

Annual report

for the year ended 30 June 2025



Parliamentary Commissioner for the Environment

Te Kaitiaki Taiao a Te Whare Pāremata

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

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for the year ended 30 June 2025

Presented to the House of Representatives
pursuant to section 44(1) of the Public Finance Act
1989 and section 23 of the Environment Act 1986



Parliamentary Commissioner for the Environment

Te Kaitiaki Taiao a Te Whare Pāremata

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

The Rt Hon Gerry Brownlee
Speaker
House of Representatives
Parliament Buildings
Wellington

Mr Speaker In accordance with section 23 of the Environment Act 1986,
I am pleased to submit my annual report for the year ended 30 June 2025.

Yours faithfully.

A handwritten signature in black ink, consisting of a long, sweeping horizontal stroke followed by a vertical line and a small horizontal tick at the top.

Simon Upton

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

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Bladder fern, *Cystopteris tasmanica*

Overview

Foreword

As Parliamentary Commissioner for the Environment, I am charged with providing Parliament with advice on the system of agencies and processes established by the Government to manage the allocation, use and preservation of natural and physical resources.

That system is complex. Given that it deals with the inherent complexities of the natural world and human interactions with nature, that is probably not surprising. However, two factors make environmental management more complex than it needs to be.

The first is our fragmented, but often siloed, approach to environmental policy. There are multiple streams of policy work for climate change, freshwater quality and biodiversity. There is uncertainty about the timing and scale of some policies as well as how different regulations interact with each other. There are often conflicts or gaps.

The second is the non-stop reform of environmental statutes and policy undertaken by successive governments. This has not let up over the entire course of my tenure in office. I only need to look back at the long list of submissions made since the last government announced its intention to reform the Resource Management Act in 2019. In the interim, we have seen multiple policies implemented, repealed and now being worked on again, since the last government announced its intention to reform the Resource Management Act in 2019.

Given the scale and speed of these changes, providing advice to Parliament on their potential effects can be challenging. But for those on the ground trying to keep pace with the ever-changing cascade of rules and regulations, the uncertainty is bewildering, frustrating and costly.

Over the last year, I have travelled widely in regional New Zealand listening to what farmers and rural communities had to say about my report *Going with the grain: Changing land uses to fit a changing landscape*. A common message I received was that our lurching, stop-start approach to policy development is not just a significant barrier to making progress on environmental outcomes, but a real turn-off for many people who want to get on with improving things. The pervasive uncertainty hanging over the direction of policy means investing in solutions is seen as risky. With the policy landscape still up for grabs after a decade of sustained calls for action on water quality, biodiversity and climate, people are losing interest.

Despite that, there is widespread agreement across rural New Zealand on the greatest environmental challenges we face: climate change, freshwater quality, biodiversity loss, and the growing threat from pests and weeds. There is also broad understanding about the long-term, interconnected nature of these challenges and the need for sustained, joined-up solutions.

Solutions to these challenges will never be available within the three-year term of a government, and if every government feels compelled to start from scratch, even making a start is well-nigh impossible. This is why broad, cross-party consensus on our overarching environmental goals and wide support for our environmental management system is so important.

Building an enduring consensus is no easy task – but there are at least three points that I hope all politicians should be able to agree on if we are to have any chance of at least maintaining, and hopefully improving, our environment.

The first is an understanding that our economy is a subset of the environment, not vice versa. Clean air, water and soil are not only necessary to human survival, but from an economic perspective, they provide an impressive capital base on which to build our lives. As environmental services have often been freely available, they have been taken for granted – but it is unlikely that these services will continue to be free. After years of raiding the environmental piggy bank for human progress, the environment is starting to send us invoices. These invoices are likely to be large.

A good example stood out in my fourth estimate of environmental expenditure, released earlier this year. The analysis from my office showed that while the overall sum budgeted for environmental expenditure in the 2024/25 fiscal year was similar to the previous year (\$3.55 billion), costs relating to climate adaptation had increased by \$666 million. As climate change exacerbates the magnitude and frequency of extreme weather events, we can expect these costs to increase.

In my major report on forestry, *Alt-F Reset: Examining the drivers of forestry in New Zealand*, which was released mid-year, I warned of another way in which our failure to act today will see invoices sent to future generations. I had in my sights New Zealand's 'kick the pinecone down the road' approach to planting trees to offset carbon emissions through the Emissions Trading Scheme. Afforestation has become the dominant action instead of reducing emissions. It is a quick, cheap fix that enables us to claim an emissions accounting triumph but at the cost of ignoring significant risks from fire, disease and extreme weather events. Future generations will face huge costs in maintaining these forests and protecting them from the impacts of climate change. And the task of reducing emissions will still be ahead of them.

The second issue on which politicians should be able to agree is the critical importance of high-quality, spatial, multi-layered environmental information to decision making. Without such information, we simply cannot run a modern economy. We have a vast amount of information, but it is riddled with gaps, often lacking in time series, uses methodologies that defy comparative analysis and is highly fragmented. Investing in improving information and its accessibility is a core responsibility of central government – as crucial to our nation as investment in defence or law enforcement. I have made this point many times, but as yet, little progress is evident.

A third point of consensus should be an understanding that while most environmental challenges are in the hard basket they don't have to be in the *too-hard* basket, provided we're honest about the timeframes and costs that tackling them will require.

The impact of land use on biodiversity and water quality is in the hard basket. Rural people know that. But after 15 years in which we've had boatloads of research, four National Policy Statements on freshwater and many court cases, progress on the ground is sporadic and lacking in direction.

Finding people to blame for this will get us nowhere. Regional councils have in recent times become an easy target. But their problems are in no small part the result of successive governments handing down policies to the regions and leaving councils to front arguments about who bears the cost and over what timeframes. As a result, there are high levels of mistrust because people feel they've had an awful lot of environmental policy done to them.

In *Going with the grain* I was very clear that central and regional levels of government must set the direction of travel ('the **what**', i.e. environmental limits). Those limits are ultimately political, and elected officials have to be able to defend them. But local people, through organisations like catchment groups, are the ones who need to determine '**how**' on-the-ground action can achieve these limits. After all, they will be the ones doing the doing, and all environmental improvement costs time and money.

My office tries to be candid about the scale of the problems we face and provide parliamentarians with some of the evidence they need to make good decisions. A consensus on the three points I have suggested would make working with that evidence a more constructive and useful affair.

Now calling for consensus can, perhaps fairly, be dismissed as a piece of Pollyanna-ish meliorism. There's not going to be an outbreak of consensus just because the Parliamentary Commissioner for the Environment calls for it. Neither should there be in a democracy. There are always different ways of achieving things. But achieving at least a durable framework onto which we can map our disagreements and having the evidence base to make good decisions doesn't seem too much to ask.

If we are going to have another round of root and branch reform, it has to be one that takes root so branches can be pruned or shaped by people other than its authors. Clear-fell legislative logging may be quick and easy but leaves us constantly at square one. Meanwhile, the environmental invoices will continue to roll in.

A handwritten signature in black ink, consisting of a long, sweeping horizontal stroke followed by a vertical line and a small horizontal tick at the top.

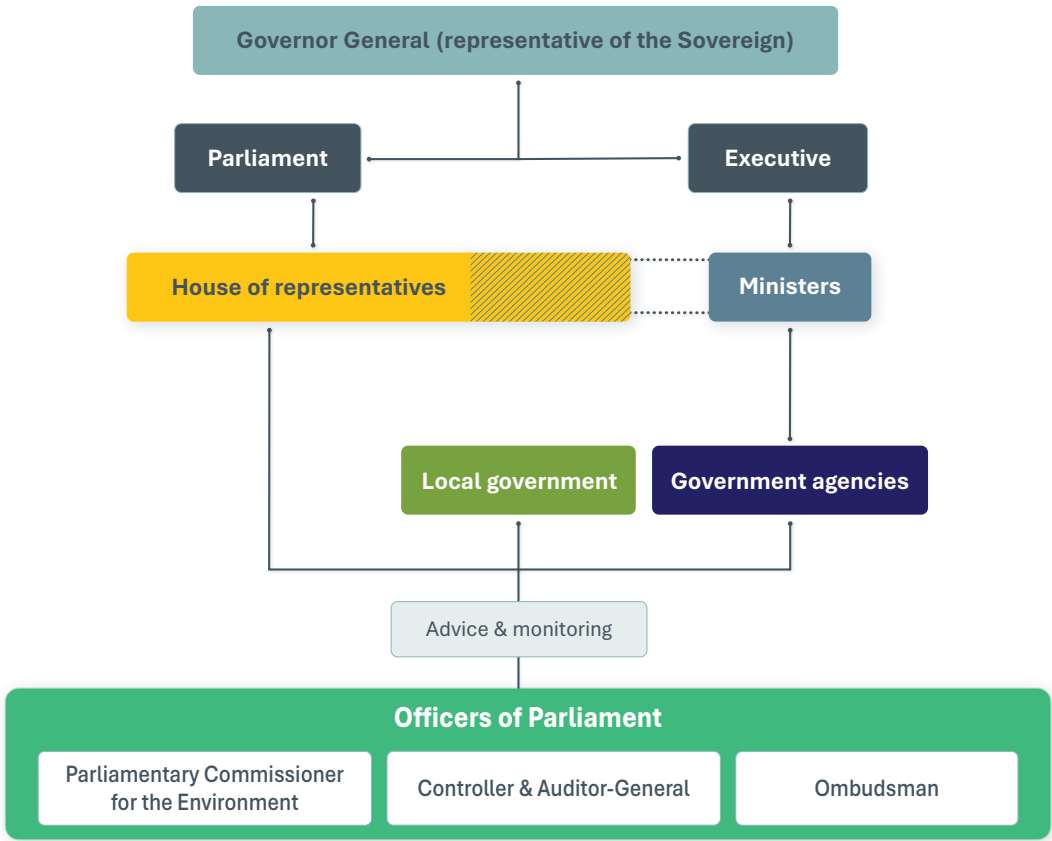
Simon Upton

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

Role of the Parliamentary Commissioner for the Environment

The office of the Parliamentary Commissioner for the Environment (PCE) was set up in 1986 with the passing of the Environment Act. It was established to provide parliamentarians with robust independent advice on environmental matters. I am the fourth person to hold this office.

As an Officer of Parliament, I do not report to government ministers, but instead to Parliament as a whole. I have the privilege and responsibility of providing both ministers and opposition spokespeople with independent advice.



Source: Parliamentary Commissioner for the Environment

Figure 1.1: Relationship between the Officers of Parliament, including the PCE, Parliament and Executive Government.

With a broad mandate and a small supporting team, I try to focus our efforts on issues where we can add the greatest value. Specifically, I look at emerging areas of concern or issues that may be neglected. I am more selective about engaging with issues that already have strong stakeholder attention. I will get involved if I see an opportunity to offer independent analysis on difficult issues, such as agricultural emissions reductions or freshwater quality, in order to move the debate forward.

I am in my second term as Commissioner, after being reappointed in October 2022. I am assisted in my role by a multidisciplinary team of 20 advisors and administrators based at my Wellington office.¹

¹ As at 30 June 2024. This number varies slightly over the course of the year due to staff changes.

Legal functions

The Environment Act 1986 lays out the functions and powers of the Commissioner. These form the basis of my ability to investigate environmental issues, processes and public agencies. The functions are wide-ranging and are set out in section 16(1) of the Environment Act 1986:

- to review the system of agencies and processes established by the Government to manage the allocation, use and preservation of natural and physical resources, and report to the House of Representatives; and
- to investigate the effectiveness of environmental planning and environmental management carried out by public authorities, and advise them on remedial action; and
- to investigate any matter where the environment may be or has been adversely affected, advise on preventive measures or remedial action and report to the House of Representatives; and
- at the request of the House of Representatives or any select committee, to report on any petition, bill or other matter that may have a significant effect on the environment; and
- on the direction of the House of Representatives, to inquire into any matter that has had or may have a substantial and damaging effect on the environment and report to the House; and
- to undertake and encourage the collection and dissemination of information relating to the environment; and
- to encourage preventive measures and remedial actions for the protection of the environment.

