Estimate of environmental expenditure 2025/26

Method and results

November 2025

Parliamentary Commissioner for the Environment
Te Kaitiaki Taiao a Te Whare Pāremata

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- Kāinga Ora – Homes and Communities
- Land Information New Zealand – Toitū Te Whenua
- Maritime New Zealand – Nō te rere moana Aotearoa
- Ministry for Primary Industries – Manatū Ahu Matua
- Ministry for the Environment – Manatū mō te Taiao
- Ministry of Business, Innovation and Employment – Hīkina Whakatutuki
- Ministry of Foreign Affairs and Trade – Manatū Aorere
- Ministry of Justice – Te Tāhū o te Ture
- Ministry of Transport – Te Manatū Waka
- New Zealand Defence Force – Te Ope Kātua o Aotearoa
- NZ Transport Agency Waka Kotahi
- Stats NZ – Tatauranga Aotearoa
- Te Puni Kōkiri
- The Treasury – Te Tai Ōhanga.

Simon Upton

Parliamentary Commissioner for the Environment
Te Kaitiaki Taiao a Te Whare Pāremata

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Chain fern, *Tmesipteris tannensis*

Estimate of environmental expenditure 2025/26: Method and results

Introduction

This technical note provides an estimate of environmental expenditure budgeted by central government agencies for the 2025/26 fiscal year. This represents the fifth instalment in a series that I have committed to produce, at least until the Government resolves to compile its own estimate.

This assessment of spending has been published in part to meet the information needs of select committees and assist them in discharging their constitutional responsibilities. Information regarding environmental expenditure is critical to enable them to arrive at an informed view of the Government's environmental spending decisions, including:

- the relative prioritisation of environmental challenges and outcomes as revealed through the allocation of fiscal resources
- the general adequacy of the Government's response to environmental issues in terms of whether it is spending too much or too little to achieve its stated outcomes
- the effectiveness of that expenditure in terms of its impact on environmental outcomes.[1]

While this note has largely been compiled for parliamentarians, the benefits of providing a whole-of-government account of environmental spending extend to ministers and other senior decision makers. Mapping public sector expenditure to environmental outcomes could be used to inform budgetary allocation decisions and identify shared cross-agency environmental outcomes with the aim of further enhancing coordination across agencies.

As part of my estimate of environmental expenditure, I have decided that each year I will adopt a focus on an area of environmental spending related to either a particular environmental outcome or programme. The intention is to provide greater insight into environmental spending decisions and commentary on performance reporting and public accountability arrangements. For the previous 2024/25 fiscal year, I focused on a more granular assessment of climate adaptation spending. The focus of this 2025/26 estimate is on the Jobs for Nature programme which has now come to an end (see page 10).

[1] For a more comprehensive discussion of these issues, refer to PCE (2022), Chapter 3.

To date, the institutional scope of this series has been limited to spending administered by central government agencies. However, regional councils and unitary authorities are responsible for a range of environmental management functions. I am currently assessing the feasibility of estimating the environmental spending budgeted by regional councils and unitary authorities using the same environmental outcomes. If feasible, I may look to either extend the scope of this note to include regional government, or publish a separate, but parallel, estimate of regional government expenditure by environmental outcome.

In the course of putting together this estimate, my office requested data from finance and programme teams from across the public sector. I am grateful for the considerable time and effort they have expended to make this estimate possible.

Results

The results show that for the 2025/26 fiscal year, agencies have budgeted about $2.6 billion of environmental expenditure. Within the context of total government expenditure for the year, this is equivalent to about 1.4% of budgeted expenditure.[2] This previous estimate showed that budgeted environmental protection and resource management expenditure was $3.6 billion for the 2024/25 fiscal year. This was equivalent to about 2.0% of expenditure authorised for that year.[3] Table 1 shows these figures disaggregated by enduring and specific environmental outcomes for both the 2024/25 and 2025/26 fiscal years.

2 This figure was calculated using financial data sourced from The Treasury (2025).

3 PCE, 2025.

Table 1: Disaggregation of environmental expenditure by enduring and specific outcomes.

Environmental expenditure	Amount $ (000)	
Disaggregated by enduring and specific outcomes	**2024/25**[4]	**2025/26**[5]
Improving the biodiversity and ecosystem functioning and resilience of Aotearoa	**$858,367**	**$820,401**
Our native plants, animals and ecosystems are thriving	$852,177	$815,027
Other expenditure not elsewhere classified	$6,189	$5,374
Reducing greenhouse gas emissions and adapting to climate change	**$1,224,688**	**$656,861**
New Zealand's per person emissions are declining	$470,508	$444,241
New Zealand is effectively adapting to the impacts of climate change	$721,804	$192,465
Other expenditure not elsewhere classified	$2,136	$837
Indeterminate	$30,240	$19,318
Improving the efficiency and effectiveness of institutions designed to manage human interventions in the environment	**$292,644**	**$413,077**
-	$292,644	$413,077
Improving the land and freshwater of Aotearoa, including sustainable management of resources	**$660,224**	**$400,543**
Land management is improved to enhance soil and water quality	$246,283	$205,998
Mineral and energy resources are managed sustainably	$209,597	$148,033
Management of water takes is improved to ensure sustainability of our freshwater ecosystems	$152,660	$12,088
Urban growth is managed without affecting versatile land and native biodiversity	$17,303	$160
Other expenditure not elsewhere classified	$23,601	$31,651
Indeterminate	$10,779	$2,614
Reducing pollution and waste	**$409,872**	**$249,188**
Waste and pollution in urban areas is reduced	$364,171	$210,787
Pollution in farming areas is reduced and waterways in farming areas are cleaned up	$7,206	$6,507
Other expenditure not elsewhere classified	$38,495	$31,894
Improving the coastal and marine environment of Aotearoa, including sustainable management of resources	**$109,129**	**$105,656**
Fish stocks are managed sustainably to improve the health of our oceans	$93,913	$89,609
Other expenditure not elsewhere classified	$13,283	$15,977
Indeterminate	$1,933	$70
Total	**$3,554,925**	**$2,645,726**

Note: Individual figures may not sum to stated totals due to rounding.

