmental harm and an increase in environmental benefits.

	2023/24 Actuals \$000	2024/25 Budget \$000	2024/25 Revised Budget \$000	2024/25 Actuals \$000	2025/26 Forecast \$000
Departmental appropriations revenue and output expenses					
Revenue Crown					
Environment Work Programme	–	15,150	17,553	17,553	15,223
Waste Minimisation Administration	13,262	12,704	13,101	13,101	13,102
Total revenue Crown	13,262	27,854	30,654	30,654	28,325
Expenses					
Environment Work Programme	–	15,150	17,553	16,870	15,223
Waste Minimisation Administration	13,388	12,704	13,101	12,555	13,102
Total expenses	13,388	27,854	30,654	29,425	28,325
Surplus/ (Deficit)					
Environment Work Programme	–	–	–	683	–
Waste Minimisation Administration	(126)	–	–	546	–
Total departmental surplus/(deficit)	(126)	–	–	1,229	–
Non-departmental appropriations					
Non-departmental output expenses					
Contaminated Sites and Vulnerable Landfills Fund	–	–	3,000	926	–
Contestable Waste Minimisation Fund	6,170	69,205	11,205	5,850	34,308
Freshwater Improvement Fund	–	47,000	24,000	15,037	–
Kaipara Moana Remediation	–	11,125	11,125	4,386	–
Reducing Emissions from Waste	–	23,300	15,300	9,340	–
Environmental Investment Fund	–	–	–	–	97,586
Total non-departmental output expenditure	6,170	150,630	64,630	35,539	131,894
Non-departmental other expense					
Waste Disposal Levy Disbursements to Territorial Local Authorities	99,825	126,500	114,834	99,932	127,861

	2023/24 Actuals \$000	2024/25 Budget \$000	2024/25 Revised Budget \$000	2024/25 Actuals \$000	2025/26 Forecast \$000
Total non-departmental other expenditure	99,825	126,500	114,834	99,932	127,861
Total Waste Minimisation MCA expenditure	119,383	304,984	210,118	164,896	288,080

At Mains Estimates, the 2024/25 budget for this MCA was \$304.984 million. During the year, the budget for this MCA decreased by \$94.866 million to \$210.118 million for 2024/25 due to:

- a decrease of \$58 million in forecast relating to the Contestable Waste Minimisation Fund to match funding with projects' milestone deliverables
- an expense transfer of \$23 million to 2025/26 for the Freshwater Improvement Fund to match the expected delivery of milestones due to projects experiencing delays
- a decrease of \$11.666 million in forecast relating to the Waste Disposal Levy Disbursements to Territorial Local Authorities, which reflects that the 50 percent of Waste Disposal Levy revenue collected is distributed to territorial local authorities to be spent on waste minimisation activities
- an expense transfer of \$8 million to 2025/26 for Reducing Emissions from Waste to ensure all projects have sufficient funds to complete their contracted programme of work.

The above is offset by:

- a transfer of \$3 million to the Contaminated Sites and Vulnerable Landfills Fund to reflect the Ministry's estimate of levy expenditure for 2024/25
- a transfer of \$2.403 million to the Environment Work Programme due to reallocation of available resources according to the work programme requirements after restructuring
- a transfer of \$397,000 to Waste Minimisation Administration due to reallocation of available resources according to the work programme requirements after restructuring.

Actual expenditure for 2024/25 was lower than the revised budget primarily due to:

- **Environment Work Programme:** Expenditure was lower than the revised budget due to not fully committing funds as a contingency for the uncertainty arising from the change process, revising work programmes and a lower share of enabling costs.
- **Waste Minimisation Administration:** Expenditure was lower than the revised budget due to lower IT costs and a lower share of enabling costs.
- **Contaminated Sites and Vulnerable Landfills Fund:** Expenditure was lower than the revised budget because, for new contracts, this fund opened part way through the financial year and expenditure profiles are uncertain until projects are awarded funding or contracted.
- **Contestable Waste Minimisation Fund:** Expenditure was lower than the revised budget due to multi-year infrastructure projects experiencing delays, for example, by not yet meeting initial stage-gate requirements. Also, several projects completed in this financial year were delivered under budget. Further, each year there is a time lag between the collection of the Waste Disposal Levy and the funding allocated. Baseline updates are used to match expected spend over the forecast period.

- **Freshwater Improvement Fund:** Expenditure was lower than the revised budget because some projects experienced delays and changes that extended their timeline. Funding was rephased to 2025/26 to ensure each project has sufficient funds to complete its programme of work.
- **Kaipara Moana Remediation:** Expenditure was lower than the revised budget. The funding amount was estimated when the project was extended from six years to ten. Annual work plans for the programme are being developed against the expected expenditure profile.
- **Reducing Emissions from Waste:** Expenditure was lower than the revised budget due to projects experiencing delays. From 2025/26 onwards, this funding has been merged with the Contestable Waste Minimisation Fund.
- **Disbursements to Territorial Local Authorities:** The actual expenditure was lower than the revised budget because the disbursement to territorial authorities is dependent on the revenue collected through the Waste Disposal Levy under the Waste Minimisation Act 2008 during the year. This revenue was lower than anticipated for the year.

The Waste Minimisation Act 2008 makes no provision for the return of a year-end surplus from the Waste Minimisation Fund (WMF) to the Crown. Any year-end surplus must remain in the WMF.

Appropriation performance

Performance measure	2023/24 performance	2024/25 target	2024/25 performance
Funded projects achieve their stated objectives to improve ecosystem health, minimise waste, and remediate contaminated sites and vulnerable landfills See note 6	New measure	80%	96%
2024/25 commentary: 204 projects funded in 2024/25 are on track to achieve or have achieved their stated objectives. For more information about projects that have been publicly announced as receiving funding from the WMF and Plastics Innovation Fund, see the Ministry's Waste Investments webpage.			
Publish a new Waste and Resource Efficiency Strategy in alignment with Government priorities to minimise waste and improve waste management	New measure	Achieved	Achieved
2024/25 commentary: The Waste and Resource Efficiency Strategy was published in March 2025. The work underway to achieve the outcomes in the Waste Strategy is set out in the Government's Waste and resource efficiency work programme 2024 to 2026 factsheet.			

Departmental output expenses

Environment Work Programme

Performance measure	2023/24 performance	2024/25 target	2024/25 performance
Technical quality of advice papers meet standard See note 9	New measure	Primary: 70% of papers score at least 3.5 out of 5	Primary: 72% of papers scored at least 3.5 out of 5

Performance measure	2023/24 performance	2024/25 target	2024/25 performance
		Secondary: 80% of papers score at least 3 out of 5	Secondary: 100% of papers scored at least 3.0 out of 5
<p>2024/25 commentary: Waste Minimisation Administration is a new measure in 2024/25. These papers had the highest average score across the Ministry, at 3.5 out of 5.0, and were noted to be particularly clear and well engaged with the broader work programme.</p> <p>See Advice and support under Managing Climate Change in New Zealand for details on the Ministry's programme of work to improve policy quality.</p>			

Waste Minimisation Administration

Performance measure	2023/24 performance	2024/25 target	2024/25 performance
Deeds are executed within six calendar months from the date the Ministry receives the signed confirmation of intention to proceed	82%	80%	50%
<p>2024/25 commentary: 18 deeds were executed across the Waste Minimisation Fund and the Plastics Innovation Fund: nine were executed within six calendar months; seven took between six and nine months to execute; and two took more than nine months to execute.</p> <p>Delays were primarily due to factors beyond the Ministry's control, including complex multi-stakeholder coordination and engagement; additional legal, reporting and compliance requirements; and limited capacity within some of the recipient organisations to progress project planning and contracting.</p>			
Number of audits and site inspections of disposal facilities completed	93.75% 15 audits completed Annual programme goal: 16 Note: revised measure for 2024/25 to include site inspections	100% of Annual Programme Goal: 16 audits and 60 inspections	93.75% 15 audits completed 100% 76 inspections completed
<p>2024/25 commentary: Standards are set out as per annual audit programme, based on best-practice risk-based target for audits and site inspections. The disposal facilities team prioritised inspections throughout 2024/25 to provide as much 'on the ground' compliance coverage of the expanded regulated waste sector as possible, focusing on facilities that are Classes 2 to 4. As a result, the team conducted 76 inspections (exceeding the target of 60), but that meant we were unable to achieve 100 percent of audits, instead completing 15 of 16 (93.75 percent).</p>			
Number of audits of territorial authorities completed	31.25% 5 territorial authority (TA) audits completed Annual programme goal: 16	100% of Annual Programme Goal: 6 territorial authority audits	50% 3 TA audits (Annual programme goal will return to 2023/24 targets for 2025/26)
<p>2024/25 commentary: Standards are set out as per annual audit programme, based on best-practice risk-based target for audits. New data regulations were implemented from 1 July 2024, which require TAs to provide levy spend. The previous, voluntary system (TAWLES) was found to have deficiencies in data veracity, so it could not be used for the new regulatory obligation regime. Because the specifications then had to be modified, the TA audit targets were reduced from 16 to six. Throughout 2024/25, the commissioning of a TAWLES data cleanse project consumed most of the small audit team's capacity. Although the project was a success, only three of the targeted six audits were completed. However, increased engagement across all 67 TAs has significantly improved the quality of data available to the Ministry for the new regulatory obligation levy spend regime. Audit targets for 2025/26 will be readjusted to compare with the targets prior to 2024/25.</p>			

Non-departmental output expenses

Contestable Waste Minimisation Fund

Performance measure	2023/24 performance	2024/25 target	2024/25 performance
Percentage of completed Waste Minimisation Fund projects that have achieved a minimum of 80% of the stated objectives See note 14	60%	80%	83%
2024/25 commentary: Thirty Waste Minimisation Fund (WMF) projects were completed, and 25 of them met 100 percent of their objectives.			
Percentage of completed Plastics Innovation Fund projects that have achieved a minimum of 80% of the stated objectives See note 15	100%	80%	80%
2024/25 commentary: Five Plastics Innovation Fund projects were completed, and four of them met 100 percent of their objectives.			

Freshwater Improvement Fund

Performance measure	2023/24 performance	2024/25 target	2024/25 performance
Percentage of Freshwater Improvement Fund projects that are on track to achieve their stated objectives See notes 16 and 17	New measure ¹⁵	80%	97%
2024/25 commentary: Twenty-nine of the 30 projects funded by the Freshwater Improvement Fund in 2024/25 are on track to achieve, or have achieved, their stated objectives.			
Percentage of Public Waterways and Ecosystem Restoration Fund projects that are on track to achieve their stated objectives See notes 16 and 17	New measure ¹⁵	80%	100%
2024/25 commentary: All 17 projects funded by the Public Waterways and Ecosystem Restoration Fund in 2024/25 are on track to achieve, or have achieved, their stated objectives.			
Percentage of At-Risk Catchment projects that are on track to achieve their stated objectives See notes 16 and 17	New measure ¹⁵	80%	100%
2024/25 commentary: All 3 projects funded by the At-Risk-Catchment in 2024/25 are on track to achieve, or have achieved, their stated objectives.			
Percentage of Essential Freshwater Fund projects that are on track to achieve their stated objectives See notes 16 and 17	New measure ¹⁵	80%	100%

¹⁵ Measure is reported both under a category in the Waste Minimisation multi-category appropriation and in non-departmental funding reports, due to being partially funded by the Waste Disposal Levy, following decisions made during Budget 2024.

Performance measure	2023/24 performance	2024/25 target	2024/25 performance
2024/25 commentary: All 79 projects funded by the Essential Freshwater Fund in 2024/25 are on track to achieve, or have achieved, their stated objectives.			

Kaipara Moana Remediation

Performance measure	2023/24 performance	2024/25 target	2024/25 performance
Percentage of Kaipara Moana Remediation Programme projects that are on track to achieve their stated objectives <i>See notes 16 and 17</i>	New measure ¹⁵	80%	100%
2024/25 commentary: The one project funded by the Kaipara Moana Remediation Programme in 2024/25 is on track to achieve, or has achieved, its stated objectives.			

Reducing Emissions from Waste

Performance measure	2023/24 performance	2024/25 target	2024/25 performance
Forecast/anticipated tonnes of organic waste recovered and processed for beneficial use per annum for projects that were executed into deed in the reporting period <i>See note 18</i>	New measure ¹⁶ 196,893 tonnes	30,500 tonnes	102,247 tonnes
2024/25 commentary: This measure provides the forecast additional tonnes of organic waste diversion per year for 13 Waste Minimisation Fund projects executed into deed in 2024/25. The targets were originally set against a specific funding allocation through the CERF – Waste Initiatives, so the 2023/24 and 2024/25 differed. Most CERF funding was returned, but the Waste Minimisation Fund has continued a strong focus on reducing emissions, so forecast performance has exceeded the target.			
Forecasted landfill emissions reduction estimates (from projects in deed) <i>See note 19</i>	New measure ¹⁶ 73,305 tonnes of carbon dioxide equivalent (t CO ₂ e) per year	11,862 t CO ₂ e	22,212 t CO ₂ e
2024/25 commentary: This measure provides the forecast emissions reduced due to organic waste diversion from landfill for 13 Waste Minimisation Fund projects executed into deed in 2024/25. The targets were originally set against a specific funding allocation through the CERF – Waste Initiatives so the 2023/24 and 2024/25 targets differed. Most CERF funding was returned, but the Waste Minimisation Fund has continued a strong focus on reducing emissions, so forecast performance has exceeded the target.			

¹⁶ Measure previously reported under non-departmental fund Climate Emergency Response Fund – Waste Initiatives.

Contaminated Sites and Vulnerable Landfills Fund

Performance measure	2023/24 performance	2024/25 target	2024/25 performance
Percentage of completed contaminated sites projects that achieve stated objectives ¹⁷ <i>See note 20</i>	New measure	100%	100%
2024/25 commentary: All projects that closed (five projects) in 2024/25 achieved their stated objectives. This includes three projects that were originally awarded funding via the Contaminated Sites Remediation Fund, which has now been replaced by the Contaminated Sites and Vulnerable Landfills Fund.			

Non-departmental other expenses

Waste Disposal Levy disbursements to territorial local authorities

Performance measure	2023/24 performance	2024/25 target	2024/25 performance
Percentage of levy payments to qualifying territorial authorities paid on time	100%	100%	100%
2024/25 commentary: The measure is the percentage of eligible TAs that had their share of the Waste Disposal Levy paid on time in accordance with section 31(1) of the Waste Minimisation Act 2008 and regulation 38 of the associated regulations. All TAs paid in their Waste Disposal Levy disbursements. No levy disbursements were withheld.			
Percentage of levy payments withheld under section 33 of the Waste Minimisation Act 2008 due to territorial authorities not meeting their requirements	100%	100%	100%
2024/25 commentary: No TA Waste Disposal Levy disbursements were withheld for 2024/25.			

Departmental Capital Expenditure

This appropriation is intended to achieve the renewal, upgrade and/or redesign of assets to support the Ministry for the Environment's service delivery.

	2023/24 Actual \$000	2024/25 Budget \$000	2024/25 Revised Budget \$000	2024/25 Actual \$000	2025/26 Forecast \$000
Expenditure is in accordance with the Ministry's capital asset management plan					
Property, plant and equipment	294	300	300	256	300
Intangibles	18	500	500	(32)	500
Total	312	800	800	224	800

¹⁷ The Contaminated Sites Remediation Fund and the category Contaminated Sites and Vulnerable Landfills Fund report performance against the same measure. This year, the funding was administered via both of these funds. From 2025/26 onward, funding will be fully administered through the Contaminated Sites and Vulnerable Landfills Fund.

Performance measure	2023/24 performance	2024/25 target	2024/25 performance
Expenditure is in accordance with the Ministry's capital asset management plan	Achieved	Achieved	Achieved
2024/25 commentary: Investment has reduced in part due to organisational change, savings initiatives, and a move towards Software as a Service solutions across information and communication technology. All expenditure is within the Ministry's capital asset management plan.			

Climate Change Chief Executives Board

Departmental output expenses

This appropriation is intended to support the Climate Change Chief Executives Board to provide strategic climate advice to Ministers; monitor and report on progress against the Government's climate change goals and targets, including advice on any course correction required; and provide advice on the direction, effectiveness, and successful implementation of New Zealand's emissions reduction and national adaptation plans.

	2023/24 Actual \$000	2024/25 Budget \$000	2024/25 Revised Budget \$000	2024/25 Actual \$000	2025/26 Forecast \$000
Revenue					
Crown	3,968	3,435	3,754	3,754	3,742
Departmental	–	–	–	–	–
Other	–	–	–	–	–
Total revenue	3,968	3,435	3,754	3,754	3,742
Total expenses	3,504	3,435	3,754	3,484	3,742
Net surplus (deficit)	464	–	–	270	–

At Mains Estimates, the 2024/25 budget for this output class was \$3.435 million. During the year, this appropriation increased by \$319,000 to \$3.484 million for 2024/25 due to a fiscally neutral transfer from the Departmental Output Expense: Managing Climate Change in New Zealand to enable the reallocation of resources to better align with revised work programme requirements following a departmental restructure.

Actual expenditure for 2024/25 was lower than the revised budget. This represents cost savings.

Performance measure	2023/24 performance	2024/25 target	2024/25 performance
Progress reporting on the delivery of the Government's climate change goals and targets is delivered on time	Revised measure	100%	100%
See note 7			
2024/25 commentary: Progress reporting has been undertaken quarterly through Target 9 reporting, with New Zealand currently on track to meet the first and second emissions budgets. For more information, see the DPMC webpage Government Targets Quarterly Reports .			

This report includes the [Climate Change Chief Executives Board Annual Report 2024/25](#), which discusses the Board's performance against its strategic intentions.

Notes to year-end performance information on appropriations

In preparing the year-end performance information on appropriations, the Ministry has provided disclosures of judgement for several key performance areas. Judgement was used on key areas that held significant public and government interest and had an impact on the Ministry's purpose statement:

As Aotearoa New Zealand's lead advisor on the environment and climate, we enable people and places to thrive, now and in the future.

Hei kaitohutohu matua o Aotearoa mō te taiao me te āhuarangi, ka whakaahei mātou i ō tātou iwi me ō tātou wāhi ki te puāwai, ināianei, hei te anamata hoki.

In addition, the Ministry considered materiality of measures, rationale for any changes or exclusions, and the introduction of new measures and methodology.

Changes to measures or standards, and new measures

1. This measure was updated to reflect the revised scope and intent of the funding, with a focus on delivery of joint work programme activities under Pou Take Āhuarangi. The updated measure enhances the alignment to our strategic outcome to uphold te Tiriti and strengthen the Māori–Crown relationship.

The joint work programme is composed of milestones and deliverables that formed a deed of funding in place with Pou Take Āhuarangi for the 2024/25 financial year. The assessment of achievement is measured by quarterly reporting. As per the deed of funding, Pou Take Āhuarangi provides the Ministry with quarterly progress reports against the deliverables. These reports are reviewed and assessed by the team, and Pou Take Āhuarangi engagement with the Ministry is also recorded by quarter in each report.

2. This measure tracks the number of Cabinet decisions made on key legislative components of the Government's RMA reform programme, reflecting progress toward the development of replacement legislation.
3. The scheme only became operational (began collecting tyres) from 1 September 2024. For the 2024/25 financial year, this measure captures data from 1 September 2024 to 31 March 2025. For subsequent years, the data will align with the scheme's timeframe of 1 April to 31 March.

Tyre tonnage information primarily comes from the Tyrewise app, which is used to log collections, transportations and processing. The information collected through the app goes through checks and confirmations. For example, tyre tonnage has a three-step process: tyres are weighed once when a job is requested, once when they are picked up, and then a third time at the drop-off point (using a weighbridge upon arrival and exit from the facility). All jobs that participants enter into the Tyrewise app require approval from a scheme manager staff member before they can go ahead.

Note that this performance measure captures end-of-life tyres that are collected and transported. The number of tyres collected is slightly higher. There is no performance standard for collection only, so the collection and transportation result is used.

4. Monitoring and auditing of the scheme is guided by a formal audit plan, which provides for audits every six months. The plan outlines the scope of each audit, ensuring that the tyre stewardship fee is spent appropriately and that the scheme is progressing toward its intended outcomes. This structured approach enables regular oversight and supports accountability.
5. The 80 percent threshold reflects the Ministry's agreed tolerance level for milestone delivery under the Tyrewise scheme. This target acknowledges the scheme's early stage of implementation, the evolving nature of its performance data, and the potential for market fluctuations. It provides a realistic benchmark that supports flexibility while maintaining overall programme integrity. Performance results are published on the Tyrewise scheme [Reports](#) webpage.
6. This measure reflects the collective impact of a diverse set of projects funded under the multi-category appropriation, spanning multiple environmental domains including freshwater, waste and contaminated land. Each project is assessed against its own stated objectives, which vary by fund and initiative. See note 14 for the waste investment assessment method and note 17 for the environment investment assessment method.
7. 'On time' refers to delivery of progress reports in accordance with the Government's agreed reporting schedule or statutory deadlines, where applicable. For more information, see the Climate Priorities Ministerial Group's [establishment document and terms of reference](#). This material outlines the purpose of the group and the associated progress reporting plan of the Government's climate change work programme.
8. For more information on national direction, see these Ministry webpages:
 - a) [National direction under the Resource Management Act](#)
 - b) [National direction – Phase two of resource management reform](#).

Other measures

9. Papers that partially meet the criteria can be adjusted based on feedback, and this may be reflected in 2025/26 results.

The results are drawn from papers reviewed by the Ministry's Quality Assessment Panel using criteria the DPMC initially provided for agencies to use: context, analysis, advice and action (available at the DPMC [Policy quality](#) webpage). Each paper is assessed against these criteria, and the results inform the final grading of a paper. The Ministry deliberately set a higher score as the primary target – for 70 percent of papers to achieve a score of at least 3.5 out of 5.0. The score used for our secondary target (for 80 percent of papers to achieve a score of at least 3.0 out of 5.0) is in line with the primary targets of other agencies. The Quality Assessment Panel meets up to 10 times per year, assessing 10 papers per meeting, made up of a random selection of briefing notes and Cabinet papers. This structure provides a manageable workload for the panel and a sufficient number of papers to highlight trends across the Ministry and in individual departments. Use of the DPMC framework ensures the Ministry uses criteria consistent with those of other government agencies and follows the current best practice recommended by the DPMC policy project.

10. The purpose of the Memoranda is to ensure that the Synthetic Greenhouse Gas (Goods) Levy and the Synthetic Greenhouse Gas (Vehicles) Levy are collected and administered in a coordinated, effective and efficient manner by the agencies responsible for administration of the levies.

11. This measure assesses the quality of regulatory impact statements against criteria set by the Ministry for Regulation. These criteria evaluate the clarity and robustness of the problem definition, the analysis of policy options and the assessment of impacts. Statements that partially meet the criteria may be revised based on feedback. For more information on the criteria, see the Ministry for Regulation webpage [Meeting regulatory impact analysis \(RIA\) requirements](#).
12. This measure uses the common satisfaction survey to assess the satisfaction of the Minister for the Environment, Minister of Climate Change and the Minister for Resource Management Reform with the advice service. The DPMC prepares Ministerial Policy Satisfaction Survey questions, and the Ministry sends them for the Ministers and Associate Ministers for Vote Environment to complete.

The Ministry calculates the ministerial satisfaction score according to DPMC guidance, which is used across public service agencies. We selected the standard because it best aligns with the intention of the appropriation: to achieve high-quality advice with an outcome to improve environmental management frameworks. The Ministry acknowledges the limitations of surveys: they can have a low response rate, and survey frequency is only once per year. This financial year, the survey results were obtained from our four current Ministers and Associate Ministers.

13. The Environmental Reporting Act 2015 plays an important role in making sure New Zealanders have access to robust and credible environmental data and research. Under the Act, environmental reporting is organised into:
 - five domains (air, atmosphere and climate, fresh water, land, and marine)
 - a set of topics to identify key issues within each domain and across domains
 - indicators to provide measures of each topic.

The reports are publicly available on the Ministry webpage [Environmental reporting](#).

14. All projects have objectives agreed and stated in their deed of funding. These objectives are project specific.¹⁸ Progress towards objectives is measured throughout the project using milestone reports and at project completion using recipient reporting via the Ministry's Funds Management System. Ministry staff assess whether objectives have been achieved by verifying whatever is required (eg, verification of capital assets purchase). This is captured in the Funds Management System, and in the project's completion report or letter at the end of the project. Only fully met objectives will be counted as achieved for the purpose of this measure. Objectives not met or partially met will not be considered achieved. If a recipient withdraws due to factors beyond the Ministry's control, projects are considered partially completed, and only objectives that the Ministry has contributed financially towards are counted.
15. Assessment of project objectives for the Plastics Innovation Fund is the same as the approach to the Waste Minimisation Fund (outlined in note 14).
16. Most of the projects are co-funded with other sources; the output is not pro-rated by the funding. For more information on Jobs for Nature fund performance, see the Jobs for Nature [Publications](#) webpage.

¹⁸ See Ministry for the Environment. 2024. *Te Pūtea Whakamauru Para – Waste Minimisation Fund: Guide for applicants*. Wellington: Ministry for the Environment. pp 13 and 14.

17. Projects are assessed regularly to determine whether they remain on track to achieve their stated objectives. This process supports performance reporting and enables timely intervention where needed.

Progress is evaluated using the Delivery Confidence framework, which considers six criteria: time, cost, outputs, skills and capability, dependencies, and overall status. Analysts interpret regular project updates using this framework to assess whether objectives are likely to be met.

Assessment data are captured in a structured format within the Ministry's Funds Management System. Analysts provide commentary and context alongside each assessment. These are reviewed and endorsed by the Fund Manager before the results are signed off by the General Manager.

Where a project is not on track, mitigation actions are identified and implemented to support successful delivery.

18. Forecast tonnage is calculated on a project-by-project basis after assessment by the Ministry and formal agreement with funding recipients via the project's deed of funding. This is captured in the Ministry's Funds Management System, and for this measure a report is generated totalling forecast tonnes to be diverted/recovered for projects executed into deed within the reporting period. Forecasts are based on project estimates at the time of deed execution and may be subject to revision as implementation progresses.