Our mission and values

In preparing, reporting and communicating advice to Parliament, we use the following shared mission and values to guide our work. I inherited this statement of mission and values in 2017 and it remains unchanged.

Our mission

To maintain or improve the quality of the New Zealand environment by providing robust independent advice that influences decisions.

Our values

Excellence

The questions we raise and the solutions we propose are based on sound science and reasoned argument. We are accountable to the people of New Zealand and deliver value for the funding we receive.

Determination

We bravely and constructively question the status quo. We persist in communicating the results of our work in different ways to maximise its usefulness.

Generosity of spirit

We work together in an open collegial way, sharing our expertise, listening carefully and not rushing to judgement. We actively acknowledge decisions and actions that benefit the environment.

Innovation

Our independence empowers us to think freely and creatively. We strive to get beyond describing problems to proposing solutions.

Effectiveness

Others trust and respond to our advice. Our work has a lasting and tangible impact on the New Zealand environment.

Bladder fern, *Cystopteris tasmanica*

Tirohanga Whānui

He wāhinga kōrero

Nā te mea ko au te Kaitiaki Taiao a Te Whare Pāremata, ka noho haepapa au ki te tohutohu i te Pāremata mō te pūnaha o ngā tari kāwanatanga me ngā hātepe i whakatūria e te Kāwanatanga hei whakahaere i te tuaritanga, te whakamahi me te matapopore o ngā rauemi ā-taiao, ā-ōkiko anō hoki.

He whīwhiwhi taua pūnaha. Nā te mea e hāngai ana ki ngā whīwhiwhi pūmau o te taiao tūturu me ngā pāhekoheko tangata ki taua taiao, ehara i te mea ohorere. Heoi anō, e rua ngā āhuatanga kua whīwhiwhi ake te whakahaere taiao i tērā e tika ana.

Ko te āhuatanga tuatahi, tā mātau ahunga tūāporoporo nei, taratahi hoki ki te kaupapahere tiaki taiao. He huhua ngā rerenga o te mahi kaupapahere mō te panoni āhuarangi, te kounga wai māori me te kanorau koiora. Kāore i te tino mōhiotia te wā me te rahi o ētahi o ngā kaupapahere tae atu ki te pāhekoheko o ngā waeture, tētahi ki tētahi. I te nuinga o te wā he papā, he āputa rānei.

Ko te tuarua te whakahou mutunga kore o ngā ture me ngā kaupapahere taiao i whakamahia e tēnā kāwanatanga, e tēnā kāwanatanga. Kāore tēnei i mutu i te roanga o taku mahi ki te tari nei. Me titiro noa au ki te rārangi roa o ngā tāpaetanga i tukuna mai i te wā i pānui te kāwanatanga i mua i tēnei i te koronga kia whakahou i te Ture Whakahaere Rauemi i te tau 2019. Mai i taua wā kua kitea e mātau te whakatinanatanga, te whākorekore, ā, te whakamahia anōtia o ngā kaupapahere huhua atu i te wā i whakapuaki te kāwanatanga i mua i tana whakatau kia whakahou i te Ture Whakahaere Rauemi i te tau 2019. I muri i tērā kua kite mātau i te huhua o te whakatinanatanga me te whakakoretanga o ngā kaupapahere, ā, e whakamahia ana anō ināianei.

Nā runga anō i te rahi me te tere o ēnei panoni, he wero te tohutohu i te Pāremata e pā ana ki ngā whakaaweawe pea. Engari mō te hunga e mahi ana e hiahia ana kia whai i te hīrere o ngā tikanga me ngā waeture e panoni tonu ana, he mea pōkaikaha, kohuki tō te rangirua, ā, he nui hoki te utu.

I te tau kua hipa, kua whānui aku haere i ngā rohe o Aotearoa e whakarongo ana ki ngā kōrero a ngā kaipāmu me ngā hāpori tuawhenua mō taku pūrongo *Going with the grain: Changing land uses to fit a changing landscape*. Ko te karere i tino rangona e au he tauārai nui te ahunga tūpoupou, tū-timata ki te whanaketanga kaupapahere kia ahu whakamua ngā putanga taiao, ā, he hōhā nui mā te hunga e hiahia ana ki whakapai ake i ngā mea. Nā te rangirua mau tonu kei runga i te ahunga o te kaupapahere e whakaarohia ana he tūraru i roto i te whakangao ki ngā whakatikahanga. Nā te mea e wātea tonu ana te horanuku kaupapahere i muri i te tekau tau o ngā karanga haere tonu mō te mahi ki te kounga wai, te kanorau koiora me te āhuarangi kua hōhā ngā tāngata.

Ahakoia tērā he whānui te whakaaetanga puta noa i te tuawhenua o Aotearoa mō ngā wero taiao kei mua i te aroaro: te panoni āhuarangi, kouna wai māori, te ngaronga kanorau koiora me te tūraru e piki haere ana o ngā riha me ngā tarutaru. He whānui hoki te māramatanga mō te āhuatanga karioi, pāhekoheko hoki o ēnei wero me te hiahia ki ngā whakatikahanga toitū, e tūhonotia ana.

E kore rawa e wātea ngā whakatikahanga ki ēnei wero i roto i te toru tau o tētahi kāwanatanga, ā, mēnā e whakaaro ana tēnā kāwanatanga, me tēnā kāwanatanga me tīmata i te kore, tērā pea e tino kore nei e taea te tīmata. Koinei te take he tino hira te tatūnga tokitoki, whakawhiti rōpū tōrangapū ki ā mātau whāinga taiao me te tautoko mō tō mātau pūnaha whakahaere taiao.

Ehara i te mea māmā te waihanga i te tatūnga tokitoki pūmau – engari e toru ngā mea, ki a au nei, e taea ai e ngā kaitōrangapū te whakaae mēnā he kōwhiringa mā mātau te tautiaki i tō tātou taiao, ā, ko te tūmanako te whakapai ake hoki.

Ko te tuatahi te māramatanga he wāhanga tō tātou ōhanga o te taiao, tēnā i te kōaro o tērā. He waiwai te hau takiwā, te wai me te oneone mā ki te oranga o te tangata, waihoki, e ai ki te tirohanga ohaoha, e whakarato ana i te tūāpapa whakahirahira hei waihanga i tō tātou ao. I te mea e wātea ana ngā ratonga taiao mō te koreutu, ko te tikanga kāore e tino arohia atu ana – engari he iti te tūponotanga ka noho koreutu tonu ēnei ratonga. Kua hia ngā tau e unu atu ana i te pēke taiao mō te ahu whakamua a te tangata, kua tīmata te taiao te tuku nama ki a tātou. Kāore e kore he nui ēnei nama.

Tērā te tauira tino pai i roto i taku whakatau tata tuawhā o te whakapaunga taiao, i whakaputaina i mua i te tau nei. I whakaatu te tātaritanga nā taku tari, ahakoia e āhua ōrite te moni tapeke i whakamaheretia mō te whakapaunga taiao i te tau pūtea 2024/25 ki te tau i mua (\$3.5 piriona), i piki ngā utu e pā ana ki te urutau āhuarangi mā te \$666 miriona. Ina whakanui ana te panoni āhuarangi i te nui me te auau o ngā takunetanga āhuarangi taikaha, e mōhio ana mātau ka piki ēnei utu.

I roto i taku pūrongo matua mō te ngāherehere, *Alt-F Reset: Examining the drivers of forestry in New Zealand*, i whakaputaina i waenga tau, i tuku whakatūpatotanga au o tētahi atu ara e tuku ai tā mātau mūhore ki te mahi ināianei i ngā nama ki ngā whakatipuranga e heke mai nei. E whakaarohia ana au te ahunga 'kia whanaia tonutia te koroī paina kia tawhiti atu i te rori' ki te whakatō rākau hei whakataurite i ngā putanga waro mā te Hinonga Tauhokohoko Tukunga. Ko te whakatō rākau te mahi matua, kaua ko te whakaiti i ngā tukunga. He whakatika tere, utu iti e ahei ai mātau ki te kī kua wiktōria ā-pūketē ngā tukunga engari ko te utu he ware ki ngā tūraru nui i te ahi, te tahumaero me ngā takunetanga huarere taikaha. Ka tū ki te aroaro o ngā whakatipuranga anamata ngā utu nui kia tautiaki i ēnei ngāherehere me te whakahaumarū i ngā pāpātanga o te panoni āhuarangi. Ā, hei mua tonu i te aroaro ko te mahi whakaiti i ngā tukunga.

Ko te take tuarua me whakaae te hunga tōrangapū ko te hiranga waiwai o ngā mōhiohio taiao, kouna nui, ā-takiwā, paparanga maha ki ngā whakataunga. Ki te kore ngā mōhiohio pērā, kāore e taea te whakahaere e mātau te ōhanga hou. He maha rawa ō mātau mōhiohio, engari he nui rawa ngā āputa, i te nuinga o te wā e ngaro ana ngā raupapatanga houanga, e whakamahi ana i ngā tikanga e kore ai e taea te tātaritanga whakarite, me te āhua tino tūāporoporo. He kawenga matua tō te kāwanatanga matua te whakangao ki te whakapai ake i ngā mōhiohio me tana āheitanga – he ōrite te waiwai ki tō tātou whenua ki tō te whakangao ki te waonga, ki tō te whakauruhitanga ture. He maha ngā wā kua kōrero pēnei ahau – engari, kāore anō kia kitea he ahu whakamua.

Ko tētahi mea me whakaae ko te māramatanga ahakoia te nuinga o ngā wero taiao e whakaarohia ana he uaua rawa, ehara i te mea me noho ki te kete uaua rawa mēnā e pono ana mātau mō ngā angawā me ngā utu e hiahitia ana ina hīkina te mānuka.

Kei rō kete uaua rawa te pāpātanga o te whakamahi whenua ki te kanorau koiora me te kouna wai. Kei te āta mōhio te hunga tuawhenua ki tērā. Engari i muri i ngā tau 15 me te maha noa atu o te rangahau, ngā Tauākī Kaupapahere ā-Motu mō te wai māori me ngā kēhi kōti maha, he pūreirei te ahu whakamua me te kore mārama o te ahunga.

He mōumou tāima te rapu tangata hei whakahē mō tēnei. Inakuanei kua ngāwari te whakahē i ngā kaunihera ā-rohe. Engari, ko tētahi tino take i pērā ko te tuku a tēnā kāwanatanga, a tēnā kāwanatanga i ngā pūrongo ki ngā rohe, ā, ka waiho i ngā kaunihera kia tū ki te whakamārama mā wai e utu, ā, he aha ngā angawā. Nā reira, he nui ngā taumata pono kore nā te mea e whakaaro ana ngā tāngata he nui ngā kaupapahere taiao kua pā ki a rātau.

I roto i *Going with the grain* i tino whakamārama au me whakarite ngā kāwanatanga ā-rohe me te kāwanatanga matua i te ahunga haere ('te **aha**', arā, ngā tepenga taiao). I te mutunga iho, he kaupapa tōrangapū aua tepenga, ā, me taea e ngā āpiha i pōtīhia te wawao. Engari me waiho mā te hunga o taua takiwā, mā ngā rōpū whakahaere pērā i ngā rōpū riu hopuwai kia whakatau '**me pēhea**' e tutuki ai ēnei tepenga i te mahi i reira. Nā te mea, ko rātau te hunga e mahi ana, ā, ka hipa te wā, ka pau te moni hoki ina whakapai ake ana i te taiao.

Ka whakapau kaha taku tari kia tika te kōrero e pā ana ki te rahi o ngā raruraru kei mua i te aroaro. Ka tukuna te taunakitanga e hiahiatia ana e ngā mema pāremata kia pai ā rātau whakataunga. Ki te whakaaetia e rātau ngā take e toru i tāpaetia e au, he mea whaihua, he mea whai take hoki te whakamahi i taua taunakitanga.

