Climate
IEB UNIT

PROACTIVE RELEASE COVERSHEET

Minister	Hon Simon Watts	**Portfolio**	Climate Change
Name of package	Proactive release for the 2026 Government response to the Climate Change Commission's Emissions Reduction Monitoring report advice	**Date to be published**	13 November 2026

List of documents that have been proactively released		
Date	***Title***	***Author***
9 November 2026	Proactive release of the 2026 Government response to the Climate Change Commission's Emissions Reduction Monitoring report advice	CCIEB Unit / MCERT

Information redacted **YES**

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

Summary of reasons for redaction

Some information has been withheld under the following sections of the Official Information Act 1982 from:

26-BRF-01818 Climate Change Commission's 2026 emissions reduction monitoring report – support to table in the House

- Section 9(2)(f)(iv) maintain the constitutional conventions for the time being which protect the confidentiality of advice tendered by Ministers of the Crown and officials.

26-BRF-02596 Appendix 1 – Final draft 2026 Government response to the CCC ERM report

- Section 9(2)(f)(iv) maintain the constitutional conventions for the time being which protect the confidentiality of advice tendered by Ministers of the Crown and officials.

26-BRF-02786 Next steps for release of the 2026 response to the Climate Change Commission's ERM report

- Section 9(2)(a) protect the privacy of natural persons.
- Section 9(2)(f)(iv) maintain the constitutional conventions for the time being which protect the confidentiality of advice tendered by Ministers of the Crown and officials.

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Climate Change Commission's 2026 emissions reduction monitoring report – support to table in the House

Date:	15 July 2026	Priority:	Urgent	Tracking number:	26-BRF-01818

To	Action sought	Response by
Hon Simon Watts **Minister of Climate Change**	**Agree** to table the Commission's annual ERM report, and note the upcoming timeframes and milestones to deliver the Government's response to the ERM report.	23 July 2026

Contact for discussion (if required)

Name	Position	Telephone	1st contact
Kirsty Flannagan	Executive Director Climate Change Interdepartmental Executive Board Unit	021 042 0264	☑
Mel Rae	Manager	0273246289	☐

Action for Minister's Office staff
Once agreed, table the Climate Change Commission's annual monitoring report in the House of representatives on 22 July, outside of market hours (before 7.30am).

Purpose

1. The purpose of this briefing is to support you to table in the House the Climate Change Commission's (the Commission) 2026 emissions reduction monitoring report (ERM report). You are required to table the report within 10 working days of receiving it (by 23 July 2026).[1]

2. The briefing also provides a high-level overview and initial commentary on the ERM report's recommendations and some key findings. In parallel with this briefing, your Office will receive communications material to assist with any enquiries following the public release of the report.

Key points

3. You received the Commission's ERM report on 8 July 2026. This is an annual report that assesses:
   - how New Zealand is tracking towards meeting its emissions budgets and targets, and
   - the adequacy of the emissions reduction plan and progress in its implementation, including any new opportunities to reduce emissions.[2]

4. Under the Climate Change Response Act 2002 (the Act), you are required to table the ERM report within 10 working days. The ERM report has been assessed by the Ministry for Cities, Environment, Regions and Transport (MCERT) as market sensitive for the New Zealand Emissions Trading scheme (NZ ETS). As such, it will be tabled in the House outside of market hours, with market participants notified of the release via email.

5. We understand you intend to table on 22 July before 7.30am. We will work with your Office to support the tabling of the ERM report on your behalf. The Commission will then make the report publicly available.

6. The 2026 ERM report contains two recommendations to Government and a number of key findings organised under four key questions. An initial commentary on the recommendations and key findings, developed with relevant agencies, is provided in Annex 1.

7. Consistent with last year's approach, we understand you are not planning any proactive communications activity following the ERM report's release. A set of reactive key messages and Q&As have been provided to your Office to support you in responding to any enquiries. As the Commission is the author of the report, most enquiries can be referred directly to it. The Ministry of Primary Industries is planning to release some proactive communications on agricultural mitigation to coincide with the release of the Commission's report.