Funding recipients will collect actual tonnage data and enter it into the Funds Management System once the project is operational. These data are measured and reported to the Ministry by funding recipients. The means of data collection and the accuracy of data will vary.

19. This is a mass balance model-based calculation using the forecast tonnage collected in measure 'Forecast/anticipated tonnes of organic waste recovered and processed for beneficial use per year for projects that were executed into deed in the reporting period'. This is converted to t CO₂e using the most recent waste and waste-processing emissions factors from the emissions guide available on the Ministry webpage [Measuring emissions guide 2025](#). Forecasts are based on project estimates at the time of deed execution and may be subject to revision as implementation progresses.

The data are dependent on the accuracy and stability of the emissions factors for different waste streams and different processing methods. Further, this calculation assumes an immediate and constant rate of emissions reduction for indicative purposes only.

20. Project objectives are set on a project-by-project basis and captured in the funding agreement with the funding recipient. During project delivery and at project completion, funding recipients provide relevant reporting for the Ministry to verify that project objectives have been met. This includes standard reporting prepared by suitably qualified and experienced practitioners in contaminated land, and in accordance with the Ministry's [Contaminated land management guidelines No 1](#) and [Contaminated land management guidelines No 5](#). Project closure reports or letters formalise whether a project's objectives have been achieved.
21. New Zealand is required to produce, publish and submit New Zealand's Greenhouse Gas Inventory to the United Nations Framework Convention on Climate Change by mid-April each year.

3. Our organisational health and capability

Te hauora me te kaha o tō mātou whakahaere

Overview of the areas that enable us to deliver our work programme successfully

Our workforce

The operating model for the Ministry for the Environment (the Ministry) aligns our structure, capabilities and resources to deliver high-quality, timely advice and support policy implementation. It also positions us to respond to the Government's most significant environmental and economic initiatives – including its resource management reform and climate and adaptation programmes, all of which are central to Aotearoa New Zealand's growth and resilience.

We are now entering a new phase of our performance journey. The foundations are in place, and we are well positioned to increase productivity and efficiency alongside our strength in delivering quality advice at pace. This means making deliberate choices, prioritising the areas where we can have the greatest impact and embracing innovation such as digitally enabled, citizen-focused services.

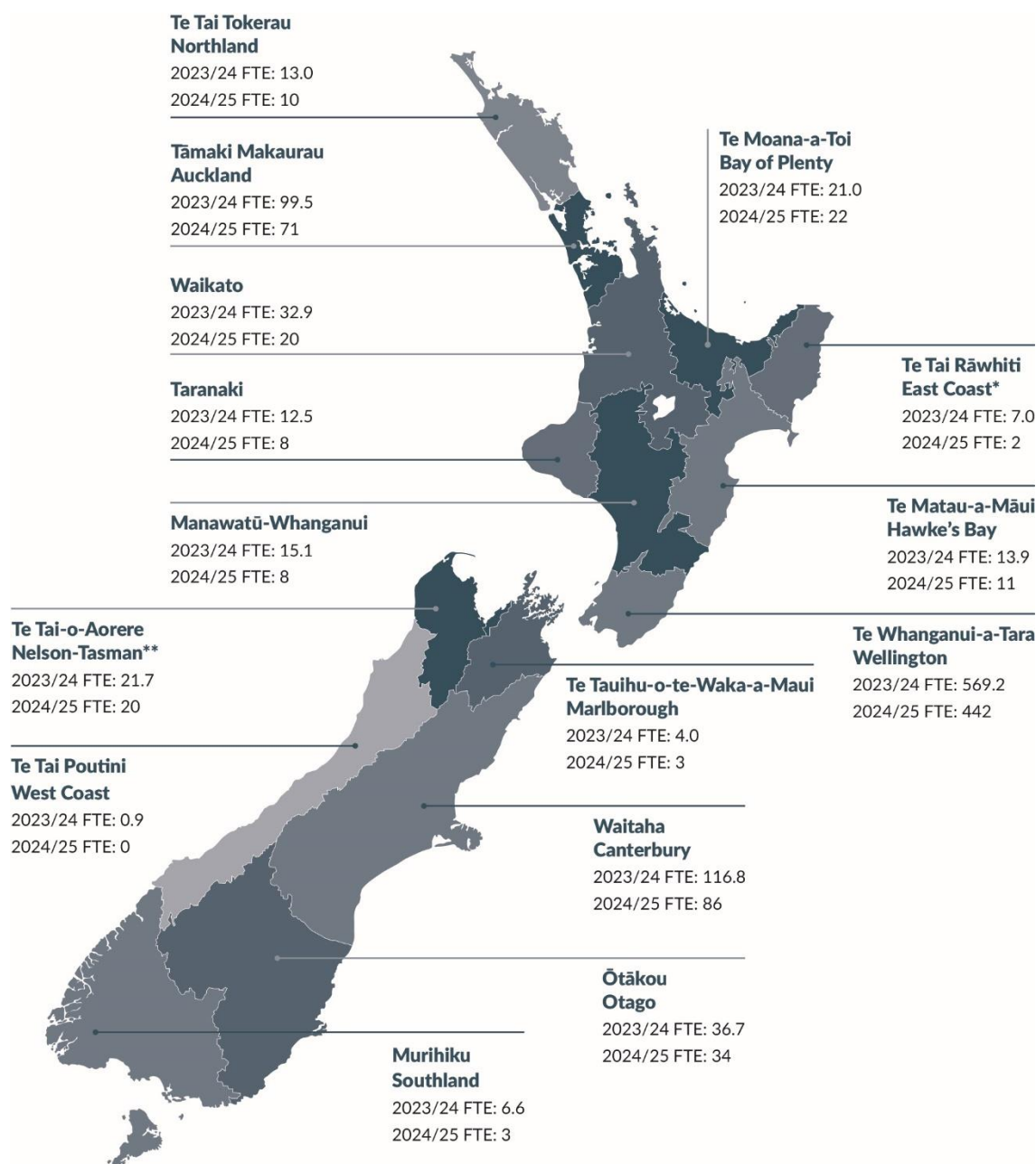
Over the next two to three years, we will become a smaller, more focused organisation. We will continue to uphold our stewardship responsibilities while adapting to meet the evolving environmental system's needs and public sector expectations.

Our people

Our people continue to be at the heart of our work. They bring diverse backgrounds, experiences and expertise that connect us to the communities we serve. As we lead through ongoing change and uncertainty, we are focused on supporting our people and ensuring they are equipped to thrive in a high-performing, purpose-driven organisation. The quality of our work – grounded in evidence, political neutrality and a full and balanced account of the needs of current and future generations – will continue to stand us in good stead.

As [figure 3](#) shows, our people are dispersed across the motu, including in offices in Wellington, Auckland and Christchurch, and many work remotely as well. For more staff demographic information, see [tables 2 to 7](#).

Figure 3: Location of staff



FTE = full-time equivalent

*The East Coast region has been updated to include Gisborne.

**Tasman is included in the Nelson region, called Nelson-Tasman region.

Table 2: Staff information, 2021/22 to 2024/25

	2021/22	2022/23	2023/24	2024/25
Full-time equivalent*	828.4	1,010.2	938.9	738.3
Unplanned turnover	19.5%	18.9%	13.3%	6.5%
Part time**	9.5%	11.3%	9.1%	6.7%
Male	31.0%	33.5%	31.9%	32.3%
Another gender	0.8%	1.2%	1.1%	1.3%
Female	68.2%	65.3%	66.9%	66.4%
Male manager	33.9%	32.6%	32.9%	34.1%
Another gender manager	–	1.1%	–	0.8%
Female manager	66.1%	66.3%	67.1%	65.1%

* Full-time equivalent (FTE) includes employees who are permanent, fixed term or seconded out of the Ministry.

** Part time = 0.8 FTE or less.

Table 3: Ethnicity of staff, 2021/22 to 2024/25

Ethnicity	2021/22	2022/23	2023/24	2024/25
European	75.9%	76.2%	78.1%	75.9%
Māori	12.1%	14.6%	13.7%	10.8%
Asian	8.3%	7.4%	6.8%	7.3%
Pacific peoples	1.8%	1.9%	0.3%	1.5%
Middle Eastern / Latin American / African	1.7%	1.7%	0.6%	1.2%
Other	7.0%	5.1%	0.6%	3.3%

Note: The ethnicity percentages are calculated based on all employees who have declared their ethnicity.

Employees can specify up to three ethnicities (so total of ethnicities will equal more than 100 percent).

Table 4: Age of staff, 2021/22 to 2024/25

2021/22			2022/23		2023/24		2024/25	
Age group (years)	Number	Percentage of staff	Number	Percentage of staff	Number	Percentage of staff	Number	Percentage of staff
Under 25	34	4.0%	41	3.9%	27	2.8%	13	1.6%
25–34	305	35.7%	439	33.3%	276	28.5%	204	25.1%
35–44	247	28.9%	308	29.4%	308	31.8%	272	33.5%
45–54	180	21.1%	234	22.3%	236	24.4%	206	25.4%
55–64	75	8.8%	98	9.4%	103	10.6%	81	10.0%
65+	14	1.6%	17	1.6%	19	1.9%	36	4.4%
Unknown	–	0.0%	–	0.0%	–	0.0%	–	0.0%

Note: Data includes permanent, fixed term, seconded out, parental leave, leave without pay, seconded in and contractors

Table 5: Ethnicity of people leaders

Ethnicity	Team leader	Manager	Programme Executive / Director / Chief of Staff	General manager	Deputy secretary	Total
European	9	66	2	13	4	94
Māori	1	6	–	6	2	15
Asian	1	1	–	2	–	4
Pacific peoples	–	1	–	–	–	1
Middle Eastern / Latin American / African	–	–	–	–	–	0
Other ethnicity	1	–	1	–	–	2
Not declared	–	1	–	1	–	2
Total	12	75	3	22	6	118

Note: Employees can specify up to three ethnicities (so the total number of people leaders may be more than in other people leader figures).

Table 6: Age of people leaders

Age group (years)	Team leader	Manager	Programme Executive / Director / Chief of Staff	General manager	Deputy secretary	Total
Under 25	–	–	–	–	–	0
25–34	4	3	–	–	–	7
35–44	4	34	–	6	–	44
45–54	4	29	1	11	6	51
55–64	–	9	2	5	–	16
65+	–	–	–	–	–	0
Unknown	–	–	–	–	–	0
Total	12	75	3	22	6	118

Table 7: Gender of people leaders

Gender	Team leader	Manager	Programme Executive / Director / Chief of Staff	General manager	Deputy secretary	Total
Female	6	52	1	13	5	77
Male	6	23	2	9	1	41
Another gender	–	–	–	–	–	0
Prefer not to say / unknown	–	–	–	–	–	0
Total	12	75	3	22	6	118

Health, safety and wellbeing

The health, safety and wellbeing (HSW) of our staff remains a top priority. We continue to make progress in ensuring our systems, policies and practices are robust, effective and aligned with recognised best practice standards across the New Zealand business sector.

We have recently completed our HSW Roadmap, further strengthening our HSW management system. We have also implemented several key controls to enhance our risk management and support frameworks.

Psychological wellbeing continues to be a critical focus area. We have introduced a range of initiatives designed to promote, sustain and restore the mental health of our staff. These include enhanced return-to-work processes for mental health-related absences, along with targeted capability development for leaders to better support their teams.

Our health and safety representatives remain a highly engaged group, and we are actively exploring opportunities to broaden their involvement in HSW governance and continuous improvement efforts.

Diversity and inclusion

We support a workplace culture that values diversity, promotes equity and fosters inclusion through our Tui Raumata strategy. To advance this vision, this strategy provides a roadmap for creating and maintaining an environment in which we can harness our diverse strengths.

Tui Raumata is built around four organisational goals:

- harnessing diversity of thought
- embedding inclusive practices across the organisation
- building an inclusive culture
- enabling diverse and inclusive leadership.

With strong input from our employee-led networks, we are refreshing our strategy and building a work programme for the 2025 to 2027 financial years.

Tui Raumata is aligned with Papa Pounamu, the Public Service Commission's diversity and inclusion work programme. We are meeting our obligations through the following actions.

1. **Addressing bias.** Unconscious bias education is embedded in our induction and recruitment processes. It is included in ongoing training for leaders.
2. **Fostering diverse leadership.** Leaders from all communities are supported through a range of leadership development opportunities at all levels. These opportunities are enabled by our new growth and performance framework, which fosters career development while offering a range of flexible working options to support individual needs. We regularly review our recruitment process to identify opportunities for improvement, and to ensure it supports merit-based appointments.
3. **Promoting cultural competence.** We promote cultural competence through commitments to te ao Māori, te reo Māori and te Tiriti o Waitangi, alongside our multicultural and inclusive leadership training.

4. **Supporting employee-led networks.** Our active networks represent women, rainbow, Asian, Tangata Moana–Pasifika, Māori and neurodiverse staff communities. These networks are supported by executive sponsors and provided with dedicated work hours. We celebrate cultural events and participate in workplace accreditation programmes such as Rainbow Tick, Gender Tick and Accessibility Tick.
5. **Inclusive leadership.** We provide guidance and development for leaders to support all diverse groups, with a particular emphasis on disability, accessibility, neurodiversity and te ao Māori principles.

Our commitment to diversity, equity and inclusion is not just strategic – it is embedded in our everyday practices and reflected in the experiences of our staff.

For more information, see our webpage [Diversity, equity and inclusion at MfE](#).

Equal employment and pay gaps

We are committed to fostering a workplace where all staff have equal opportunities for growth and progression. Our approach includes offering flexible working arrangements, with arrangements approved by management, and ensuring we have fair and consistent recruitment and employment practices that attract and support diverse talent.

To address pay equity, we have implemented a Gender and Ethnic Pay Gaps Action Plan aligned with the Public Service Commission’s Kia Toipoto framework. Our focus is on:

- being open about how we set and report pay
- ensuring equitable pay across all roles and levels
- building leadership that reflects the diversity of our workforce
- eliminating bias in systems, processes and decision-making.

We continue to monitor progress and refine our approach to ensure meaningful and measurable outcomes. Our commitment to equity is reflected not only in our policies but also in the lived experiences of our people.

For more information, see our [Diversity, equity and inclusion: Kia Toipoto and Papa Pounamu combined report](#).

Our organisational systems and processes

Over the past year, we have improved our digital systems to make them more stable, secure and user-friendly.

We implemented several major upgrades, including Microsoft Intune, Windows 11, and Veeam backup solution. We advanced workflow automation, expanded dashboard-based reporting, introduced artificial intelligence (AI) capabilities and consolidated existing systems. We also developed an application catalogue to map our current technology environment.

We continued the migration of our systems, applications and infrastructure to the public cloud. This transition remains a major priority, as it reduces our reliance on physical servers, which are vulnerable to natural disasters such as earthquakes and flooding.

Our efforts align with the Digital Strategy for Aotearoa¹⁹ and the Strategy for a Digital Public Service.²⁰ We are committed to the Government Chief Digital Officer's Cloud First policy,²¹ which requires agencies to adopt approved public cloud services following appropriate risk assessments.

We continue to explore new and accessible technologies like open data, automation, machine learning and AI to enable smarter, more efficient and cost-effective digital services. In support of this, we have refreshed our 2019 Digital Strategy with a revised strategic direction for information technology (IT). This includes how we use and govern AI.

We have introduced an IT Investment Framework to help us make better decisions, manage costs and stay accountable. It is built on principles such as system consolidation, technical currency, return on investment, and resilience.

The Ministry for the Environment has identified no service critical assets in line with the reporting requirements in CO (23) 9.²²

¹⁹ New Zealand Government. 2022. *The Digital Strategy for Aotearoa – Te Rautaki Matihiko mō Aotearoa*. Wellington: New Zealand Government.

²⁰ Department of Internal Affairs. 2020. *Strategy for a Digital Public Service – Rautaki mō tētahi Rāngai Kāwanatanga Matihiko*. Wellington: Department of Internal Affairs.

²¹ New Zealand Government. *Cloud First policy*. Retrieved 14 August 2025.

²² Department of the Prime Minister and Cabinet. 2023. *Investment Management and Asset Performance in Departments and Other Entities*. Cabinet circular. CO (23) 9.

Sustainability

Sustainability is central to how we operate, guiding our culture, priorities, and informing our strategic direction and long-term contribution to Aotearoa New Zealand's environmental and economic wellbeing.

Our current [Sustainability Strategy 2022–2025](#) focuses on three key areas: finances (pūtea), the environment (te taiao) and people (tāngata). It commits us to operating within baseline funding, minimising our corporate environmental impacts, and supporting a resilient and high-performing workforce.

Our 2017/18 base year

Quantifying greenhouse gas (GHG) emissions involves a degree of uncertainty. This is because scientific knowledge, emissions factors, and calculation methodologies continue to evolve, as do GHG reporting and assurance standards.

In line with Toitū programme guidance, the Corporate GHG Protocol (Chapter 5), and the Carbon Neutral Government Programme (CNGP) guidance (section 3.6, page 29), the Ministry has previously undertaken minor historic recalculations and refined our reporting boundary. This has been independently verified by Toitū and is formally acknowledged in this year's annual report.

We previously reported our base year emissions as 1,324.12 t CO₂e and now confirm the revised figure as 1,312.57 t CO₂e. Importantly, the recalculations have not had a material impact on our overall emissions – all changes were less than 5 percent of total emissions.

We view these adjustments as a positive step. They reflect our commitment to integrity in reporting and our willingness to evolve alongside international standards. As new methodologies and standards emerge, we will continue to follow Toitū and CNGP guidance to ensure our reporting aligns with ISO 14064-1 and internationally recognised standards. This will be disclosed in annual reporting.

Our aim is clear: to report with transparency, accuracy, and integrity while continuously strengthening the quality of our emissions inventory, and set the benchmark.

Our emission reduction performance

Our efforts align with the Carbon Neutral Government Programme (CNGP), with reduction targets grounded in international climate science and the global goal of limiting warming to 1.5°C.

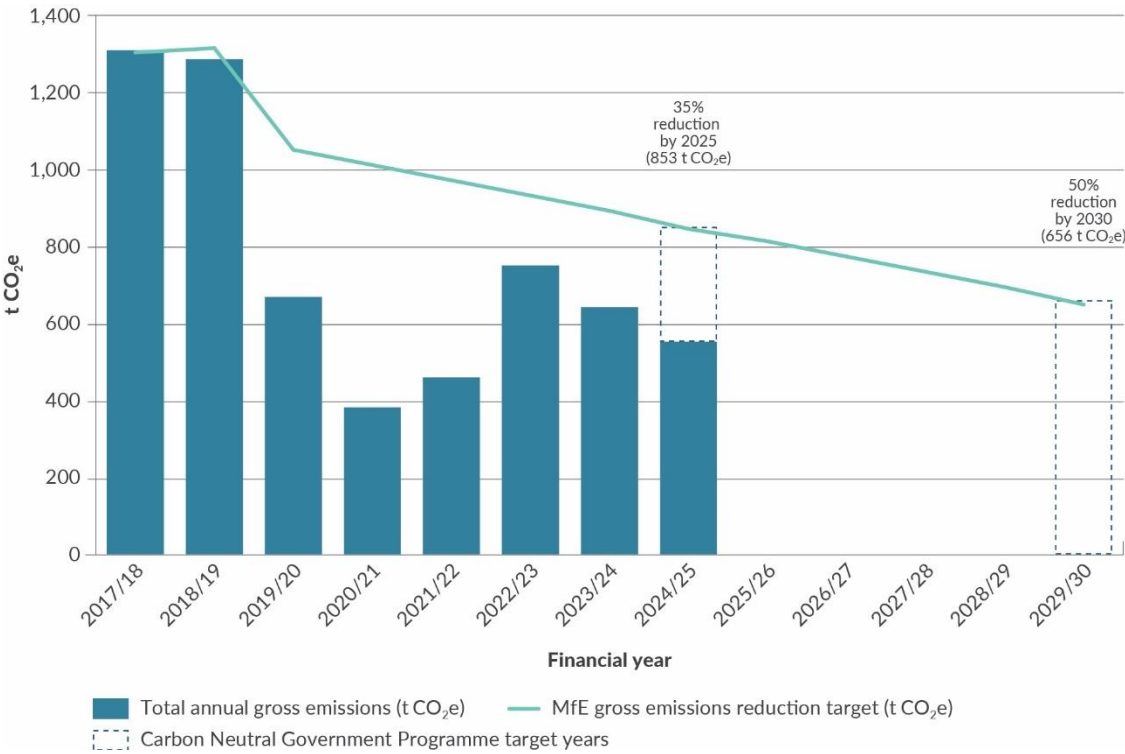
We are proud to have met our 2025 emissions reduction target of 35 percent and, for the second consecutive year, exceeded our 2030 target of a 50 percent reduction ahead of schedule. In 2024/25, our total operational emissions were 553.69 t CO₂e. This is a 57.83 percent reduction from our 2017/18 base year and a 13.99 percent reduction from 2023/24 ([figure 4](#)).

As we approach 2030, further reductions will be harder to achieve. The largest gains have already been made, and continued progress will require targeted action, innovation and close monitoring.

We recognise the need to address emerging sources such as artificial intelligence, e-waste, and staff commuting. Waste to landfill has also been identified as a priority area, with plans to strengthen minimisation efforts in our next strategy.

In 2026, we will publish our new Sustainability Strategy 2026–2030.

Figure 4: The Ministry for the Environment’s annual emissions reduction performance, 2017/18 to 2029/30



Note: t CO₂e = tonnes of carbon dioxide equivalent.

The Ministry’s emissions profile

Our emissions profile includes all mandatory and material sources across scopes. Travel remains our largest source, particularly domestic travel (figure 5). International travel emissions have significantly declined since our 2017/18 base year.

Domestic travel is partially influenced by our flexible-by-default workforce model, which enables staff to work from locations across New Zealand, increasing regional travel and associated emissions. Ground travel is similarly affected.

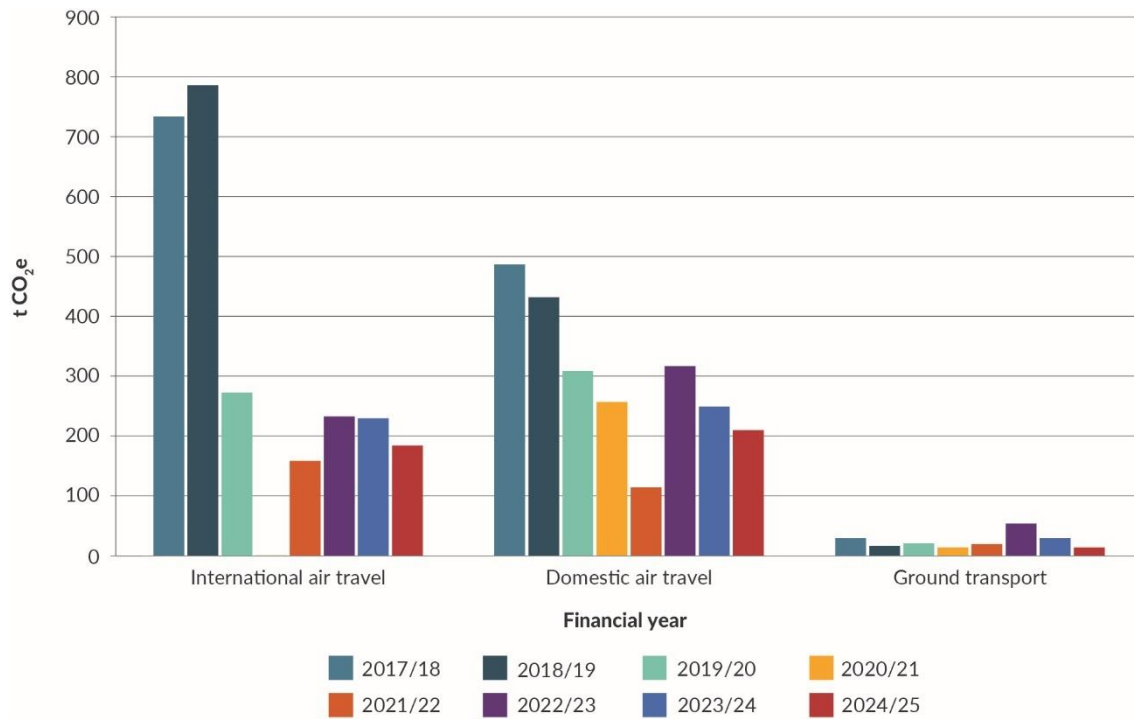
Since 2017/18 we have made substantial reductions in air travel emissions, delivering both environmental and fiscal benefits. This highlights the value of embedding sustainability into everyday business decisions. Emissions and associated costs are actively managed through set internal travel budgets, and we continue to promote virtual collaboration tools to reduce travel-related emissions.

To support further reductions, we have implemented targeted interventions:

- enhanced video conferencing and guidance to help manage the volume of staff travel to head office
- accountability reporting for performance against emission and financial travel budgets

- promotion of low-emissions travel between airports and offices, including use local airport buses instead of taxis
- reimbursement for public transport, mileage and ride-share alternatives beyond the traditional taxi voucher model.