He ngāwari te karo i te karanga kia whakaae ngātahi hei moemoeā noa. Kāore e puea ake te tatūtanga tokitoki nā runga anō i te karanga noa a te Kaitiaki Taiao a Te Whare Pāremata. E tika ana kia kaua hoki tēnei i te whenua manapori. I ngā wā katoa, he ara rerekē e tutuki ai ētahi kaupapa. Heoi anō, ehara i te mea uaua te whakatutuki i te anga mauroa hei wāhi e whakamahere ai i ā mātau tautohetohe me te whai i te tūāpapa taunakitanga mō ngā whakataunga pai.

Ki te puta anō he whakahounga pakiaka me te peka, e tika ana kia puta he mea e whai pakiaka ai, me te aha, e taea ai te kaikawau, te ahuahua rānei e tangata kē atu i ana kaiwhakatō. He tere, he ngāwari hoki pea te huarahi whakatū ture, ko tōna rite, me kī, ko te poro i ngā rākau katoa i tētahi takiwā, engari ka whakahokia mātau ki te tīmatanga i ngā wā katoa. Nāwai rā, ka taetae mai ngā nama ā-taiao.



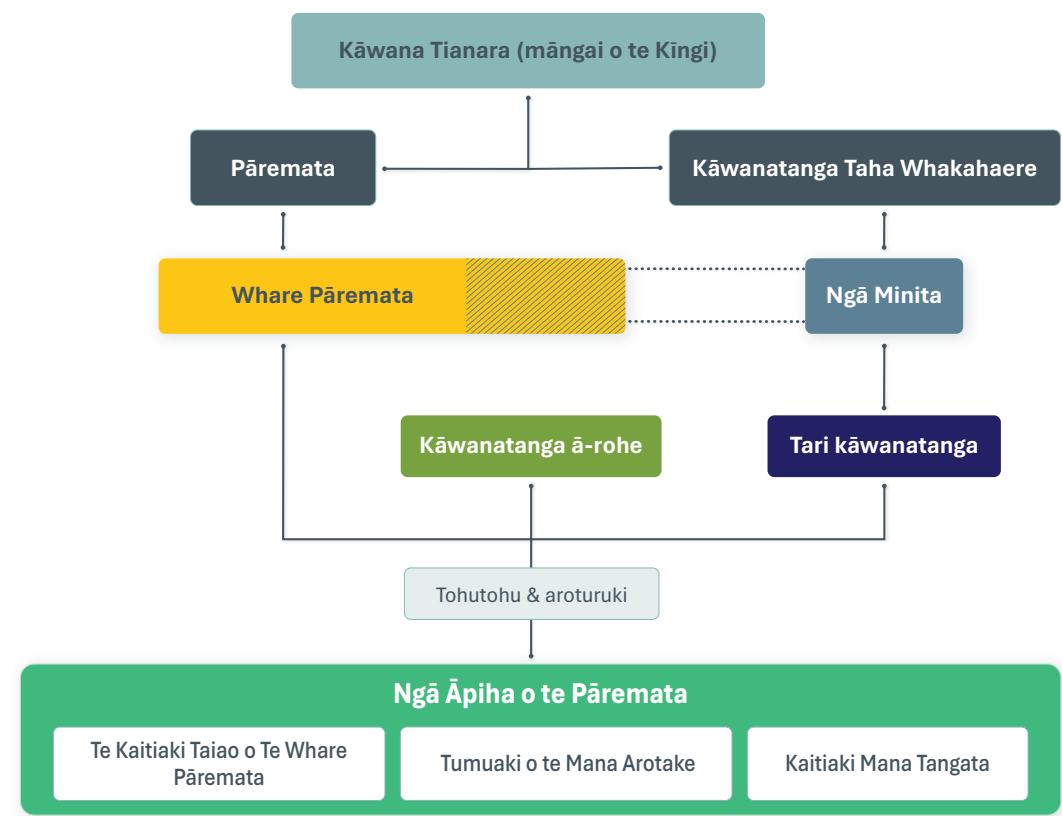
Simon Upton

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

Te Tūnga o te Kaitiaki Taiao a Te Whare Pāremata

I whakatūria te tari o te Kaitiaki Taiao a Te Whare Pāremata (PCE) i te tau 1986 i te whakamanatanga o te Ture Taiao. I whakatūria hei tuku i te tohutohu kaha, motuhake hoki mō ngā kaupapa taiao ki ngā mema pāremata. Ko au te tangata tuawhā kia kopoua ki tēnei tari.

Nā te mea, he Āpiha o te Pāremata au, kāore au e pūrongo ana ki ngā minita kāwanatanga, engari ki te Pāremata whānui kē. Nōku te whiwhi me te kawenga kia tuku ki ngā minita me ngā māngai o ngā rōpū ātete ki te tohutohu motuhake.



Mātāpuna: Te Kaitiaki Taiao o Te Whare Pāremata

Whakaahua 1.1: Te Hononga i waenga i ngā Āpiha o te Pāremata tae atu ki te PCE, te Pāremata me te Kāwanatanga Taha Whakahaere

He whānui te whakamanatanga, engari he iti te tīma tautoko, nā reira ka arotahi au ki ā mātau whakapaunga kaha ki ngā take e tino whai uara ai aua mahi. Otirā, ka titiro au ki ngā wāhi tūrarua e puea ana, ngā take rānei kāore i te arohia. Ka āta kōwhiria e au ina whai wāhi atu ana ki ngā take e kaha tirohohia ana e te hunga kaiwhaipānga. Ka whai wāhi atu au ina kitea ana he kōwhiringa kia tuku i te tātaritanga motuhake mō ngā take uaua, pērā i te whakaheke tukunga ahuhenua, te kounga wai māori rānei, e ahu whakamua ai te taupatupatu.

Kei te wāhanga tuarua o te kopounga Kaikōmihana, nā taku kopounga anō i te Oketopa o te tau 2022. E āwhinatia ana au ki taku tūranga e tētahi tīma marau-maha o ngā kaitohutohu me ngā kaiwhakahaere 20 e mahi ana ki taku tari i Te Whanganui-a-Tara.¹

¹ I te 30 o Hune 2024. Ka paku rerekē haere tēnei nama i roto i te tau nā te panonitanga o ngā kaimahi.

Ngā āheinga ā-ture

Ka whakatakotohia e te Ture Taiao 1986 ngā āheinga me ngā mana o te Kaikōmihana. Ka puta mai i ēnei te tūāpapa o taku āheinga ki te whakatewhatewha i ngā take taiao, ngā hātepe me ngā tari kāwanatanga tūmatanui. He whānui ngā āheinga, ā, e whakatakotohia ana ki te wāhanga 16(1) o te Ture Taiao 1986:

- ki te arotake i te pūnaha o ngā tari kāwanatanga me ngā hātepe i whakatūria e te Kāwanatanga ki te whakahaere i te tuari, te whakamahi me te matapopore i ngā rauemi ā-taiao, ā-ōkiko hoki, me te tuku pūrongo ki te Whare Pāremata; me
- te whakatewhatewha i te whai hua o te whakamahere taiao me te whakahaere taiao i mahia e te hunga whaimana tūmatanui, me te tohutohu i a rātau e pā ana ki te mahi hei rongoā; me
- te whakatewhatewha i tētahi kaupapa ka pāngia kinotia, i pāngia kinotia rānei, tohutohu e pā ana ki ngā mahi ārai, mahi hei rongoā rānei me te pūrongo ki te Whare Pāremata; me
- te pūrongo mō tētahi petihana, pire, kaupapa kē rānei me te pānga nui ki te taiao, ina tonoa ana e te Whare Pāremata, tētahi komiti whiriwhiri rānei, me
- te uiui ki tētahi kaupapa me te pānga nui, whakakino hoki ki te taiao me te pūrongo ki te Whare, ina whakahaua e te Whare Pāremata; me
- te mahi me te whakatenatena i te kohikohinga me te tuarihanga o ngā mōhiotio e pā ana ki te taiao; me
- te whakatenatena i ngā mahi ārai me ngā mahi hei rongoā mō te whakahaumarua i te taiao.

Tā mātau koromaki me ā mātau uara

Tā mātau koromaki

He pupuri, he whakapai ake i te taiao ki tērā e tika ana mā te tuku tohutohu motuhake whai kaha e mārama ai ngā whakatau.

Ā mātau uara

Hiranga

Ko ā mātau pātai me ngā whakautu he ū ki te pūtaiao matatau, he mārama hoki. Ka noho haepapa mātau ki te iwi o Aotearoa me te tuku uara mō ngā pūtea ka whakawhiwhia mai.

Manawa nui

He kaha te tuku pātai kia pai ake ngā āhuatanga. Ka ngana mātau ki te whakaputa i ngā hua o ā mātau mahi mā ngā tikanga rerekē kia kaha ai te whai take.

Te wairua manaaki

Ka mahi tahi mātau i runga i te mana ōrite, te whakawhiti whakaaro, te āta whakarongo, ā, kia kaua e pukā te whakawā. Ka whakaae ki ngā whakataunga me ngā mahi e hua ai te taiao.

Auahatanga

Nā te pararau kore e tuwhera, e auaha te whakaaro. Ka ngana ki te whakatika raruraru, kaua te noho i roto i te pōuri.

Tōtikatanga

Ka pono, ka ora hoki te tangata i ā mātau tohutohu. Ko ngā pānga, he pūmau te whai hua ki te taiao o Aotearoa.

2



Arachniodes aristata

Reports, advice and other work

The work of PCE basically involves three types of activity:

- reviewing the strengths and weaknesses of New Zealand's environmental management system and making recommendations on how this system could be improved
- investigating matters of environmental concern
- helping select committees with their scrutiny of legislation, petitions, environmental expenditure and enquires.

I share my work with stakeholders and the public in a variety of ways, including reports, presentations, letters, submissions, speeches, webinars and via the PCE website (www.pce.parliament.nz).

In my first term, much of my advice came from investigations proactively started by my office. But increasingly my time is spent preparing submissions and advice in relation to the Government's reforms of environmental regulations and the resource management system.

Investigations

In choosing issues to investigate in depth, I focus on issues where the office's skills and independence can add value.

My broad prioritisation approach is twofold. I may choose to investigate emerging issues that are not yet in the spotlight, or issues that may be neglected or left unaddressed. Work on these topics can alert relevant agencies and the wider community to problems that may need more sustained attention.

I am more selective about issues that already have strong stakeholder attention. For some issues that prove difficult to tackle and seem to be almost permanently on the agenda, I will sometimes engage in the hope that some independent analysis from a fresh angle can help move the debate forward.

My investigations are generally presented to Parliament as reports. These are designed to foster informed debate and often contain advisory recommendations on ways to address issues uncovered by the investigation. All efforts are made to ensure that reports are founded on strong evidence and that any recommendations are practical and likely to be effective.

Over the past financial year, I presented two reports to Parliament:

- *Alt-F Reset – Examining the drivers of forestry in New Zealand* (April 2025)
- *Estimate of environmental expenditure 2024/25: Method and results* (February 2025).

Alt-F Reset – Examining the drivers of forestry in New Zealand

This extensive report was the culmination of nearly two years of research into how past and current policies are shaping New Zealand's forestry estate to inform discussions on future afforestation. At its heart, *Alt-F Reset* asked where are we currently headed and what would it take to change the direction of travel.

My conclusion was that current policy settings, particularly those under the New Zealand Emissions Trading Scheme (NZ ETS), are driving a wave of afforestation of radiata pine with significant environmental, economic and social risks, and that without significant change, this trend is likely to continue.

The report also examined the benefits and risks of alternative forestry systems, such as large-scale native afforestation, and alternative management regimes, such as continuous cover harvesting. It identified the barriers to establishing these systems in New Zealand and ways to address those barriers.

Alt-F Reset concluded with several recommendations, including that New Zealand should:

- reform the NZ ETS by phasing out forestry offsets for fossil emissions
- create a separate biogenic methane trading scheme that allows for forestry offsets
- reform the permanent forest category of the NZ ETS (if other recommendations relating to NZ ETS reform are not accepted)
- ensure that Māori are engaged from the outset in any reframing of forestry policies
- ensure better management of the long-term threats and financial risks to the forestry estate
- ban clear-fell harvest in high-risk areas – noting that these areas need to be better identified and mapped
- ensure that forestry companies cover the costs of environmental damage they cause
- review regulations that disincentivise native afforestation
- focus future afforestation schemes on both successful establishment and long-term maintenance
- ensure that alternative forestry systems are given greater weighting in any future prioritisation of environment and forestry-related research.