4 Environment-related research science and innovation funding administered by the Ministry of Business, Innovation and Employment relates to the 2023/24 fiscal year.

5 Environment-related research, science and innovation funding administered by the Ministry of Business, Innovation and Employment relates to the 2024/25 fiscal year. For additional information regarding this inconsistency refer to p.17.

The results presented in Table 1 show that of the $2.6 billion of budgeted spending identified in 2025/26:

- $820 million is directed towards improving biodiversity and ecosystem functioning and resilience of Aotearoa
- $657 million is allocated towards reducing greenhouse gas emissions and adapting to climate change. Of this figure, approximately $20 million could not be attributed to a specific outcome due to insufficient information or because agencies judged this expenditure to fall outside the scope of the pre-specified specific outcomes
- around $413 million will be spent on improving the efficiency of environmental institutions and $401 million is budgeted for improving our land and freshwater
- $249 million and $106 million will be spent on reducing pollution and waste and improving the coastal and marine environment of Aotearoa respectively.

In the previous iteration of this report examining the 2024/25 fiscal year, spending on adaptation was budgeted at $722 million, surpassing spending on mitigation activities for the first time in this series. In 2025/26, budgeted adaptation spending decreased by approximately 70% to $192 million. The fall in adaptation spending is responsible for a substantial portion of the overall decrease in environmental expenditure reported this year.

The changing and unpredictable nature of adaptation expenditure means that its inclusion in this estimate of environmental spending can mask other trends. For example, expenditure on mitigation activities has decreased overall since the 2023/24 fiscal year. However, until this report, overall environmental expenditure remained consistent – estimated at around $3.6 billion.[6] The sudden decrease in adaptation expenditure revealed in this report is largely attributable to the tapering off of funding associated with the recovery from the North Island Weather Events.[7]

Beyond adaptation, other areas in which budgeted environmental expenditure has significantly decreased include land and freshwater improvement and reducing pollution. However, expenditure directed towards improving the effectiveness of environmental management institutions increased. This is in part due to an increase in expenditure budgeted for policy advice and policy implementation in the 2025/26 fiscal year – primarily resource management reform work.

Figure 1 links environmental expenditure to the agencies that administer it. This provides an indication of the magnitude of spending across various agencies and the outcomes this spending is being directed towards.

6 PCE, 2024; PCE, 2025.

7 The North Island Weather Events refer to the Auckland Anniversary Weekend floods, Cyclone Hale and Cyclone Gabrielle, which caused widespread flooding and damage across large areas of the North Island in 2023.