Figure 5: The Ministry for the Environment's total transport emissions, 2017/18 to 2024/25

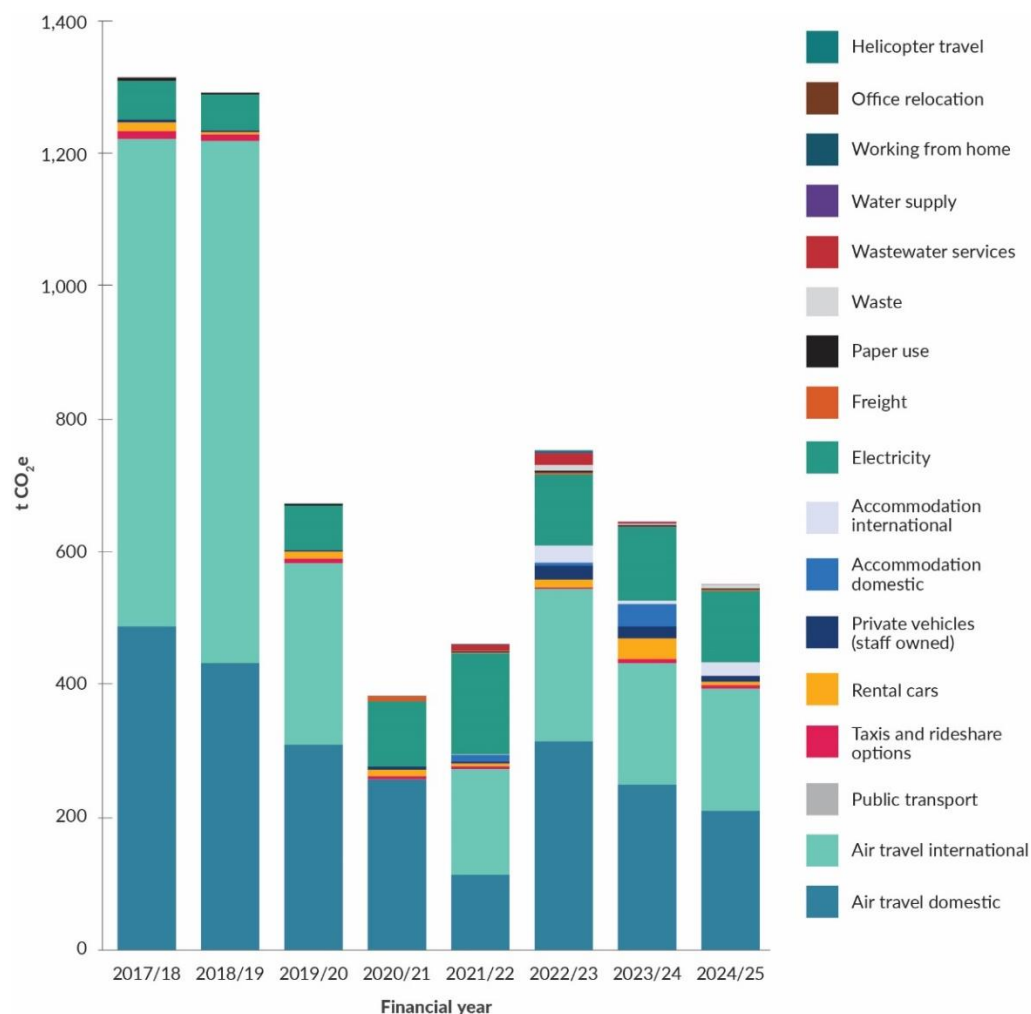


Note: t CO₂e = tonnes of carbon dioxide equivalent.

In 2024/25, our electricity emissions from remote working increased compared to last year. This was mainly due to having fewer office spaces, and changes in how we work.

Even with this shift, we used less electricity overall. The environmental impact was greater, however, because more fossil fuels were used to generate electricity across the country. This raised the national emissions factor by 38.7 percent. Overall, our total electricity use in kilowatt-hours continues to reduce.

Figure 6: The Ministry for the Environment's total emissions by activity, 2017/18 to 2024/25



Note: t CO₂e = tonnes of carbon dioxide equivalent.

Highlights for 2024/25

We focus on practical actions that support emissions reduction, responsible resource use, and organisational accountability. Key achievements include:

- exceeded our 2025 and 2030 emissions reduction targets against our 2017/18 baseline
- carbon emissions were independently verified for the eighth consecutive year
- carbon budgets were integrated into annual planning and quarterly reviews
- monthly emissions reporting was available to staff and leadership
- travel policies and guidance were updated in support emissions-conscious choices
- sustainability principles continued to be applied procurement and office relocations
- emissions reporting was improved to show more emission activities and progressed work to include emissions sources (artificial intelligence, e-waste, working from home and staff commuting)
- identified waste to landfill as a priority for future minimisation
- reviewed emission data reporting since base year and explored interventions to inform the next strategy.

These actions reflect our commitment to continuous improvement and support the delivery of our sustainability strategy. For a detailed breakdown of emissions by activity and verification information, please refer to the Emissions Reporting section of this report.

Our emissions reporting

Emissions by category

Table 8: The Ministry for the Environment's emissions profile by scope and total annual emissions (t CO₂e), 2017/18 to 2024/25*

Category			2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25
Scope			t CO ₂ e	t CO ₂ e	t CO ₂ e	t CO ₂ e	t CO ₂ e	t CO ₂ e	t CO ₂ e	t CO ₂ e
1	Direct emissions	Scope 1	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
2	Indirect emissions from imported energy	Scope 2	58.19	54.28	61.39	76.13	67.65	60.89	42.06	44.13
3	Indirect emissions from transportation	Scope 3	1,247.74	1,232.17	605.38	283.25	368.20	652.34	591.45	499.56
4	Indirect emissions from products and services used by organisation		6.63	3.22	3.63	3.90	25.03	39.10	10.20	8.00
5	Indirect emissions associated with the use of products and services from the organisation		0.00	0.00	0.00	19.45	0.00	0.00	0.00	0.00
6	Indirect emissions from other sources		0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total gross emissions (all measured emissions) in t CO ₂ e			1312.57	1,289.67	670.41	382.73	460.88	752.33	643.71	551.69
Change in gross emissions (all categories) from previous financial year				−1.74%	−48.01%	−42.91%	+20.42%	+63.27%	−14.44%	−14.29%
Change in gross emissions (all categories) since base year				−1.74%	−48.94%	−70.87%	−64.89%	−42.67%	−50.96%	−57.97%

* Emissions data for the years 2017 to 2022 have been restated following audit revisions undertaken with the guidance of Toitū. The restatement reflects retrospective recategorisation of activity data with emissions factors applied as at the date of adjustment. Accordingly, these figures differ from those published in the 2023/24 annual report. No further changes to these historical years have been identified, and the restated figures are considered final. These updates align with best practice and will be carried forward in future emissions disclosures.

Emissions by source

Table 9 shows all the Ministry's measured and reported emissions sources, from largest to smallest.

Table 9: The Ministry for the Environment's total gross emissions by source, 2024/25

Activity	t CO ₂ e	
	2023/24	2024/25
Accommodation		
Accommodation - Australia	0.09	1.26
Accommodation - China	0.00	0.41
Accommodation - Fiji	0.11	0.49
Accommodation - France	0.15	0.19
Accommodation - Germany	0.08	0.44
Accommodation - Greece	0.00	0.03
Accommodation - Italy	0.33	0.03
Accommodation - Japan	0.20	0.19
Accommodation - Mexico	0.09	0.00
Accommodation - Singapore	0.07	0.00
Accommodation - South Africa	1.19	0.00
Accommodation - Spain	0.04	0.06
Accommodation - Switzerland	0.00	0.25
Accommodation - Thailand	1.95	0.48
Accommodation - Turkey	0.28	0.00
Air travel		
Air travel domestic (large aircraft)	134.77	109.09
Air travel domestic (medium aircraft)	104.40	91.68
Air travel domestic (small aircraft)	9.26	7.07
Air travel long haul (business)	12.18	21.23
Air travel long haul (econ)	28.70	9.01
Air travel long haul (econ+)	125.72	135.93
Air travel short haul (econ)	15.70	15.65
Air travel short haul b/f class	0.00	1.44
Ground travel		
Bus travel (electric)	0.00	0.03
Bus travel (national average)	0.08	0.07
Ferry travel (NZ passenger ferry)	0.06	0.02
Rail travel (national and international)	0.04	0.01
Private Car average (fuel type unknown)	17.86	8.22
Rental Car average (hybrid)	1.33	1.28
Rental Car Large (diesel 2000-2999cc)	1.93	0.11
Rental Car Large (petrol 2000-2999cc)	2.47	0.67
Rental Car Medium (petrol 1600-2000cc)	12.37	1.61
Rental Car Small (petrol 1350-1600cc)	3.86	1.33
Rental Car XL (petrol over 3000cc)	9.06	0.26
Taxi (regular)	6.22	5.29
Taxis (hybrid/EV)	0.00	0.00

Activity	t CO ₂ e	
	2023/24	2024/25
Electricity		
Electricity	42.06	44.13
Electricity distributed T&D losses	3.09	3.36
Indirect emissions from products used by organisation		
Freight Air travel Domestic (average)	0.34	0.55
Freight Air travel short haul (average)	0.12	1.54
Freight Road van (average)	0.09	0.07
Paper use - default	1.54	1.81
Paper use office 100% recycled	0.33	0.00
Indirect emissions from the organisation		
Working from home	65.9	61.36
Waste landfilled LFGR Mixed waste	2.39	2.17
Wastewater for treatment plants (average)	2.64	0.60
Water supply	0.22	0.07
Total	643.71	551.69

Note: LFGR = landfill gas recovery; t CO₂e = tonnes of carbon dioxide equivalent.

Table 10: The Ministry for the Environment's direct category emissions by greenhouse gases in t CO₂e, 2024/25

Mobile combustion	Category 1 emissions
CO ₂ (t CO ₂)	0
CH ₄ (t CO ₂ e)	0
N ₂ O (t CO ₂ e)	0
NF ₃ (t CO ₂ e)	0
SF ₆ (t CO ₂ e)	0
HFC (t CO ₂ e)	0
PFC (t CO ₂ e)	0
Desflurane (t CO ₂ e)	0
Sevoflurane (t CO ₂ e)	0
Isoflurane (t CO ₂ e)	0

Table 11: Key performance indicators for full-time equivalents and expenditure, 2017/18 to 2024/25

KPI	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25
FTE*	360	414	504	659	828	978	1,129	811
Expenditure (\$m)	70.39	77.46	95.54	123.96	170.33	237.11	267.86	190.193
Total gross emissions per FTE (t CO ₂ e)	3.65	3.12	1.33	0.58	0.56	0.77	0.57	0.68
Total gross emissions per \$1 million of expenditure (t CO ₂ e)	18.64	16.65	7.02	3.09	2.71	3.17	2.40	2.90

*FTE methodology applied in emissions reporting: FTE (full-time equivalent) figures used in emissions intensity calculations are derived from monthly headcount data provided by the People and Culture business unit, adjusted for full-time equivalency, remote work, and leave, to reflect actual operational presence. Data has been cross-verified using supplementary sources, including energy consumption records, facility access records and IT device connection data.

This methodology differs from the FTE reported in financial statements and elsewhere in the annual report, which reflect headcount as at 30 June. This approach aligns with ISO 14064-1:2018 and Toitū Carbon Reduce programme requirements, and has been subject to independent assurance.

Independent verification



The Ministry's greenhouse gas emissions measurement (emissions data and calculations) has been independently verified by Toitū Envirocare (Enviro-Mark Solutions Limited).

We have been certified as a Toitū carbonreduce organisation. This means we are measuring, managing and reducing our emissions according to ISO 14064-1:2018 and Toitū requirements.

A copy of our Toitū carbonreduce certification disclosure can be viewed on the Toitū website.

Our emissions results align with the Ministry's 2025 measuring emissions guidance, which uses the 100-year Global Warming Potential (GWP) values in the Intergovernmental Panel on Climate Change (IPCC) Fifth Assessment Report. These GWP values are published by the IPCC and are used to align with the requirements for greenhouse gas inventory reporting under the Paris Agreement.

Our ao Māori strategy

Building on our strategy for a strong Māori–Crown relationship

Te Ao Hurihuri is our framework for building the capacity, capability and confidence of staff to engage effectively and respectfully with the Crown’s Treaty partners, and contribute to our strategic outcome that ‘te Tiriti is upheld, and the Māori–Crown relationship is strong’.

The key objectives of Te Ao Hurihuri are to:

- normalise te reo Māori, tikanga Māori and mātauranga Māori across the Ministry
- raise levels of Māori capability across the Ministry, with a specific focus on roles that engage directly with Māori
- strengthen our approach and supporting frameworks for genuine partnership and engagement with Māori
- improve and adapt our policies, systems and approaches so they are mana enhancing and will deliver on our commitment to bringing te Tiriti and te ao Māori to work every day.

The framework is presented in the form of a waka powered by six hoe (paddles). As we work to achieve our objectives, each hoe represents a focus for that work, as follows:

- Whānau Ora – Unifying our people
- Wai Ora – Creating safe environments
- Mauri Ora – Building a resilient structure
- Kaitiaki Ora – Accessing knowledge
- Hau Ora – Checking our progress
- Mana Ora – Standing together.

Te Ao Hurihuri aligns with the expectations of Te Puni Kōkiri, as set out in the Māori Crown relations capability framework for the public service (MCR framework)²³. This framework outlines six core capability areas in which all public servants are expected to achieve a ‘comfortable’ level of competency.

Our progress on Te Ao Hurihuri

Over the years Te Ao Hurihuri has been in place, it has evolved to adapt to the Ministry’s changing context.

- We established Tōnui, a one-day wānanga and series of complementary online modules, as a starting point for all Ministry staff to build baseline Māori–Crown relations capability. This programme was rolled out across all business groups, and we offer it to all new staff at induction.
- We include Rongoā Hauora as part of our employee assistance programme, for staff who prefer to access traditional Māori health and wellbeing initiatives and services.

²³ Te Puni Kōkiri. [Public sector capability](#). Retrieved 14 August 2025.

- The MCR framework identifies te reo Māori as a core competency for staff capability-building across the public service. As part of our commitment to and work in this area, we provide support, resources and learning opportunities to develop and strengthen our staff's capability in te reo Māori.

We have also identified ways to strengthen our recruitment process through Te Ao Hurihuri.

- Our job advertisements and position descriptions include te reo Māori translations, as well as required capabilities from Whāinga Amorangi (the plan developed based on the competency areas set out in the MCR framework).
- Interview guides for all roles include questions that explore a candidate's level of understanding of and experience in giving effect to te Tiriti in a professional setting.
- We continue to focus on having mātauranga Māori and te ao Māori knowledge as a priority skill to help achieve key strategic objectives, as well as to help us engage better with our Treaty partners.
- We advertise our vacancies on a range of platforms to specifically attract more applications from Māori.

The next evolution of Te Ao Hurihuri will occur in 2025/26, to align with the Ministry's new strategic framework.

Te Tiriti o Waitangi settlement commitments

Delivering on the Crown's Treaty settlement commitments is central to achieving our strategic outcome to uphold te Tiriti and strengthen the Māori–Crown relationship.

This year, we have increased our compliance with Treaty settlement commitments – the proportion of commitments completed is larger, and the number of commitments facing delivery issues is smaller. This shift is the result of deliberate efforts to mature our performance and embed Treaty settlement commitments into our everyday work.

We have invested in the tools and systems needed to deliver Treaty settlement commitments more consistently, helping us to proactively identify and resolve issues, lift performance maturity and improve clarity and transparency. Changes included:

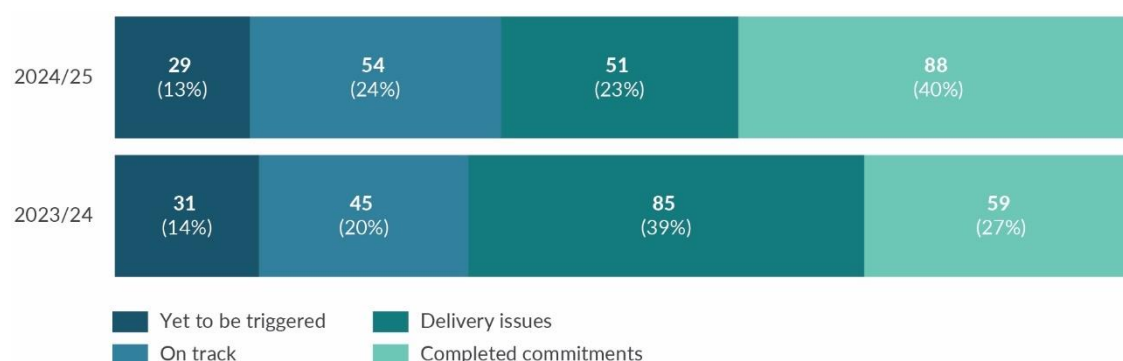
- focusing on mapping and monitoring key delivery dates
- improving record-keeping and tracking of historical commitments
- regular audits to assess accuracy and completeness of data.

The status of the Ministry's settlement commitments

He Korowai Whakamana provides a whole-of-government framework for tracking the status of Treaty settlement commitments via [Te Haeata](#), the public online portal managed by Te Puni Kōkiri.

The Ministry is responsible for delivering more than 800 Treaty settlement commitments, 222 of which are reported to Te Haeata – reflecting those commitments with clearly defined obligations ([figure 7](#)).

Figure 7: Overview of the Ministry for the Environment’s Treaty settlement status on Te Haeata, 2023/24 and 2024/25



The Ministry has shown improvement across all commitment categories, most notably in the increase of completed commitments and reduction of delivery issues. As shown in [figure 7](#), the proportion of completed commitments rose from 27 percent to 40 percent over the past year, and those facing delivery issues declined from 39 percent to 23 percent.

Commitments are categorised as follows:

- **Completed commitments** – all required actions fulfilled
- **On track** – work is progressing as planned
- **Delivery issues** – delivery is delayed or hindered by complicating factors
- **Yet to be triggered** – dependent on external events or timing.

The Ministry supports a broad range of Treaty settlement commitments, including bespoke arrangements, cultural redress property transfers, participation in natural resource management, legal identity redress, cultural redress payments, and vesting and gift-back processes.

Looking ahead

We are committed to continuing this progress on improving compliance with te Tiriti settlement commitments. In the coming year, we will:

- continue to increase capability across the Ministry, including through our refreshed growth and performance framework
- document and share good practice, highlighting successful approaches and supporting ongoing improvement in the delivery of Treaty settlement commitments
- develop a performance improvement plan to prioritise ongoing efforts to improve compliance.

Our funding and impact

Table 12 shows the 2024/25 expenditure in Vote Environment. The next tables further divide this expenditure as follows:

- Table 13 shows non-departmental funding administered on behalf of Ministers and distributed externally. The New Zealand Emissions Trading Scheme and Crown entities are not shown in this table, due to the scale of their appropriation.
- Table 14 shows departmental funding for our work programme. We show the types of funding separately, because of their size and significance.

Table 12: Vote Environment, 2024/25

	Funding allocation (\$000)	Percentage of total funding (%)
Departmental	180,210	11
Non-departmental	281,855	17
Environmental Protection Authority	47,312	3
New Zealand Emissions Trading Scheme	1,111,048	68
Climate Change Commission	14,303	1
Total	1,634,728	100

Table 13: Non-departmental funding (excluding Crown entities and New Zealand Emissions Trading Scheme), 2024/25

Non-departmental annual appropriations	Funding allocation (\$000)	Percentage of total funding (%)
Contaminated sites	9,266	3
International obligations	754	0
Climate change	1,258	1
Community funding	3,378	1
Treaty obligations	5,123	2
Waste minimisation	172,482	61
Water initiatives	89,594	32
Total	281,855	100

Table 14: Departmental funding, 2024/25

Departmental annual appropriations	Funding allocation (\$000)	Percentage of total funding ²⁴ (%)
Product Stewardship Administration	624	0
Climate Change Chief Executives Board	3,484	2
Waste Minimisation Administration	12,555	7
Environment Work Programme	16,870	9
Managing Climate Change in New Zealand	40,161	23
Improving New Zealand's Environment	106,516	59
Total departmental annual appropriations	180,210	100

²⁴ Percentages calculated to the nearest whole number.

4. Our finances

Kōrero pūtea

**The financial resources we have used to
deliver our services**

Financial statements for the Ministry for the Environment

for the year ended 30 June 2025

Performance indicators

for the year ended 30 June 2025

	Unit	2024/25 Actual	2024/25 Revised Budget*
Operating results			
Revenue: Crown	\$000	190,139	190,139
Revenue: Departmental and other	\$000	237	955
Output expenses	\$000	180,210	191,094
Gain on sale of assets	\$000	–	5
Net surplus	\$000	10,166	5
Working capital			
Net current assets	\$000	10,765	9,964
Resource utilisation			
Plant and equipment			
Plant and equipment at year-end	\$000	366	494
Value per employee	\$000	0.50	0.67
Additions as % of plant and equipment	%	70	Nil
Plant and equipment as % of total assets	%	97	49
Intangible assets			
Intangible assets at year-end	\$000	10	520
Value per employee	\$000	0.01	0.70
Additions as % of intangible assets	%	Nil	Nil
Intangible assets as % of total assets	%	3	51
Taxpayers' funds			
Level at year-end	\$000	7,242	7,242
Level per employee	\$000	9.81	8.35
Net cash flows			
Surplus/(deficit) from operating activities	\$000	24,960	1,990
Surplus/(deficit) from investing activities	\$000	(228)	(795)
Surplus/(deficit) from financing activities	\$000	(27,883)	(5)
Net increase/(decrease) in cash held	\$000	(3,151)	1,190
Human resources			
Staff turnover	%	35.9	30.00
Average length of service	Years	4.7	4.0
Total staff (full-time equivalent)	Number	738	867

* The statement of accounting policies explains the basis for these figures, which are not subject to audit.

Statement of comprehensive revenue and expense

for the year ended 30 June 2025

	Notes	2023/24 Actual \$000	2024/25 Budget*	2024/25 Actual \$000	2025/26 Forecast*
Revenue					
Funding from the Crown	2	266,783	183,297	190,139	207,089
Other revenue	2	1,072	955	237	955
Gain on sale of assets		–	5	–	5
Total revenue		267,855	184,257	190,376	208,049
Expenses					
Personnel costs	3	155,070	122,961	120,991	144,016
Depreciation and amortisation expense	8, 9	1,591	1,490	537	501
Capital charge	4	362	362	362	362
Other expenses	6	82,949	59,439	58,320	63,165
Total expenses		239,972	184,252	180,210	208,044
Net surplus		27,883	5	10,166	5
Other comprehensive revenue and expenses		–	–	–	–
Total comprehensive revenue and expenses		27,883	5	10,166	5

* The statement of accounting policies explains the basis for these figures, which are not subject to audit.

Explanations of significant variances against budget are detailed in Note 18.

The accompanying notes form part of these financial statements.

Statement of financial position

as at 30 June 2025

	Notes	2023/24 Actual \$000	2024/25 Budget*	2024/25 Actual \$000	2025/26 Forecast*
Assets					
Current assets					
Cash and cash equivalents		18,859	19,430	15,708	16,408
Receivables	7	56,151	16,203	31,251	16,203
Prepayments		1,246	500	1,366	1,000
Total current assets		76,256	36,133	48,325	33,611
Non-current assets					
Plant and equipment	8	544	2,670	366	519
Intangible assets	9	142	772	10	794
Total non-current assets		686	3,442	376	1,313
Total assets		76,942	39,575	48,701	34,924
Liabilities					
Current liabilities					
Payables	10	20,541	17,800	13,434	17,300
Return of operating surplus	11	27,883	5	10,166	5
Provisions	12	10,899	–	7,069	–
Employee entitlements	13	6,642	11,438	6,891	6,641
Total current liabilities		65,965	29,263	37,560	23,946
Non-current liabilities					
Employee entitlements	13	3,735	3,090	3,899	3,736
Total non-current liabilities		3,735	3,090	3,899	3,736
Total liabilities		69,700	32,333	41,459	27,682
Net assets		7,242	7,242	7,242	7,242
Equity					
Taxpayers' funds		7,242	7,242	7,242	7,242
Total equity		7,242	7,242	7,242	7,242

* The statement of accounting policies explains the basis for these figures, which are not subject to audit.

Explanations of significant variances against budget are detailed in Note 18.

The accompanying notes form part of these financial statements.

Statement of changes in equity

for the year ended 30 June 2025

	Notes	2023/24 Actual \$000	2024/25 Budget*	2024/25 Actual \$000	2025/26 Forecast*
Balance as at 1 July		7,242	7,242	7,242	7,242
Comprehensive revenue and expense					
Surplus for the year		27,883	5	10,166	5
Other movements					
Return of operating surplus to the Crown	11	(27,883)	(5)	(10,166)	(5)
Balance as at 30 June		7,242	7,242	7,242	7,242

* The statement of accounting policies explains the basis for these figures, which are not subject to audit.

The accompanying notes form part of these financial statements.

Statement of cash flows

for the year ended 30 June 2025

	2023/24 Actual \$000	2024/25 Budget* \$000	2024/25 Actual \$000	2025/26 Forecast* \$000
Cash flows from operating activities				
Receipts from the Crown	241,783	183,297	215,140	207,089
Receipts from other revenue	1,257	955	134	955
Payments to suppliers	(73,080)	(58,999)	(63,940)	(63,255)
Payments to employees	(151,123)	(122,901)	(126,084)	(143,926)
Payments for capital charge	(363)	(362)	(362)	(362)
Goods and services tax (net)	308	–	72	–
Net cash flow from operating activities	18,782	1,990	24,960	501
Cash flows from investing activities				
Receipts from sale of plant and equipment	–	5	–	5
Purchase of plant and equipment	(295)	(300)	(256)	(300)
Purchase of intangible assets	(18)	(500)	28	(500)
Net cash flow from investing activities	(313)	(795)	(228)	(795)
Cash flows from financing activities				
Capital contribution received	–	–	–	–
Return of operating surplus	(15,152)	(5)	(27,883)	(5)
Net cash flow from financing activities	(15,152)	(5)	(27,883)	(5)
Net increase/(decrease) in cash	3,317	1,190	(3,151)	(299)
Cash at the beginning of the year	15,542	18,240	18,859	16,707
Cash at the end of the year	18,859	19,430	15,708	16,408

* The statement of accounting policies explains the basis for these figures, which are not subject to audit.

The goods and services tax (GST) (net) component of operating activities reflects the net GST paid to and received from Inland Revenue. The GST (net) component has been presented on a net basis, as the gross amounts do not provide meaningful information for financial statement purposes and to be consistent with the presentation basis of the other primary financial statements.

The accompanying notes form part of these financial statements.