As part of background research for this report, I commissioned modelling of current NZ ETS settings to better understand the expected future price trajectory of carbon. I released the preliminary results of this modelling in a note in April 2025.

Estimate of environmental expenditure 2024/25: Method and results

In February, I released the fourth annual estimate of environmental expenditure by central government agencies. These estimates are produced to provide Members of Parliament with information to help them in their scrutiny of public spending. This year, a preliminary estimate was issued in November to assist Environment Committee members examining government expenditure during Parliament's December scrutiny week.

The 2024/25 estimate found that \$3.55 billion that contributed to environmental outcomes had been budgeted by 22 central government agencies for the fiscal year. While the overall spend was similar to the previous year, spending on climate adaptation had increased significantly (by \$666 million), while expenditure in other areas decreased. As climate change exacerbates the magnitude and frequency of extreme events, climate adaptation spending is likely to increase, particularly if New Zealand continues to take a reactive approach to this growing problem.

Other research

In my ongoing efforts to provide context for understanding New Zealand's emissions reduction responsibilities, I commissioned research on the contribution of historical, global methane emissions to present-day warming. This modelling work found that global methane emissions from agriculture are responsible for 13% of present-day warming. I released a note with these findings in September 2024.

In May 2025, my office published *Resource use and waste generation in Aotearoa New Zealand: filling (some) gaps*, a research note summarising five pieces of external research that had been undertaken in the second stage of a project investigating the resource efficiency of the New Zealand economy. The research reported in the note covered plastic waste, metal requirements for the green energy transition, soil vulnerabilities, the environmental pressures of resource use, and New Zealand's resource use on a consumption basis.

This final piece of research enabled my office to produce New Zealand's most comprehensive natural resource footprint to date. We found that 107 million tonnes of natural resources were required to produce goods and services consumed by New Zealanders in 2019, equating to approximately 21 tonnes per person on average.

Two further notes were prepared for ministers during the year. The first, to the Minister of Finance, outlined key informational gaps that act as barriers to preparing for climate adaptation (August 2024). This note advised that to develop a climate adaptation strategy the Crown needed a much better understanding of the assets at risk from climate change, and better definition of the roles of public and private stakeholders in responding to adaptation.

The second note, which was sent to the Ministers for RMA Reform; Science, Innovation and Technology; Land Information; the Environment; and Digitising Government, recommended the creation of a federated data system to improve environmental information (May 2025). In this, I argued that action to address the deficiencies in our current information system was needed now, while the Government is undertaking significant reform of the resource management system, the science system, water services and the Environmental Reporting Act. A robust, interconnected environmental data system is critical for the success of these policies.

I recommended a federated data system as being the best match for the way environmental data are currently collected in New Zealand and how organisations interact with the current system. This approach could address many of the existing shortcomings in the system. I recommended that Cabinet provide an explicit mandate to develop a federated environmental information system that would include the appointment of a steering group and a lead central agency to drive its development.

Advice to select committees

By providing high-quality, independent analysis to select committees, I aim to help MPs understand the complexities of the environmental issues that they must consider and assist in their scrutiny of policies and agencies. In 2024/25, my advice to select committees was dominated by submissions on the raft of bills the Government introduced proposing changes to the environmental management system.

In the past financial year, I made the following submissions on legislative and regulatory changes.

- [Submission on Gene Technology Bill \(February 2025\)](#)
- [Submission on Local Government \(Water Services\) Bill \(February 2025\)](#)
- [Submission on RM \(Consenting and Other System Changes\) Amendment Bill \(February 2025\)](#)
- [Submission on Offshore Renewable Energy Bill \(February 2025\)](#)
- [Submission on proposed Regulatory Standards Bill \(January 2025\)](#)
- [Submission on Crown Minerals Amendment Bill \(October 2024\)](#)
- [Submission on the Resource Management \(Freshwater and Other Matters\) Amendment Bill \(July 2024\)](#)

Submissions on proposed policy

In addition to legislative changes, the Government consulted on a large number of policy changes affecting the environment. Given the resources I have available, I need to be selective in what I submit on. I tend to focus on proposals that cover areas my office has done recent work on or those where, in my judgement, the proposed policy changes will have a significant impact – positive or negative – on the environmental management system.

During 2024/25, I made the following submissions on policy consultation documents:

- [Submission on Treasury's Long-term Insights Briefing \(May 2025\)](#)
- [Submission on wastewater standards \(April 2025\)](#)
- [Submission on the second phase of the Science System Advisory Group consultation process \(April 2025\)](#)
- [Submission on proposed group standard for treated seed \(March 2025\)](#)
- [Submission on Modernising Conservation Land Management discussion document \(February 2025\)](#)
- [Submission on proposed adjustments to climate-related disclosures regime \(February 2025\)](#)
- [Submission on proposed amendments to Biosecurity Act \(December 2024\)](#)
- [Submission to Te Waihangā on National Infrastructure Plan discussion document \(December 2024\)](#)
- [Commentary on Govt response to CCC emissions monitoring reporting \(November 2024\)](#)
- [Submission on the future of eco-nomics: Proposed topic for the 2026 long-term insights briefing – consultation \(October 2024\)](#)
- [Submission on draft Critical Minerals List for New Zealand \(October 2024\)](#)
- [Submission to banking competition inquiry \(September 2024\)](#)
- [Submission on AgHort products regulatory review \(September 2024\)](#)
- [Submission on the second emissions reduction plan discussion document \(August 2024\)](#)
- [Submission on the proposed regulatory regime for carbon capture, utilisation and storage \(August 2024\)](#)
- [Submission on the draft Minerals Strategy for New Zealand to 2040 \(July 2024\)](#)

Public engagement

An important part of my role is fostering informed public debate and building greater understanding of environmental issues. I share my work through public speaking engagements, regular conversations with key stakeholders, and the PCE's communication channels. I also respond to a steady stream of confidential public concerns on environmental issues.

Speaking engagements

Throughout the year, I had the opportunity to speak to a variety of audiences about findings from my investigations and broader environmental issues. These included addresses to the:

- World Green Infrastructure Congress (September 2024), 'Green spaces and the changing form of urban Aotearoa New Zealand'
- [Chapter Zero New Zealand \(November 2024\), 'Environment and economics – a marriage of \(in\)convenience: the business edition'](#)
- [Local Government regional sector meeting \(November 2024\), 'Rethinking responsibilities for water modelling and land use change'](#)
- [New Zealand Ecological Society Conference \(November 2024\), 'How can ecology shape the world of policy more effectively?'](#)
- New Zealand Soil Science Conference (December 2024)

- [BlueGreens Forum \(February 2025\), 'Environment and Economics – a marriage of \(in\) convenience: the policy makers' edition'](#)
- [Environmental Defence Society Conference \(May 2025\).](#)

Additionally, I undertook a series of regional visits to share my 2024 land use change report, *Going with the grain: Changing land uses to fit a changing landscape*, with rural audiences. These events in Otago, Southland, Canterbury, the Horizons region, Wairarapa, Napier and Waikato were also an opportunity to learn more about region-specific land use issues. As noted in my Foreword, a common message I received was that a stop-start approach to policy development is acting as a significant barrier to making progress on environmental outcomes. Ongoing uncertainty over policy direction means that those on the ground often see investing in solutions as risky.

My Chief Economist, Geoff Simmons, presented on my behalf at the Electrify Wairarapa and Electrify Queenstown events, and at the Iwi Leaders Forum.

Communications channels

All PCE reports, submissions and letters are published on our website and often shared on our LinkedIn channel. In the past year, the website (www.pce.parliament.nz) had 89,000 page views and 32,000 new users. Documents (reports, letters and submissions) were downloaded from the website 19,000 times in this period. We also have nearly 1,500 subscribers who have signed up to receive our reports directly, and 7,450 followers on LinkedIn.

I also author articles and opinion pieces to further the reach of my work. Last year I wrote an article detailing the findings from *Going with the grain* for *Policy Quarterly*.²

Public concerns

Monitoring public concerns is a useful way for my office to gauge the current state of environmental management and the adequacy of regulations.

This past year, we received 98 public concerns on environmental matters, a very similar number to the 95 received in the previous year. Topics raised include mine remediation, agricultural contamination, sewage discharges, loss of urban green space and forestry management.

With limited resources, it is impossible for my office to investigate every issue. Where possible, we will investigate and make recommendations to appropriate agencies. In some cases, complainants will be directed to the appropriate legally mandated body, and if a response has been slow, I will follow up on the complainant's behalf. Issues are monitored to ensure that action is taken.

Letters

I regularly communicate with ministers, select committees and others in the environmental management system to highlight issues in need of consideration, challenge positions, and provide information and advice. I also send letters to enquire about the uptake of my recommendations. Over the last year, I have sent the following letters:

- [Letter to Ministers on a federated data system, 30 April 2025](#) (response received 9 June 2025)
- [Letter to PM on science reform, 17 March 2025](#) (no response)
- [Letter to Minister Jones on the Minerals Strategy and Critical Minerals list, 3 February 2025](#) (response received 21 February 2025)
- [Letter to Minister Reti on science reforms, 7 February 2025](#) (response received 28 February 2025)
- [Letter to Minister Collins on changes to Marsden Fund, 12 December 2024](#) (response received 19 December 2024)

² Upton, S., Simmons, G., Lanari, N. and Paterson, M., 2024. Going with the grain of the landscape: rethinking our approach to environmental policy. *Policy Quarterly* 20(4): 26–34. <https://doi.org/10.26686/pq.v20i4.9626>

- [Letter to Ministers Simmonds and Bishop on urban soil, 9 December 2024](#) (no response)
- [Letter to Minister Bishop on Fast-track projects, 6 December 2024](#) (response received 10 March 2025)
- [Letter to Minister Bishop on Crown asset data, 6 December 2024](#) (no response received)
- [Letter to Minister Bishop on environmental information, 22 November 2024](#) (no response received)
- [Letter to Minister Patterson on Otago water quality, 8 November 2024](#) (no response received)
- [Letter to Treasury on discount rate change, 16 October 2024](#) (no response received)
- [Letter to Methane Review Ministerial Advisory Panel, 1 October 2024](#) (no response received)
- [Letter to Minister Bishop on RMA reform considerations, 16 August 2024](#) (no response received)
- [Letter to Ministers on improving New Zealand's environmental information, 29 July 2024](#) (no response received)
- [Letter to Minister Potaka on urgent action for weeds, 19 July 2024](#) (no response received)
- [Letter to Minister Penk on marine geospatial information, 15 July 2024](#) (response received 1 August 2024).

Current and future work

My office is currently working on a variety of investigations covering a range of issues, as well as ongoing smaller-scale projects. Five major enquiries are described below.

Technologies to unlock environmental information

A lack of, or inaccessible, environmental information is impeding better environmental management and adding costs to the system. This problem seems to be greater for environmental information than for economic and social data due to a fragmented system in which environmental information is collected by a wide range of public and private organisations, each with its own functions, priorities and methodologies. The project will investigate how technological advances (including data processing, sensor technology and artificial intelligence) could make it easier and cheaper to bring together existing environmental data in the hands of disparate entities, make the data more accessible and secure, and fill the many gaps that exist.

Resource efficiency of the New Zealand economy

Making more efficient use of natural resources can help to improve environmental outcomes. It can also contribute to national security and economic resilience in a world where global supply chains may be disrupted.

Moving towards a more circular or zero waste economy is widely seen as an important part of the solution. But how much of a difference these sorts of approaches could make in a future likely to feature ongoing population and economic growth is unclear.

Understanding the environmental risks associated with ever-increasing natural resource use requires an improved understanding of which materials New Zealand relies on, where they are extracted and processed, and what the environmental fate of the associated waste and residues is. This project has already made significant contributions to the evidence base in this area. The next step is to look towards the future and consider what different economic and population pathways might mean for New Zealand's natural resource use and waste generation.