[1] Section 5L of the Climate Change Response Act 2002.
[2] Section 5ZJ and 5ZK of the Climate Change Response Act 2002

Next steps

8. The timeframes for producing and responding to the Commission's annual monitoring report are prescribed in the Act. Agencies have begun work to prepare the all-of government response to the ERM report, required to be tabled in the House within three months of receiving the report.

9. You will receive further briefings on the development of the response and timeframes to table it prior to the final sitting day of 24 September 2026. Cabinet agreed for you to have delegated authority to progress the government response without taking the response through Cabinet for this year [ECO-26-MIN-0092 refers]. We have proposed a window for consultation with your colleagues should this be needed.

10. Table 1 below sets out the proposed delivery timeframes and key milestones.

Timeframe	Activity
By 23 July	Table the Commission's ERM report in the House
July – August	Agencies assess the ERM report and develop the all-of-government response
3 September	Briefing with draft Response for comment and engagement with Minister
4-9 September	Ministerial consultation (as needed, depending on the Response)
Mid-September	Briefing on the 2026 emissions projections work
By 24 September	Final sitting day to table the Response in the House before Parliament dissolves.

Recommendations

11. We recommend you:

    a. **agree** to table the Climate Change Commission's report *2026 Monitoring Report: Emissions reductions* in the House of Representatives by 23 July. Yes / No

    b. **note** the ERM report is being treated as NZ ETS market sensitive (category 3) and is planned to be tabled and released before market hours on 22 July, with a notification sent to market participants.

    c. **note** the timeframe to table and publish the response to the ERM report within three months, and ahead of Parliament rising 24 September 2026.



Kirsty Flannagan
Executive Director, Climate Change
Interdepartmental Executive Board Unit
15 / 07 / 2026

Hon Simon Watts
Minister of Climate Change

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Annex 1: Initial commentary on the recommendations and key findings

The ERM report contains two recommendations, informed by series of key findings. The table below provides initial commentary on the recommendations and a number of the key findings (but is not exhaustive), including outlining interventions the Government already has in play. Officials will continue to assess these in more detail in the development of the Government's response to the ERM report.

Note: The Commission's cut-off timeframe for new information / policy updates for this report was 1 April 2026. It has used the 2026 Greenhouse Gas Inventory and the government's 2025 emissions projections to inform its assessment, along with other external data sources.

The ERM report recommendations

Recommendation	Initial commentary
1. The Government takes action to address market barriers and failures within the next year to ensure it can meet its emissions goals including:	
1.1 start determining how to incentivise further emissions reductions and removals in the 2030s given that the NZ ETS in its current form will struggle to do this.	• The Commission estimates that by ~2034, unit supply will be met entirely through industrial allocation and forestry. If unit supply is not well matched to demand from emitters, the NZU price may fall below the marginal cost of forestry, incentivising deforestation and increasing net emissions, putting emission budgets and targets at risk. • There is significant uncertainty in this finding. This is because deforestation comes with financial losses for foresters so it is unclear whether a drop in NZU prices on its own would drive deforestation. • Officials agree with the Commission that there are challenges for the NZ ETS in achieving the 2050 target, including long-lived gases outside the NZ ETS and the continuation of industrial allocation. • The Commission has suggested options for consideration that respond to these risks. They consist of structural changes to the NZ ETS and would mean changing the approach in the ERP2 of prioritising stability in the ETS through actions such as ending the review of the ETS. Some of the options suggested

Recommendation	Initial commentary

	for consideration by the Commission, such as vintaging ETS units, have also been explicitly ruled out in ERP2.
	• Cabinet recently directed work to develop strategic options to reduce emissions in the 2030s. This programme is being established with the CCIEB agencies and is due to report back in early 2027.
	• There is also work underway to develop:
	  ○ new sources of emission removals through the 'go live' of the Removals Framework and ongoing work on peatlands across DOC, MPI and MCERT.
	  ○ voluntary nature and carbon markets that will support removals in the 2030s. This includes the VCM guidance which has been updated, and the government 'endorsement' process for VNCM.