Statement of cash flows

for the year ended 30 June 2025 (continued)

Reconciliation of net surplus to net cash flow from operating activities

	2023/24 Actual \$000	2024/25 Actual \$000
Net surplus	27,883	10,166
Add/(less) non-cash items		
Depreciation and amortisation expense	1,591	537
Net loss/(gain) on sale of fixed assets	3,183	1
Total non-cash items	4,774	538
Add/(less) movements in statement of financial position items		
(Increase)/decrease in receivables	(24,712)	24,900
(Increase)/decrease in prepayments	129	(120)
Increase/(decrease) in payables*	4,523	(7,107)
Increase/(decrease) in employee entitlements	(4,150)	413
Increase/(decrease) in provisions	10,335	(3,830)
Total net movement in working capital items	(13,875)	14,256
Net cash flow from operating activities	18,782	24,960

*Creditors and accruals for capital expenditure are excluded when calculating this increase or decrease.

The accompanying notes form part of these financial statements.

Statement of commitments

as at 30 June 2025

Capital commitments

Capital commitments are the aggregate amount of capital expenditure contracted for the acquisition of plant, and equipment and intangible assets that have not been paid for or not recognised as a liability at balance date.

The Ministry has no capital commitments (2023/24: None)

Non-cancellable operating lease commitments

The Ministry leases plant and equipment in the normal course of its business. The majority of these are for premises and photocopiers in Wellington, Christchurch and Auckland, which have a non-cancellable leasing period ranging from one to fifteen years.

The Ministry's non-cancellable operating leases have varying terms, escalation clauses and renewal rights. There are no restrictions placed on the Ministry by any of its leasing arrangements.

The total amount of future sub-lease payments expected to be received under non-cancellable sub-leases at the balance date is \$nil (2023/24: \$nil).

	2023/24 Actual \$000	2024/25 Actual \$000
Operating leases as lessee		
The future aggregate minimum lease payments to be paid under non-cancellable operating leases are as follows:		
Not later than one year	3,303	3,198
Later than one year but not later than five years	13,123	13,070
Later than five years	28,078	24,807
Total non-cancellable operating lease commitments	44,504	41,074
Total commitments	44,504	41,074

The accompanying notes form part of these financial statements.

Statement of contingent liabilities and contingent assets

as at 30 June 2025

Contingent liabilities

Legal matters

There are ten potential liabilities in relation to legal matters of approximately \$1.780 million as at 30 June 2025 (2023/24: nine potential liabilities in relation to legal matters of up to \$1.305 million).

Under certain contracts and licences, the department may still be held liable for contractual obligations, as these agreements do not explicitly exclude departmental liability. However, the majority of these contracts are considered low value and/or low risk. For high-value contracts or if the Ministry considers the risk to be significant, liability is typically capped.

Contingent assets

There were no contingent assets as at 30 June 2025 (2023/24: \$nil).

The accompanying notes form part of these financial statements.

Notes to the financial statements

1. Statement of accounting policies

Reporting entity

The Ministry for the Environment | Manatū mō te Taiao (the Ministry) is a government department as defined by section 5 of the Public Service Act 2020 and is domiciled and operates in Aotearoa New Zealand. The relevant legislation governing the Ministry's operations includes the Public Finance Act 1989, Public Service Act 2020 and the Environment Act 1986. The Ministry's ultimate parent is the New Zealand Crown.

In addition, the Ministry has reported on Crown activities that it administers in the non-departmental statements and schedules on pages 108 to 132.

The primary objective of the Ministry is to provide advice to the Government on the New Zealand environment and international matters that affect the environment. The Ministry does not operate to make financial returns. Accordingly, the Ministry has designated itself as a public benefit entity (PBE) for financial reporting purposes and complying with generally accepted accounting practice (GAAP).

The financial statements of the Ministry are for the year ended 30 June 2025. The financial statements were authorised for issue by the Chief Executive of the Ministry on 30 September 2025.

Basis of preparation

The financial statements have been prepared on a going concern basis, and the accounting policies have been applied consistently throughout the period.

The financial statements have been prepared on an accrual basis unless otherwise specified (for example, the Statement of Cash Flows). Under an accrual basis, revenues are recognised when rights to assets are earned rather than when cash is received, and expenses are recognised when obligations are incurred rather than when they are settled.

The financial statements have been prepared on a historical cost unless otherwise stated.

Statement of compliance

These financial statements have been prepared in accordance with the requirements of the Public Finance Act 1989, which include the requirement to comply with the New Zealand generally accepted accounting practice (NZ GAAP) and Treasury Instructions. They comply with Tier 1 PBE Accounting Standards and other applicable financial reporting standards, as appropriate for public benefit entities.

Presentation currency and rounding

The financial statements are presented in New Zealand dollars and all values are rounded to the nearest thousand dollars (\$000) unless otherwise stated. The functional currency of the Ministry is New Zealand dollars.

Comparatives

All comparative amounts are consistent with those included in the previous year's annual report. There has been some classification amendments to ensure consistency with the current year's presentation.

New or amended standards adopted

No new accounting standards have been adopted in the year which have had a material impact on the preparation of these financial statements

Other changes in accounting policies

There have been no other changes in the Ministry's accounting policies since the date of the last audited financial statements.

Standards issued and not yet effective and not early adopted

No new accounting standards have been issued but are not yet effective and have not been early adopted, which are considered likely to have a material impact on these financial statements when adopted in future years.

Summary of significant accounting policies

Significant accounting policies are included in the notes to which they relate. Significant accounting policies that do not relate to a specific note are included below.

Budgeting and forecasting figures

The budget figures are those included in the Budget Economic and Fiscal Update (BEFU 2024) outyear 1 figures for the year ending 30 June 2025 which were published in the 2023/24 annual report for forecast figures.

The budget figures have been prepared in accordance with NZ GAAP, using accounting policies that are consistent with those adopted in preparing these financial statements and are based on PBE Accounting Standards.

The forecast figures are those included in the Estimates of Appropriations for the year ending 30 June 2026 (the forecast is the 2025 Budget Economic and Fiscal Update (BEFU 2025)).

Both the budget and forecast figures are unaudited and have been prepared in accordance with the requirements of the Public Finance Act 1989 and comply with Tier 1 PBE Accounting Standards and other applicable financial reporting standards, as appropriate for public benefit entities.

The 30 June 2026 forecast figures have been prepared in accordance and comply with PBE FRS 42: *Prospective Financial Statements*.

The Chief Executive is responsible for the forecast financial statements, including the appropriateness of the assumptions underlying them and all other required disclosures. The forecast financial statements were approved for issue by the Chief Executive on 7 April 2025.

Although the Ministry regularly updates its forecasts, updated forecast financial statements for the year ending 30 June 2026 will not be published.

Significant assumptions – forecast figures

The forecast figures contained in these financial statements reflect the Ministry's purpose and activities and are based on a number of assumptions about what may occur during 2025/26. Events and circumstances may not occur as expected. Factors that could lead to material differences between the forecast financial statements and the 2025/26 actual financial statements include changes to the baseline forecast through new initiatives, reprioritisation of activities, and technical adjustments.

The forecast figures have been compiled on the basis of existing Government policies and ministerial expectations at the time the BEFU 2024 was finalised.

The main assumptions were as follows:

- The Ministry's activities are based on the Government's current priorities. These priorities include the major themes of resource management, climate change policy, waste minimisation and water management.
- Personnel costs were based on 867 full-time equivalent staff, which takes into account staff turnover.
- Operating costs were based on baseline reductions and various other factors that were believed to be reasonable under the circumstances.
- The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revisions and future periods if the revision affects both current and future periods.
- Estimated year-end information for 2024/25 was used as the opening position for the 2025/26 forecasts.

The actual financial results achieved for 30 June 2026 are likely to vary from the forecast information presented, and the variations might be material.

Expenses

Cost allocation

The Ministry derives the cost of outputs using a cost allocation system. Direct costs are charged directly to the Ministry's outputs. Indirect costs are charged to outputs based on a primary budgeted cost driver of salaried full-time equivalents.

Direct costs are those costs directly attributed to an output. Indirect costs are those costs that cannot be directly associated with a specific output.

There were no material changes to the cost allocation model since the date of the last audited financial statements.

Foreign currency

Transactions in foreign currencies are initially translated at the foreign exchange rate at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies at balance date are translated to New Zealand dollars at the foreign exchange rate at balance date. Foreign exchange gains or losses arising from translation of monetary assets and liabilities are recognised in the surplus or deficit for the year as reported in the statement of comprehensive revenue and expense.

Statement of cash flows

Cash and cash equivalents include cash on hand, deposits held at call with banks, and other short-term highly liquid investments with original maturities of three months or less.

Operating activities include cash received from all income sources of the Ministry and the cash payments made for the supply of goods and services.

Investing activities are those activities relating to the acquisition and disposal of non-current assets.

Financing activities comprise capital injections by, or repayment of capital to, the Crown.

Goods and services tax (GST)

All items in the financial statements and the appropriation statements (on pages 80 to 86 and 133 to 142) are stated exclusive of GST, except where otherwise stated. Receivables and payables in the statement of financial position are stated inclusive of GST. Where GST is not recoverable as an input tax, then it is recognised as part of the related asset or expense. The GST payable or receivable at balance date is included in payables or receivables in the statement of financial position.

The net GST paid to or received from Inland Revenue, including the GST relating to investing and financing activities, is classified as an operating cash flow in the statement of cash flows.

Commitments and contingencies on pages 85 and 86 are disclosed exclusive of GST.

Income tax

The Ministry is a public authority and consequently is exempt from the payment of income tax. Accordingly, no provision has been made for income tax.

Critical accounting estimates and assumptions

The preparation of financial statements in conformity with PBE Accounting Standards requires judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, revenue and expenses.

The estimates and associated assumptions are based on historical experience and other factors that are considered reasonable under the circumstances. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised, if the revisions affect only that period, or in the period of the revisions and future periods if the revisions affect both current and future periods.

Judgements that have a significant effect on the financial statements and estimates with a significant risk of material adjustments to the carrying amounts of assets and liabilities within the next financial year are in respect of:

- estimating the useful lives of property, plant and equipment and of intangible assets – refer to Notes 8 and 9
- key assumptions used in measuring provisions – refer to Note 12
- key assumptions used in determining the estimates for long-service leave and retirement gratuities – refer to Note 13.

Commitments

Commitments are future expenses and liabilities to be incurred on contracts that have been entered into as at balance date. Information on non-cancellable capital and lease commitments is reported in the statement of commitments on page 85.

Contingencies

Contingent liabilities and contingent assets are reported at the point at which the contingency is evident or when a present liability is unable to be measured with sufficient reliability to be recorded in the financial statements (unquantifiable liability). Contingent liabilities, including unquantifiable liabilities, are disclosed if the possibility that they will crystallise is not remote. Contingent assets are disclosed if it is probable that the benefits will be realised.

2. Revenue

Accounting policy

Revenue Crown

Revenue from the Crown is measured based on the Ministry's funding entitlement for the reporting period. The funding entitlement is established by Parliament when it passes the Appropriation Acts for the financial year. The amount of revenue recognised takes into account any amendments to appropriations approved in the Appropriation (Supplementary Estimates) Act for the year and certain other unconditional funding adjustments formally approved before balance date.

There are no conditions attached to the funding from the Crown. However, the Ministry can incur expenses only within the scope and limits of its appropriations.

The fair value of Revenue Crown has been determined to be equivalent to the funding entitlement.

Revenue other

The Ministry derived revenue through the sub-leasing of floor space at 360 Lambton Quay and revenue from the reimbursement of fast-track process costs and requiring authority fees. Such revenue is recognised when earned and is reported in the financial period to which it relates.

Breakdown of other revenue

	2023/24 Actual \$000	2024/25 Actual \$000
Sub-lease	973	–
Fast-track and requiring authority	99	237
Total other revenue	1,072	237

3. Personnel costs

Accounting policy

Salaries and wages

Salaries and wages are recognised as an expense as employees provide services.

Superannuation schemes

Defined contribution schemes

Employee contributions to the State Sector Retirement Savings Scheme, KiwiSaver and the Government Superannuation Fund are accounted for as defined contribution superannuation schemes and are expensed in the surplus or deficit as incurred.

Breakdown of personnel costs

	2023/24 Actual \$000	2024/25 Actual \$000
Salaries and wages	138,300	112,940
Restructure costs*	9,695	2,318
Employer contributions to defined contribution plans	4,312	3,449
Accident Compensation Corporation (ACC) levy	89	82
Net employee entitlements	2,507	2,064
Other	167	138
Total personnel costs	155,070	120,991

* In 2024 the Ministry went through an organisation-wide restructure to better align with future output demands on the Ministry and reduction in baseline funding.

4. Capital charge

Accounting policy

The capital charge is recognised as an expense in the financial year to which the charge relates.

Further information

The Ministry pays a capital charge to the Crown on its equity as at 30 June and 31 December each year. The capital charge rate for the year ended 30 June 2025 was 5 percent (2023/24: 5 percent).

5. Finance costs

The Ministry has not incurred any finance costs during the financial year ended 30 June 2025 (2023/24: \$nil).

6. Other expenses

Accounting policy

Operating leases

An operating lease is a lease where the lessor does not transfer substantially all the risks and rewards of ownership of an asset. Lease payments under an operating lease are recognised as an expense in a systematic manner over the term of the lease.

Lease incentives received are recognised evenly over the term of the lease as a reduction in rental expense.

Other expenses

Other expenses are recognised as goods and services are received. Recognition of contractors and consulting fees expenses aligns to the Public Service Commission guidelines.

Breakdown of other expenses and further information

	2023/24 Actual \$000	2024/25 Actual \$000
Audit fees for the financial statement audit	350	357
Operating lease expenses	4,312	3,491
Advertising and publicity	874	422
Contributions and sponsorship*	17,930	12,237
External resources		
Contractors and consulting fees	23,073	10,253
Advisory groups	314	661
Legal advice	3,322	4,140
Annual outsourced specialist services	9,866	10,289
Services provided by other government agencies	6,716	4,673
General and administration	3,856	4,461
Net loss on disposal of property, plant and equipment	3,170	–
Other expenses	9,166	7,336
Total other expenses	82,949	58,320

* Contributions and sponsorships are made towards waste reduction and sustainability initiatives and iwi partnerships.

7. Receivables

Accounting policy

Receivables are initially measured at their face value, less an allowance for expected credit losses. The Ministry applies the simplified expected credit loss model of recognising lifetime expected credit losses for receivables.

In measuring expected credit losses, short-term receivables have been assessed on a collective basis as they possess shared credit risk characteristics. They have been grouped based on the days past due.

Short-term receivables are written off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include the debtor being in liquidation.

Breakdown of receivables and further information

	2023/24 Actual \$000	2024/25 Actual \$000
Receivables from non-exchange transactions		
Debtor Crown	56,054	31,053
Total receivables from non-exchange transactions	56,054	31,053
Receivables from exchange transactions		
Debtors other*	97	198
Total receivables from exchange transactions	97	198
Total receivables	56,151	31,251

* Other debtors are made up of secondment invoicing of Ministry staff to other government departments.

There have been no changes during the reporting period in the estimation techniques or significant assumptions used in measuring the loss allowance.

The allowance for credit losses is determined as follows:

30 June 2025	Receivable days past due				
	Current	More than 30 days	More than 60 days	More than 90 days	Total
Expected credit loss rate	0%	0%	0%	0%	–
Gross carrying amount (\$000)	31,251	0	0	0	31,251
Lifetime expected credit loss (\$000)	0	0	0	0	0

30 June 2024	Receivable days past due				
	Current	More than 30 days	More than 60 days	More than 90 days	Total
Expected credit loss rate	0%	0%	0%	0%	–
Gross carrying amount (\$000)	56,151	9	0	0	56,151
Lifetime expected credit loss (\$000)	0	0	0	0	0

8. Plant and equipment

Accounting policy

Plant and equipment consists of furniture and fittings (including leasehold improvements), office equipment and computer hardware. Plant and equipment is recognised and disclosed at cost less accumulated depreciation and impairment losses.

Additions

The cost of an item of plant and equipment is recognised as an asset only when it is probable that future economic benefits or service potential associated with the item will flow to the Ministry and the cost of the item can be measured reliably.

Individual assets, or a group of assets, are capitalised if their cost is greater than \$1,500. The value of an individual asset that is less than \$1,500 and is part of a group of similar assets is capitalised.

Work in progress is recognised at cost less impairment and is not depreciated.

Disposals

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount of the asset. Gains and losses arising from disposal of plant and equipment are recognised in the statement of comprehensive revenue and expense in the period in which the transaction occurs.

Subsequent costs

Costs incurred subsequent to initial acquisition are capitalised only when it is probable that future economic benefits or service potential associated with the item will flow to the Ministry and the cost of the item can be measured reliably.

The costs of day-to-day servicing of plant and equipment are recognised in surplus or deficit as they are incurred.

Depreciation

Depreciation is provided on a straight-line basis on all plant and equipment, at a rate that will write off the cost of the assets over their useful lives. The depreciation charge for each period is recognised in the statement of comprehensive revenue and expense. The useful lives and associated depreciation rates of major classes of plant and equipment have been estimated as follows:

Asset class	Useful life (years)	Depreciation rate (%)
Furniture and fittings	5–13	7.69–20.0
Office equipment	5	20.0
Computer hardware	3–4	25.0–33.33

Leasehold improvements (included in furniture and fittings) are capitalised and depreciated over the unexpired period of the lease or the estimated remaining useful lives of the improvements, whichever is shorter. Items classified as furniture and fittings but not deemed to be part of leasehold improvements are depreciated over their useful lives.

Impairment

Plant and equipment that have a finite useful life are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised in the statement of comprehensive revenue and expense for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and its value in use.

Value in use is depreciated replacement cost for an asset where the future economic benefits or service potential of the asset are not primarily dependent on the asset's ability to generate net cash inflows and where the Ministry would, if deprived of the asset, replace its remaining future economic benefits or service potential.

If an asset's carrying amount exceeds its recoverable service amount, the asset is regarded as impaired and the carrying amount is written down to its recoverable amount.

Breakdown of plant and equipment

	Furniture and fittings \$000	Office equipment \$000	Computer hardware \$000	Total \$000
Cost				
Balance as at 1 July 2023	6,107	400	4,938	11,445
Additions	3,371	15	178	3,564
Less: Opening work in progress	(3,164)	–	(109)	(3,273)
Disposals	(5,847)	(367)	(1,033)	(7,247)
Balance as at 30 June 2024	467	48	3,974	4,489
Balance as at 1 July 2024	467	48	3,974	4,489
Additions	–	–	256	256
Balance as at 30 June 2025	467	48	4,230	4,745
Accumulated depreciation and impairment losses				
Balance as at 1 July 2023	2,786	395	3,540	6,721
Depreciation expense	429	8	853	1,290
Elimination on disposal	(2,818)	(356)	(892)	(4,066)
Balance as at 30 June 2024	397	47	3,501	3,945
Balance as at 1 July 2024	397	47	3,501	3,945
Depreciation expense	28	1	405	434
Balance as at 30 June 2025	425	48	3,906	4,379
Carrying amounts				
As at 1 July 2023	3,321	5	1,398	4,724
As at 30 June/1 July 2024	70	1	473	544
As at 30 June 2025	42	–	324	366

Restrictions

There are no restrictions over the title of the Ministry's plant and equipment, nor are any plant and equipment pledged as security for liabilities.

9. Intangible assets

Accounting policy

Software acquisition and development

Acquired computer software licences are capitalised on the basis of the costs incurred to acquire and bring to use the specific software.

Costs that are directly associated with the development of software for internal use by the Ministry are recognised as an intangible asset.

Costs associated with staff training and the maintenance of computer software are recognised as an expense when incurred. Costs of software updates or upgrades are only capitalised when they increase the usefulness or value of the software.

Costs associated with development and maintenance of the Ministry's website are recognised as an expense when incurred.

Amortisation

The carrying value of an intangible asset with a finite life is amortised on a straight-line basis over its useful life. Amortisation begins when the asset is available for use and ceases at the date the asset is derecognised. The amortisation charge for each period is recognised in the statement of comprehensive revenue and expense.

The useful lives and associated amortisation rates of intangible assets have been estimated as follows:

Asset class	Useful life (years)	Amortisation rate (%)
Acquired computer software	3–6	16.67–33.33
Developed computer software	3	33.33

Impairment

Intangible assets that have a finite useful life are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised in the statement of comprehensive revenue and expense for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and its value in use.

Value in use is depreciated replacement cost for an asset where the future economic benefits or service potential of the asset are not primarily dependent on the asset's ability to generate net cash inflows and where the Ministry would, if deprived of the asset, replace its remaining future economic benefits or service potential.

An intangible asset that is not yet available for use at the balance date is tested for impairment annually.

Critical accounting estimates and assumptions

Useful lives of software

The useful life of software is determined at the time the software is acquired and brought into use and is reviewed at each reporting date for appropriateness. For computer software licences, the useful life represents management's view of the expected period over which the Ministry will receive benefits from the software, but not exceeding the licence term. For internally generated software developed by the Ministry, the useful life is based on historical experience with similar systems as well as anticipation of future events that may impact the useful life, such as changes in technology.

Breakdown of intangible assets and further information

Movements in the carrying value for each class of intangible asset are as follows:

	Acquired software \$000	Acquired software licences \$000	Internally generated software (others) \$000	Internally generated software (LUCAS) \$000	Total \$000
Cost					
Balance as at 1 July 2023	3,307	25	1,429	1,843	6,604
Add: Closing work in progress	20	–	–	–	20
Less: Opening work in progress	(2)	–	–	–	(2)
Balance as at 30 June 2024	3,325	25	1,429	1,843	6,622
Balance as at 1 July 2024	3,325	25	1,429	1,843	6,622
Add: Closing work in progress	(8)	–	–	–	(8)
Less: Opening work in progress	(20)	–	–	–	(20)
Balance as at 30 June 2025	3,297	25	1,429	1,843	6,594
Accumulated amortisation and impairment losses					
Balance as at 1 July 2023	2,883	25	1,429	1,843	6,180
Amortisation expense	300	–	–	–	300
Balance as at 30 June 2024	3,183	25	1,429	1,843	6,480
Balance as at 1 July 2024	3,183	25	1,429	1,843	6,480
Amortisation expense	102	–	–	–	102
Balance adjustment	2	–	–	–	2
Balance as at 30 June 2025	3,287	25	1,429	1,843	6,584
Carrying amounts					
As at 1 July 2023	424	–	–	–	424
As at 30 June/1 July 2024	142	–	–	–	142
As at 30 June 2025	10	–	–	–	10

Restrictions

There are no restrictions over the title of the Ministry's intangible assets, nor are any intangible assets pledged as security for liabilities.

10. Payables

Accounting policy

Payables are non-interest bearing and are normally settled within 30 days; therefore, payables are recorded at the amount payable to extinguish the liability.

Breakdown of payables and further information

	2023/24 Actual \$000	2024/25 Actual \$000
Payables under exchange transactions		
Creditors	14,680	5,693
Accrued expenses	5,130	6,937
Total payables under exchange transactions	19,810	12,630
Payables under non-exchange transactions		
GST payable	731	804
Total payables	20,541	13,434

11. Return of operating surplus

	2023/24 Actual \$000	2024/25 Actual \$000
Net surplus	27,883	10,166
Total return of operating surplus	27,883	10,166

Explanation of underspend

- \$5 million of underspend has been allocated to in-principle expense transfers to 2025/26 for the National Direction and initial stages of RM Phase 3, and Freshwater farm plans.
- The remaining balance of underspend is attributed across the Ministry broadly driven by momentum of planned spend affected by the settlement of staff following the restructure of 1 November 2024.

12. Provisions

Accounting policy

A provision is recognised for future expenditure of uncertain amount or timing when:

- there is a present obligation (either legal or constructive) as a result of a past event
- it is probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation
- a reliable estimate can be made of the amount of the obligation. Provisions are not recognised for net deficits from future operating activities.

Provisions are measured at the present value of the expenditure expected to be required to settle the obligation. All provisions are considered current and have therefore not been discounted to reflect the time value of money.

Breakdown of provisions and further information

	2023/24 Actual \$000	2024/25 Actual \$000
Current portion		
Restructuring	8,099	2,418
Historical Waitangi Tribunal claims	2,800	4,229
Pou Taiao	–	250
PSA Bargaining	–	172
Total current portion	10,899	7,069
Non-current portion		
None	–	–
Total provisions	10,899	7,069

Movements for each class of provision are as follows:

	Pou Taiao \$000	Restructure \$000	PSA Bargaining \$000	Waitangi Tribunal \$000	Total \$000
Balance as at 1 July 2023	–	–	–	–	–
Additional provisions made	–	8,099	–	2,800	10,899
Balance as at 30 June 2024	–	8,099	–	2,800	10,899
Balance as at 1 July 2024	–	8,099	–	2,800	10,899
Additional provisions made	250	2,317	172	1,804	4,543
Amounts utilised to settle provision	–	7,998	–	375	8,373
Balance as at 30 June 2025	250	2,418	172	4,229	7,069

Restructuring provision

The restructuring provision arises from the reshaping of the Ministry announced in mid-2023. It forms part of the Government's priorities and relates to the cost of expected redundancies. In 2024/25 an addition was made following a review of the provision, and due to changes in priorities and funding, some redundancies have been delayed; these are expected to be paid out in 2025/26. Assumptions made in this calculation were the average length of service and salary mid-point.

Historical Waitangi Tribunal claims provision

The provision arises from the Ministry's commitment to retrospectively fund claimants for stages 1 and 2 of the Kaupapa inquiry Wai 2358: National Freshwater and Geothermal Resources. During 2024/25 the timing on claimant applications for compensation was extended to December 2025, so the provision made in 2023/24 has largely been carried over. Additions to this provision have also been made at year-end to fund claimants for Wai 2358 (stage 3) and Wai 3325. Assumptions made in the calculation of this provision were the number of claimants and compensation rate for travel and accommodation.

PSA bargaining

The provision arises from the expected \$500 payment to union members as part of a two-year employment bargaining agreement that was secured during 2024/25. The assumption made in this provision was the number of union members employed at the Ministry.

Pou Taiao

The provision arises from a deed of funding that the Ministry entered into with Pou Taiao. Work on this commenced on 1 July 2024. However, due to delays, payment of the funding was not settled during 2024/25; this is expected to occur in 2025/26. The assumption made in this provision was the number of hours put into this contract.