Marine biosecurity

Invasive species in the marine environment can pose huge risks to our fisheries, aquaculture and native marine biodiversity, yet they are often unseen until it is too late. Managing pests on land is hard; doing so underwater is much harder and more expensive. This project will look at the performance of our biosecurity system in respect of identifying and managing marine invasive species.

Annual estimate of environmental expenditure

The traditional way of displaying the Government's financial accounts by department (or Vote) is not useful to an understanding of how much a government is spending to advance broad environmental outcomes, as actions are spread across multiple departments. Since 2022, PCE has mapped annual government expenditure to six enduring environmental outcomes. This information is provided to members of Parliament and others to better scrutinise public spending on the environment. I plan to continue this work to assist select committees in their scrutiny of Government expenditure.

Legislative and policy changes

I will also be continuing to focus on key areas of the environmental management system where the government intends to make changes. In 2025/26, I anticipate significant work on:

- resource management system changes, including the Government's proposals to replace the Resource Management Act 1991
- the roles and responsibilities of key environmental institutions, including the Ministry for the Environment, the Environmental Protection Authority and regional councils
- the environmental information system
- science sector changes that impact on the environment, including changes to institutional arrangements, research prioritisation and funding
- the conservation system and biodiversity management changes
- the NZ ETS and other climate policies
- land use change drivers and policies.

3



Dicranopteris linearis

Statement of performance

The role of the Parliamentary Commissioner for the Environment is to encourage decisions that will restore, maintain or improve the quality of the New Zealand environment, and to improve the quality of information available to Parliament in debating those decisions.

My performance measures attempt to provide an indication of whether my work is having that effect. These indicators were updated in the last annual report to better assess my impact and influence.

Reports and advice are the sole output class appropriated through Vote: Parliamentary Commissioner for the Environment, although my work extends to a variety of other activities in addition to these. Outputs include reports of investigations, presentations to select committee members, provision of advice, submissions and response to public concerns.

Budgeted and actual expenditure relating to the above outputs is detailed on page 31.

Table 3.1 shows performance on non-financial measures and targets. Explanations of major variances (greater than 10%) against targets are given in the notes below Table 3.1. Details of how each measure was met in 2024/25 are in the sections below the table. Each performance number for each year is updated based on responses to 30 June of the relevant year.

Table 3.1: Non-financial performance measures and targets

Measure	Target	Performance				
		2024/25	2023/24	2022/23	2021/22	2020/21
Select committee reports indicate PCE reports are useful	100%	100%	100%	NA	NA	NA
Number of briefings given to members of Parliament during the year	30	37	41	31	37	69
Proportion of recommendations adopted or partially adopted during the tenure of the current Commissioner ¹	65%	44%	41%	43%	38%	34%
Number of reports, commentaries and submissions published during the year ²	6–8	45 ³	26	20	16	6
Reports and commentaries externally peer reviewed and content checked	100%	100%	100%	100%	100%	100%
Response to public concerns and information requests within required timeframes	100%	99%	100%	96%	96%	95%

Notes

1. Each year's performance numbers are updated based on responses received to 30 June. This measure is calculated by scoring fully accepted recommendations as 1 and partially accepted recommendations as 0.5. The total score is divided by the number of recommendations where responses have been received. Results for previous financial years change over time, and are updated accordingly, as responses are often received in subsequent financial years. (Note that previous annual reports showed response rates for the recommendations issued during each financial year only, rather than across the tenure of the Commissioner.)
2. Including other advice, such as submissions to ministries and departments, letters to ministers or ministries, and general notes.
3. As in 2023/24, the number of reports and submissions produced in the year is significantly higher than the target of 6–8. This metric continues to be high as the PCE continues to respond to the myriad proposed changes to the environmental management system currently under consideration.

Assumptions and judgements used in reporting

In preparing the Statement of Service Performance, the Parliamentary Commissioner for the Environment has not made any judgements on the application of reporting standards and estimates and assumptions related to future events.

Usefulness to select committees

All PCE work should be useful for parliamentarians and, in particular, select committees – the primary audience and recipients of PCE advice. Usefulness should be evident from the commentary that select committees provide in reports to Parliament.

Select committees publish summary reports for the House of Representatives regarding their examinations of PCE investigations. Committee examinations may extend over several years, typically with final reports on up to three PCE investigations published each calendar year.

In September 2024, the Environment Committee published a report on *A review of freshwater models used to support the regulation and management of water in New Zealand*, which my office published in June 2024. A subsequent short committee report to the House in October noted that my office had published an erratum, as a consultant's report was modified.

In its examination, the Environment Committee thanked the PCE specifically for identifying data collection gaps, the proliferation of models confronting regulators and the need for a hub within the system.³ They added: "Your reports are always valuable. This committee always appreciates hearing from you and members of your team, and we do value the contribution and the work and effort that you put into them."⁴

In December 2024, the Environment Committee published another three summary reports regarding PCE investigations considered by the 53rd Parliament, which were delayed due to the workload experienced by the Environment Committee during that time.⁵

One report summarised a March 2022 hearing by the Environment Committee and Finance and Expenditure Committee regarding my report, *Wellbeing budgets and the environment: A promised land?* (published December 2021). The Treasury and the Ministry for the Environment both provided written submissions regarding my recommendations.

³ Environment Committee, 2024. *Report of the Parliamentary Commissioner for the Environment, A review of freshwater models used to support the regulation and management of water in New Zealand*. <https://selectcommittees.parliament.nz/v/6/19723292-d4e2-43f7-22ba-08dcdc16f4e0>

⁴ Environment Committee, 2024. *Report of the Parliamentary Commissioner for the Environment, A review of freshwater models used to support the regulation and management of water in New Zealand* – Corrected transcript (Report of the Parliamentary Commissioner for the Environment, *A review of freshwater models used to support the regulation and management of water in New Zealand*). https://www.parliament.nz/en/pb/sc/submissions-and-advice/document/54SCENV_EVI_33e1aafe-a0cd-4767-5d22-08dc9982d4a1_ENV76417/corrected-transcript-report-of-the-parliamentary-commissioner

⁵ For example, Environment Committee, 2024. *Report of the Parliamentary Commissioner for the Environment, Wellbeing budgets and the environment: A promised land?*. <https://selectcommittees.parliament.nz/v/6/5f407bc1-bc9e-45e6-00b4-08dd1d692698>

In May and June 2022, the Environment Committee held hearings regarding my report *Knowing what's out there: Regulating the environmental fate of chemicals* (published March 2022). The Environmental Protection Authority and the Ministry for the Environment both provided evidence regarding my recommendations. In their December 2024 summary report, the current Environment Committee stated that they “expect some of the issues identified ... will continue to feature as part of our scrutiny of government agencies”.⁶

The Environment Committee and the Finance and Expenditure Committee also met in March 2023 to jointly hear about two of my reports: *Environmental reporting, research and investment: Do we know if we're making a difference?* (October 2022) and *Estimate of environmental expenditure 2019/20: Method and results* (October 2022). A written submission was invited from Treasury. The current Environment Committee stated that “We intend to focus our efforts on the PCE’s subsequent and upcoming reports on environmental expenditure in the 54th Parliament”.⁷

PCE advice was noted in another four select committee reports during 2024/25: two from the Economic Development, Science and Innovation Committee, one from the Finance and Expenditure Committee, and one from the Environment Committee. The committees heard about and discussed five PCE outputs: one report, plus various submissions, commentaries and letters. There was no overlap between the outputs considered in the PCE report examination hearings and these other select committee reports.

The most recent mention of PCE work was in a May 2025 briefing to the Economic Development, Science and Innovation Committee regarding the upcoming reports of the Science System Advisory Group. In this meeting, one member noted that I “had taken the extraordinary step of writing [in March] to the Prime Minister” about the science sector reforms. They added that they “place a lot of value in what the Parliamentary Commissioner for the Environment has to say on this matter”.⁸

Wider usefulness to the House

The key performance indicator (KPI) narrowly focuses on select committee examinations of PCE reports. The number and range of PCE outputs mentioned in wider parliamentary proceedings during the past year provide further insight into the usefulness of PCE work. To ascertain this, a search was made of the terms ‘PCE’ and ‘commissioner for the environment’ on the New Zealand Parliament’s website for the period 1 July 2024 to 30 June 2025. Note was made of the mention of PCE outputs in other select committee transcripts and Hansard debates, speeches and questions. The analysis excluded mention in evidence to select committees, House agendas and process, or questions about PCE administration.

PCE advice was also mentioned 27 times in the House during 2024/25: in three oral questions to ministers, House debate on six bills, once in Estimates debate, and twice in addresses to the Governor-General. Twelve PCE outputs were mentioned or alluded to, only one of which had been mentioned in select committee reports. The advice most frequently referred to in debate was my submission on the Fast-track Approvals Bill. Other notable mentions related to *Going with the grain: Changing land uses to fit a changing landscape* (May 2024) and *Alt-F Reset: Examining the drivers of forestry in New Zealand* (April 2025).

⁶ Environment Committee, 2024. *Report of the Parliamentary Commissioner for the Environment, Knowing what's out there: Regulating the environmental fate of chemicals*. <https://selectcommittees.parliament.nz/v/6/2885870b-0250-4aaf-00b5-08dd1d692698>

⁷ Environment Committee, 2024. *Report of the Parliamentary Commissioner for the Environment: Environmental reporting, research and investment: Do we know if we're making a difference?* and *Report of the Parliamentary Commissioner for the environment: Estimate of environmental expenditure 2019/20: Method and results*, October 2022. <https://selectcommittees.parliament.nz/v/6/198e7cc3-815e-4b6b-00b6-08dd1d692698>

⁸ Economic Development, Science and Innovation Committee, 2025. *Hansard transcript: Briefing on the upcoming reports of the Science System Advisory Group*. https://www.parliament.nz/resource/en-NZ/54SCEDSI_EVI_8f5c1de3-2289-43a0-f221-08dc8031e81c_EDSI10688/1abe6a5d66df492cf6baf4b0cd75c916bd2757

Recommendation uptake

Assessing recommendation uptake has several challenges. Firstly, as I have only advisory powers, I cannot require the uptake of my recommendations by the House or government agencies.

There can also be a lag time – sometimes years – between when recommendations are made and their implementation. It can take governments some time to consider and incorporate recommendations into work programmes, especially if they depart from the status quo. For this reason, it can be challenging to directly link government actions to previously made recommendations, as such links are not always explicit.

Attributing recommendations to improvements in the actual environment is difficult, as any implementation is carried out by third parties (e.g. government agencies, local government or through regulating the actions of others).

While I endeavour to make my recommendations practical and effective, some may be easier to implement than others. Some may be site-specific or minor, while others address long-term or nationally significant issues.

In line with my predecessor, the target for uptake has been set at 65%, which balances the need for pragmatic and workable recommendations with the need to challenge the status quo.

This year I have issued 125 recommendations. This higher than normal number is largely a reflection of the number of consultation documents and legislative proposals that have emerged during the year. Of the 46 recommendations responded to by the Government and officials to date, nine have been fully adopted and 11 partially adopted; 26 recommendations were rejected. Six recommendations are no longer valid due to changes in legislation or policies. The rest (73 recommendations) still await a response.

In the preceding year (2023/24), I issued 91 recommendations. By June 2025, responses had been received for 59 of them; 27 of these recommendations were fully adopted and eight were partially adopted, for an uptake score of 53%. Responses were still pending for 20 of the recommendations I made in that financial year, the remainder no longer being applicable.

The KPI reported (see Table 3.1) is the cumulative uptake of responses during a commissioner's tenure. To calculate that, scores are attributed only to those where a response has been forthcoming. As of 30 June 2025, there have been responses to 236 of the 401 recommendations issued since October 2017 (compared to 139 of 276 recommendations up to 30 June 2024). Twenty-one recommendations are no longer applicable. The remaining 144 recommendations that have not been responded to are mostly from reports and submissions issued in the past three financial years. The cumulative 'uptake rate' for the 236 responses gleaned since October 2017 was 44%, with 76 recommendations fully actioned (1 point each) and 54 partially actioned (half a point each).