1.2 for the primary sector: • immediately scale up support measures to meet the 2030 biogenic methane target • reduce barriers for high-value, low-emissions agricultural products for long-term reductions and resilience.	• The Government is taking a technology and market-led approach to reducing agricultural greenhouse gas emissions. The Accelerating New Mitigations Programme is investing up to $437 million over four years into the development and adoption of new mitigation tools and technologies, including improving regulatory efficiency for new technologies and supporting market access, research and development through the Ag Emissions Centre, the Government's 50:50 public-private joint venture via AgriZeroNZ, and the recently announced Early Adoption Accelerator. • The Commission provides some endorsement for this approach, but it does not believe market drivers and current policies will be sufficient to achieve the reductions required. It also believes the Government may be over relying on technology. • There are challenges in reducing agricultural emissions without undermining production, however the Government's and sector's investment in this approach is starting to deliver results. • Twelve AgriZero-invested tools are aiming to be available by 2030, with the first (the methane-inhibiting bolus for beef cattle from the New Zealand company Ruminant Biotech) expected to be commercially available later this year. Several AgriZero-invested companies are planning trials in New Zealand this year including ArkeaBio's methane vaccine and BioLumic's high-fat pasture. • The Early Adoption Accelerator announcement in June was outside the ERM report's timeframes. This is an important new addition as it directly targets the Commission's two agriculture recommendations. It seeks to address the significant but well understood barriers to early adoption. It provides for Government funding of up to $51 million over three years, with projects to be matched 50:50 by industry, to kickstart early uptake of new agriculture mitigation technologies.

Recommendation	Initial commentary
1.3 expand resource recovery facilities, services and planning, and extend landfill gas capture requirements to class 2 landfills.	• The Waste Minimisation Fund has an allocation of $30m per year for new initiatives and is prioritising funding towards new or upgraded resource recovery facilities contributing to the diversion of organics waste from landfills. • Officials are currently undertaking targeted engagement with the waste, resource recovery, food production and adjacent sectors on options to expand resource recovery coverage and diversion of organic materials. This includes consideration of how the biogas market can be supported to expand in line with the Government Statement on Biogas. Officials will provide advice to the Minister for the Environment later this year on which of these options to progress, and when. • This engagement also includes a proposal to expand landfill gas capture requirements to Class 2 landfills either via expanded ETS coverage or requirements in the new planning system proposed to replace the current National Environmental Standards for Air Quality. • Timeframes for implementing changes related to the new planning system will depend on the progress of relevant legislation through the house, and prioritisation of standards to be developed following the confirmation of primary legislation.
1.4 encourage electric vehicle uptake through strong supply- and demand-side measures, and support greater shifts to public and active transport.	• Current policy settings focus on removing regulatory barriers (and thus empowering consumer choice) with respect to electric vehicle uptake. There has been an observed increase in EV/PHEV (plug in hybrids) in response to the fuel crisis. • The market is now looking different from when the Clean Car Discount (a demand side measure) was introduced. It is not yet known whether this increase EV/PHEV uptake will be sustained. • Officials have completed a first-principles review of the Clean Vehicle Standard (a supply-side measure), with advice now with the Minister of Transport. • The Government has recently removed consenting barriers to electric vehicle charging infrastructure, making it faster and easier to build chargers. This complements the recent announcement of $52.7 million in zero-interest loans, alongside co-investment from ChargeNet and Meridian. With chargers already in progress and the latest investment, the network is expected to more than double to around 4,550 charge points.
1.5 address upfront cost barriers to fuel-switching for households and businesses.	• Upfront capital costs remain an important barrier to adoption of lower-emissions technologies, particularly for industrial process heat and some household technologies.

Recommendation	Initial commentary
	• As part of Budget 2026, the Government introduced the Gas Transition Loan Guarantee Scheme to support businesses to transition from gas. • Businesses can also access the Investment Boost to support investment in new productive assets, including some assets that could support fuel-switching. • The private sector is providing low-cost finance through low-interest 'green' loans which will support households to overcome upfront barriers and switch to more efficient, cheaper technologies, including EVs and residential solar and battery systems.
2. The Government update its approach to emissions projections to ensure they provide a robust indication of likely future policy impact.	• Developing projections to 2050 are inherently uncertain, and the Government is constantly looking at ways to improve its methodologies and use the best available evidence each year so they are useful for policy-makers and stakeholders. • To reflect the uncertainty, last year MPI built a multi-scenario approach to agriculture projections. We considered a range of scenarios, as part of the progress of the inventory methodology, a more balanced reflection of plausible future pathways and uncertainty inherent in projecting the future. • The 2026 projections are already well underway, therefore there is limited scope for any Commission recommendations to feed into this year's projections. • The report suggests the key areas this recommendation is focused at are agriculture, afforestation on Crown Land and waste/landfill gas. Since the Commission's information cut-off of 1 April, further policies have been announced which will go some way towards addressing the concerns (such as the Early Adoption Accelerator and consultation on reducing organic waste emissions) as they provide the policy rationale for the projected abatement. • Cabinet took decisions on AOCL in late 2024. Ministers have been working through implementation s9(2)(f)(iv) following the request for interest process undertaken in early 2025. s9(2)(f)(iv)