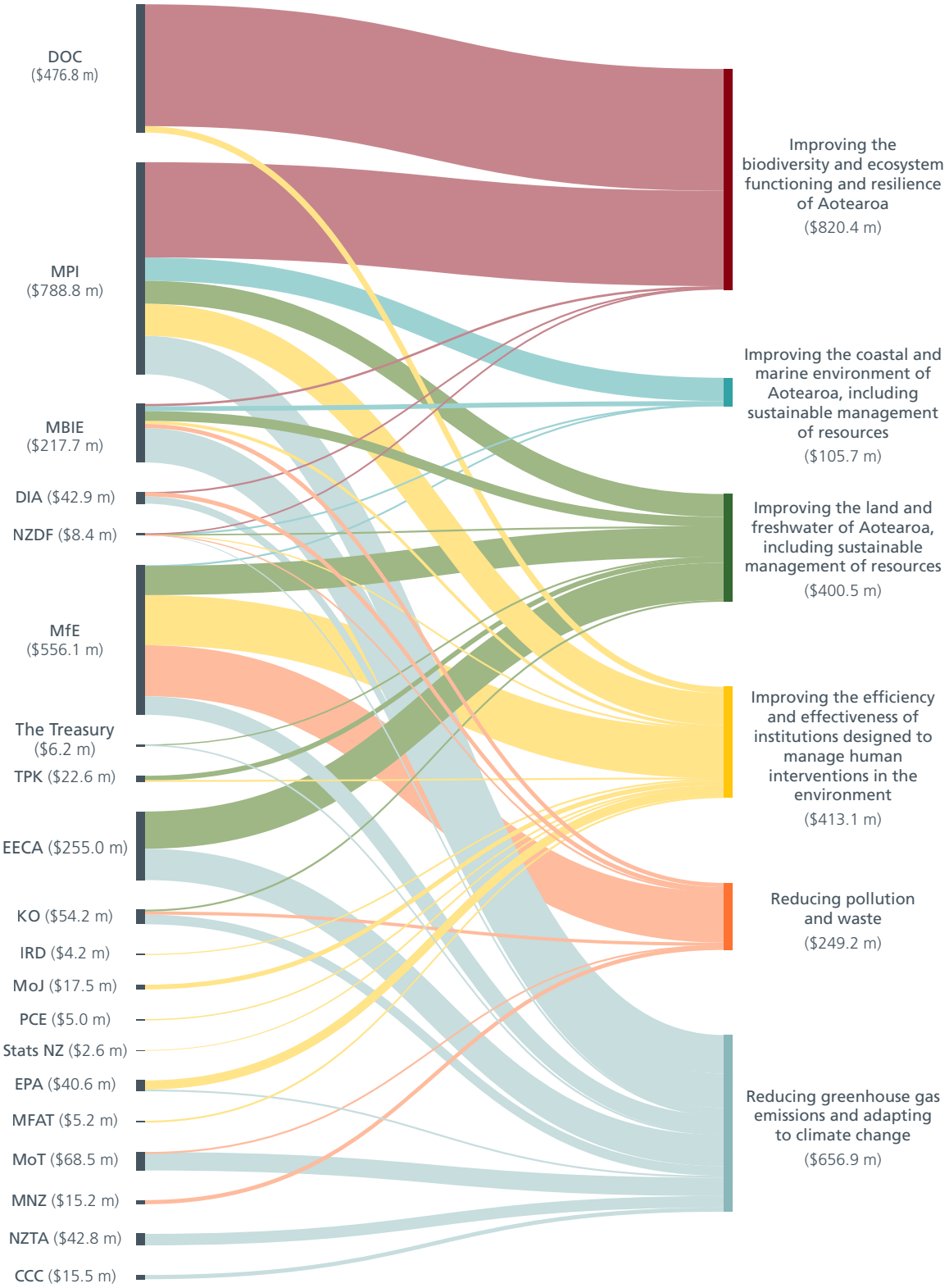

Figure 1: 2025/26 environmental expenditure by government agencies attributed to enduring environmental outcomes. The left side of the figure provides a sense of total environmental spending; the right side provides a sense of where that spending is focused. Flows capture the contribution of individual agencies. See Appendix 1 for additional information regarding the fiscal magnitude of agency contributions and agency names.

Figure 2 disaggregates the climate-related spending shown above by specific outcome to provide a more granular account of budgeted climate spending for 2025/26. The Ministry for Primary Industries, Energy Efficiency and Conservation Authority, Ministry of Transport and Ministry of Business, Innovation and Employment are responsible for about 80% of budgeted mitigation spending. In terms of climate adaptation, the Ministry for the Environment, Ministry of Business, Innovation and Employment and NZ Transport Agency Waka Kotahi provide the largest contributions.

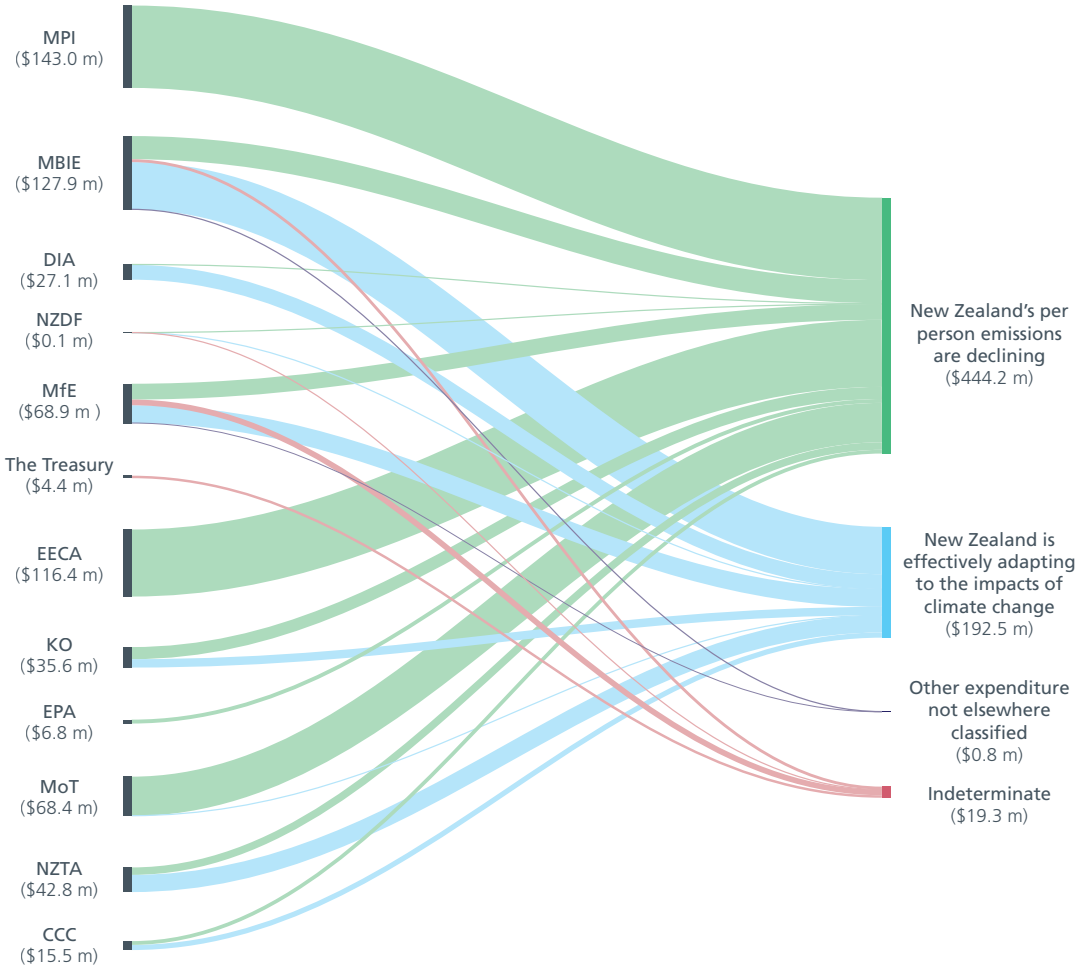

Figure 2: Climate-related expenditure by government agencies attributed to specific environmental outcomes. The left side of the figure provides a sense of climate-related environmental spending; the right side provides a sense of where that spending is focused. Flows capture the contribution of individual agencies. See Appendix 1 for additional information regarding agency names.