Number of publications

The primary output of the office is publications of various types: reports, notes and submissions. The number of publications is reported each year as a KPI. It is a rough indicator of the business of the office but may not be an accurate reflection of effort or value. Quite a lot of effort, sometimes over a couple of years, goes into the in-depth investigation reports produced but it only gets counted as an output in the year it is released. Depending on timings, there may be more reports in one year than others even though, generally, the office is working on 3–5 such reports at any one time. The number of publications can sometimes be dominated by submissions, especially at times when the Government is proposing a lot of change to the environmental management system, as is currently the case.

In the 2024/25 year, I produced 45 publications made up of two reports, three notes, seven submissions of legislative bills, and 33 other pieces of published advice. These are listed, along with other outputs not counted for this KPI, in chapter 2.

Quality assurance

It is critical that the work produced by the office is well researched, argued and communicated. All work is internally reviewed, with major projects externally reviewed for technical accuracy.

Response to public concerns and requests

I have set three timeframes to respond to public concerns and information requests:

- all correspondence is to be acknowledged within ten working days
- all public concerns and requests for investigations are to receive a response within nine months
- all requests for official information are to be responded to within the statutory timeframe of 20 working days.

In 2024/25, 99% of public concerns and information requests were responded to within required timeframes. Five official information requests were received. All were responded to within the statutory timeframe. Our processes are regularly reviewed to ensure continued improvement in this area.

4



Pacific azolla, *Azolla rubra*

Executive summary

My office is made up of a small group of hard working, highly skilled staff who provide an excellent complement to my own experience.

The work of the office requires a high level of capability across a broad spectrum of disciplines. Hiring decisions are made with this in mind. Where I do not have staff with discipline-specific knowledge, I engage consultants to fill the gaps. The appropriation helps me to source additional external analysis and advice on technical and legal issues, much of which would not make prudent financial sense to have permanently in house.

I am committed to fostering an office environment where diversity and inclusion is sought and valued. I endeavour to make my office a stimulating place to work, with interesting topics to tackle, a good work–life balance, and a supportive and rewarding environment where excellence is valued. As of 30 June 2025, there were 20 staff employed within the office (Table 4.1).

My budget was used to:

- ensure the office can continue to attract and maintain capable staff to deliver the outputs of the office
- contract additional external specialist analysis and advice on issues outside the expertise and competency of in-house staff
- fund depreciation and other occupancy costs.

Table 4.1: Demographic profile of staff as at 30 June 2025

	2024/25		2023/24		2022/23		2021/22	
	Staff	FTE	Staff	FTE	Staff	FTE	Staff	FTE
Female	10	8.79	11	10.84	9	7.28	11	9.20
Male	9	8.7	9	8.5	10	9.85	10	8.85
Prefer not to say	1	1	1	1	1	1	–	–
Total employees	20	18.49	21	20.34	20	18.13	21	18.05

	2024/25		2023/24		2022/23		2021/22	
	Staff	Percent	Staff	Percent	Staff	Percent	Staff	Percent
New Zealand European/Pākehā	17	85%	18	85%	17	85%	11	52%
Māori	1	5%	1	5%	1	5%	1	5%
Pasifika	1	5%	–	0%	–	0%	–	0%
Other	-	-	1	5%	1	5%	9	43%
Prefer not to say	1	5%	1	5%	1	5%	–	–
Total employees	20		21		20		21	

Training and development

I consider staff development an integral part of working at PCE, as it provides benefits for both the organisation and those it deals with. Individuals are supported to plan their own professional and personal development goals.

As advisory staff need to keep up to date with a wide range of environmental issues and developments, they are supported to attend conferences, webinars and seminars on relevant issues. The office also runs internal science-based hubs to share the latest developments and insights.

All employees are part of the organisation's drive for performance and innovation. Regular opportunities are offered to provide feedback on office processes and colleagues' work. I encourage an environment of curiosity, learning and excellence.

Managers meet regularly for one-on-one and team meetings with their staff, and there are frequent opportunities to raise issues, ask questions and arrange professional development opportunities. All staff also discuss their development plans personally with me.

In the past financial year, about 2% of the total personnel budget was spent on staff training and development. Training was undertaken in areas, such as leadership fundamentals, job analysis and design, communicating effectively, agile project management and influencing skills.

Te ao Māori

An understanding of te ao Māori is essential for the work of this office. Our kaupapa upholds the vision of Te Māngai Pāho: that te reo Māori and tikanga Māori are spoken, heard, seen and valued. All staff had the opportunity to attend classes in te reo Māori and tikanga during the year and a noho marae immersion was planned for the first week of FY26. Staff are further supported by my Kaiwhakahaere Mātauranga Māori, Leana Barriball, who advises on mātauranga, tikanga, te reo Māori and engagement skills. Guidance is also given for external pōwhiri and mihi whakatau when presenting and at hui.



Statement of responsibility and Independent Auditor's report

Statement of responsibility

As the Parliamentary Commissioner for the Environment, I am responsible for:

- the preparation of the 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 Parliamentary Commissioner for the Environment is provided in accordance with sections 19A to 19C of the Public Finance Act 1989, whether or not that information is included in the annual report
- the accuracy of any end-of-year performance information, whether or not that information is included in the annual report.

In my opinion:

- the annual report fairly reflects the operations, progress, and the organisational health and capability of the Parliamentary Commissioner for the Environment
- the financial statements fairly reflect the financial position of the Parliamentary Commissioner for the Environment as at 30 June 2025 and its operations for the year ended on that date
- the 2025/26 forecast financial statements fairly reflect the forecast financial position of the Parliamentary Commissioner for the Environment as at 30 June 2026, and its operations for the year ending on that date.

Rt Hon Simon Upton
Parliamentary Commissioner for the Environment
Te Kaitiaki Taiao a Te Whare Pāremata

26 September 2025

Independent Auditor's Report

To the readers of the Parliamentary Commissioner for the Environment's annual report for the year ended 30 June 2025

The Auditor-General is the auditor of the Parliamentary Commissioner for the Environment (the Commissioner). 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 Commissioner 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 expenses, 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 31 to 44;
- the end-of-year performance information for appropriations administered by the Commissioner for the year ended 30 June 2025 on pages 19 to 23; and
- the statements of expenses and capital expenditure of the Commissioner for the year ended 30 June 2025 on page 44.

Opinion

In our opinion:

- The annual financial statements of the Commissioner:
 - 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 Reduced Disclosure Regime.
- The end-of-year performance information for appropriations:
 - 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; and
 - fairly presents, in all material respects:
 - what has been achieved with the appropriation; and
 - 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 in accordance with Public Benefit Entity Reporting Standards Reduced Disclosure Regime.
- 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.

Our audit was completed on 26 September 2025. This is the date at which our opinion is expressed.

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 Commissioner for the information to be audited

The Commissioner is responsible on behalf of the Commissioner for preparing:

- Annual financial statements that fairly present the Commissioner'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 Commissioner, that are prepared in accordance with section 45A of the Public Finance Act 1989.

The Commissioner 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 Commissioner is responsible for assessing his office's ability to continue as a going concern. The Commissioner is also responsible for disclosing, as applicable, matters related

to going concern and using the going concern basis of accounting, unless there is an intention to merge or to terminate the activities of the Commissioner, or there is no realistic alternative but to do so.

The Commissioner's responsibilities arise from the Environment Act 1986 and 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 Supplementary 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 Commissioner's internal control.
- We evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Commissioner.
- 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 the appropriation. We make our evaluation by reference to generally accepted accounting practice in New Zealand; and
 - fairly presents what has been achieved with the appropriation.
- We evaluate whether the statements of expenses and capital expenditure 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 Commissioner.
- 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 Commissioner 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 Commissioner 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 Commissioner 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.

Other than in our capacity as auditor, we have no relationship with, or interests, in the Office of the Commissioner.



Audit New Zealand
On behalf of the Auditor-General
Wellington, New Zealand

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Carrier tangle fern, *Gleichenia microphylla*

Financial statements

Statement of comprehensive revenue and expense for the year ended 30 June 2025

Actual 2024 \$(000)		Note	Actual 2025 \$(000)	Unaudited budget 2025 \$(000)	Forecast 2026 \$(000)
Revenue					
4,345	Revenue Crown		4,400	4,399	4,899
–	Other revenue		–	3	3
4,345	Total revenue		4,400	4,402	4,902
Expenses					
2,787	Personnel costs	(2)	2,791	2,752	2,942
113	Depreciation	(5)	118	119	119
31	Capital charge	(3)	31	31	31
1,357	Other operating expenses	(4)	1,423	1,500	1,810
4,288	Total expenses		4,363	4,402	4,902
57	Net surplus		37	–	–
–	Other comprehensive revenue and expenses		–	–	–
57	Total comprehensive revenue and expenses		37	–	–

The accompanying notes form part of these financial statements. Explanations of major variances against the original 2024/25 budget are detailed in note 12.

Statement of changes in equity for the year ended 30 June 2025

Actual 2024 \$(000)		Actual 2025 \$(000)	Unaudited budget 2025 \$(000)	Forecast 2026 \$(000)
611	Opening balance	611	611	611
57	Total comprehensive revenue and expense	37	–	–
(57)	Return of operating surplus to the Crown	(37)	–	–
611	Closing balance	611	611	611

Statement of financial position for the year ended 30 June 2025

Actual 2024 \$(000)		Note	Actual 2025 \$(000)	Unaudited budget 2025 \$(000)	Forecast 2026 \$(000)
Assets					
Current assets					
944	Cash and cash equivalents		852	883	983
–	Prepayments		4	–	–
944	Total current assets		856	883	983
Non-current assets					
356	Property, plant and equipment	(5)	323	327	280
356	Total non-current assets		323	327	280
1,300	Total assets		1,179	1,210	1,263
Liabilities					
Current liabilities					
324	Creditors and other payables	(6)	211	360	360
57	Repayment of surplus	(7)	37	–	–
308	Employee entitlements	(8)	320	239	292
689	Total current liabilities		568	599	652
689	Total liabilities		568	599	652
611	Net assets		611	611	611
Equity					
611	Taxpayers' fund		611	611	611
611	Total equity		611	611	611

The accompanying notes form part of these financial statements. Explanations of major variances against the original 2024/25 budget are detailed in note 12.

Statement of cash flows for the year ended 30 June 2025

Actual 2024 \$(000)		Actual 2025 \$(000)	Unaudited budget 2025 \$(000)	Forecast 2026 \$(000)
Cash flows from operating activities				
4,345	Receipts from Crown	4,400	4,399	4,899
–	Receipts from other revenue	–	3	3
(1,518)	Payments to suppliers	(1,553)	(1,470)	(1,810)
(2,760)	Payments to employees	(2,779)	(2,821)	(2,889)
(31)	Payments for capital charge	(31)	(31)	(31)
(3)	Goods and services tax (net)	13	5	–
33	Net cash from operating activities	50	85	172
Cash flows from investing activities				
(8)	Purchase of property, plant and equipment	(85)	(90)	(72)
(8)	Net cash (used in) investing activities	(85)	(90)	(72)
Cash flows from financing activities				
(256)	Payment of surplus to Crown	(57)	(56)	–
(256)	Net cash (used in) financing activities	(57)	(56)	–
(231)	Net increase/(decrease) in cash	(92)	(61)	100
1,175	Cash at the beginning of the year	944	944	883
944	Cash at the end of the year	852	883	983

The GST (net) component of operating activities reflects the net GST paid and received to/from the Inland Revenue Department. The GST component has been presented on a net basis, as the gross amounts do not provide meaningful information for the readers of the financial statements.

The accompanying notes form part of these financial statements. Explanations of major variances against the original 2024/25 budget are detailed in note 12.

Statement of commitments

As at 30 June 2025, the Parliamentary Commissioner for the Environment had no capital commitments (2024: none).

Non-cancellable operating lease commitments

The Parliamentary Commissioner for the Environment entered an office lease in March 2022 at a monthly cost of \$17,509. The lease expires on 28 March 2028.

Actual 2024 \$(000)		Actual 2025 \$(000)
Non-cancellable operating lease commitments		
210	No later than one year	210
578	Later than one year and no later than five years	368
788	Total operating lease commitments	578

There are no restrictions placed on the Parliamentary Commissioner for the Environment from the leasing arrangements.