13. Employee entitlements

Accounting policy

Short-term employee entitlements

Employee entitlements that are due to be settled within 12 months after the end of the period in which the employee renders the related service are measured based on accrued entitlements at current rates of pay.

These include salaries and wages accrued up to balance date, annual leave earned but not yet taken at balance date, and long-service leave and retirement gratuities expected to be settled within 12 months.

Long-term employee entitlements

Employee entitlements that are due to be settled beyond 12 months after the end of the reporting period in which the employee renders the related service, such as long-service leave and retirement leave, are calculated on an actuarial basis. The calculations are based on:

- likely future entitlements accruing to staff, based on years of service, years to entitlement, the likelihood that staff will reach the point of entitlement, and contractual entitlements information
- the present value of the estimated future cash flows.

Presentation of employee entitlements

Salaries and wages accrued, annual leave, vested long-service leave, non-vested long-service leave, and retirement gratuities expected to be settled within 12 months of balance date are classified as a current liability. All other employee entitlements are classified as a non-current liability.

Superannuation schemes

Obligations for contributions to defined contribution schemes such as the State Sector Retirement Savings Scheme, KiwiSaver and the Government Superannuation Fund are recognised as an expense in the statement of comprehensive revenue and expense as incurred.

Critical accounting estimates and assumptions

Long-service leave and retirement gratuities

The measurement of long-service leave and retirement gratuities obligations depends on various factors that are determined on an actuarial basis using a number of assumptions. Two key assumptions used in calculating this liability are the discount rate and the salary inflation factor. Any changes in these assumptions will affect the carrying amount of the liability.

Expected future payments are discounted using discount rates derived from the yield curve of New Zealand government bonds. The discount rates used have maturities that match, as closely as possible, the estimated future cash outflows.

The rates used range from 3.14 percent to 5.58 percent (2023/24: 5.30 percent to 5.11 percent) and a long-term salary growth of 2.89 percent (2023/24: 3.33 percent) was used. The discount rates and salary inflation factor used are those advised by the Treasury.

If the discount rate were to differ by 1 percent from the Ministry's estimates, with all other factors held constant, the carrying amount of the liability and the surplus/deficit would be an estimated \$413,000 higher or lower.

If the salary inflation factor were to differ by 1 percent from the Ministry's estimates, with all other factors held constant, the carrying amount of the liability and the surplus/deficit would be an estimated \$443,000 higher or lower.

Breakdown of employee entitlements

	2023/24 Actual \$000	2024/25 Actual \$000
Current portion		
Salary accruals	(1,493)	(826)
Annual leave	7,400	6,700
Long-service leave and retirement gratuities	735	1,017
Total current portion	6,642	6,891
Non-current portion		
Long-service leave and retirement gratuities	3,735	3,899
Total employee entitlements	10,377	10,790

14. Capital management

The Ministry's capital is its equity, which comprises taxpayers' funds and is represented by net assets.

The Ministry manages its revenues, expenses, assets, liabilities and general financial dealings prudently. The Ministry's equity is largely managed as a by-product of managing revenue, expenses, assets, liabilities and compliance with government budget processes, Treasury Instructions and the Public Finance Act 1989.

The objective of managing the Ministry's equity is to ensure that the Ministry effectively achieves its goals and objectives for which it has been established while remaining a going concern and operating in a financially prudent manner.

15. Related party transactions

The Ministry is a wholly owned entity of the Crown. The Government significantly influences the roles of the Ministry as well as being its major source of revenue.

Related party disclosures have not been made for transactions with related parties that are within a normal supplier or client/recipient relationship on terms and conditions no more or less favourable than those that it is reasonable to expect the Ministry would have adopted in dealing with the party at arm's length in the same circumstances.

The Ministry enters into transactions with government departments, Crown entities and state-owned enterprises on an arm's length basis. Transactions with other government agencies are not disclosed as related party transactions when they are consistent with the normal operating arrangements between government agencies and undertaken on the normal terms and conditions for such transactions.

Key management personnel compensation

	2023/24 Actual	2024/25 Actual
Executive Leadership Team, including the Chief Executive		
Remuneration	\$2,563,003	\$2,427,345
Full-time equivalent staff	7.6	7.0

The above key management personnel compensation excludes the remuneration and other benefits received by the Minister for the Environment and the Minister of Climate Change. The Ministers' remuneration and other benefits are not received only for their role as a member of key management personnel of the Ministry. The Ministers' remuneration and other benefits are set by the Remuneration Authority under the Members of Parliament (Remuneration and Services) Act 2013 and are paid under Permanent Legislative Authority, and not paid by the Ministry.

No other related party transactions have been incurred in the year (2023/24: None).

16. Events after balance date

No significant events that may impact on the results have occurred between year-end and the signing of these financial statements.

17. Financial instruments

Financial instrument categories

The carrying amounts of financial assets and financial liabilities in each of the categories are as follows:

	2023/24 Actual \$000	2024/25 Actual \$000
Financial assets measured at amortised cost		
Cash and cash equivalents	18,859	15,708
Receivables	56,151	31,251
Total financial assets measured at amortised cost	75,010	46,959
Financial liabilities measured at amortised cost		
Payables (excluding GST payable)	19,810	12,630

Financial instrument risks

The Ministry's activities expose it to a variety of financial instrument risks, including market risk, credit risk and liquidity risk. The Ministry has policies to manage the risks associated with financial instruments and seeks to minimise exposure from financial instruments. These policies do not allow any transactions that are speculative in nature to be entered into.

Market risk

Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

The Ministry makes purchases of goods and services overseas that require it to enter into transactions denominated in foreign currencies and, as a result, exposure to currency risk arises. The extent of foreign currency transactions entered into is considered to be immaterial and accordingly, no sensitivity analysis has been completed.

Fair value interest rate risk

Interest rate risk is the risk that the return on invested funds will fluctuate due to changes in market interest rates. The Ministry has no significant exposure to interest rate risk because it has no interest-bearing financial instruments.

Credit risk

Credit risk is the risk that a third party will default on its obligations to the Ministry, causing the Ministry to incur a loss. In the normal course of its business, credit risk arises from receivables and deposits with banks.

The Ministry is permitted to deposit funds only with Westpac, a registered bank. Westpac bank has a high credit rating of AA– (Standard and Poor's credit rating). For its other financial instruments, the Ministry does not have significant concentrations of credit risk.

The Ministry's maximum credit exposure for each class of financial instrument is represented by the total carrying amount of cash and cash equivalents, and receivables. There is no collateral held as security against these financial instruments, including those instruments that are overdue or impaired.

Cash and cash equivalents and receivables (note 7) are subject to the expected credit loss model. The notes for these items provide relevant information on impairment.

Liquidity risk

Management of liquidity risk

Liquidity risk is the risk that the Ministry will encounter difficulty raising liquid funds to meet commitments as they fall due.

As part of meeting its liquidity requirements, the Ministry closely monitors its forecast cash requirements with expected cash drawdowns from the New Zealand Debt Management Office. The Ministry maintains a target level of available cash to meet liquidity requirements.

Contractual maturity analysis of financial liabilities

The table below analyses the Ministry's financial liabilities that will be settled based on the remaining period at the balance sheet date to the contractual maturity date. The amounts disclosed are the contractual undiscounted cash flows.

	Carrying amount \$000	Contractual cash flows \$000	Less than 6 months \$000	6 months – 1 year \$000	1–5 years \$000	More than 5 years \$000
2025						
Payables (Note 10)	12,630	12,630	12,630	–	–	–
2024						
Payables (Note 10)	19,810	19,810	19,810	–	–	–

18. Explanations of major variances against budget

Explanations for major variances from the Ministry's original 2024/25 budget figures are as follows:

(i) Statement of comprehensive revenue and expense

	2024/25 Actual \$000	2024/25 Budget \$000	2024/25 Variance \$000
Revenue Crown	190,139	183,297	6,842
Personnel	120,991	122,961	(1,970)
Contribution and sponsorship	12,237	5,453	6,784
General and administration	4,462	8,192	(3,730)
Other operating costs	7,335	5,292	2,043

Revenue Crown. The actual Crown revenue was higher than budget mainly due to:

- in-principle expense transfer from 2023/24 under Environment for Water Rights Litigation and to support development of the Risk Index Tool
- in-principle expense transfer from 2023/24 under Climate Change for Supporting Equitable Transition and Climate Resilience for Māori
- a drawdown of salary/wage tagged contingency under Environment and Climate Change
- a drawdown of the market governance tagged contingency.

Personnel. The actual expense was lower than budget because, as a result of staff exiting earlier than expected in the restructure, momentum of planned spend was not reached.

Contribution and sponsorship. The actual expense was higher than budget due to evolving engagement and partnership funding models with Ministry stakeholders.

General and administration. The actual expense was lower than budget because planned spend was not reached.

Other operating cost. The actual expense was higher than budget due to higher information technology maintenance costs.

(ii) Statement of financial position

	2024/25 Actual \$000	2024/25 Budget \$000	2024/25 Variance \$000
Cash and cash equivalents	15,708	19,430	3,722
Receivables	31,254	16,203	(15,051)
Payables	13,434	17,800	4,366

Cash and cash equivalents. The Ministry drew less funding from the Crown in anticipation of payments due to creditors. This has resulted in lower than the forecast cash and cash equivalents.

Receivables. The higher level of receivables primarily relates to amounts receivable from the Crown. Funds drawn down by the Ministry during the year differed from budget, leaving an increased amount receivable at year-end.

Payables. The actual payables were lower than budget due to lower than expected year-end accruals.

(iii) Statement of cash flows

	2024/25 Actual \$000	2024/25 Budget \$000	2024/25 Variance \$000
Receipts from the Crown	215,140	183,297	(31,843)
Payments to suppliers	(63,940)	(58,999)	4,941
Payments to employees	(126,084)	(122,901)	3,183

Receipts from the Crown. Actual received cash was higher than budget due to in-principle transfers, as mentioned above.

Payments to suppliers. Actual cash paid was higher than budget due to the release of accrued creditors during the year.

Payments to employees. Actual cash paid was higher than budget due to the release of redundancy payments during the year.

19. Climate Change Chief Executives Board

The Climate Change Chief Executives Board (CCCE Board) is an interdepartmental executive board to provide oversight of the Government's response to climate change. Operating funding of \$3.75 million in 2024/25 was approved for the appropriation.

The Ministry administers the CCCE Board appropriation under Vote Environment and the revenues, expenditures, assets and liabilities relating to the Board are consolidated in the Ministry's financial statements.

Climate Change Chief Executives Board financial information

	2023/24 Actual \$000	2024/25 Actual \$000
Revenue		
Funding from the Crown	3,968	3,754
Expenses		
Personnel	2,105	1,803
Contractors and consultants	156	166
Other operating costs	1,242	1,515
Total costs	3,503	3,484
Assets		
Receivables	465	270
Liabilities		
Provision for repayment of surplus	465	270

Non-departmental statements and schedules

for the year ended 30 June 2025

The following non-departmental statements and schedules record the revenue, expenses, assets, liabilities, commitments, contingent liabilities and contingent assets the Ministry manages on behalf of the Crown.

Schedule of non-departmental revenue

for the year ended 30 June 2025

		2023/24 Actual \$000	2024/25 Mains Forecast* \$000	2024/25 Actual \$000	2025/26 Forecast* \$000
	Notes				
Revenue					
Royalties		22	750	1,252	750
Levies		228,060**	320,721	258,635	327,889
Emissions trading	10	1,798,220	2,750,152	1,892,805	2,299,616
Emissions Trading Scheme penalty revenue		215	–	34,006	–
Total non-departmental revenue		2,026,517	3,017,623	2,186,698	2,628,255

* The statement of accounting policies explains the basis for these figures, which are not subject to audit.

** The Ministry reported additional Waste Disposal Levy revenue of \$5.588 million in 2023/24 relating to prior year 2022/23.

Explanations of significant variances against budget are detailed in Note 13.

Schedule of non-departmental capital receipts

for the year ended 30 June 2025

The Ministry on behalf of the Crown has no capital receipts (2023/24: \$nil).

The accompanying notes form part of these financial statements. For a full understanding of the Crown's financial position and the results of its operations for the year, refer to the consolidated Financial Statements of the Government for the year ended 30 June 2025.

Schedule of non-departmental expenses

for the year ended 30 June 2025

	Notes	2023/24 Actual \$000	2024/25 Mains Forecast* \$000	2024/25 Actual \$000	2025/26 Forecast* \$000
Expenses					
Grants and settlements	2	111,498	305,130	178,314	211,907
Promotions		800	800	800	–
Subscriptions and contributions to international forums	3	1,226	955	956	1,284
Crown entity funding	4	56,032	53,002	51,255	56,120
Levy disbursement	5	99,825	126,500	99,932	127,861
Allocation of New Zealand Units	6, 10	856,017	1,272,964	1,093,489	1,174,232
Net changes in carbon price of New Zealand Units	10	1,223,652	–	1,026,907	–
Loss on sale of New Zealand Units	10	37,762	–	17,559	–
GST input expense		38,030	72,298	51,180	58,606
Other		1,716	1,677	1,644	177
Total non-departmental expenses		2,426,558	1,833,326	2,522,036	1,630,187

* The statement of accounting policies explains the basis for these figures, which are not subject to audit.

Explanations of significant variances against budget are detailed in Note 13.

The accompanying notes form part of these financial statements. For a full understanding of the Crown's financial position and the results of its operations for the year, refer to the consolidated Financial Statements of the Government for the year ended 30 June 2025.

Schedule of non-departmental assets

as at 30 June 2025

		2023/24 Actual \$000	2024/25 Mains Forecast* \$000	2024/25 Actual \$000	2025/26 Forecast* \$000
	Notes				
Assets					
Current assets					
Cash and cash equivalents		31,540	28,198	34,953	31,134
Receivables	7	56,847	38,500	96,906	57,500
Total current assets		88,387	66,698	131,859	88,634
Non-current assets					
		–	–	–	–
Total non-departmental assets		88,387	66,698	131,859	88,634

* The statement of accounting policies explains the basis for these figures, which are not subject to audit.

Explanations of significant variances against budget are detailed in Note 13.

In addition, the Ministry monitors two Crown entities: the Environmental Protection Authority | Te Mana Rauhi Taiao and He Pou a Rangi | Climate Change Commission. The investments in these entities are recorded within the Financial Statements of the Government on a line-by-line basis. The investment in those entities is not included in this schedule.

The accompanying notes form part of these financial statements. For a full understanding of the Crown's financial position and the results of its operations for the year, refer to the consolidated Financial Statements of the Government for the year ended 30 June 2025.

Schedule of non-departmental liabilities

as at 30 June 2025

		2023/24 Actual \$000	2024/25 Mains Forecast*	2024/25 Actual \$000	2025/26 Forecast*
	Notes				
Liabilities					
Current liabilities					
Payables	8	107,155	93,960	89,906	113,960
Provisions	10	6,866,186	6,962,908	7,385,943	5,966,357
Total current liabilities		6,973,341	7,056,868	7,475,849	6,080,317
Non-current liabilities					
Payables	8	62,510	59,188	59,188	55,640
Total non-current liabilities		62,510	59,188	59,188	55,640
Total non-departmental liabilities		7,035,851	7,116,056	7,535,037	6,135,957

* The statement of accounting policies explains the basis for these figures, which are not subject to audit.

Explanations of significant variances against budget are detailed in Note 13.

Schedule of non-departmental commitments

as at 30 June 2025

The Ministry, on behalf of the Crown, has no non-cancellable capital or lease commitments (2023/24: \$nil).

The accompanying notes form part of these financial statements. For a full understanding of the Crown's financial position and the results of its operations for the year, refer to the consolidated Financial Statements of the Government for the year ended 30 June 2025.

Schedule of non-departmental contingent liabilities and contingent assets

as at 30 June 2025

Unquantifiable contingent liabilities and contingent assets

Environmental liabilities

Under common law and various statutes, the Crown may have responsibility to remedy adverse effects on the environment arising from Crown activities.

Liabilities for contaminated sites are recognised in accordance with PBE IPSAS 19: Provisions, Contingent Liabilities and Contingent Assets. Obligations for the clean-up of contaminated sites expressed in an announcement or legislation are not recognised if it is still in progress or has not created a clear expectation that the Crown will fulfil its obligation.

New Zealand Emissions Trading Scheme

Post-1989 forest land

Owners of post-1989 forest land (or those with a registered interest in the forest on the land) may voluntarily become participants in the New Zealand Emissions Trading Scheme (NZ ETS), and in doing so are entitled to receive New Zealand Units (NZUs) for the increase in carbon stock in their forests.

Those landowners who have not registered their post-1989 forest land or who have deregistered from the scheme have until the end of 2025 (in a one-off, shortened 'mini'-Mandatory Emissions Reporting Period from 1 January 2023 to 31 December 2025) to decide whether to re-register post-1989 forest land and receive NZUs for the period beginning from 1 January 2023. If they re-register, they can claim NZUs for all the carbon stored in their forest from 1 January 2023, subject to review and approval of their applications.

Participants also have various legal obligations, including to surrender units if the carbon stocks in their registered forest areas fall below a previously reported level (for example, due to harvesting or fire). However, the surrender liability is capped at the amount of units the participant previously received for that area of forest land (if any).

Assets and liabilities relating to the post-1989 forestry sector have only been recognised in these non-departmental statements and schedules to the extent that participants have registered in the NZ ETS at 30 June 2025.

Pre-1990 forest land

Pre-1990 forest land is an area that was forest land on 31 December 1989, and that on 31 December 2007 is still forest land and is covered by predominantly exotic forest species.

Subject to various exemptions, if an area of more than two hectares of pre-1990 forest land is deforested in any five-year period from 1 January 2008, the landowner becomes a mandatory participant in the NZ ETS. The landowner must submit an emissions return and either surrender units or pay cash at a rate of \$25 per NZU for emissions resulting from deforestation that occurred up to 2019 and \$35 per unit for emissions resulting from deforestation in 2020.

At 30 June 2025, there may be some deforestation that has not yet been reported to the Crown because some participants may not be fully aware of the NZ ETS requirements or the consequences of non-compliance.

Reimbursement of excess New Zealand Units surrendered to the Crown

There may be potential liability of reimbursing NZUs to participants who have surrendered units in excess of their obligations. The extent of potential liability is unknown and unquantifiable at this time.

Quantifiable contingent liabilities

Sand royalties

Customary marine title holders under the Marine Coastal Area (Takutai Moana) Act 2011 could have payments issued to them retrospectively with regard to sand and shingle royalties if the royalty is taken in the customary marine title area. The amount could be between \$500,000 and \$2 million (2023/24: between \$500,000 and \$2 million).

The Ministry on behalf of the Crown has no other contingent liability or assets (2023/24: \$nil).

Notes to the non-departmental statements and schedules

1. Statement of accounting policies for the year ended 30 June 2025

Reporting entity

The non-departmental statements and schedules present financial information on public funds managed by the Ministry on behalf of the Crown.

The non-departmental balances are consolidated into the Financial Statements of the Government for the year ended 30 June 2025. For a full understanding of the Crown's financial position, results of operations, and cash flows for the year, refer to the Financial Statements of the Government for the year ended 30 June 2025.

Basis of preparation

The non-departmental statements and schedules have been prepared in accordance with the Government's accounting policies as set out in the Financial Statements of the Government, and in accordance with relevant Treasury Instructions and Treasury Circulars.

Measurements and recognition rules applied in the preparation of these non-departmental statements and schedules are consistent with NZ GAAP, applying Tier 1 PBE Accounting Standards, as appropriate for public benefit entities in the public sector.

Presentation currency and rounding

The non-departmental statements and schedules are presented in New Zealand dollars, and all values are rounded to the nearest thousand dollars (\$000) unless otherwise stated. The functional currency of the Ministry is New Zealand dollars.

Comparatives

All comparative amounts are consistent with those included in the previous year's non-departmental statements and schedules.

New or amended standards adopted

No new accounting standards have been adopted in the year that have had a material impact on the preparation of the non-departmental statements and schedules.

Other changes in accounting policies

There have been no other changes in the accounting policies since the date of the last audited non-departmental statements and schedules.

Standards issued and not yet effective and not early adopted

No new accounting standards have been issued that are not yet effective and have not been early adopted, which are considered likely to have a material impact on these non-departmental statements and schedules when adopted in 2025/26.

Summary of significant accounting policies

Significant accounting policies are included in the notes to which they relate. Significant accounting policies that do not relate to a specific note are included below.

The accounting policies set out below have been applied consistently to all periods presented in these financial statements. The accrual basis of accounting has been used unless otherwise stated.

Budgeting and forecasting figures

The 2025 budget figures are for the year ended 30 June 2025 and were published in the 2023/24 annual report. They are consistent with the Ministry's best estimate financial forecast information submitted to the Treasury for the Budget Economic and Fiscal Update (BEFU) for the year ending 30 June 2025.

The forecast figures used in these statements and schedules for the NZ ETS surrender of units and allocation of NZUs were valued using market prices per carbon unit at the time of BEFU 2024 forecast. Similarly, the liability provision for the NZ ETS was valued using market price per carbon unit at the time of BEFU forecast. Budget figure for the appropriation of Allocation of New Zealand Units is based on NZ\$100 per carbon unit and the revised budget figure is based on NZ\$71 per carbon unit to mitigate the risk of breaching the appropriation.

The 2026 forecast figures are for the year ending 30 June 2026, which are consistent with the best estimate financial forecast information submitted to the Treasury for the BEFU for the year ending 30 June 2026.

The forecast figures used in these statements and schedules for the NZ ETS surrender of units and allocation of NZUs were valued using market prices per carbon unit at the time of BEFU 2025 forecast. Similarly, the liability provision for the NZ ETS was valued using market price per carbon unit at the time of BEFU forecast. BEFU forecast figure for the appropriation of Allocation of New Zealand Units is based on NZ\$100 per carbon unit to mitigate the risk of breaching the appropriation.

The budget and forecast figures have been prepared in accordance with NZ GAAP, using accounting policies that are consistent with those adopted in preparing these statements and schedules and are based on PBE Accounting Standards.

The budget and forecast figures are unaudited and have been prepared in accordance with the requirements of the Public Finance Act 1989 and comply with Tier 1 PBE Accounting Standards and other applicable financial reporting standards, as appropriate for public benefit entities in the public sector. They are to be used in the future for reporting historical general-purpose financial statements.

The forecast figures contained in these financial statements reflect the Ministry's purpose and activities and are based on a number of assumptions on what may occur during 2025/26. Events and circumstances may not occur as expected. Factors that could lead to material

differences between the forecast financial statements and the 2025/26 actual financial statements include changes to the baseline forecast through new initiatives, or technical adjustments.

Foreign exchange

Foreign currency transactions are translated into New Zealand dollars using the exchange rates prevailing at the date of the transaction. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of the monetary assets and liabilities denominated in foreign currencies are recognised in the schedule of non-departmental revenue or schedule of non-departmental expenses.

Cash and cash equivalents

Cash and cash equivalents include cash on hand, cash in transit, and funds held in bank accounts administered by the Ministry. All cash held in bank accounts is held in on-demand accounts and no interest is payable to the Ministry.

Goods and services tax

All items in the financial statements, including appropriation statements, are stated exclusive of GST, except for receivables and payables, which are stated on a GST-inclusive basis. In accordance with the Treasury Instructions, GST is returned on revenue received on behalf of the Crown, where applicable. However, an input tax deduction is not claimed on non-departmental expenditure. Instead, the amount of GST applicable to non-departmental expenditure is recognised as a separate expense and eliminated against GST revenue on consolidation of the Financial Statements of the Government.

Commitments

Future expenses and liabilities to be incurred on non-cancellable contracts that have been entered into as at balance date are disclosed as commitments to the extent that there are equally unperformed obligations.

Cancellable commitments that have penalty or exit costs explicit in the agreement on exercising that option to cancel are included in the statement of commitments at the lower of the remaining contractual commitment and the value of that penalty or exit cost.

Contingent liabilities

Contingent liabilities are disclosed at the point at which the contingency is evident.

Critical accounting estimates and assumptions

The preparation of financial statements in conformity with PBE Accounting Standards requires judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, revenue and expenses.

The estimates and associated assumptions are based on historical experience and various other factors that are considered reasonable under the circumstances. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised if the revisions affect only that period, or in the period of the revisions and future periods if the revisions affect both current and future periods.

Judgements that have a significant effect on the financial statements and estimates with a significant risk of material adjustments in the next year are discussed in the notes to the financial statements.

Note 10 provides the key assumptions used in determining the provision for the allocation of NZUs.

New Zealand Emissions Trading Scheme

The NZ ETS is New Zealand's primary response to global climate change. It puts a price on greenhouse gases to provide an incentive to reduce emissions, invest in energy efficiency and plant trees.

The purpose of the NZ ETS is to help reduce New Zealand's emissions to below business-as-usual levels and help New Zealand meet its international obligations under the United Nations Framework Convention on Climate Change, the Kyoto Protocol and the Paris Agreement. This is achieved by establishing a price on emissions, which creates a financial incentive for emitters to reduce their emissions.

In operation since 2008, the mandatory NZ ETS currently covers emissions from forestry, stationary energy, industrial processes and liquid fossil fuels, which are collectively responsible for roughly 50 percent of New Zealand's emissions. Emissions from waste are covered by the NZ ETS from 2013, while emissions from synthetic gases are covered by the NZ ETS or a levy from 2013. Since 1 January 2012, the agricultural sector has had mandatory reporting obligations under the NZ ETS.

The NZ ETS is the system in which New Zealand Units are traded. Under the NZ ETS, certain sectors are required to acquire and surrender NZUs or other eligible emissions units to account for their direct greenhouse gas emissions or the emissions associated with their products.

Detailed information can be found on the Ministry's [website](#).

The Ministry collects forecast information in relation to the allocation and surrender of units from the following agencies:

- The Ministry for Primary Industries provides information on post-1989 and Permanent Forest Sink Initiative allocation, deforestation, and deregistration forecast.
- The Ministry of Business, Innovation and Employment provides information for surrender of units for liquid fossil fuels, stationary energy and industrial processes.
- The Environmental Protection Authority provides information on allocation of units to industrial sectors and other removable activities.
- The Ministry for the Environment provides surrender and allocation forecasts for synthetic greenhouse gases (SGG) and the waste sectors.