Technical notes on the 2025/26 estimate

- No environmental expenditure was reported for the Department of the Prime Minister and Cabinet (DPMC) for the 2025/26 fiscal year. In the previous estimate, budgeted spending administered by DPMC was significant and related to the ongoing response to the North Island Weather Events (NIWE). Responsibility for the administration of remaining funds allocated towards ongoing NIWE recovery efforts has since been transferred to the Department of Internal Affairs. This totals $54.2 million of remaining funding for the 2025/26 fiscal year through to the end of the multi-year appropriation in 2029/30, with no further forecast expenditure from these funds.
- Land Information New Zealand could not identify any budgeted spending consistent with the definition of environmental expenditure for the 2025/26 fiscal year.
- The estimate of environmental spending excludes non-cash items administered by the Ministry for the Environment related to the operation of the New Zealand Emissions Trading Scheme (NZ ETS). These non-cash expenses are significant and represent $2.2 billion of expenditure for the 2025/26 fiscal year.

  They are included in the Ministry for the Environment's financial schedules as an accounting provision to allow for the recognition of a liability incurred by the Crown. These expenses result from measures intended to contain costs for NZ ETS participants or recognise a fiscal risk to the Crown. They include the allocation of New Zealand Units to eligible sectors of the economy to address cost pressures and associated competitiveness issues arising from the NZ ETS. Accordingly, these items do not represent tangible expenditure directed towards activities or programmes intended to reduce greenhouse gas emissions. As a result, these expenses have been excluded from our estimate on the basis that they are inconsistent with the definition of environmental expenditure.
- This estimate excludes spend administered by the Ministry of Foreign Affairs and Trade (MFAT) on environmentally relevant International Development Cooperation (IDC) activities. These activities could not easily be categorised in accordance with our hierarchy of enduring and specific outcomes. The indicative environmentally relevant IDC spend by MFAT is budgeted at $115 million for the 2025/26 fiscal year. This may not reflect full programming, which may vary during the financial year. The expenditure relates to overseas environmental outcomes rather than domestic environmental outcomes.
- Expenditure administered by the NZ Transport Agency Waka Kotahi relates to Crown funding only for specific appropriations. It does not include expenditure associated with the National Land Transport Fund, which is out of scope for the purpose of this estimate.

Focus area | Jobs for Nature

Programme overview

Many environmental programmes span multiple fiscal years and aim to achieve a range of environmental and other outcomes. One such example is the Jobs for Nature programme, announced as part of the COVID-19 Response and Recovery Fund. This programme was time limited and ended in June 2025.

Funding for the programme was significant with $1.185 billion allocated to the programme over five years.[8] The conclusion of the programme is one contributor to the decline in estimated environmental expenditure reported in this iteration of my report.

The Jobs for Nature programme aimed to achieve a range of objectives spanning both economic and environmental outcomes. These included the creation of employment opportunities during the COVID-19 pandemic and the subsequent recovery period. There have also been environmental gains as a result of initiatives funded by this programme.[9]

The programme involved a collaborative effort among five central government agencies: the Ministry for the Environment, the Department of Conservation, the Ministry for Primary Industries, the Ministry of Business, Innovation and Employment (Kānoa - Regional Economic Development and Investment Unit), and Land Information New Zealand.

These central government agencies collaborated to channel funding to appropriate recipients, which included local government, iwi, community groups (including catchment groups) and private companies. Recipients were able to make investments in freshwater improvement, biosecurity and ecosystem restoration, amongst others.[10] Figure 3 provides an overview of Jobs for Nature funding allocation by administering agency and environmental purpose for the period 2020/21 to 2024/25.