The report contains a number of key findings – with some listed below

Key findings	Topic/sector	Initial commentary
Since the first emissions budget was set, changes to the GHG inventory mean that the budget can now be met with less effort than it originally required. Projections show the first emissions budget (290 Mt CO_2e) is likely to be met with a 7.7 Mt CO_2e buffer. BUT – had the budget been re-aligned with its original intent, projections show that it would likely be met by 0.7 Mt CO_2e.	Modelling / projections	• The interaction between method updates to the Greenhouse Gas Inventory and emissions budgets is an acknowledged issue and there are changes proposed in the Climate Change Response Amendment Bill to address some of the Commission's concerns. • The process for bringing in methodological updates to the GHG inventory is independent of any potential impact on achieving emissions budgets – to improve the accuracy of reported emissions and are based on the latest available science. • The Bill proposes to enable the Minister of Climate Change "*to set the approaches that will be followed by all agencies to take into account changes in emissions accounting that are due solely to methodological improvements to the Greenhouse Gas Inventory when revising emissions budgets, tracking progress towards an emissions budget or determining if an emissions budget has been met*". This will help ensure there is a transparent and consistent approach for calculating the impact of methodological updates. • The CCRA currently allows future emissions budgets to be amended to account for methodological improvements. The Bill seeks to extend this ability to the current emissions budget, so that can also be amended to account for methodological improvements. • While there is no legislative ability to amend EB1 as it has finished, the Government can consider the impact of methodological updates in achieving EB1 when it takes decisions on banking any overachievement. This will likely happen in late 2027 or early 2028 once the Minister has received the end of emission budget report from the Commission which will include recommendations on banking.
High levels of forestry continue, which risks reducing the incentive to lower emissions in other sectors.	Forestry	• Forestry has an important role in NZ's climate change approach. • Officials broadly agree with the Commission's findings on the NZ ETS, and it is aligned with officials' messaging in ERP2. • The Government has recently enacted restrictions on exotic forestry registering in the ETS. This is expected to reduce the amount new of exotic forestry that will be registered in the scheme, however this change was not intended to resolve broader NZ ETS design issues. It will take several years to see the policy's full impact.

Key findings	Topic/sector	Initial commentary
Electricity emissions increased risk due to dry-year conditions, falling gas supply, and challenges securing low-emissions firming and peak generation. The report notes that coal generation increased in 2024 during dry conditions and assesses electricity as a "significant risk" to emissions budget delivery.	Energy	• Security of electricity supply and emissions reduction objectives need to be managed together. The 2024 experience demonstrates the importance of maintaining sufficient system resilience during periods of hydro shortfall. Since 2024, New Zealand has seen a material uplift in new renewable electricity capacity – in the 18 months to December 2025, more electricity generation was commissioned than in the previous 15 years. There is also a strong forward pipeline and the Government is actively pursuing LNG alongside other measures to reduce the risk of exposure to future dry years. • Low-emissions firming and system flexibility will be required to support a highly renewable electricity system while maintaining affordability and reliability. However, emissions outcomes need to be considered alongside energy security and economic impacts.
The Commission identifies falling domestic gas supply as creating pressure on gas and electricity prices and argues imported LNG could increase costs, emissions and exposure to global instability.	Energy	• The Government recognises declining domestic gas availability presents an increasingly important challenge for energy affordability, security and industrial transition planning. • However, LNG does not change New Zealand's renewable trajectory, nor does it replace renewables. Instead, LNG will help New Zealand become a mostly renewable electricity system without outages, price spikes, or economic shocks along the way.
Industry remains at risk because most emissions reductions have come from GIDI-supported projects and there is no identified successor programme	Energy	• The report identifies that industrial decarbonisation remains challenging and many projects face capital and implementation barriers. The Government is committed to a market-led approach where businesses are enabled to make economically efficient decisions on whether/how to decarbonise as is appropriate for their particular circumstance. • The Government recognises there may be barriers to this and potential points of stress considering declining domestic gas reserves. It has responded by introducing policies to efficiently enable transition investments such as the Gas Transition Loan Guarantee Scheme and Investment Boost (The Loan Guarantee scheme was announced after the Commission's information cut-off of 1 April). • The Government is also progressing work to enable low-emissions alternatives by diversifying New Zealand's energy mix with new low-emission fuels and energy sources, including wood energy and biogas. The Government has set out its vision and commitment to these new sectors through the Wood Energy Strategy and the Government Statement on Biogas.