The accompanying notes form part of these financial statements. Explanations of major variances against the original 2024/25 budget are detailed in note 12.

Statement of contingent liabilities and contingent assets for the year ended 30 June 2025

The Parliamentary Commissioner for the Environment has no known quantifiable or unquantifiable contingent liabilities as at 30 June 2025 (2024: none).

The Parliamentary Commissioner for the Environment has no contingent assets as at 30 June 2025 (2024: none).

Notes to the financial report

1. Statement of accounting policies

Reporting entity

The Parliamentary Commissioner for the Environment was established under the Environmental Act 1986 and is designated as an Office of Parliament under the Public Finance Act 1989.

The Commissioner's primary objective is to investigate environmental concerns independent of government, the Parliamentary Commissioner for the Environment has designated itself as a public benefit entity (PBE) for financial reporting purposes.

The financial statements and statement of service performance for the Parliamentary Commissioner for the Environment are for the year ended 30 June 2025 and were authorised for issue on 26 September 2025.

The Service Performance Information is contained within the Service Performance Reporting section of the Annual Report, notably the section titled 'Statement of performance' on pages 19–23.

Basis of preparation

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

Statement of compliance

The financial statements and statement of service performance have been prepared in accordance with the requirements of the Public Finance Act 1989, which include the requirement to comply with generally accepted accounting practice in New Zealand (NZ GAAP) and Treasury Instructions.

The financial statements have been prepared in accordance with Generally Accepted Accounting Practice in New Zealand (NZ GAAP). They comply with the Public Benefit Entity Standards Reduced Disclosure Regime (PBE Standards RDR), authorised for use by the External Reporting Board. The Law Commission is a public sector entity and is eligible to apply the PBE Standards RDR on the basis that it does not have public accountability as defined under XRB A1 Application of the Accounting Standards Framework, and its total expenditure is less than \$33 million.

Presentation currency and rounding

The financial statements are presented in New Zealand dollars and all values are rounded to the nearest thousand dollars (\$000).

New or amended standards adopted

There have been amendments to the PBE IPSAS 1 Presentation of Financial Reports standard, which became effective for periods ending 31 December 2024 and is mandatory for 30 June 2025 reporting dates. The amendments update the required disclosures for fees relating to services provided by an entities' auditors. The fees must be disaggregated into specified categories. This is not a full change in accounting policies, but the disclosure requirements have been made in note 4.

Changes to accounting policies

The above disclosed amendment to PBE IPSAS 1 is not a change in accounting policy per se, but apart from that there have been no other changes in the Parliamentary Commissioner for the Environment's accounting policies since the date of the last audited financial statements.

Summary of significant accounting policies

The following is a summary of the significant accounting policies applied by in the preparation of these financial statements.

a. Revenue Crown

Revenue from the Crown is measured based on the Parliamentary Commissioner for the Environment'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 non-exchange 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 prior to balance date.

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

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

b. Capital charge

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

c. Operating leases

An operating lease is a lease that does not transfer substantially all risks and rewards incidental to ownership of an asset to the lessee. Lease payments under an operating lease are recognised as an expense on a straight-line basis over the lease term. Lease incentives received are recognised in the surplus or deficit as a reduction of rental expenses over the lease term.

d. Cash and cash equivalents

Cash and cash equivalents include cash on hand and deposits held with banks. The Parliamentary Commissioner for the Environment is only permitted to expend its cash and cash equivalents within the scope and limits of its appropriations.

e. Payables

Short-term payables are recorded at the amount payable.

f. Property, plant and equipment

Property, plant and equipment consist of the following asset classes: furniture, fittings and fixtures, computer hardware, office equipment and leasehold improvements. Assets are shown at cost less any accumulated depreciation and impairment losses.

Individual assets, or groups of assets, are capitalised if their cost is greater than \$1,000.

Additions

The cost of an item of property, plant and equipment is recognised as an asset if it is probable that future economic benefits or service potential associated with the item will flow to the Parliamentary Commissioner for the Environment and the cost of the item can be measured reliably.

In most instances, an item of property, plant and equipment is recognised at its cost. Where an asset is acquired at no cost, or for a nominal cost, it is recognised at fair value as at the date of acquisition.

Disposals

Gains and losses on disposals are determined by comparing the disposal proceeds with the carrying amount of the asset. Gains and losses on disposals are included in the surplus or deficit.

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 Parliamentary Commissioner for the Environment and the cost of the item can be measured reliably.

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

Depreciation

Depreciation is provided on a straight-line basis on all property, plant and equipment at rates that will write off the cost of the assets to their estimated residual values over their useful lives. The useful lives and associated depreciation rates of major classes of property, plant and equipment have been estimated as follows:

Furniture and fittings	5–14.3 years	7–20%
Computer hardware	2.5–4.8 years	21–67%
Computer hardware	3.3–5 years	20–30%

Leasehold improvements are depreciated over the unexpired period of the lease or the estimated remaining useful life of the improvements, whichever is the shorter. The residual value and useful life of an asset is reviewed, and adjusted if applicable, at each financial year.

g. Impairment of plant, property and equipment

The Parliamentary Commissioner for the Environment does not hold any cash generating assets. Assets are considered cash generating where their primary objective is to generate a commercial return.

h. Non-cash generating assets

Property, plant and equipment held at cost and 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 for the amount by which the asset's carrying amount exceeds its recoverable service amount. The recoverable service amount is the higher of an asset's fair value less costs to sell and value in use.

Value in use is the present value of the asset's remaining service potential. Value in use is determined by using an approach based on either a depreciated replacement cost approach, restoration cost approach or a service unit approach. The most appropriate approach used to measure value in use depends on the nature of the impairment and availability of information.

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 the recoverable amount. The total impairment loss is recognised in the surplus or deficit. The reversal of an impairment loss is recognised in the surplus or deficit.

i. 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 the projected accrual to balance date.

Presentation of employee entitlements

Accrued salaries and wages, and accrued annual leave are classified as current liabilities.

j. Personnel costs

Salaries and wages are recognised as an expense as employees provide services. Employee contributions to KiwiSaver are accounted for as defined contribution superannuation schemes and are expensed in the surplus or deficit as incurred.

k. Equity

Equity has been classified as taxpayer funds and is the Crown's investment in the Parliamentary Commissioner for the Environment. It is measured as the difference between total assets and total liabilities. Repayment of any surplus is made to the Crown before 31 October each year and is classified as a liability until date of payment, with a corresponding entry through equity.

l. Income tax

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

m. Commitments

Commitments are future expenses and liabilities to be incurred on contracts that have been entered into on or before the financial year end (30 June). Information on non-cancellable capital and lease commitments are reported in the statement of commitments.

Cancellable commitments that have a penalty or exit costs explicit in the agreement on exercising that option to cancel are reported in the statement of commitments at the lower of the remaining contractual commitment and the value of those penalty or exit costs (i.e. the minimum future payments).

n. Goods and Services Tax (GST)

All items in the financial statements and appropriation statements are presented exclusive of GST, except for receivables and payables, which are presented on a GST inclusive basis. Where GST is not recoverable as input tax, it is recognised as part of the cost of the related asset or expense.

The net amount of GST recoverable from or payable to the IRD is included as part of receivables or payables in the statement of financial position.

The net GST paid or received from the IRD, 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 are disclosed exclusive of GST.

Output cost accounting

The Parliamentary Commissioner for the Environment only has one output. All costs are allocated directly to that output.

Critical accounting estimates and assumptions

In preparing these financial statements, the Parliamentary Commissioner for the Environment has made estimates and assumptions concerning the future. These estimates and assumptions may differ from the subsequent actual results. Estimates and assumptions are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

There are no estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities within the next financial year.

Budget and forecast figures

Basis of the budget and forecast figures

The unaudited budget for 2024/25 was published in the 2023/24 annual report. It is consistent with the Parliamentary Commissioner for the Environment's financial budget as set out in the Government's Estimates of Appropriations for the year ending 2023/24.

The 2025/26 unaudited forecast figures are for the year ending 30 June 2026. They are consistent with the Parliamentary Commissioner for the Environment's financial budget as set out in the Government's Estimates of Appropriations for the year ending 2024/25. The budget financial statements have been reported as required by the Public Finance Act 1989 to communicate forecast financial information for accountability purposes.

The budget figures are unaudited and have been prepared using the accounting policies adopted in preparing these financial statements. The 2024/25 unaudited budget and 2025/26 unaudited forecast figures were prepared in accordance, and comply, with PBE FRS 42 Prospective Financial Statements.

The 2025/26 forecast financial statements were approved for issue by the Commissioner on 30 May 2025. The Commissioner is responsible for the forecast financial statements, including the appropriateness of the assumptions underlying them and all other required disclosures.

Significant assumptions used in preparing the forecast information

The forecast figures contained in these financial statements reflect the Parliamentary Commissioner for the Environment's purpose and activities, and are based on a number of assumptions on what may occur during the 2025/26 year.

The main assumptions, which were adopted as at 30 May 2025, were as follows:

- The Parliamentary Commissioner for the Environment's activities and output expectations will remain substantially the same as the previous year.
- Personnel costs are based on 20 full-time equivalent staff positions, plus the Commissioner.
- Operating costs are based on historical experience and other factors that are believed to be reasonable in the circumstances. Remuneration rates are based on current wage and salary costs, adjusted for anticipated remuneration changes.

The actual financial results achieved for 30 June 2025 are likely to vary from the forecast information presented, and the variations may be material.

2. Personnel costs

Actual 2024 \$(000)		Actual 2025 \$(000)
2,698	Salaries and wages	2,721
67	Employer contributions to defined contribution plans	70
–	Increase/(decrease) in annual leave	–
2,765	Total personnel costs	2,791

3. Capital charge

The Parliamentary Commissioner for the Environment pays a capital charge to the Crown on its equity as at 31 December and 30 June each year. The capital charge rate is set by the Treasury during the year. The capital charge rate for the year ended 30 June 2025 was 5% (2024: 5%).

The total capital charge incurred for the year ended 30 June 2025 was \$31,000 (2024: \$31,000).

4. Other operating expenses

Included within other operating costs are:

Actual 2024 \$(000)		Actual 2025 \$(000)
36	Fees to auditor ⁹	38
639	Consultancy	654
300	Office lease expense (includes services charges)	337
142	ICT expenditure ¹⁰	136
53	Travel	73
32	Professional fees and development	50
42	Accommodation (excluding office lease)	43
19	Communication	12
9	Library acquisitions	12
10	Consumables	10
74	General expenses	58
1	Loss on write-off	–
1,357	Total	1,423

5. Property, plant and equipment

	Furniture and fittings \$(000)	Computer hardware \$(000)	Office equipment \$(000)	Leasehold improvements \$(000)	Total \$(000)
Cost					
Balance at 1 July 2023	107	200	38	391	736
Balance at 30 June 2024	110	204	38	391	743
Additions	–	85	–	–	85
Disposals	–	(39)	–	–	(39)
Balance at 30 June 2025	110	250	38	391	789
Accumulated depreciation					
Balance at 1 July 2023	35	118	38	84	275
Balance at 30 June 2024	44	156	38	149	387
Depreciation expense	9	45	–	64	118
Disposals	–	(39)	–	–	(39)
Balance at 30 June 2025	53	162	38	213	466
Carrying amounts					
Balance at 1 July 2023	72	82	–	307	461

⁹ Fees to Audit New Zealand are for the annual statutory audit, which includes the audit of its financial statements and statement of service performance (2024: same). No other services were received from and other fees paid to Audit New Zealand (2024: same).

¹⁰ Previously disclosed as "maintenance" but relates to ICT expenditure and has been renamed as such.

	Furniture and fittings \$(000)	Computer hardware \$(000)	Office equipment \$(000)	Leasehold improvements \$(000)	Total \$(000)
At 30 June 2024	66	48	–	242	356
At 30 June 2025	57	88	–	178	323

There are no restrictions over the title of the Parliamentary Commissioner for the Environment's property, plant and equipment, nor are any property, plant and equipment assets pledged as security for liabilities.