8 MfE, pers. comm., 20 October 2025.
9 Allen and Clarke, 2025a.
10 MfE, 2025.

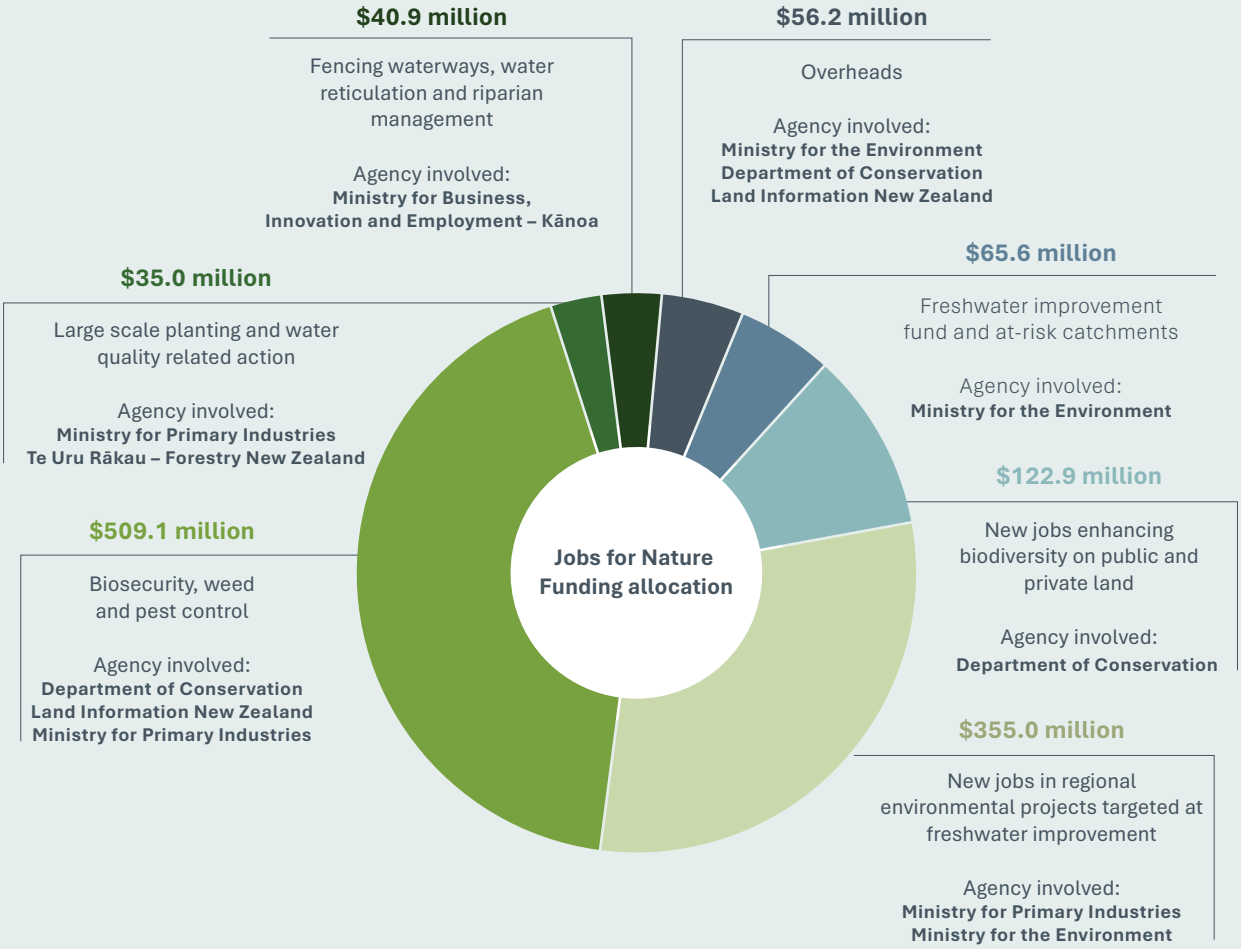

Figure 3: Jobs for Nature funding allocation showing the amount ($) given to each funding purpose and the agencies involved.

In terms of what this funding achieved, Table 2 provides an indication of the environmental outputs delivered over the course of this programme.[11]

11 Note that the funding allocations displayed in Figure 3 include spending related to both nature-based employment opportunities (i.e. remuneration) and the delivery of environmental outputs. In contrast, Table 2 includes performance metrics related to environmental outputs only.

Table 2: Environmental outputs delivered to date measured using programme performance reporting metrics.[12]

Area	Metric	Lifetime 2020/21–2024/25
Biodiversity	Area of ecosystem restoration (ha)	7,472
	Number of plants planted in terrestrial areas	3,367,485
	Length of tracks maintained and created (km)	3,276
	Number of assets maintained (including huts)	924
Freshwater	Area of freshwater restoration (ha)	6,650
	Number of plants planted in freshwater areas	10,704,155
	Length of fencing constructed (km)	5,106
	Number of fish passages remediated	1,317
Pest control	Area of wilding conifers control (ha)	2,112,524
	Area of other plant pest control (ha)	704,938
	Area of wallabies control (ha)	1,877,432
	Area of other animal pest control (ha)	2,577,564

The funding amounts included in Figure 3 and outputs shown in Table 2 illustrate the breadth of both agency involvement and environmental outcomes being pursued by the programme.

The need to co-ordinate successfully across five agencies necessitated the formation of a structured governance model. The Jobs for Nature programme established multiple layers of oversight that cut across departmental silos. There was a Sustainable Land Use Ministers group, an independent reference group, and a Deputy Chief Executives group.[13] In addition, a Secretariat hosted by the Ministry for the Environment, coordinated agency activities and funding, and provided performance reporting functions at the programme level.

The initial requirement to invest money to provide employment for individuals affected by the COVID-19 pandemic meant that the early procurement approach employed by the Jobs for Nature programme was sub-optimal. As the urgency associated with the programme's establishment dissipated, the quality and scope of the procurement process improved and evolved to reflect the wider emphasis on environmental outcomes in addition to employment objectives.[14]

12 MfE, pers. comm., 3 November 2025.

13 Note that the reference group transitioned to an advisory group after the programme moved from the implementation to the delivery phase.

14 Allen and Clarke, 2025b, pp.8–9, 31.

The speed of programme deployment also meant a suite of standardised performance reporting metrics was not established prior to delivery. As a result, agencies were initially operating with different data requirements and reporting systems which created complexity.[15] Reporting requirements varied between contracted providers, adding to their administrative burden and initially hindering the public accountability of the programme. Once standardised metrics were established, these proved beneficial for both accountability and the programme's reporting burden.