Key findings	Topic/sector	Initial commentary
		• Wider Government work to ensure a secure and affordable electricity system is also a key enabler of electrification, which remains a key opportunity for near-term emissions reductions, particularly for industry and light transport.
The Government has chosen a market-led approach to emissions reductions, however evidence suggests the New Zealand Emissions Trading Scheme (NZ ETS) is not efficiently driving emissions reductions now, due to low market confidence, price volatility, and uncertainty about the long-term future of the scheme.	ETS	• Officials broadly agree with the Commission's findings on the importance of policy certainty to NZ ETS outcomes. • The Government has sought to address confidence, stability and policy uncertainty in ERP2 and has done so successfully through largely stable ETS setting decisions in the last two years. This has resulted in reduced price volatility and increasing NZU prices. • However, officials are unclear what evidence the Commission is using to state that only participant opinions determine emission reductions. In our view, demand and supply fundamentals are much more important to efficient market outcomes. The Government has taken decisions to reduce supply to the market to address the risk posed to meeting emission targets by the stockpile of privately held units. • The Commission also noted the need for wider sources of demand for removals than the NZ ETS. The Government is supporting the growth of trusted voluntary nature and carbon markets, which can help mobilise private investment into projects that reduce emissions, remove greenhouse gases, and deliver environmental and economic benefits. This includes updated voluntary carbon market guidance, the launch of the Removals Framework, and pathways to recognise and endorse high-integrity schemes and methodologies that meet New Zealand's principles for voluntary markets.

Ministry for Cities, Environment, Regions & Transport

Draft Government response to the Climate Change Commission's 2026 Emissions Reduction Monitoring Report

Date:	17 September 2026	**Priority:**	Urgent	**Tracking number:**	26-BRF-02596

To	Action sought	Response by
Hon Simon Watts **Minister of Climate Change**	Agree to the proposed Government response to the Commission's Emissions Monitoring Report and note that it will be tabled as a Category 3 market-sensitive document.	24 September 2026

Contact for discussion (if required)

Name	Position	Telephone	1st contact
Kirsty Flannagan	Executive Director Climate Change Interdepartmental Executive Board Unit	021 042 0264	☐
Mel Rae	Manager	027 324 6289	☑

Action for Minister's Office staff
Once agreed, forward this briefing and attached draft Government response to the Ministers of Finance, Energy, Transport, Agriculture and Forestry, and Environment for feedback by 24 September.

Purpose

1. This briefing provides you with the draft Government response to the Climate Change Commission's (the Commission's) 2026 Emissions Reduction Monitoring (ERM) Report for your review and feedback.

Key points

2. The draft response:

   - reflects greater confidence that the second emissions budget (EB2) can be met than the Commission's assessment suggests, based on recent policy and implementation progress, and the projected EB2 buffer
   - acknowledges that further action will be required to meet the third emissions budget (EB3), noting that there will be further advice on strategic options to close the projected EB3 gap
   - acknowledges that emission projections are inherently uncertain and that continuous improvement processes for projections will continue.

3. The 2026 projections were not available in time to inform this year's response given the statutory timeframe for the response and the required cross-sector compilation, review and assurance process for the projections. The response therefore uses the 2025 projections, supplemented by more recent evidence on policy and implementation progress.