The Climate Change Response (Emissions Trading Reform) Amendment Act 2020 introduced auctioning to the NZ ETS, to align the supply of units in the scheme with New Zealand's emissions reduction targets. The first auction took place in March 2021 and subsequent auctions have occurred on a quarterly basis. The units allocated to the market through the auctioning process increase the overall NZ ETS provision in line with the general NZ ETS accounting treatment. For more information on the auctioning process, see the Ministry's webpage [ETS Auctions and how to buy New Zealand Emissions Units \(NZUs\)](#).

Revenue

The Ministry collects revenue on behalf of the Crown. This includes revenue from:

- the Waste Disposal Levy under the Waste Minimisation Act 2008
- the Synthetic Greenhouse Gas Levy under the Climate Change Response Act 2002 and the Climate Change (Synthetic Greenhouse Gas Levies) Regulations 2013
- surrender of units under the NZ ETS
- the Waste Minimisation (Tyres) Regulations 2023.

The Waste Disposal Levy revenue is recognised in the month when waste is disposed of at landfill.

The Synthetic Greenhouse Gas Levy revenue is recognised in the month when it is collected by NZ Transport Agency | Waka Kotahi.

Revenue (including accruals) arising from the NZ ETS is recognised when a participant makes emissions or a liability to the Crown is incurred.

The Product Stewardship (Tyres) revenue is recognised in the month when the fee is collected by the NZ Transport Agency at first registration of the vehicle and by the Ministry when:

- a loose regulated tyre, off-road motor vehicle or aircraft is imported, or
- a loose regulated tyre manufactured in New Zealand is first sold.

Expenses

2. Grants and settlements

Accounting policy

Grant expenditure

Non-discretionary grants are those grants awarded if the grant application meets the specified criteria. They are recognised as expenditure when an application that meets the specified criteria for the grant has been received.

Discretionary grants are those grants where the Ministry has no obligation to award on receipt of the grant application.

For discretionary grants without substantive conditions, the total committed funding over the life of the funding agreement is recognised as expenditure when the grant is approved by the relevant committee or body and the approval has been communicated to the applicant.

Grants with substantive conditions are recognised as an expense at the earlier of the grant payment date or when the grant's conditions have been satisfied.

Further information

Grants funding is provided to support:

- efforts to achieve a low-waste, low-emissions, circular economy
- nature-based work for a greener New Zealand by restoring and preserving our environment for future generations
- work to stop further degradation of our freshwater, improve water quality, reverse any past damage, and bring our waterways and ecosystems to a healthy state within a generation
- the investigation, management and remediation of contaminated sites
- training programmes, including Te Aho Tū Roa, that promote environmental and social sustainability, encourage Māori participation, raise environmental and ecological awareness, and encourage children and young people to participate in environmental initiatives in the community.

Settlement expenditure

An expense and an associated provision are recognised for settlement agreements with Waikato River iwi and other iwi on the initialling of the deeds of settlement by the Crown and the relevant iwi.

Further information

Settlement funding is provided to support the Waikato River Authority to restore and protect the health and wellbeing of the Waikato River for future generations.

3. Subscriptions and contributions to international forums

New Zealand is a member country of the United Nations Environment Programme (UNEP), the United Nations Framework Convention on Climate Change (UNFCCC) and various other UN conventions.

The Ministry, on behalf of New Zealand, makes annual contributions to UNEP and UNFCCC's core budget and also support various other programmes of work. It is a lead agency for ensuring the country meets its obligations under key United Nations environmental agreements and climate change agreements, specifically the:

- Vienna Convention for the Protection of the Ozone Layer, the Montreal Protocol on Substances that Deplete the Ozone Layer, and the Kigali Amendment to the Montreal Protocol
- Basel Convention on the Control of Transboundary Movements of Hazardous Wastes and their Disposal
- Rotterdam Convention on the Prior Informed Consent Procedure for Certain Hazardous Chemicals and Pesticides in International Trade
- Stockholm Convention on Persistent Organic Pollutants

- Convention to Ban the Importation into Forum Island Countries of Hazardous and Radioactive Wastes and to Control the Transboundary Movement of Hazardous Wastes within the South Pacific Region
- Minamata Convention on Mercury.

4. Crown entity funding

The Ministry monitors two Crown entities: the Environmental Protection Authority | Te Mana Rauhi Taiao and He Pou a Rangi | Climate Change Commission.

Environmental Protection Authority | Te Mana Rauhi Taiao

The Environmental Protection Authority is New Zealand's national environmental regulator. Its work is about protecting the environment to enhance a safe and sustainable way of life, and future, for all New Zealanders. It regulates human activities that impact the environment and people of New Zealand. As steward for the natural world, it regulates many aspects of future life through decisions made today and balances social, economic, safety and environmental factors.

He Pou a Rangi | Climate Change Commission

The Climate Change Commission's purpose is to provide independent, expert advice to the Government on mitigating and adapting to the effects of climate change, and to monitor and report on the Government's progress towards its emissions reduction and adaptation goals.

Breakdown of receivables and further information

	2023/24 Actual \$000	2024/25 Actual \$000
Operating expense		
Environmental Protection Authority	37,599	36,952
Climate Change Commission	18,433	14,303
Total Crown entity operating expense funding	56,032	51,255

5. Levy disbursement

Expenses arising from Waste Disposal Levy disbursements are recognised in the month the waste is disposed at landfill. Under the Waste Minimisation Act 2008, 50 percent of the levy collected must be distributed to territorial local authorities.

6. Allocation of New Zealand Units under the NZ ETS

Expenses (including accruals) arising from the allocation of NZUs under the NZ ETS are recognised as follows:

- For NZUs issued as one-off compensation (eg, the pre-1990 forestry allocation), expenditure is recognised at the point that the participant has provided all relevant information to the Government to show they have met the criteria and rules for the issue of NZUs and are entitled to them under the NZ ETS.

- For NZUs issued for carbon sequestration (eg, post-1989 forestry) or as annual compensation for NZ ETS costs (eg, the industrial allocation), expenditure is recognised when the carbon is sequestered (based on forecasts of sequestration for registered participants in the scheme at each reporting date) or as the emissions compensated by the industrial allocation occur.

The methodology used to approximate the price at the date of each transaction is the lower of the monthly average NZU price and the spot NZU price at the end of each month.

7. Receivables

Accounting policy

Receivables are initially measured at their face value, less an allowance for expected credit losses. The Ministry applies the simplified expected credit loss model of recognising lifetime expected credit losses for receivables.

In measuring expected credit losses, short-term receivables have been assessed on a collective basis as they possess shared credit risk characteristics. They have been grouped based on the days past due.

Short-term receivables are written off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include the debtor being in liquidation.

Breakdown of receivables and further information

	2023/24 Actual \$000	2024/25 Actual \$000
Receivables	38,221	42,712
Fines and penalties receivable	353	32,483
Accrued revenue	18,273	21,711
Total receivables – non-exchange	56,847	96,906

Receivables mainly relate to:

- the Waste Disposal Levy from waste disposal facility operators
- Product Stewardship (Tyres) fees from the importers and manufacturers of loose regulated tyres
- NZ ETS penalties from participants for non-compliance and failure to surrender or repay NZUs to the Crown by the due date.

The expected credit loss rates for receivables as at 30 June 2025 and 30 June 2024 are based on the payment profile of revenue on credit over the prior 12 months at the measurement date and the corresponding historical credit losses experienced for that period. Judgement is also applied to determine whether historical loss rates are expected to continue, and any adjustment to the loss rates due to current and forward-looking macroeconomic factors that might affect the recoverability of receivables.

There have been no changes during the reporting period in the estimation techniques or significant assumptions used in measuring the loss allowance.

The allowance for credit losses as at 30 June 2025 and 30 June 2024 was determined as follows:

30 June 2025		Receivable days past due			
	Current	More than 30 days	More than 60 days	More than 90 days	Total
Expected credit loss rate	0%	0%	0%	0%	–
Gross carrying amount (\$000)	62,851	329	29,182	4,544	96,906
Lifetime expected credit loss (\$000)	0	0	0	0	–
30 June 2024		Receivable days past due			
	Current	More than 30 days	More than 60 days	More than 90 days	Total
Expected credit loss rate	0%	0%	0%	0%	–
Gross carrying amount (\$000)	56,281	160	0	406	56,847
Lifetime expected credit loss (\$000)	0	0	0	0	–

There was no movement in the allowance for credit losses as at 30 June 2025 (2023/24: \$nil).

No provision has been recognised, and all receivables are expected to be collected (2023/24: no provision recognised).

8. Payables

Accounting policy

Short-term payables are recorded at the amount payable to extinguish the liability.

Breakdown of payables and further information

	2023/24 Actual \$000	2024/25 Actual \$000
Current payables are represented by:		
Waikato River Co-management	10,000	8,000
Waikato River Clean-up Fund	6,914	6,916
Te Pou Tupua	590	590
Transitional Support for Local Government and Iwi	9,067	8,793
GST payable	3,174	3,396
Waste Disposal Levy disbursements payables	45,470	49,289
Accrued payables	31,941	12,922
Total current portion	107,155	89,906
Non-current payables are represented by:		
Waikato River Clean-up Fund	61,193	57,988
Te Pou Tupua	1,317	1,200
Total non-current portion	62,510	59,188
Total payables – non-exchange	169,665	149,094

Payables mainly relate to grants and settlements funding.

The carrying value of payables approximates their fair value.

Payables are non-interest bearing and are normally settled within 30 days. The exceptions are the Waikato River Co-management and the Waikato River Clean-up Fund, for which payments are settled on the due dates.

Recognition of future discounted cash flows for the Waikato River Clean-up Fund

	Payables				Total
	2025–26 \$000	2027–31 \$000	2032–36 \$000	2037–38 \$000	\$000
Waikato River Clean-up Fund					
Nominal	7,333	36,665	36,665	14,675	95,338
Discount	(417)	(7,532)	(14,895)	(7,590)	(30,434)
Recognised	6,916	29,133	21,770	7,085	64,904

The policy decision to pay \$220 million over 30 years to the Waikato River Authority was recognised as an expense in 2009/10 and 2011/12 in net present value terms. This appropriation now represents the difference between the cash to be paid to the Trust in 2025/26 of \$7.333 million and the value recognised in 2009/10 and 2011/12 at net present value for this payment.

The table above reconciles the cash outflows that will occur over the next 13 years.

Recognition of future discounted cash flows for Te Pou Tupua (Whanganui River Funds)

	Payables			Total
	2025–26 \$000	2027–31 \$000	2032–34 \$000	\$000
Te Pou Tupua				
Nominal	600	1,000	600	2,200
Discount	(10)	(191)	(209)	(410)
Recognised	590	809	391	1,790

The policy decision to pay \$4 million over 20 years to Te Pou Tupua to support the governance and operational costs related to the Whanganui River Te Awa Tupua Putea. This has been recognised as an expense in 2013/14 in net present value terms. This appropriation now represents the difference between the cash to be paid to the Trust in 2025/26 of \$600,000 (including arrears for two years, 2014/15 and 2015/16) and the value recognised in 2013/14 at net present value for this payment.

The table above reconciles the cash outflows that will occur over the next nine years.

9. Financial instruments

The carrying amounts of financial assets and financial liabilities in each of the categories are as follows:

	2023/24 Actual \$000	2024/25 Actual \$000
Financial assets measured at amortised cost		
Cash and cash equivalents	31,540	34,953
Receivables (excludes fines and penalties receivable)	56,494	64,421
Total financial assets measured at amortised cost	88,034	99,374
Financial liabilities measured at amortised cost		
Payables (excluding GST payable)	166,491	145,698

Credit risk

Credit risk is the risk that a third party will default on its obligation, causing a loss to be incurred. Credit risk arises from deposits with banks and receivables.

The Ministry is permitted to deposit funds only with Westpac, a registered bank. Westpac bank has a high credit rating of AA– (Standard and Poor’s credit rating). For its other financial instruments, the Ministry does not have significant concentrations of credit risk.

The maximum credit exposure for each class of financial instrument is represented by the total carrying amount of cash and cash equivalents, and receivables. There is no collateral held as security against these financial instruments, including those instruments that are overdue or impaired. Other than Westpac bank, there are no significant concentrations of credit risk.

Cash and cash equivalents as at 30 June 2025 and receivables (Note 7) are subject to the expected credit loss model. No loss allowance has been recognised because the estimated loss allowance for credit losses is not applicable. The note on receivables provides relevant information on impairment.

10. Provisions

Accounting policy

A provision is recognised for future expenditure of uncertain amount or timing when:

- there is a present obligation (either legal or constructive) as a result of a past event
- it is probable that an outflow of future economic benefits will be required to settle the obligation
- a reliable estimate of the amount of the obligation can be made.

Provisions are not recognised for future operating losses.

Provisions are measured at the present value of the expenditure expected to be required to settle the obligation using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to the passage of time is recognised as a revaluation gains/(losses).

The provision for the Allocation of New Zealand Units is remeasured using the current spot price at each reporting date.

	2023/24 Actual \$000	2024/25 Actual \$000
Current portion		
Allocation of New Zealand Units	6,866,186	7,385,943
Total current portion	6,866,186	7,385,943
Non-current portion	–	–
Total provisions	6,866,186	7,385,943

	Allocation of New Zealand Units \$000
Balance as at 1 July 2023	6,325,260
Additional provisions made	1,046,372
Amounts used	(1,766,860)
(Gains)/losses	1,261,414
Balance as at 30 June 2024	6,866,186
Balance as at 1 July 2024	6,866,186
Additional provisions made	1,351,569
Amounts used	(1,876,278)
(Gains)/losses net	1,044,466
Balance as at 30 June 2025	7,385,943

Remeasurement gains or losses arise from fluctuations in the market price of NZUs. An increase in the NZU price results in a higher NZ ETS liability, leading to a recognised loss. Conversely, a decrease in price results in a remeasurement gain.

The value of the outstanding NZUs at 30 June 2025 has increased by \$520 million to \$7,386 million compared with the previous year. Although fewer units were in circulation at 30 June 2025, as the units surrendered back to the Crown exceeded units allocated and sold into circulation during 2024/25, this has been offset by the increase in the carbon price used to value the outstanding units.

The carbon price used to calculate the value of the Crown's liability of 125.9 million outstanding NZUs at 30 June 2025 is \$58.70 (2024:136 million outstanding NZUs at \$50.50). The carbon price used is determined based on the current quoted NZU spot price at the end of the reporting date, as published by Jarden Securities Limited and reported on its Jarden CommTrade carbon website.

Provision for NZ ETS credits

	2023/24 Units in millions	2023/24 Amount in \$millions	2024/25 Units in millions	2024/25 Amount in \$millions
Opening provision	151.5	6,325	136.0	6,866
Auctioned units	3.0	190	4.0	258
Use of fixed price options	1.2	32	0.6	17
Allocation units	15.6	856	18.8	1,093
Surrendered units	(35.3)	(1,798)	(33.5)	(1,893)
Revaluation (gains)/losses	–	1,261	–	1,045
Closing provision	136.0	6,866	125.9	7,386

The revenue and expenses reported under the NZ ETS are as follows:

	Revenue: Units surrendered				Expenses: Units allocated			
	2023/24		2024/25		2023/24		2024/25	
	Units in millions	Amount in \$millions	Units in millions	Amount in \$millions	Units in millions	Amount in \$millions	Units in millions	Amount in \$millions
Liquid fossil fuels	23.1	1,178	18.6	1,048	–	–	–	–
Stationary energy and industrial processes	8.7	441	13.3	754	7.4	406	5.9	345
Waste	0.3	17	0.4	25	–	–	–	–
Forestry	3.2	162	1.2	66	8.2	450	12.9	748
Total	35.3	1,798	33.5	1,893	15.6	856	18.8	1,093

Allocation of New Zealand Units

The NZ ETS was established to encourage a reduction in greenhouse gas emissions. The NZ ETS creates a limited number of tradable units (the New Zealand Unit), which the Government can allocate freely or sell to entities. The allocation of NZUs (including auctioned units) creates a provision. An expense is recognised in relation to the allocation of free units. The provision is reduced, and revenue recognised, as NZUs are surrendered to the Crown by emitters. Emitters can also use the fixed price option of \$25 per unit for emissions that occurred up to 2019 and \$35 per unit for emissions that occurred in 2020 to settle their emission obligation.

The Ministry has classified the provision for Allocation of New Zealand Units as a current liability because it does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting date. Based on forecasts of NZ ETS activity, expected recovery/settlement is expected to occur as follows:

- within 12 months: \$2,299.616 million (2023/24: \$2,750.152 million)
- after more than 12 months: \$5,086.327 million (2023/24: \$4,116.034 million).

Additional information on New Zealand's Climate Change commitments (targets) under various agreements – (past and current)

New Zealand's 2012 target under the Kyoto Protocol

New Zealand met its 2012 emissions reduction target for the first commitment period of the Kyoto Protocol.

New Zealand's 2020 target under the UNFCCC

New Zealand chose to take its 2020 emissions reduction target under the UNFCCC rather than the Kyoto Protocol, while applying the Kyoto Protocol rules to account for it.

New Zealand's 2020 target was to reduce gross greenhouse gas emissions to 5 percent below 1990 levels for the period 2013–20. New Zealand met this target.

New Zealand's 2030 target under the Paris Agreement

New Zealand's first Nationally Determined Contribution (NDC1) under the Paris Agreement is for the period 2021–2030. Our NDC1 is to reduce gross greenhouse gas emissions by 50 percent below 2005 levels by 2030 and is managed using a multi-year emissions budget. This target corresponds to a provisional emissions budget of 579 megatonnes of carbon dioxide equivalent (Mt CO₂e) over the period 2021–2030.

The progress towards meeting NDC1 is tracked in our Biennial Transparency Reports to the UNFCCC. Projections that include the impact of second emissions reduction plan policies show a gap of 84 Mt CO₂e.

The Government will continue to prioritise domestic emissions reductions to meet our NDC1 and reduce the gap further before the end of the NDC1 target period. The Government is also exploring opportunities that could enable New Zealand to undertake cooperative mitigation action in the future.

New Zealand's 2035 target under the Paris Agreement

New Zealand's second Nationally Determined Contribution (NDC2) under the Paris Agreement is for the period 2031–2035. Our NDC2 is to reduce gross greenhouse gas emissions by 51 to 55 percent below 2005 levels by 2035. NDC2 is presented and managed as a point-year target. The lower end of the NDC2 target range aligns closely with achieving our third emissions budget, which supports the delivery of both our domestic emissions budget and NDC2.

New Zealand's 2050 target

New Zealand's domestic target under the Climate Change Response Act 2002 is to achieve:

- net zero emissions of all greenhouse gas emissions other than biogenic methane by 2050
- a 24 to 47 percent reduction below 2017 biogenic methane emissions by 2050, including a 10 percent reduction below 2017 biogenic methane emissions by 2030.

New Zealand is using a system of emissions budgets to meet our 2050 target. Emissions budgets are stepping stones along the path to the 2050 target. Meeting each of our emissions budgets will make it more likely that we will ultimately achieve this target.

New Zealand's first and second emissions budgets

The first emissions budget (2022–2025) is 290 Mt CO₂e. Target accounting emissions for the first emissions budget period are projected to be 284 Mt CO₂e (low estimate 277 Mt CO₂e, high estimate 291 Mt CO₂e).

The second emissions budget (2026–2030) is 305 Mt CO₂e. Target accounting emissions for the second emissions budget period are projected to be 303 Mt CO₂e (low estimate 288 Mt CO₂e, high estimate 322 Mt CO₂e).

Target 9

In 2024, Cabinet set nine government targets to focus the public sector on achieving improved results in health, law and order, work, housing and the environment. Target 9 is focused on making sure New Zealand is on track to meet its 2050 net zero climate change commitments, with total net greenhouse gas emissions of no more than 290 Mt CO₂e from 2022 to 2025 and 305 Mt CO₂e from 2026 to 2030. This is in line with New Zealand's first and second emissions budgets.

The first and second emissions budgets are projected to be achieved, which gives confidence that Target 9 can be achieved.

11. Events after the balance sheet date

The price of the New Zealand Unit has decreased to \$58 per carbon unit as at 31 August 2025. This decrease has an effect on the Allocation of New Zealand Units provision, which has decreased to \$7,298 million from \$7,386 million.

There have been no other significant events after the balance date.

12. Memorandum accounts

Waste Minimisation Fund

	2023/24 Actual \$000	2024/25 Actual \$000
Balance as at 1 July	90,243	170,475
Revenue from Waste Disposal Levy collection	199,615	199,884
Expenses	(119,383)	(164,896)
Balance as at 30 June	170,475	205,463

The memorandum account records the Waste Disposal Levy that has been collected but not spent to date. The revenue represents the levy that is collected by waste disposal facilities. The expenses represent the disbursement of the received levy to territorial authorities, the Waste Minimisation Fund and the administration cost incurred by the Ministry. The disbursements of the levy to territorial authorities and the Waste Minimisation Fund are included as part of the schedules of non-departmental revenue and expenses.

Product stewardship

	2023/24 Actual \$000	2024/25 Actual \$000
Balance as at 1 July	–	12,930
Revenue from Product Stewardship (Tyres) fee collection	16,401	48,731
Expenses	(3,471)	(57,966)
Balance as at 30 June	12,930	3,695

The memorandum account records the Product Stewardship (Tyres) fee that has been collected but not yet spent as at 30 June 2025. The revenue represents the fee that is collected by the NZ Transport Agency | Waka Kotahi at first registration of the vehicle and by the Ministry when a loose regulated tyre, off-road motor vehicle, or aircraft is imported, or when a loose regulated tyre manufactured in New Zealand is first sold.

The expenses represent the disbursement of the received fee to the product stewardship organisation responsible for providing sustainable management of end-of-life tyres and the administration cost incurred by the Ministry. The disbursement of the fee to the product stewardship organisation is included as part of the schedules of non-departmental revenue and expenses.

13. Explanations of major variances against mains forecast

Explanations for major variances from the Ministry's non-departmental mains forecast figures are as follows:

(i) Schedule of non-departmental revenue

	2024/25 Actual \$000	2024/25 Mains Forecast \$000	2024/25 Variance \$000
Fees and levies	258,635	320,721	(62,086)
Emissions trading	1,892,805	2,750,152	(857,347)
Emissions Trading Scheme penalty revenue	34,006	–	34,006

Fees and levies: Levies include the revenue collected from the waste disposal landfill facility operators, the Synthetic Greenhouse Gas Levy collected by the NZ Transport Agency, and the Product Stewardship (Tyres) fees collected by the NZ Transport Agency and the Ministry.

The reasons why the revenue collected from the fees and levies was lower than mains forecast mainly relate to the Waste Disposal Levy and the product stewardship fees from tyres.

- **Waste Disposal Levy:** The revenue collected from the Waste Disposal Levy was lower than mains forecast due to multiple factors including the current economic conditions, which led to reduced development and building.
- **Product stewardship fees from tyres:** The revenue collected from the tyre fees was lower than mains forecast due to the current economic conditions, which led to a reduction in imports and in purchasing of tyres.

Emissions trading: The actual revenue from emitters surrendering units under the NZ ETS was lower than mains forecast primarily because lower than expected units were surrendered by forestry and industrial sector participants. In addition, the price of NZUs remained lower during the year.

NZ ETS penalty revenue: The receipts from the NZ ETS penalties often involve a fine per unit for late or inaccurate returns, or a surrender/repayment penalty for failing to surrender or repay units on time. The penalties are intended to be a deterrent to non-compliance with reporting, surrender, and repayment requirements, and to ensure the integrity of the NZ ETS.

(ii) Schedule of non-departmental expenses

	2024/25 Actual \$000	2024/25 Mains Forecast \$000	2024/25 Variance \$000
Grants and settlements	178,314	305,130	(126,816)
Allocation of New Zealand Units	1,093,489	1,272,964	(179,475)
Disbursements to territorial local authorities	99,932	126,500	(26,568)
Loss on sale of New Zealand Units	17,559	–	17,559
Net changes in carbon price of New Zealand Units	1,026,907	–	1,026,907

Grants and settlements: Expenditure on grants and settlements was lower than mains forecast primarily due to the following:

- **Contaminated Sites and Vulnerable Landfills Fund:** Expenditure was lower than mains forecast because, for new contracts, this fund opened part way through the financial year and expenditure profiles are uncertain until projects are awarded funding or contracted.
- **Contestable Waste Minimisation Fund:** Expenditure was lower than mains forecast due to multi-year infrastructure projects experiencing delays, for example, by not yet meeting initial stage-gate requirements. Also, several projects completed in this financial year were delivered under budget.
- **Fresh Start for Fresh Water: Rotorua Te Arawa Lakes Programme.** Expenditure was lower than mains forecast because the actual deliverables for the project were lower than anticipated for 2024/25.
- **Freshwater Improvement Fund:** Expenditure was lower than mains forecast because some projects experienced delays and changes that extended their timeline. Funding was rephased into 2025/26 to ensure each project has sufficient funds to complete its programme of work.
- **Kaipara Moana Remediation:** Expenditure was lower than mains forecast. The funding amount was estimated when the project was extended from six years to ten. Expenditure was in line with its 2024/25 annual work plan.
- **Reducing Emissions from Waste:** Expenditure was lower than mains forecast due to multi-year infrastructure projects experiencing delays. From 2025/26 onwards, this funding has been merged with the Contestable Waste Minimisation Fund.
- **Supporting Equitable Transitions and Climate Resilience for Māori:** Expenditure was lower than mains forecast due to variation and extension of one deed and delays in deed negotiations for other projects.
- **Te Mana o Te Wai:** Expenditure was lower than mains forecast mainly because several projects were delivered under budget.

Allocation of New Zealand Units: Expenditure was lower than mains forecast primarily because the number of units allocated to industrial and other removal sectors was lower than expected. In addition, the price of NZUs remained lower during the year.