The performance reporting metrics listed in Table 2 focus on the outputs of the Jobs for Nature programme and not environmental outcomes.[16] Measures relating to the area treated for pests and the number of plants planted provide an indication of the type and scale of the activities undertaken. However, such metrics provide no indication of the impact of this treatment in reducing the incidence of pest species and improving the quality of native ecosystems. The lack of outcome-based measures hinders any assessment of the effectiveness of programme expenditure in terms of enhancing biodiversity and other environmental outcomes.

Comments relating to PCE work on environmental expenditure and outcomes

As a case study, the Jobs for Nature programme highlights many of the issues that I have raised around improving public accountability for environmental spending. This includes the following:

1. Environmental challenges often cut across the responsibilities of many public sector agencies. New Zealand's standard budgetary and performance reporting framework is designed around individual agencies. This poses a challenge for tracing expenditure and impact. In 2022, the Office of the Auditor General flagged transparency and accountability challenges associated with the Jobs for Nature programme.[17] This is the problem my Estimate of Environmental Expenditure is designed to help resolve by providing a comprehensive and transparent whole-of-government account of spending.
2. My office has consistently called for stronger public accountability in reporting on environmental objectives.[18] As part of this, I have suggested that governments need to report early on the environmental outcomes they are prioritising, the strategies employed to achieve these outcomes and the funding that will be provided.
3. Once these priorities are established, there is a commensurate need to report on the impact of any investment, looking not just at outputs but outcomes as well. Attribution and time lags can make evaluating environmental outcomes difficult. This issue is compounded by a lack of data and difficulties in sharing data. Data collection and sharing should be a fundamental condition of government funding.
4. Most environmental issues will take time to resolve. Many communities are working to improve their local environment, but progress is hampered by complex and continually changing streams of government funding.

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15 Allen and Clarke, 2025a.

16 The term 'outputs' refers to the goods and services that the government purchases to facilitate its outcomes. The term 'outcomes' denotes either a (desired) state or condition of the environment or a (desired) change in it. For additional detail see PCE (2022), p.47.

17 Controller and Auditor-General, 2022.

18 PCE, 2022.

Beyond these points a more fundamental question arises. Would the initiatives undertaken in the name of the Jobs for Nature programme have been undertaken in the absence of a national crisis that had nothing directly to do with the environment?

There is presently no guarantee that progress made under a number of headings will be sustained. While some formal protection mechanisms have been established, wallabies, wilding pines and water quality did not appear as problems because of COVID-19, and the end of the Jobs for Nature programme is likely to see pressures that were temporarily suppressed re-emerge.[19] We know already that the residual level of funding for wilding pine control is insufficient to maintain control over the areas cleared.[20] In short, taxpayers' funds will have been wasted – unless, of course, the only justification for the expenditure was to alleviate short-run social concerns associated with the pandemic. That is not the assurance that was given to Parliament when it was asked to appropriate the funds.[21]

It is also not clear that any rigorous prioritisation exercise was used initially to identify front line environmental management expenditure. At the outset, an emphasis on job creation meant funding was preferentially directed at particular regions and at 'shovel ready' projects.[22] In the future, a transparent prioritisation of environmental expenditure across enduring environmental outcomes would help Parliament understand the trade-offs made when making investments in environmental management.[23]

My series of technical notes cataloguing environmental expenditure represents an attempt to address an information gap related to financial transparency. In the future, introducing a standardised mechanism for tagging departmental expenditure against defined environmental actions would allow for clearer, more comparable reporting between governmenl departments. In order to be useful, such a system would need to be durable across governments. Such improvements would improve transparency and allow strengthened accountability for programmes like Jobs for Nature.

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19 The Jobs for Nature programme worked to establish formal protection mechanisms for some investments in the form of QEII Trust covenants and landowner agreements.

20 PCE, 2023.

21 MfE, 2020, pp.5–6.

22 For example, the Department of Conservation has stated "…these investments in nature are targeted to regions most affected by COVID-19 and the downturn in tourism." See DOC (2021), p.16. Further, an evaluation of the second year of the programme noted that "…the shift in emphasis to environmental restoration and infrastructure projects, in particular 'shovel ready' projects that could be implemented at pace, also created pressure for some projects." See Allen and Clarke (2024), p.54.

23 Whilst an investment framework was used to guide investment decisions from September 2020 onwards, this did not weight the contained investment principles or directions for action. See: https://environment.govt.nz/assets/publications/Funds/appendix-jobs-for-nature-reference-group-investment-framework-1.pdf

Method

The following provides an overview of the method used to derive this estimate of environmental expenditure. It includes a definition of environmental expenditure, a description of the data collection process and details on quality assurance and analytical steps.

Defining environmental expenditure

For the purposes of this estimate, environmental expenditure is defined as central government spending on environmental protection and resource management activities.

The definition of environmental expenditure used in this analysis to guide the identification and classification of spending is derived from the System of Environmental-Economic Accounting (SEEA) definition of environmental activities.[24]

Under the SEEA framework, environmental activities are defined based on two categories:

- **Environmental protection activities** are those activities whose primary purpose is the prevention, reduction and elimination of pollution and other forms of degradation of the environment.[25]
- **Resource management activities** are those activities whose primary purpose is preserving and maintaining the stock of natural resources and hence safeguarding against depletion.[26,27]

Data source

Data were obtained directly from those public sector agencies that have significant environmental management functions and responsibilities.[28] The request covered budgeted expenditure for the 2025/26 fiscal year.