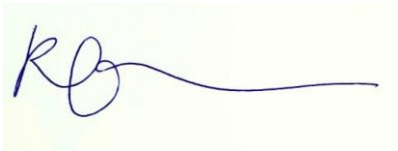
Recommendations

4. We recommend you:

   a. **agree** to the draft Government response to the Commission's 2026 ERM Report. Yes / No

   b. **forward** the draft response to the Ministers of Finance, Energy, Transport, Agriculture and Forestry, and the Minister for the Environment for comment by 24 September ahead of the response being tabled and published. Yes / No

c. **note** the Government response to the Commission's ERM Report is being treated as NZ ETS market sensitive (category 3) and is planned to be tabled and released before market hours the week of 28 September.



Kirsty Flannagan
Executive Director, Climate Change
Interdepartmental Executive Board Unit

17/09/2026

Hon Simon Watts
Minister of Climate Change

..... / ..... / .....

Comments

Draft Government response to the Climate Change Commission's 2026 Emissions Reduction Monitoring Report

The Government must respond to the Commission's 2026 ERM Report by 1 October

5. The Commission published its third annual ERM report in July 2026. The report assesses progress towards meeting New Zealand's emissions budgets and the 2050 target and makes two recommendations to the Government. You were previously briefed on the Commission's key findings and recommendations [BRF-01818 refers].

6. The Government is required to respond to the Commission's report within three months of receiving it. The response must therefore be presented to the House by 1 October 2026. You have delegated authority to approve and present the response without further Cabinet consideration [CAB-26-MIN- 0188]. However, you may wish to invite comment from relevant colleagues on the proposed response before it is tabled.

7. We have prepared the attached draft Government response for your feedback. Relevant ERP2 agencies have contributed to its development, and the draft response has been endorsed by CSOG.

8. One area we seek your feedback on is the proposed framing of emissions budget 2 (EB2) delivery risk. The response reflects greater confidence in meeting EB2 than the Commission's assessment, given the projected EB2 buffer, the early stage of the budget period and policy and implementation progress since the Commission's assessment. Whether any corrective action is required to remain on track for EB2 will be considered through this year's adaptive management assessment, informed by the updated 2026 projections.

The response uses the 2025 projections

9. In past years, the Government response has used the current year's annual emissions projections. However, the 2026 emissions projections will not be available before the response must be tabled (see weekly report update for week ending 18 September).

10. The draft response therefore uses the updated 2025 emissions projections, published in January 2026. These are the same projections considered by the Commission and remain the Government's latest available quantitative assessment of New Zealand's emissions pathway.

11. The response supplements these projections with qualitative evidence on policy implementation and other relevant developments since the Commission's 1 April 2026 information cut-off. These more recent developments will be reflected quantitatively in the future emissions projections.

12. The revised projections timeline also means we have separated the Government response to the Commission's report from this year's adaptive management assessment. Adaptive management requires updated projections to assess EB2 progress and whether corrective action is needed. The 2026 projections will therefore inform this year's adaptive management assessment once they are finalised later this year.

The draft response expresses confidence in meeting EB2 while recognising longer-term risks

Recommendation 1: Addressing barriers to further emissions reductions

13. The Commission considers further action is needed to address barriers to emissions reductions and reduce the risk that they may not be delivered as expected. The delivery risks identified by the Commission are not new and are broadly consistent with those we monitor through implementation of ERP2 and adaptive management. While these risks could affect the delivery of projected emissions reductions, we have greater confidence than the Commission that the reductions assumed in the Government's projections will be delivered.

14. The proposed response addresses recommendation 1 by outlining recent policy and implementation progress relevant to the delivery risks and barriers identified by the Commission. Together with the projected EB2 buffer and the early stage of the budget period, this provides greater confidence that EB2 will be met. Delivery risks will continue to be assessed through annual adaptive management using updated 2026 projections to consider whether any corrective action is required to remain on track for EB2.

15. The Commission has reiterated its previous advice on risks associated with the NZ ETS and reducing emissions in the 2030s. These issues are well documented, and the response acknowledges that the NZ ETS will not be sufficient on its own to meet EB3.