Disbursements to Territorial Local Authorities: The actual expenditure was lower than mains forecast because the disbursement to territorial authorities is dependent on revenue collected from the Waste Disposal Levy under the Waste Minimisation Act 2008 during the year. Revenue collected from the Waste Disposal Levy was lower than anticipated for the year.

Loss on sale of New Zealand Units: The actual expenditure was higher than mains forecast because the forestry sector participants used the fixed-price option for surrendering units for the emissions that occurred before 2021.

Net changes in carbon price of New Zealand Units: The actual expense recognised is in relation to changes in the carbon price of NZUs. These changes are considered as a remeasurement under the Public Finance Act 1989 and do not require appropriation.

(iii) Schedule of non-departmental assets

	2024/25 Actual \$000	2024/25 Mains Forecast \$000	2024/25 Variance \$000
Cash and cash equivalents	34,953	28,198	6,755
Receivables	96,906	38,500	58,406

Cash and cash equivalents: The Ministry drew more funding from the Crown in anticipation of payments due to certain grants and settlements. This has resulted in higher cash and cash equivalents than forecast.

Receivables: The higher level of receivables primarily relates to the Waste Disposal Levy received from the landfill facility operators and the fees collected from the Tyrewise product stewardship scheme. This increase is due to the regulatory changes relating to the expansion and increase of the Waste Disposal Levy and the first full year of operation of the Tyrewise scheme.

(iv) Schedule of non-departmental liabilities

	2024/25 Actual \$000	2024/25 Mains Forecast \$000	2024/25 Variance \$000
Provisions	7,385,943	6,962,908	423,035

Provisions: Provisions relate to New Zealand Units under the NZ ETS. These provisions were higher than mains forecast mainly because the surrender of units by industrial and forestry sectors was lower than forecast. This was partially offset by lower than expected allocations. Also, a slight increase in price at the year-end affected the ETS liability provision.

Appropriation statements

The following statements report information about the expenses and capital expenditure incurred against each appropriation that the Ministry administers for the year ended 30 June 2025. They are prepared on a GST-exclusive basis.

Statement of budgeted and actual expenses and capital expenditure incurred against appropriations

for the year ended 30 June 2025

Annual and permanent appropriations for Vote Environment

	2023/24 Expenditure \$000	2024/25 Budget* \$000	2024/25 Revised Budget* ¹ \$000	2024/25 Expenditure ² \$000	2025/26 Forecast* \$000	Location of end-of-year performance information ³
Departmental output expenses						
Climate Change Chief Executives Board	3,504	3,435	3,754	3,484	3,742	a
Improving New Zealand's Environment	166,784	102,416	112,277	106,516	128,424	a
Managing Climate Change in New Zealand	51,673	49,500	43,362	40,161	46,399	a
Spatial Planning Board	3,903	–	–	–	–	
Total departmental output expenses	225,864	155,351	159,393	150,161	178,565	
Departmental capital expenditure						
Capital Expenditure – Permanent Legislative Authority under section 24(1) of the Public Finance Act 1989	312	800	800	224	800	a
Total departmental capital expenditure	312	800	800	224	800	
Non-departmental output expenses						
Administration of New Zealand Units held on Trust	177	177	177	126	177	e
Climate Change Commission Advisory and Monitoring Function	18,433	16,103	14,303	14,303	15,504	c
Contaminated Sites Remediation Fund	1,811	7,772	8,340	8,340	–	b

1. This includes adjustments made in the Supplementary Estimates and transfers under the Public Finance Act 1989.
2. Departmental appropriations amounts exclude remeasurement of \$90,315 (2023/24: (\$54,209)).
3. The letters in this column represent where the end-of-year performance information has been reported for each appropriation administered by the Ministry, as detailed below:
 - a. the Ministry's annual report
 - b. to be reported by the Minister for the Environment in a report appended to this annual report
 - c. to be reported by the Climate Change Commission in its annual report
 - d. to be reported by the Environmental Protection Authority in its annual report
 - e. no reporting due to an exemption obtained under section 15D of the Public Finance Act 1989.

	2023/24 Expenditure \$000	2024/25 Budget* \$000	2024/25 Revised Budget* ¹ \$000	2024/25 Expenditure ² \$000	2025/26 Forecast* \$000	Location of end-of-year performance information ³
Emissions Trading Scheme	7,005	6,902	7,627	7,627	6,785	d
Environmental Protection Authority functions	30,594	29,997	29,325	29,325	33,831	d
Environmental training programmes	1,900	1,900	1,900	1,900	–	e
Promotion of sustainable land management	800	800	800	800	–	e
Water science and economics	1,588	1,500	1,500	1,500	–	b
Total non-departmental output expenses	62,308	65,151	63,972	63,921	56,297	
Non-departmental other expenses						
Allocation of New Zealand Units	856,017	2,181,600	1,476,303	1,093,489	2,045,700	b
Climate Change Development Fund	270	–	–	–	–	
Environmental Legal Assistance	600	–	–	–	–	
Exclusive Economic Zone Major Prosecutions Fund	–	–	500	–	–	d
Framework Convention on Climate Change	205	170	207	202	250	e
Fresh Start for Fresh Water: Waikato River Clean-up Fund	4,341	4,132	4,132	4,130	3,910	e
Impairment of Debt relating to Climate Change Activities	–	147,000	147,000	–	147,000	e
Impairment of Debt relating to Environment Activities	–	5,000	5,000	18	5,000	e
International subscriptions	149	152	152	145	230	e
Loss on sale of New Zealand Units	37,762	40,000	40,000	17,559	40,000	e
Te Pou Tupua	89	83	83	83	77	e
Transitional support for local government and iwi	6,788	–	–	–	–	
United Nations Environment Programme	602	633	609	609	804	e
Waikato River Co-governance	910	910	910	910	1,195	e
Total non-departmental other expenses	907,733	2,379,690	1,674,896	1,117,145	2,244,166	

	2023/24 Expenditure \$000	2024/25 Budget* \$000	2024/25 Revised Budget* ¹ \$000	2024/25 Expenditure ² \$000	2025/26 Forecast* \$000	Location of end-of-year performance information ³
Non-departmental capital expenditure						
Capital contribution to the Environmental Protection Authority	600	360	360	360	–	d
Climate Change Commission: Capital Contribution	600	600	–	–	–	
Repayable Capital Injection to the Environmental Protection Authority	–	–	10,000	10,000	–	d
Total non-departmental capital expenditure	1,200	960	10,360	10,360	–	
Multi-category appropriations (MCA)						
Product Stewardship MCA	3,471	58,389	58,389	57,966	65,610	
Departmental output expenses						
Product Stewardship Administration	721	1,047	1,047	624	1,154	a
Non-departmental output expenses						
Tyre stewardship fee administration	2,750	57,342	57,342	57,342	64,456	a
Multi-category appropriations (MCA)						
Waste Minimisation MCA	119,383	304,984	210,118	164,896	288,080	
Departmental output expenses						
Environment Work Programme	–	15,150	17,553	16,870	15,223	a
Departmental output expenses						
Waste Minimisation Administration	13,388	12,704	13,101	12,555	13,102	a
Non-departmental output expenses						
Contestable Waste Minimisation Fund	6,170	69,205	11,205	5,850	34,308	a
Non-departmental output expenses						
Environmental Investment Fund	–	–	–	–	97,586	

	2023/24 Expenditure \$000	2024/25 Budget*	2024/25 Revised Budget* ¹ \$000	2024/25 Expenditure ² \$000	2025/26 Forecast* \$000	Location of end-of-year performance information ³
Non-departmental output expenses						
Contaminated Sites and Vulnerable Landfills Fund	–	–	3,000	926	–	a
Non-departmental output expenses						
Freshwater Improvement Fund	–	47,000	24,000	15,037	–	a
Non-departmental output expenses						
Kaipara Moana Remediation	–	11,125	11,125	4,386	–	a
Non-departmental output expenses						
Reducing Emissions from Waste	–	23,300	15,300	9,340	–	a
Non-departmental other expenses						
Waste Disposal Levy Disbursements to Territorial Local Authorities	99,825	126,500	114,834	99,932	127,861	a
Total multi-category appropriations	122,854	363,373	268,507	222,862	353,690	
Total annual and permanent appropriations	1,320,271	2,965,315	2,177,928	1,564,673	2,833,518	

* The statement of accounting policies explains the basis for these figures, which are not subject to audit.

Remeasurement

In 2024/25, the Crown has reported a remeasurement loss of \$1,027 million in relation in the provision of the Allocation of New Zealand Units under the NZ ETS (2023/24: \$1,224 million).

The remeasurement of the provisions takes account of the revisions in the price of NZUs. In accordance with section 4(2)(a) of the Public Finance Amendment Act 2004, changes in assets and liabilities due to remeasurements do not require appropriations.

Statement of budgeted and actual expenses and capital expenditure incurred against appropriations

for the year ended 30 June 2025 (continued)

Details of multi-year appropriations

Community Environment Fund

On 1 July 2020, a multi-year appropriation, Community Environment Fund, was established in Vote Environment, non-departmental output expense for strengthening partnerships, raising environmental awareness and encouraging participation in environmental initiatives in the community. This appropriation expires on 30 June 2025.

	2024/25 Revised Budget* \$000	2024/25 Actual \$000
Appropriation for non-departmental output expenses:		
Community Environment Fund		
Cumulative expenses to 1 July	9,418	9,418
Current year expenses	802	678
Cumulative expenses to 30 June	10,220	10,096
Remaining appropriation	–	124
Total appropriation	10,220	10,220

* The statement of accounting policies explains the basis for these figures, which are not subject to audit.

Climate Emergency Response Fund – Waste Initiatives

On 1 July 2022, a multi-year appropriation, Climate Emergency Response Fund – Waste Initiatives, was established in Vote Environment, non-departmental output expense to support feasibility projects, infrastructure and other assets, and enabling systems that will improve New Zealand's ability to reduce emissions from waste. This appropriation expires on 30 June 2027.

	2024/25 Revised Budget* \$000	2024/25 Actual \$000
Appropriation for non-departmental output expenses:		
Climate Emergency Response Fund – Waste Initiatives		
Cumulative expenses to 1 July	7,215	7,215
Current year expenses	–	–
Cumulative expenses to 30 June	7,215	7,215
Remaining appropriation	–	–
Total appropriation	7,215	7,215

* The statement of accounting policies explains the basis for these figures, which are not subject to audit.

Fresh Start for Fresh Water: Rotorua Te Arawa Lakes Programme

On 1 July 2020, this multi-year appropriation was established in Vote Environment, non-departmental output expense from the Fresh Start for Fresh Water: Rotorua Te Arawa Lakes Programme that expired on 30 June 2020. This appropriation is established for maintaining and improving the water quality of the Rotorua Lakes. This appropriation expires on 30 June 2025.

	2024/25 Revised Budget* \$000	2024/25 Actual \$000
Appropriation for non-departmental output expenses:		
Fresh Start for Fresh Water: Rotorua Te Arawa Lakes Programme**		
Cumulative expenses to 1 July	2,144	2,144
Current year expenses	15,842	11,400
Cumulative expenses to 30 June	17,986	13,544
Remaining appropriation	–	4,442
Total appropriation	17,986	17,986

* The statement of accounting policies explains the basis for these figures, which are not subject to audit.

** The year-end information for the above multi-year appropriation is reported by the Minister for the Environment in a report appended to this annual report.

Freshwater Improvement Fund

On 1 July 2020, a multi-year appropriation, Freshwater Improvement Fund, was established in Vote Environment, non-departmental output expense for initiatives that contribute to managing New Zealand's freshwater bodies within environmental limits. This appropriation expires on 30 June 2025.

	2024/25 Revised Budget* \$000	2024/25 Actual \$000
Appropriation for non-departmental output expenses:		
Freshwater Improvement Fund**		
Cumulative expenses to 1 July	171,585	171,585
Current year expenses	49,696	49,696
Cumulative expenses to 30 June	221,281	221,281
Remaining appropriation	–	–
Total appropriation	221,281	221,281

* The statement of accounting policies explains the basis for these figures, which are not subject to audit.

** The year-end information for the above multi-year appropriation is reported by the Minister for the Environment in a report appended to this annual report.

Kaipara Moana Remediation

On 1 July 2020, a multi-year appropriation, Kaipara Moana Remediation, was established in Vote Environment, non-departmental output expense for remediating Kaipara Moana by halting degradation and working towards more productive, sustainable and high-value use of land within the Kaipara catchment. This appropriation expires on 30 June 2025.

	2024/25 Revised Budget* \$000	2024/25 Actual \$000
Appropriation for non-departmental output expenses:		
Kaipara Moana Remediation**		
Cumulative expenses to 1 July	16,675	16,675
Current year expenses	2,200	2,200
Cumulative expenses to 30 June	18,875	18,875
Remaining appropriation	–	–
Total appropriation	18,875	18,875

* The statement of accounting policies explains the basis for these figures, which are not subject to audit.

** The year-end information for the above multi-year appropriation is reported by the Minister for the Environment in a report appended to this annual report.

Te Mana o Te Wai

On 1 July 2020, a multi-year appropriation, Te Mana o Te Wai, was established in Vote Environment, non-departmental output expense for helping Māori improve the quality of freshwater bodies whose health is integral to the social, cultural, economic and environmental wellbeing of communities. This appropriation expires on 30 June 2025.

	2024/25 Revised Budget* \$000	2024/25 Actual \$000
Appropriation for non-departmental output expenses:		
Te Mana o Te Wai**		
Cumulative expenses to 1 July	23,960	23,960
Current year expenses	6,040	5,375
Cumulative expenses to 30 June	30,000	29,335
Remaining appropriation	–	665
Total appropriation	30,000	30,000

* The statement of accounting policies explains the basis for these figures, which are not subject to audit.

** The year-end information for the above multi-year appropriation is reported by the Minister for the Environment in a report appended to this annual report.

Climate resilience for Māori

On 1 July 2022, a multi-year appropriation, Supporting Equitable Transitions and Climate Resilience for Māori, was established in Vote Environment, non-departmental output expense for contributing towards the equitable transitions for communities through New Zealand's climate response. This appropriation expires on 30 June 2026.

	2024/25 Revised Budget* \$000	2024/25 Actual \$000
Appropriation for non-departmental output expenses:		
Supporting Equitable Transitions and Climate Resilience for Māori		
Cumulative expenses to 1 July	–	–
Current year expenses	3,800	930
Cumulative expenses to 30 June	3,800	930
Remaining appropriation	10,200	13,070
Total appropriation	14,000	14,000

* The statement of accounting policies explains the basis for these figures, which are not subject to audit.

Regional Planning Implementation – Non-government Organisations

On 1 September 2023, a multi-year appropriation, Regional Planning Implementation – Non-government Organisations, was established in Vote Environment, non-departmental output expense for supporting non-government organisations to participate in resource management plan-making processes. This appropriation expires on 30 June 2028.

	2024/25 Revised Budget* \$000	2024/25 Actual \$000
Appropriation for non-departmental output expenses:		
Regional Planning Implementation – Non-government Organisations		
Cumulative expenses to 1 July	400	400
Current year expenses	–	–
Cumulative expenses to 30 June	400	400
Remaining appropriation	–	–
Total appropriation	400	400

* The statement of accounting policies explains the basis for these figures, which are not subject to audit.

Statement of expenses and capital expenditure incurred without, or in excess of, appropriation or other authority

for the year ended 30 June 2025

In the 2024/25 financial year, there were no instances of expenses and capital expenditure incurred without, or in excess of, appropriation or other authority (2023/24: \$nil).

Statement of expenses and capital expenditure incurred outside of scope of an appropriation and without other authority

for the year ended 30 June 2025

In the 2024/25 financial year, there were no instances of expenses and capital expenditure incurred outside of the scope of an appropriation and without other authority (2023/24: \$nil).

All other expenses in relation to the activities of, or appropriations administered by, the Ministry during 2024/25 were within appropriation.

Statement of departmental capital injections

for the year ended 30 June 2025

The Ministry has not received any capital injections for the year ended 30 June 2025 (2023/24: \$nil).

Statement of departmental capital injections without, or in excess of, authority

for the year ended 30 June 2025

The Ministry has not received any capital injections during the year without, or in excess of, authority.

Independent auditor's report

AUDIT NEW ZEALAND
Mana Arotake Aotearoa

Independent Auditor's Report

To the readers of Ministry for the Environment's annual report for the year ended 30 June 2025

The Auditor-General is the auditor of Ministry for the Environment (the 'Ministry'). The Auditor-General has appointed me, Anthony Heffernan, using the staff and resources of Audit New Zealand, to carry out, on his behalf, the audit of:

- The annual financial statements of the Ministry that comprise the statement of financial position, statement of commitments, statement of contingent liabilities and contingent assets as at 30 June 2025, the statement of comprehensive revenue and expense, statement of changes in equity, and statement of cash flows for the year ended on that date and the notes to the financial statements that include accounting policies and other explanatory information on pages 80 to 107.
- The end-of-year performance information for appropriations of the Ministry for the year ended 30 June 2025 on pages 12 to 56.
- The statements of expenses and capital expenditure of the Ministry for the year ended 30 June 2025 on pages 133 to 142.
- The schedules of non-departmental activities which are managed by the Ministry on behalf of the Crown on pages 108 to 132 that comprise:
 - the schedules of assets; liabilities; commitments; and contingent liabilities and contingent assets as at 30 June 2025;
 - the schedules of expenses; revenue; and capital receipts for the year ended 30 June 2025; and
 - the notes to the schedules that include accounting policies and other explanatory information.

Opinion

In our opinion:

- The annual financial statements of the Ministry:
 - fairly present, in all material respects:
 - its financial position as at 30 June 2025; and
 - its financial performance and cash flows for the year ended on that date; and
 - comply with generally accepted accounting practice in New Zealand in accordance with Public Benefit Entity Reporting Standards.

- The end-of-year performance information for appropriations:
 - provides an appropriate and meaningful basis to enable readers to assess what has been achieved with each appropriation; determined in accordance with generally accepted accounting practice in New Zealand; and
 - fairly presents, in all material respects:
 - what has been achieved with each appropriation; and
 - the actual expenses or capital expenditure incurred in relation to each appropriation as compared with the expenses or capital expenditure that were appropriated or forecast to be incurred; and
 - complies with generally accepted accounting practice in New Zealand in accordance with Public Benefit Entity Reporting Standards.
- The statements of expenses and capital expenditure have been prepared, in all material respects, in accordance with the requirements of section 45A of the Public Finance Act 1989.
- The schedules of non-departmental activities which are managed by the Ministry on behalf of the Crown have been prepared, in all material respects, in accordance with the Treasury Instructions. The schedules comprise:
 - the assets, liabilities, commitments, and contingent liabilities and contingent assets as at 30 June 2025; and
 - expenses, revenue, and capital receipts for the year ended 30 June 2025.

Our audit was completed on 30 September 2025. This is the date at which our opinion is expressed.

Emphasis of Matter – Inherent uncertainties in the measurement of greenhouse gas emissions

The Ministry has chosen to include a measure of New Zealand’s greenhouse gas (GHG) emissions in its performance information. Without modifying our opinion and considering the public interest in climate change related information, we draw attention to Strategic Priority 3: Support the transition to a competitive low-emission, resource-efficient economy on pages 18 to 20, and note 1 on pages 27 to 28 of the annual report, which outlines the inherent uncertainty in the reported GHG emissions. Quantifying GHG emissions is subject to inherent uncertainty because the scientific knowledge and methodologies to determine the emissions factors and processes to calculate or estimate quantities of GHG sources are still evolving, as are GHG reporting and assurance standards.

Basis for our opinion

We carried out our audit in accordance with the Auditor-General’s Auditing Standards, which incorporate the Professional and Ethical Standards, the International Standards on Auditing (New Zealand), and New Zealand Auditing Standard 1 (Revised): *The Audit of Service Performance Information* issued by the New Zealand Auditing and Assurance Standards Board. Our responsibilities under those standards are further described in the Responsibilities of the auditor section of our report.

We have fulfilled our responsibilities in accordance with the Auditor-General’s Auditing Standards.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of the Chief Executive for the information to be audited

The Secretary for the Environment and Chief Executive (the 'Chief Executive') is responsible on behalf of the Ministry for preparing:

- Annual financial statements that fairly present the Ministry's financial position, financial performance, and its cash flows, and that comply with generally accepted accounting practice in New Zealand.
- End-of-year performance information for appropriations that:
 - provides an appropriate and meaningful basis to enable readers to assess what has been achieved with the appropriation; determined in accordance with generally accepted accounting practice in New Zealand;
 - fairly presents what has been achieved with the appropriation;
 - fairly presents the actual expenses or capital expenditure incurred in relation to the appropriation as compared with the expenses or capital expenditure that were appropriated or forecast to be incurred; and
 - complies with generally accepted accounting practice in New Zealand.
- Statements of expenses and capital expenditure of the Ministry, that are prepared in accordance with section 45A of the Public Finance Act 1989.
- Schedules of non-departmental activities, prepared in accordance with the Treasury Instructions, of the activities managed by the Ministry on behalf of the Crown.

The Chief Executive is responsible for such internal control as is determined is necessary to enable the preparation of the information to be audited that is free from material misstatement, whether due to fraud or error.

In preparing the information to be audited, the Chief Executive is responsible on behalf of the Ministry for assessing the Ministry's ability to continue as a going concern.

The Chief Executive's responsibilities arise from the Public Finance Act 1989.

Responsibilities of the auditor for the information to be audited

Our objectives are to obtain reasonable assurance about whether the information we audited, as a whole, is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit carried out in accordance with the Auditor-General's Auditing Standards will always detect a material misstatement when it exists. Misstatements are differences or omissions of amounts or disclosures,

and can arise from fraud or error. Misstatements are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decisions of readers, taken on the basis of the information we audited.

For the budget information reported in the information we audited, our procedures were limited to checking that the information agreed to the Estimates of Appropriations for the Government of New Zealand for the Year Ending 30 June 2025. For the forecast financial information for the year ending 30 June 2026, our procedures were limited to checking to the best estimate financial forecast information based on the Budget Economic Fiscal Update for the year ending 30 June 2026.

We did not evaluate the security and controls over the electronic publication of the information we audited.

As part of an audit in accordance with the Auditor-General's Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. Also:

- We identify and assess the risks of material misstatement of the information we audited, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- We obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Ministry's internal control.
- We evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Chief Executive.
- We evaluate whether the end-of-year performance information for appropriations:
 - provides an appropriate and meaningful basis to enable readers to assess what has been achieved with each appropriation. We make our evaluation by reference to generally accepted accounting practice in New Zealand; and
 - fairly presents what has been achieved with each appropriation.
- We evaluate whether the statements of expenses and capital expenditure and schedules of non-departmental activities have been prepared in accordance with legislative requirements.
- We conclude on the appropriateness of the use of the going concern basis of accounting by the Chief Executive.
- We evaluate the overall presentation, structure and content of the information we audited, including the disclosures, and whether the information we audited represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Chief Executive regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Our responsibilities arise from the Public Audit Act 2001.

Other information

The Chief Executive is responsible for the other information. The other information comprises all of the information included in the annual report other than the information we audited and our auditor's report thereon.

Our opinion on the information we audited does not cover the other information and we do not express any form of audit opinion or assurance conclusion thereon.

Our responsibility is to read the other information. In doing so, we consider whether the other information is materially inconsistent with the information we audited or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on our work, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Independence

We are independent of the Ministry in accordance with the independence requirements of the Auditor-General's Auditing Standards, which incorporate the independence requirements of Professional and Ethical Standard 1: *International Code of Ethics for Assurance Practitioners (including International Independence Standards) (New Zealand)* issued by the New Zealand Auditing and Assurance Standards Board.

For the year ended 30 June 2025 and subsequently, the External Chair of the Quality of Policy Advice Panel of the Ministry is a member of the Auditor-General's Audit and Risk Committee. The Auditor-General's Audit and Risk Committee is regulated by a Charter that specifies that it should not assume any management functions. There are appropriate safeguards to reduce any threat to auditor independence, as a member of the Auditor-General's Audit and Risk Committee (when acting in this capacity) has no involvement in, or influence over, the audit of the Ministry.

Other than in our capacity as auditor, we have no relationship with, or interests, in the Ministry.



Anthony Heffernan
Audit New Zealand
On behalf of the Auditor-General
Wellington, New Zealand

5. Non-departmental performance reports *Ngā pūrongo whakatutuki kore tari*

**How we performed against non-departmental
appropriations in 2024/25**

Minister of Climate Change's Report on non-departmental appropriations 2024/25

This report outlines performance against non-departmental appropriations administered under the Minister of Climate Change. These appropriations represent Crown funding that is managed by the Ministry for the Environment (the Ministry) and provided to third-party organisations to deliver outputs and services aligned with the Climate Change Portfolio.

Performance in this report supports the Ministry's performance against strategic priority 5: Ensure our investments, partnerships and relationships enable others to achieve impactful solutions.

Allocation of New Zealand Units

Non-departmental other expenses

Performance measure	2023/24 performance	2024/25 target	2024/25 performance
Percentage of applicants deemed to be eligible to receive units to compensate for increased costs resulting from the Emissions Trading Scheme, receive an allocation of units within either set timeframes (20 working days) or extensions agreed with participants See note 1	99%	100%	100%
2024/25 commentary: This measure tracks the Environmental Protection Authority's transfer of New Zealand Units (NZUs) to New Zealand Emissions Trading Scheme (NZ ETS) participants that are entitled to receive an 'industrial allocation' (an allocation of NZUs to industry for activities that are both emissions intensive and trade exposed). The measure was met this year.			
Percentage of emission returns lodged by forestry participants with a net entitlement for units, which resulted in a direction sent to the Register to transfer units to the participant within either legislated timeframes or extensions as approved See note 2	99%	80%	99.5%
2024/25 commentary: This measure tracks the timeliness of the Ministry for Primary Industry's processing of emissions returns lodged by forestry participants with a new entitlement for NZUs. The measure was met this year.			