Identification and classification of data

Agencies were asked to identify expenditure consistent with the definition of either environmental protection or resource management activities. A guidance document that included practical examples of activities consistent with the definition of environmental expenditure was provided to assist agencies with identifying relevant spending. To minimise administrative burden, agencies were asked to identify only those items of expenditure that they considered to have a material and significant environmental purpose.

Agencies were asked to categorise this expenditure according to a single classification framework. This framework consisted of a hierarchical schedule of enduring and specific environmental outcomes derived from state of the environment reporting.

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24 United Nations et al., 2014.

25 This includes activities related to the protection of ambient air and climate; wastewater management; waste management; protection and remediation of soil and water; protection of biodiversity (including biosecurity activities where relevant); research and development; environmental monitoring; education and training; and general administration and regulation.

26 This includes the management of water stocks, forest resources, fish stocks, energy resources (renewable energy production and energy conservation measures) and minerals; research and development; education and training; environmental monitoring; and general administrative and regulatory activities.

27 United Nations et al., 2014, p.96.

28 Data were requested from the following agencies: Climate Change Commission, Department of Conservation, Department of Internal Affairs, Energy Efficiency and Conservation Authority, Environmental Protection Authority, Inland Revenue, Kāinga Ora, Land Information New Zealand, Maritime New Zealand, Ministry for Primary Industries, Ministry for the Environment, Ministry of Business, Innovation and Employment, Ministry of Foreign Affairs and Trade, Ministry of Justice, Ministry of Transport, New Zealand Defence Force, NZ Transport Agency Waka Kotahi, Stats NZ, Te Puni Kōkiri and The Treasury. The Treasury also provided data on behalf of the Department of the Prime Minister and Cabinet.

The guidance document requested that agencies attempt to identify and classify expenditure at a financial unit below that of appropriations to provide a more granular account of spending. However, agencies were given discretion to identify an appropriate financial unit based on considerations such as the:

- structure of their internal financial systems
- breadth and scope of their environmental protection and resource management activities
- administrative burden associated with the task.

Given this flexibility, the approach adopted by agencies varied. For some agencies, appropriations were deemed to provide a reasonably accurate assessment of both the fiscal magnitude and scope of environmental spending. Accordingly, these agencies opted to supply expenditure estimates sourced from publicly available appropriation data released by The Treasury.

Other agencies were able to provide a more refined estimate of spending using data housed in internal accounting systems. When financial units had multiple objectives (i.e. both environmental and non-environmental), agencies were asked to identify and classify only the portion of spending consistent with the definition of environmental expenditure based on their reasonable judgement.

Quality assurance

Once received, datasets were subject to a quality assurance process. This involved an inspection of each dataset to confirm the identified expenditure was consistent with the definition of environmental expenditure. The assigned outcomes were also reviewed to ensure the classification hierarchy of enduring and specific outcomes had been correctly applied. Any issues relating to the identification and classification of data were resolved with the respective agency.

Analysis

Following quality assurance, datasets were prepared for analysis. This involved tidying the data to ensure a consistent format to facilitate further analysis. Data were analysed to derive a total estimate of environmental expenditure and an estimate disaggregated by administering agency and environmental outcome.

Consistency

These results update the previous agency-led estimate of environmental expenditure compiled for the 2024/25 fiscal year. There have been no changes to the underpinning method or institutional coverage from the previous assessment of environmental expenditure. The definition of environmental expenditure continues to be based on the SEEA framework, with relevant financial data requested directly from government agencies.

However, because of continued development work to improve the accuracy of these estimates, caution is advised when making direct comparisons between the results presented here and those compiled prior to the 2024/25 fiscal year. Any discrepancies, either at the whole-of-government or individual agency level, will reflect both real world changes in spending and differences in methodological compilation.

The method underpinning these assessments of environmental spending has now achieved a level of consistency that meaningfully enables annual comparisons. Accordingly, both the current and future iterations of this note will compare budgeted expenditure with preceding years.

How the estimate of environmental expenditure aligns with other measures of central government environmental spending warrants explanation. The figures presented here complement the existing budgetary and performance reporting produced by central government agencies. However, they do not represent an official statistical measure of environmental spending. Stats NZ produces an official series measuring central government environmental protection expenditure as part of its environmental-economic accounting programme.[29]

While both measures utilise the SEEA definition of environmental activities, there are important differences with respect to measurement concepts and coverage. The series produced by Stats NZ measures environmental expenditure using national accounting concepts prescribed by the System of National Accounts. Estimates are presented in the form of final consumption expenditure, which differs from spending authorised through appropriations and compiled on a financial accounting basis.

Further, while Stats NZ measures environmental protection expenditure only, the scope of the estimate presented here extends to resource management activities. As a result of these differences, direct comparisons between these measures should be avoided.

Limitations and data quality

The results should be interpreted in the context of the following limitations and data quality considerations. These issues ensure that there remains an unquantified degree of uncertainty associated with the accuracy of the 2025/26 estimate.

Overall, it should be noted that the financial management systems employed by public sector agencies are not designed to facilitate the identification and categorisation of spending by outcome. Consequently, there is an inherent degree of both imprecision and subjectivity associated with the method used to compile the results presented in this note.