16. The response therefore notes forthcoming advice on strategic options for closing the EB3 gap. This work provides an important opportunity to consider additional or earlier emissions reductions that could increase confidence in meeting EB3 and provide greater resilience to delivery risks, including during EB2.

Recommendation 2: The projections recommendation will inform continuous improvement

17. The Commission's report raised concerns that assumptions in areas such as agricultural technology, forestry on Crown-owned land, and landfill gas capture were insufficiently grounded in current policy. They recommended that the Government update its approach to emissions projections to ensure they provide a robust indication of likely future policy impact. Media coverage has similarly questioned whether some agricultural emissions projection assumptions are sufficiently supported by current policies and available evidence.

18. The proposed response acknowledges the Commission's recommendation and notes that projections are inherently uncertain and that policy developments since the Commission's assessment cut-off have strengthened the policy and evidence base in many of the areas identified by the Commission but are not yet reflected in the projections.

19. The process for the 2026 projections was already under way when the Commission's report was released, limiting the scope to make changes to this year's process. We propose to consider the Commission's recommendation through the ongoing continuous improvement of projections, including as part of reviewing the 2026 process and identifying improvements for future projection updates.

Next steps

20. We recommend you provide your ERP2 colleagues with an opportunity to review the draft response by 24 September prior to finalising the report.

21. We will update the response as necessary following any feedback from you and your colleagues and provide you with a final response in the week of 28 September, ahead of tabling by 1 October 2026.

22. The response will be released as market sensitivity Category 3, before market hours and without an announcement. We will work with your office through the usual channels to support tabling and publication, including preparing communications material.

23. The 2026 projections are expected to be finalised by the end of 2026 and will inform this year's adaptive management assessment, including whether corrective action is required to remain on track for EB2. The adaptive management advice will be provided alongside the updated projections before the end of the year.



Government Response to the Climate Change Commission Report

Monitoring Report: Emissions Reduction (2026)

Te Urupare a te Kāwanatanga ki te Pūrongo a He Pou a Rangi

Te Pūrongo Aroturuki: Te Whakaiti Tukuwaro (2026)

Te Kāwanatanga o Aotearoa
New Zealand Government

DRAFT

Disclaimer

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Executive summary

In July 2026, He Pou a Rangi Climate Change Commission (the Commission) published its third annual report, *Monitoring report: Emissions reduction – Assessing progress towards meeting Aotearoa New Zealand's emissions budgets and the 2050 target (2026)*.

Key findings from the Commission's assessment of progress towards emissions budgets and targets are:

- "The first emissions budget [2022–25] is likely to be met".
- "The second emissions budget [2026–30] is likely to be met" but the Commission states that "more than half of the reductions planned, 12.4 Mt CO_2e, [1] are at significant risk".
- "Current plans and policies are insufficient to meet the third emissions budget (2031–35) or the 2050 target, and the window for action is closing".

These findings and the Commission's broader analysis underpin its two recommendations to the Government. The Government's response to each recommendation is summarised below and set out in more detail in this report.

The Commission's recommendations are:

- **That the Government takes action to address market barriers to investment in emissions reductions over the next year to ensure it can meet emissions goals.**
  The Commission considers this action necessary to address the risk that expected emissions reductions may not be delivered. The Government acknowledges this recommendation and has since announced further policy that improve delivery confidence. We will continue to monitor delivery risks as we implement the second emissions reduction plan (ERP2), alongside work on strategic options to close the projected emissions gap for the third emissions budget (EB3).
- **That the Government updates the approach to emissions projections**.
  We acknowledge the recommendation and will continue to refine how we produce the projections, using the best available evidence. We note that recent developments have strengthened the evidence base although we recognise that future projections are inherently uncertain.

Overall, the Government's updated 2025 emissions projections indicate that Aotearoa New Zealand is on track to meet the first emissions budget (EB1), and the second budget (EB2) can be met with a 3.6 Mt CO_2e buffer. However, EB3 remains off track, with an 8.7 Mt CO_2e shortfall.

[1] The net emissions are expressed in million tonnes of carbon dioxide equivalent (Mt CO_2e).