Expenses	2023/24 Actual \$000	2024/25 Estimates \$000	2024/25 Supplementary Estimates \$000	2024/25 Actual \$000
Total appropriation	856,017	2,181,600	1,476,303	1,093,489

The variance between the Supplementary Estimates appropriation and actuals recognised for 2024/25 is primarily due to the difference in carbon price adopted for appropriation purposes. At Mains Estimates, the appropriation was based on \$100 per carbon unit, which was revised to \$71 per carbon unit during the Supplementary Estimates. The actuals are recognised using

the monthly average price per carbon unit. In addition, fewer units were allocated to industrial and other removal activity sectors than forecast at Supplementary Estimates.

Supporting Equitable Transitions and Climate Resilience for Māori

Non-departmental output expenses

Performance measure	2023/24 performance	2024/25 target	2024/25 performance
Pou Take Āhuarangi joint work programme activities delivered See note 6	New measure	Achieved	Achieved
2024/25 commentary: A joint work programme was developed in collaboration between the Ministry and Pou Take Āhuarangi – Climate Pou of the National Iwi Chairs Forum. The work programme aimed to address mutual priorities (emissions reduction, adaptation and data). Through quarterly reporting and regular official and ministerial meetings, Pou Take Āhuarangi: <ul style="list-style-type: none">undertook a comprehensive climate adaptation risk stocktake, assessing vulnerabilities across 1,062 marae and prioritising high-risk sitesundertook pilot climate risk assessments for 11 marae, highlighting immediate adaptation requirements and infrastructure needsprovided technical policy advice on key climate policy, including the second emissions reduction plan, the Climate Change Response Amendment Bill and the national adaptation framework.			
Māori Climate Platform pilot projects launched	New measure	Achieved	Achieved
2024/25 commentary: Five Māori Climate Platform pilot projects were approved after scoping by Pou Take Āhuarangi. One pilot project began in February 2025 (water reticulation upgrade) and is near completion. The additional four pilot projects were approved in May 2025, and contract negotiations are in progress.			

Expenses	2023/24 Actual \$000	2024/25 Estimates \$000	2024/25 Supplementary Estimates \$000	2024/25 Actual \$000
Total appropriation	–	8,000	3,800	930

The actual expenditure was lower than the Supplementary Estimates by \$2.870 million due to variation and extension of one deed and delays in deed negotiations for other projects. As this is a multi-year appropriation, total expenditure will be managed over the four-year period.

Minister for the Environment's Report on non-departmental appropriations 2024/25

This report outlines performance against non-departmental appropriations administered under the Minister for the Environment. These appropriations represent Crown funding that is managed by the Ministry and provided to third-party organisations to deliver outputs and services aligned with the environment portfolio.

Performance in this report supports the Ministry's performance against strategic priority 5: Ensure our investments, partnerships and relationships enable others to achieve impactful solutions.

Water science and economics

Non-departmental output expenses

Performance measure	2023/24 performance	2024/25 target	2024/25 performance
Percentage of water science and economics projects that are on track to achieve their stated objectives See note 3	100%	80%	100%
2024/25 commentary: All 17 projects funded by the Water Science and Economics Fund in 2024/25 are on track to achieve, or have achieved, their stated objectives.			

Expenses	2023/24 Actual \$000	2024/25 Estimates \$000	2024/25 Supplementary Estimates \$000	2024/25 Actual \$000
Total appropriation	1,588	1,500	1,500	1,500

Contaminated Sites Remediation Fund

Non-departmental output expenses

Performance measure	2023/24 performance	2024/25 target	2024/25 performance
Percentage of completed contaminated sites projects that achieve stated objectives ²⁵ See note 4	Not applicable – exemption from reporting granted	100%	100%
2024/25 commentary: All five projects that closed in 2024/25 achieved their stated objectives. This includes two projects that were awarded funding via the Contaminated Sites and Vulnerable Landfills Fund, which has replaced the Contaminated Sites and Remediation Fund.			

Expenses	2023/24 Actual \$000	2024/25 Estimates \$000	2024/25 Supplementary Estimates \$000	2024/25 Actual \$000
Total appropriation	1,811	7,772	8,340	8,340

²⁵ Both the Contaminated Sites Remediation Fund and the category Contaminated Sites and Vulnerable Landfills Fund report performance against the same measure. From 2025/26 onward, funding will be fully administered through the category Contaminated Sites and Vulnerable Landfills Fund under the Waste Minimisation multi-category appropriation.

Multi-year appropriations

Fresh Start for Fresh Water: Rotorua Te Arawa Lakes Programme

Non-departmental output expenses

Performance measure	2023/24 performance	2024/25 target	2024/25 performance
The number of Deed funded lakes that are no greater than 0.2 TLI units above their target Trophic Level Index (TLI), based on the three-year rolling TLI See note 5	3 out of 4 lakes Met target: Lake Rotorua: three-year average is 4.3, target level of 4.2 Lake Ōkareka: three-year average is 3.1, target level of 3.0 Lake Rotoiti: three-year average is 3.7, target level of 3.5 Did not meet target: Lake Rotoehu: three-year average is 4.4, target level of 3.9	3 out of 4 lakes	2 out of 4 lakes Met target: Lake Rotorua: three-year average is 4.3, target level of 4.2 Lake Ōkareka: three-year average is 3.1, target level of 3.0 Did not meet target: Lake Rotoehu: three-year average is 4.3, target level of 3.9 Lake Rotoiti: three-year average is 3.8, target level of 3.5

2024/25 commentary: Lake Rotorua's annual TLI of 4.3 is slightly better than last year (4.4), with the three-year average remaining at 4.3. Average nutrient levels reduced compared to last year, but chlorophyll concentrations increased. Lake Rotorua had a much better cyanobacteria season than last year.

Lake Ōkareka annual TLI remained stable at 3.1. Nutrients worsened compared to last year, but both Secchi disk annual average water clarity and chlorophyll improved.

Lake Rotoehu annual TLI of 4.2 is an improvement on last year's TLI of 4.6. Buoy data shows stratification events were less intense than the previous year with only short anoxic events occurring, leading to reduced annual average phosphorus concentration. Annual average chlorophyll concentrations also reduced, and were the lowest in over a decade. Autumn cyanobacteria blooms resulted in lake warnings, but these were much milder than the previous season.

Lake Rotoiti annual TLI remained the same at 3.8. While the TLI remains steady, nitrogen has shown an increasing trend in the past five years, but this hasn't translated to increasing chlorophyll. Water clarity was the lowest observed in the past four years. Okawa Bay was the only site to exceed total biovolume red alert levels this season.

	2023/24 Actual \$000	2024/25 Estimates \$000	2024/25 Supplementary Estimates \$000	2024/25 Actual \$000
Expenses				
Total appropriation	1,144	14,977	15,842	11,400

The actual expenditure was lower than the Supplementary Estimates by \$4.442 million. This is because actual deliverables for the project were lower than anticipated for 2024/25. This underspend will be carried over to a new multi-year appropriation set up during Budget 2025.

Freshwater Improvement Fund

Non-departmental output expenses

Performance measure	2023/24 performance	2024/25 target	2024/25 performance
Percentage of Freshwater Improvement Fund projects that are on track to achieve their stated objectives ²⁶ See note 3	97%	80%	97%
2024/25 commentary: Twenty-nine of the 30 projects funded by the Freshwater Improvement Fund in 2024/25 are on track to achieve, or have achieved, their stated objectives.			
Percentage of Public Waterways and Ecosystem Restoration Fund projects that are on track to achieve their stated objectives ²⁶ See note 3	95%	80%	100%
2024/25 commentary: All 17 projects funded by the Public Waterways and Ecosystem Restoration Fund in 2024/25 are on track to achieve, or have achieved, their stated objectives.			
Percentage of At-Risk Catchment projects that are on track to achieve their stated objectives ²⁶ See note 3	67%	80%	100%
2024/25 commentary: All 3 projects funded by the At-Risk-Catchment in 2024/25 are on track to achieve, or have achieved, their stated objectives.			
Percentage of Essential Freshwater Fund projects that are on track to achieve their stated objectives ²⁶ See note 3	95%	80%	100%
2024/25 commentary: All 79 projects funded by the Essential Freshwater Fund in 2024/25 are on track to achieve, or have achieved, their stated objectives.			

Expenses	2023/24 Actual \$000	2024/25 Estimates \$000	2024/25 Supplementary Estimates \$000	2024/25 Actual \$000
Total appropriation	68,251	50,568	49,696	49,696

²⁶ Measure is reported both under a category in the Waste Minimisation multi-category appropriation and in non-departmental funding reports due to being partially funded by the Waste Disposal Levy, following decisions made during Budget 2024.

Kaipara Moana Remediation

Non-departmental output expenses

Performance measure	2023/24 performance	2024/25 target	2024/25 performance
Percentage of Kaipara Moana Remediation Programme projects that are on track to achieve their stated objectives ²⁶ See note 3	100%	80%	100%
2024/25 commentary: The one project funded by the Kaipara Moana Remediation Programme in 2024/25 is on track to achieve, or has achieved, its stated objectives.			

Expenses	2023/24 Actual \$000	2024/25 Estimates \$000	2024/25 Supplementary Estimates \$000	2024/25 Actual \$000
Total appropriation	4,800	2,200	2,200	2,200

Te Mana o Te Wai

Non-departmental output expenses

Performance measure	2023/24 performance	2024/25 target	2024/25 performance
Percentage of Te Mana o Te Wai Fund projects that are on track to achieve their stated objectives See note 3	97%	80%	96%
2024/25 commentary: Twenty-four of the 25 projects funded by Te Mana o Te Wai Fund in 2024/25 are on track to achieve, or have achieved, their stated objectives.			

Expenses	2023/24 Actual \$000	2024/25 Estimates \$000	2024/25 Supplementary Estimates \$000	2024/25 Actual \$000
Total appropriation	7,842	5,938	6,040	5,375

The actual expenditure was lower than the Supplementary Estimates by \$0.665 million. This represents cost savings.

Multi-category appropriations

Product Stewardship multi-category appropriation

For performance and financial information for this appropriation, see the [Ministry for the Environment Annual Report 2024/25](#).

Waste Minimisation multi-category appropriation

For performance and financial information for this appropriation, see the [Ministry for the Environment Annual Report 2024/25](#).

Notes to non-departmental appropriations performance report

Note 1: This measure assesses the timeliness of unit allocations for eligible applicants under the industrial allocation process. It is one of two performance measures for the Allocation of New Zealand Units appropriation, administered by the Ministry. The Environmental Protection Authority is responsible for processing applications and providing the data, which are sourced from the New Zealand Emissions Trading Register.

Note 2: This measure assesses adherence to legislated timeframes (under the Climate Change Response Act 2002) of processing emissions returns under the New Zealand Emissions Trading Scheme for forestry participants entitled to New Zealand Units. It is one of two performance measures for the Allocation of New Zealand Units appropriation, administered by the Ministry. Operational delivery and data collection are carried out by the Ministry for Primary Industries.

Note 3: Most of the projects are co-funded with other sources; the output is not pro-rated by the funding. For further information on Jobs for Nature fund performance, see the Jobs for Nature [Publications](#) webpage.

Projects are assessed regularly to determine whether they remain on track to achieve their stated objectives. This process supports performance reporting and enables timely intervention where needed.

Progress is evaluated using the Delivery Confidence framework, which considers six criteria: time, cost, outputs, skills and capability, dependencies, and overall status. Analysts interpret regular project updates using this framework to assess whether objectives are likely to be met.

Assessment data are captured in a structured format within the Ministry's Funds Management System. Analysts provide commentary and context alongside each assessment. These are reviewed and endorsed by the Fund Manager before the results are signed off by the General Manager.

Where a project is not on track, mitigation actions are identified and implemented to support successful delivery.

Note 4: Project objectives are set on a project-by-project basis and captured in the funding agreement with the funding recipient. During project delivery and at project completion, funding recipients provide relevant reporting for the Ministry to verify that project objectives have been met. This includes standard reporting prepared by suitably qualified and experienced practitioners in contaminated land, and in accordance with the Ministry's [Contaminated land management guidelines No 1](#) and [Contaminated land management guidelines No 5](#). Project closure reports or letters formalise whether a project's objectives have been achieved.

Note 5: Target establishment: Each lake in the programme has a specific water quality target, measured using the Trophic Level Index (TLI). These targets are based on historical water quality benchmarks, as follows.

- Lake Rotorua has a TLI target of 4.2, reflecting water quality as remembered by the community from the 1960s.
- Other lakes have TLI targets based on water quality levels from the early 1990s.

The objective is to meet or exceed these targets in order to maintain or improve water quality in each lake.

For information on measurement, see Land Air Water Aotearoa [Factsheet: Lake Trophic Level Index](#).

TLI monitoring – covering nitrogen (N), phosphorus (P), chlorophyll-a (Chl-a) and water clarity (Secchi disc) – is part of the Bay of Plenty Regional Council's (the Council's) Natural Environmental Regional Monitoring Network.

Sampling details are as follows:

- Monthly sampling is conducted at designated sites on each lake.
- Larger lakes, like Lake Rotorua, have two sampling points; smaller lakes typically have one.
- Sampling has been consistently carried out since around 1990, providing a robust long-term dataset.

TLI calculation and evaluation processes are as follows:

- Annual TLI values are calculated each August, using data collected up to 30 June.
- These values are compared against TLI targets in the Council's Regional Plan.
- Due to natural seasonal variability, lakes may occasionally exceed their targets.

To smooth out short-term fluctuations, a three-year average TLI is used. The Water Quality Technical Advisory Group advises that if all required 'action plan' measures are being implemented, a three-year average TLI up to 0.2 units above the target is acceptable before further investigation is recommended.

The Council publishes an annual report on the TLI and other key lake health indicators. The 2024/25 report is scheduled for release in August 2025. For more information, see the Council's [State of the Environment](#) webpage.

Correction to 2023/24 Annual Report: Results for Rotomā were incorrectly included. The four deeded lakes are Rotorua, Rotoiti, Ōkareka and Rotoehu. The results for 2023/24 in this report reflect this correction.

Note 6: The joint work programme comprises milestones and deliverables that formed a deed of funding in place with Pou Take Āhuarangi for 2024/25. Achievement is measured by quarterly reporting. As per the deed of funding, Pou Take Āhuarangi provides the Ministry with quarterly progress reports against the deliverables. These reports are reviewed and assessed by the work programme team, and Pou Take Āhuarangi engagement with the Ministry is also recorded by quarter in each report.

6. Interdepartmental executive board annual report 2024/25

***Te pūrongo ā-tau a te poari
whakahaere waenga tari
2024/25***

**Climate Change Chief Executives Board
annual report**

Climate Change Chief Executives Board

Annual Report 2024/25

Introduction

Addressing the challenges of climate change demands a coordinated response across all sectors of the economy and levels of government. This unified approach is essential for achieving Aotearoa New Zealand's climate adaptation and mitigation goals.

The Climate Change Chief Executives Board (the Board) collectively governs the New Zealand Government's response to climate change, providing advice to the Government on long-term climate change strategy and ensuring New Zealand stays on track to meet its domestic and international commitments.

The Board monitors and reports on the delivery of the emissions reduction plans and the national adaptation plan. In its reports, it provides advice to the Government on the overall effectiveness and future direction of these plans.

We are pleased to report that during the last year, the Board has:

- supported the delivery of the second emissions reduction plan (ERP2) and amendments required to the first emissions reduction plan (ERP1)
- continued to monitor and report on progress against emissions budgets, including through the Prime Minister's Target 9 quarterly reports
- continued to monitor and report on progress on adaptation goals
- assisted the Government to set New Zealand's second Nationally Determined Contribution under the Paris Agreement
- supported the Government's response to the first monitoring reports of He Pou a Rangi | Climate Change Commission on the Government's progress towards meeting the 2050 target and emissions budgets,²⁷ and on the implementation and effectiveness of national adaptation plans²⁸
- provided strategic support to the Government in responding to evolving conditions and emerging challenges through developing an adaptive management approach to manage New Zealand's second emissions budget
- undertaken a refresh of its governance structure to enable the Board to focus on governance of climate priorities requiring system-wide coordination, while ensuring Ministers receive timely, relevant information for strategic decisions aligned with New Zealand's climate commitments.

The Board is committed to supporting the Government to deliver its climate priorities by ensuring it finds credible paths to achieving future emissions budgets and strengthening New Zealand's adaptation resilience and preparedness.

Looking ahead, our immediate focus is on:

- implementing the adaptive management approach to meeting ERP2

²⁷ Climate Change Response Act 2002, [section 5ZK](#).

²⁸ Climate Change Response Act 2002, [section 5ZU](#).

- contributing to the Prime Minister’s quarterly Target 9 reporting
- continuing to support the response of the Minister of Climate Change to the monitoring reports of the Climate Change Commission on the Government’s progress towards meeting the 2050 target
- supporting the Government in the development of a national adaptation framework to enhance New Zealand’s resilience to escalating climate risks across all sectors of the economy.

Background

The Board was legally established as an interdepartmental executive board (IEB) on 29 July 2022, to provide oversight of the Government’s response to climate change.

The Board provides governance and accountability to enable successful delivery of the emissions reduction plans and the national adaptation plan. The Board’s collective governance and advice on the Government’s climate response is a way to address complex policy issues across a range of portfolios.

The Board reports to the Minister of Climate Change, who is the Board’s designated appropriations Minister.

Our Board members

The Board is chaired by James Palmer, Secretary for the Environment. It comprises eight agency Chief Executives, drawn from the IEB remit.²⁹ Since November 2023, the Ministry of Foreign Affairs and Trade has also participated in Board meetings. The Board is supported by the Deputy Solicitor-General as an independent legal advisor.

Structure and resourcing

The Board is supported by an independent secretariat – the Climate Change IEB Unit (CCIEB Unit), which is currently made up of approximately 10 full-time equivalent (FTE) staff. The CCIEB Unit is hosted by the Ministry for the Environment (the Ministry) as servicing agency.

The CCIEB Unit has a key role in enabling the Board to effectively undertake its governance function. It reports to the Board and is managed by an Executive Director. In addition to providing secretariat support, it gives advice on the Board’s priorities and leads engagement with responsible agencies. The CCIEB Unit’s work programme for 2024/25 included:

- managing and enhancing the climate governance system, such as through coordinating the respective meetings of the Climate Priorities Ministerial Group, Climate Change Chief Executives Board, Climate Senior Officials Group and Interagency Implementation Working Group
- leading and developing the monitoring and reporting system, such as through:
 - Target 9 quarterly reporting, informed by monitoring of delivery across the Government’s climate priorities and ERP2 readiness

²⁹ Public Service Act 2020, [Schedule 2, Part 3](#)

- developing an adaptive management framework, including qualitative and quantitative indicators, to help ensure New Zealand meets its second emissions budget
- developing the Government’s response to He Pou a Rangi | Climate Change Commission’s first emissions reduction monitoring report
- providing a progress report to the Board on the amended ERP1
- monitoring and reporting on the implementation of actions in the first national adaptation plan
- leading improvements to the data and modelling system to strengthen quality assurance over emissions projections provided to Ministers
- providing strategic advice, such as on climate change and economic growth linkages, Budget 2025 climate impacts, and the approach to adaptive management implementation
- fulfilling accountability requirements, such as responding to requests under the Official Information Act 1982, as well as other accountability documents
- proactively releasing material to provide transparency on decision-making processes.

Organisational health and capability

Reporting requirements on organisational health and capability are included as part of the [Ministry for the Environment Annual Report 2024/25](#).

Our performance against strategic intentions and appropriation

The Ministry administers the Board’s appropriation and reports performance information (for the appropriation) in its annual report.

The Board’s performance against the measure ‘Reporting on the delivery of the Government’s climate priorities is delivered on time’ is included in the Ministry’s reporting on its operating performance in the [Ministry for the Environment Annual Report 2024/25](#).

Each agency is responsible for implementing its own actions from the emissions reduction plans and national adaptation plan. The Board’s role is to support the successful implementation of the Government’s climate priorities and plans by actively monitoring progress and advising Ministers on risks and opportunities.

Our performance reporting against our strategic priorities complies with generally accepted accounting practice (GAAP) and service performance reporting standard PBE FRS 48. This financial year, we are reporting against the Board’s strategic intentions for 2023 to 2027.³⁰

Impact measures	How we performed 2023/24	How we performed 2024/25
The Board coordinates the implementation of cross-agency actions and strategies in the emissions	The Board coordinated implementation of actions in the emissions reduction plan and national adaptation plan every six months, including by advising on adaptive	The Board coordinated implementation of cross-agency actions and strategies in the emissions reduction plans and the national adaptation plan. This

³⁰ Ministry for the Environment. 2023. [Climate Change Chief Executives Board: Strategic intentions 2023–2027](#). Wellington: Ministry for the Environment.

Impact measures	How we performed 2023/24	How we performed 2024/25
reduction plans and the national adaptation plan.	management and key upcoming decision points, to provide for any necessary 'course correction' and to seize new opportunities.	included readiness reporting for, and design of an adaptive management approach to, ERP2.
The Board actively monitors and reports against the emissions reduction plans, the national adaptation plan and emissions budgets through quarterly reports to the Climate Priorities Ministerial Group (CPMG).	<p>The Board has delivered regular progress reports to Ministers on the implementation of the first emissions reduction plan and national adaptation plan, and on progress towards emissions budgets and adaptation goals. This includes the August 2023 six-monthly progress report to the Climate Response Ministerial Group (CRMG) on the emissions reduction plan and the national adaptation plan.</p> <p>Under the new Government, reporting frequency has been adjusted to quarterly, with progress reports provided in March and May 2024. These reports have been oriented to include progress reporting on the new Government's climate priorities.</p> <p>Reports on implementation progress on the first emissions reduction plan and tracking towards emissions budgets, and the national adaptation plan, continue to be provided every six months or every second quarter.</p>	<p>The Board reported quarterly, through Target 9, on progress and tracking against emissions budgets, upcoming decisions and milestones across climate priority areas. This included updates on progress towards emissions budgets and in key areas (primarily across ERP2 policies), upcoming ministerial decisions, and tracking of key leading and supporting indicators.</p> <p>In October 2024, the Board provided advice to Ministers on progress of actions in the national adaptation plan, including actions that are active, completed, not started, or on hold, along with reasons for any inactive actions.</p> <p>A final progress report on ERP1 was provided in March 2025, following the formal amendment of ERP1 in December 2024.</p>
The Board takes an adaptive management approach that enables the Government to be agile in response to differences in the planned and actual pace and impact of initiatives across the two plans.	<p>The Board continued to monitor the implementation of emissions reduction plan and national adaptation plan actions, providing updated advice to the CPMG in March 2024 on the sufficiency of existing actions to achieve the first three emissions budgets.</p> <p>A further update on tracking of priority initiatives and emissions projections was provided in May 2024.</p>	<p>To support the Government to respond effectively to changing conditions and emerging challenges, the Board has refreshed its monitoring and reporting approach.</p> <p>An adaptive management approach has been developed with an emphasis on the eight key policies set out in ERP2.</p>
The Board is well connected across the public and private sectors, and with Māori to enable positive climate action, identify barriers and opportunities in the climate response, and uphold Tiriti principles.	<p>The Board has held engagements with public and private sector entities and individuals, including:</p> <ul style="list-style-type: none"> the Energy Efficiency and Conservation Authority Sir Jonathon Porritt (Green Futures UK and co-founder of The Aotearoa Circle) He Pou a Rangi Climate Change Commission the Reserve Bank of New Zealand the Climate Business Advisory Group (established with the Sustainable Business Council and 	<p>The Board has strategic engagements with public and private sector representatives, to enable positive climate action and identify barriers and opportunities in the climate response. In 2024/25, this included:</p> <ul style="list-style-type: none"> the Climate Change Commission Chair of the National Hazards Board, Department of the Prime Minister and Cabinet agencies connected with climate adaptation and the Independent Reference Group, in relation to

Impact measures	How we performed 2023/24	How we performed 2024/25
	comprising business representatives). Board members also engage regularly within their individual portfolios.	the design of the national adaptation framework.

Financial performance

The Board has a waiver from the Minister of Finance, under section 45AB of the Public Finance Act 1989, from the requirement to include financial statements in this annual report. Financial information about the Board's operation can be found in the annual report of the Ministry for the Environment, as the servicing department. The Climate Change Chief Executives Board appropriation, which supports the Board, is administered by the Ministry. As the administrator, the Ministry reports performance information for the appropriation in its annual report.




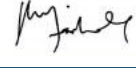
The appropriation for the Board in 2024/25 was \$3.754 million, of which \$3.484 million was spent.

Statement of responsibility

The Board is responsible for ensuring the accuracy of any end-of-year performance information it prepares, whether or not that information is included in this annual report.

In the opinion of the Board, the annual report fairly reflects our operations, progress, and organisational health and capability.

Signatures

Name	Title	Signature
James Palmer	Te Hēkeretari mō te Taiao – Secretary for the Environment / Chairperson of the Climate Change Chief Executives Board	
Carolyn Tremain	Te Hēkeretari mō Hīkina Whakatutuki – Secretary for Business, Innovation and Employment	
David Gawn	Tāhūhū rangapū mō Te Rākau Whakamarumarū – Chief Executive of the National Emergency Management Agency	
Iain Rennie	Te Hēkeretari mō Te Tai Ōhanga – Secretary to the Treasury of the Climate Change Chief Executives Board (Acting)	
Paul James	Te Hēkeretari mō Te Tari Taiwhenua – Secretary for Internal Affairs	
Penny Nelson	Te Tumu Whakarae mō Te Papa Atawhai – Director-General of Conservation	
Ray Smith	Te Tumu Whakarae mō Manatū Ahu Matua – Director-General of Primary Industries	
Ruth Fairhall	Te Hēkeretari mō Te Manatū Waka – Acting Secretary for Transport	

Head Office

8 Willis Street
Wellington
New Zealand

Postal address

PO Box 10362
Wellington 6143
New Zealand

Telephone and email

Freephone: 0800 499 700
Telephone: +64 4 439 7400
Email: info@mfe.govt.nz

Website

environment.govt.nz

Auditor

Audit New Zealand
Wellington
New Zealand
(on behalf of the Auditor-General)

Bankers

Westpac



Ministry for the
Environment
Manatū Mō Te Taiao



**Te Kāwanatanga
o Aotearoa**
New Zealand Government