While agencies adhered to a consistent definition of environmental expenditure, they adopted a more flexible approach regarding the selection of a financial unit to identify and classify spending. This inconsistent approach will result in a variable level of accuracy and detail across agencies with respect to the supplied expenditure estimates.

Another limitation stems from the use of forward-looking financial information. This analysis is based on budgeted expenditure for the 2025/26 fiscal year. Accordingly, these figures may change as expenditure is incurred throughout the year and is subject to a formal audit process.

In addition to these more general considerations, there are issues related to specific datasets supplied by agencies that are noted below.

- For research, science and innovation funding administered by the Ministry of Business, Innovation and Employment (MBIE):
  - Expenditure estimates relate to the 2024/25 fiscal year. Funding for the 2025/26 fiscal year was still in the process of being allocated to specific projects at the time this estimate was compiled. Accordingly, financial information from the previous fiscal year was used to enable mapping of environment-related research, science and innovation expenditure to outcome categories. Figures presented here for the 2024/25 fiscal year are provisional and will be lower than the anticipated final expenditure on research, science and innovation. This is due to data still being collected on certain research projects at the time this estimate was compiled. It should be noted that all other financial data supplied by MBIE regarding the management of energy and resources relates to the 2025/26 fiscal year.[30]

29 For the most recent release and additional information, see Stats NZ (2025).

30 Environment-related research, science and innovation funding accounted for $123 million or 56% of MBIE's $218 million spend presented in Figure 1.

  - There is a discrepancy between the classification of environmental research spending presented here and the classification of environmental research published by MBIE as part of its administration of New Zealand's science funding system.[31] The reclassification of research, science and innovation funding against environmental outcomes was based on existing categories assigned using the Australian and New Zealand Standard Research Classification (ANZSRC).[32] Translating these categories to environmental outcomes required the mapping of relevant ANZSRC codes to the schedule of outcomes. This was undertaken by MBIE as part of this data request and has not been verified or endorsed by the organisations undertaking the research.

- Expenditure administered by the Ministry of Justice includes salaries and allowances set by the Remuneration Authority for Environment Court Judges, Environment Commissioners and Deputy Commissioners. The estimate is based on the current remuneration approved and may change during the year.

31 These data are publicly available on the MBIE website. https://www.mbie.govt.nz/science-and-technology/science-and-innovation/research-and-data/successful-funding-application-anzsrc-data/.

32 ANZSRC provides a standardised framework used to measure and analyse research and experimental development. For additional information regarding ANZSRC. See https://www.mbie.govt.nz/science-and-technology/science-and-innovation/research-and-data/anzsrc/.

Appendix 1: Environmental expenditure disaggregated by agency contribution to enduring outcomes

Table A.1 provides more detailed information regarding the contribution of individual agencies to environmental outcomes in terms of budgeted expenditure

	Environmental expenditure ($ 000) per enduring outcome						
Agency	Biodiversity and ecosystem functioning	Climate change mitigation and adaptation	Improving environmental institutions	Land and freshwater	Pollution and waste reduction	Coastal and marine environment	**Total $ (000)**
Department of Conservation (DOC)	453,119	–	23,665	–	–	–	**476,784**
Ministry for Primary Industries (MPI)	354,447	143,006	118,929	85,494	–	86,899	**788,775**
Ministry of Business, Innovation and Employment (MBIE)	8,537	127,942	11,482	36,459	15,295	17,985	**217,699**
Department of Internal Affairs (DIA)	50	27,060	–	–	15,822	–	**42,932**
New Zealand Defence Force (NZDF)	4,248	143	302	2,197	856	702	**8,448**
Ministry for the Environment (MfE)	–	68,855	186,429	110,873	189,831	70	**556,058**
The Treasury	–	4,350	–	1,852	–	–	**6,202**
Te Puni Kōkiri (TPK)	–	–	3,930	18,661	–	–	**22,591**
Energy Efficiency and Conservation Authority (EECA)	–	116,396	–	138,563	–	–	**254,959**
Kāinga Ora (KO)	–	35,606	–	6,444	12,101	–	**54,151**
Inland Revenue (IRD)	–	–	4,200	–	–	–	**4,200**
Ministry of Justice (MoJ)	–	–	17,532	–	–	–	**17,532**
Parliamentary Commissioner for the Environment (PCE)	–	–	4,974	–	–	–	**4,974**
Stats NZ	–	–	2,614	–	–	–	**2,614**
Environmental Protection Authority (EPA)	–	6,785	33,831	–	–	–	**40,616**
Ministry of Foreign Affairs and Trade (MFAT)	–	–	5,188	–	–	–	**5,188**
Ministry of Transport (MoT)	–	68,414	–	–	39	–	**68,453**
Maritime New Zealand (MNZ)	–	–	–	–	15,245	–	**15,245**
NZ Transport Agency Waka Kotahi (NZTA)	–	42,800	–	–	–	–	**42,800**
Climate Change Commission (CCC)	–	15,504	–	–	–	–	**15,504**
Total ($ 000)	**820,401**	**656,861**	**413,077**	**400,543**	**249,188**	**105,656**	**2,645,726**

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This report has been produced pursuant to subsections 16(1)(a) to (c) of the Environment Act 1986. The Parliamentary Commissioner for the Environment is an independent Officer of Parliament, with functions and powers set out in the Environment Act 1986. His role allows an opportunity to provide Members of Parliament with independent advice in their consideration of matters that may have impacts on the environment.

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