6. Creditors and other payables

Actual 2024 \$(000)		Actual 2025 \$(000)
	Exchange	
235	Creditors	123
52	Accrued expenses	38
	Non exchange	
37	GST payable	50
324	Total creditors and other payables	211

7. Repayment of surplus

The Parliamentary Commissioner for the Environment had a net surplus of \$39,000 for the year ended 30 June 2025 (2024: \$57,000). As such, a provision has been raised to repay the surplus back to the Crown, taken directly against equity (2024: same). Repayments of surplus to the Crown are due 31 October of each year.

8. Employee entitlements

Actual 2024 \$(000)		Actual 2025 \$(000)
235	Annual leave	235
73	Accrued salaries	85
308	Total employee entitlements	320

The Parliamentary Commissioner for the Environment has no retirement leave or long service leave obligations. The annual leave liability is calculated from the actual leave days owing to the Commissioner and employees, as well as the projected accrual to 30 June 2025.

9. Related party transactions and key management personnel

The Parliamentary Commissioner for the Environment is a wholly owned entity of the Crown.

Related party transactions

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 Parliamentary Commissioner for the Environment would have adopted in dealing with the party at arm's length in the same circumstances. Further, transactions with other government agencies (for example, government departments and Crown entities) are not disclosed as related party transactions when they are consistent with the normal operating arrangement between government agencies and undertaken on the normal terms and conditions for such transactions.

Related party transactions required to be disclosed

Parliament significantly influences the work of the Parliamentary Commissioner for the Environment as well as being its major source of revenue. There were no transactions carried out with other related parties requiring disclosure.

Actual 2024 \$(000)		Actual 2025 \$(000)
Leadership team, including the Commissioner		
1,275	Remuneration	1,288
6	Full-time equivalent staff	6

9. Key management personnel compensation

Key management personnel are the senior management team, which comprises the Commissioner, Chief Advisor Economics, General Counsel, Chief Advisor Policy and Programmes, Chief Advisor Science and Chief Operating Officer (2024: Commissioner, Chief Advisor Economics, General Counsel, Chief Advisor Policy and Programmes, Chief Advisor Science and Chief Operating Officer).

Full-time equivalent staff is determined by the time period of employment during the year.

10. Events after the balance date

No significant events have occurred subsequent to balance date (2024: nil).

11. Categories of financial instruments

Actual 2024 \$(000)		Actual 2025 \$(000)
Financial assets measured at amortised cost		
944	Cash and cash equivalents	852
Financial liabilities measured at amortised cost		
287	Creditors and other payables (excluding GST payable)	161

12. Explanations of major variances against budget

Statement of comprehensive revenue and expense

Revenue Crown

Actuals were higher than the original budget by \$55,000. Part of this is due to the appropriation increase of \$4,000 in relation to the Commissioner's salary following a new determination by the Remuneration Authority. The rest was due to an appropriation increase of \$50,000 during October Baseline Update, being the approved transfer of funding from the 2023/24 financial due to project delays in the previous financial year.

Personnel costs

Personnel costs were higher than the original budget by \$42,000, which is around a 1.5% increase in total salaries, due to certain advisers returning to full time hours throughout the course of the 2024/25.

Other operating expenditure

Other operating expenditure was lower than budgeted by \$31,000 due to a decreased consultancy requirement during the year.

Statement of financial position

Cash and cash equivalents

The actual closing cash balance was \$131,000 less than budgeted, due to a significant amount of creditors falling due prior to balance date.

Property, plant and equipment

2024 capital expenditure requirements, which formed part of the initial 2025 budget, were significantly less than budgeted – resulting in property, plant and equipment being \$50,000 below budget.

Creditors and other payables

Creditors and other payables were lower than budget by \$150,000, as a larger amount of invoices than expected fell due prior to 30 June 2025.

Repayment of surplus

The Parliamentary Commissioner for the Environment must repay any surplus to the Crown under Section 22 of the Public Finance Act. While no surplus had been budgeted, the actual 2025 surplus results in a repayment of surplus balance that is \$37,000 greater than budgeted.

Employee entitlements

Employees took more leave than expected throughout 2025, resulting in an employee entitlement balance that is \$56,000 less than budgeted.

Statement of cash flows

Cash flows from operating activities

Payments to employees were higher than budgeted by \$101,000 due to increased hours for certain members of the team and greater than budgeted annual leave utilisation.

Payments to suppliers were higher than budgeted by \$101,000 due to significantly more creditors falling due prior to 30 June 2025 than budgeted.

Appropriation statements

The following statements report information about the expenses and capital expenditure incurred against each appropriation administered by the Parliamentary Commissioner for the Environment for the year ended 30 June 2025. They are prepared exclusive of GST.

13. Statement of budgeted and actual expenses and capital expenditure incurred against appropriations for the year ended 30 June 2025

Actual 2024 \$(000)		Actual 2025 \$(000)	Voted 2025 \$(000)
Output expenses			
3,886	Reports and advice	3,957	3,996
3,886	Total output expense	3,957	3,996
Appropriation for other expenses			
402	Remuneration of the Parliamentary Commissioner for the Environment (Permanent Legislative Authority)	406	406
402	Total other expenses	406	406
Capital expenditure			
8	Parliamentary Commissioner for the Environment – Capital Expenditure (Permanent Legislative Authority)	85	90
8	Total capital expenditure	85	90
4,296	Total annual and permanent appropriations	4,448	4,492

End-of-year output performance information has been reported in the statement of objectives and service performance (pages 19 to 23) of this annual report.

The Parliamentary Commissioner for the Environment leads the performance of the office. The performance of the Commissioner is reflected in the output performance measures and targets of the office as detailed in table 3.1 (pages 19 and 20).

Capital expenditure is based on the replacement of assets required in order for the office of the Parliamentary Commissioner to operate effectively. Performance measures for capital expenditure are reflected in the output performance measures of the office as detailed in statement of objectives and service performance (pages 19 to 23).

Statement of expenses and capital expenditure incurred without, or in excess of, appropriation or other authority for the year ended 30 June 2025

The Parliamentary Commissioner for the Environment has not incurred any expenses or capital expenditure without, or in excess of, appropriation or other authority (2023/24: Nil).

Statement of capital injections for the year ended 30 June 2025

The Parliamentary Commissioner for the Environment has not received any capital injections during the year (2023/24: Nil).

Statement of capital injections without, or in excess of, authority for the year ended 30 June 2025

The Parliamentary Commissioner for the Environment has not received any capital injections during the year without, or in excess of, authority (2023/24: Nil).

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Sustainability reporting

My office is committed to operating in an emissions and energy-efficient environment. While it is not mandatory for the office to meet the requirements of the Carbon Neutral Government Programme, emissions are monitored and, where possible, steps are taken to minimise them.

PCE's emissions have been independently verified by Toitū Envirocare (Enviro-mark Solutions Ltd) in line with ISO 14064-3:2019. A copy of our Toitū carbon-reduce certification disclosure can be viewed on the Toitū website.¹¹

This is the third year of reporting under the Toitū carbon-reduce programme. Overall, total emissions for the period 2024/25 were 29.8 tonnes of carbon dioxide equivalent, which represents an increase of about 50% from base year emissions (i.e. 19.8 tonnes of carbon dioxide equivalent in 2022/23).

- **Category 2 emissions** (emissions from imported electricity) increased by 0.14 tonnes of carbon dioxide equivalent, which represents an almost 5% increase in emissions from base year.
- **Category 3 emissions** (emissions from transport) increased by 9.9 tonnes, which represents a 64% increase in emissions from base year.
- **Category 4 emissions** (emissions from products used by the organisation) remained relatively static but experienced a slight decrease relative to base year.

The increase in overall emissions was largely driven by transportation activities, which accounted for 25.2 tonnes of carbon dioxide equivalent for the 2024/25 year. Long-haul international air travel was a key contributor.

In relation to emissions intensity, the organisation generated 1.42 tonnes of carbon dioxide equivalent per FTE and 6.78 tonnes of carbon dioxide equivalent per million dollars of operating revenue for the 2024/25 year. This reflects an increase in emissions intensity relative to base year.

As a small entity, my office has limited means to significantly reduce our carbon footprint. All expenditure that has a carbon footprint is carefully considered prior to approval, thus minimising the likelihood of any waste.

PCE's top three emissions sources are related to air travel for business purposes and imported electricity. Air travel is often required during investigations to visit sites and carry out iwi and community consultations. The level of air travel is dependent on what kinds of investigations are underway and whether a travel component is needed.

My office is currently working on reducing organisation-wide electricity and is actively investigating the adoption of measures to improve electricity efficiency and reduce consumption.

¹¹ www.toitu.co.nz

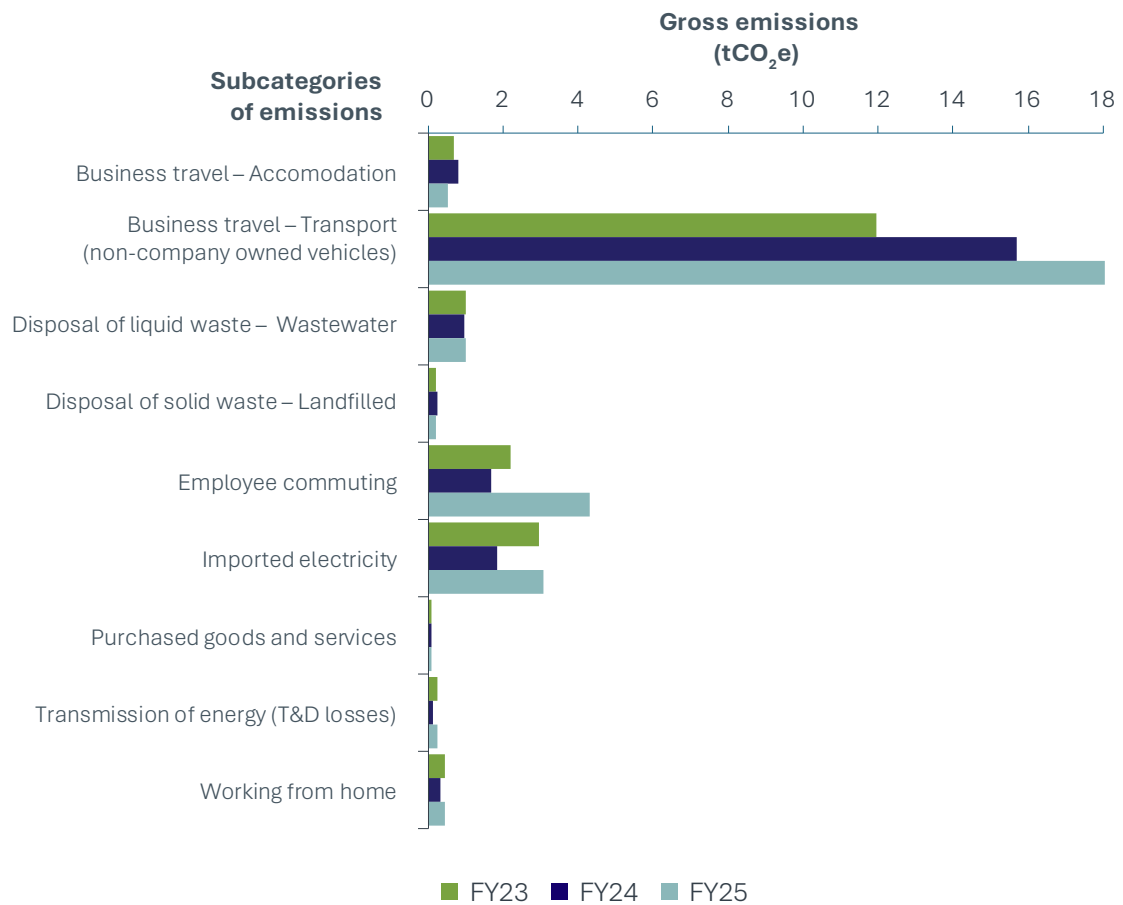


Figure 7.1: The office of the Parliamentary Commissioner for the Environment gross emissions by subcategory for 2023 and 2024.