Introduction

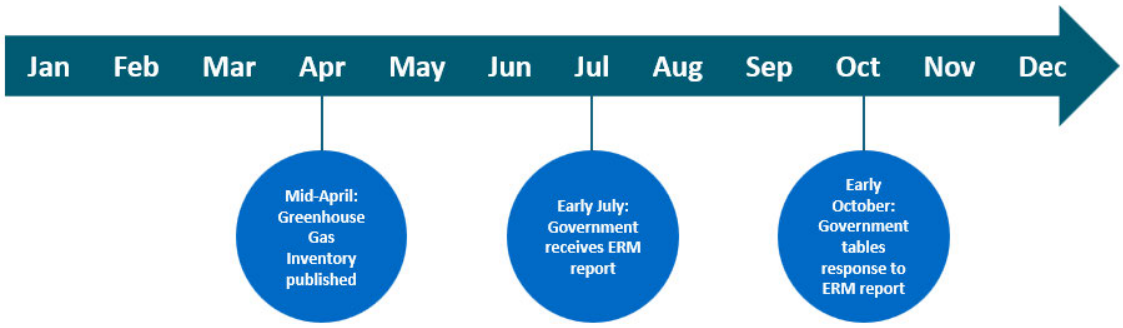
The Government welcomes the Commission's 2026 Emissions Reduction Monitoring Report (ERM report), received in July 2026.[2] The Commission provides regular, independent monitoring and reporting on progress towards meeting emissions budgets and the 2050 target. As part of this, the Commission produces an annual monitoring report[3] that includes:

- how New Zealand's emissions and removals are tracking
- the latest projections for current and future emissions and removals
- an assessment of the effectiveness of the Government's current emissions reduction plan (ERP1) and its implementation.

The Climate Change Response Act 2002 (the Act) requires that, within three months of receiving the report, the Minister of Climate Change must present a report to the House of Representatives that:[4]

- sets out the response to the ERM report and recommendations
- describes the progress in implementing ERP1
- notes any amendments to that plan.

Figure 1: 2026 ERM report and government response timeline



[2] Climate Change Commission. 2026. *Monitoring report: Emissions reduction – Assessing progress towards meeting Aotearoa New Zealand's emissions budgets and the 2050 target (2026)*. Wellington: Climate Change Commission.

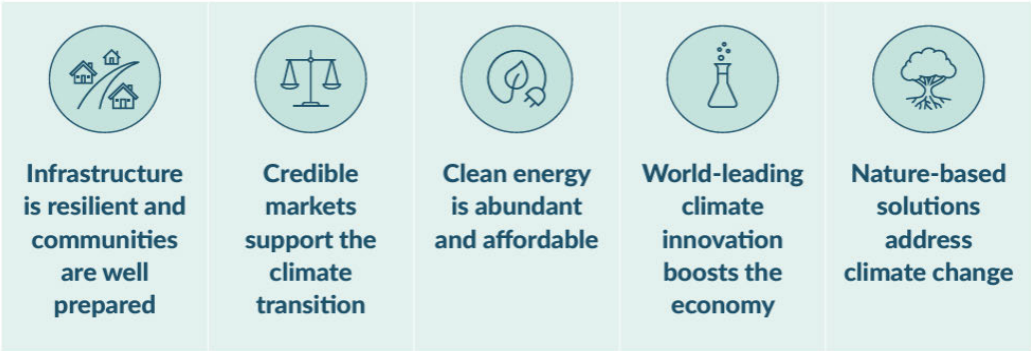
[3] Climate Change Response Act 2002, sections 5ZJ and 5ZK.

[4] Climate Change Response Act 2002 section 5ZK (4).

Government strategy to reduce emissions

We are committed to delivering on Aotearoa New Zealand's climate change commitments while growing the economy. Our approach is set out in the Climate Strategy and its five pillars (figure 2).

Figure 2: The five pillars of the Climate Strategy



Our approach to meeting New Zealand's climate targets is:

- cost-effective and efficient
- net-based – reducing gross emissions and increasing removals
- technology-led, so that production can keep growing while emissions come down.

The New Zealand Emissions Trading Scheme (ETS) remains at the core of our response, supported by policies that reduce the barriers to investment in reducing and removing emissions.

New Zealand's domestic climate change targets

New Zealand has legislated domestic emissions reduction targets under the Act:

- net zero emissions of all greenhouse gas emissions other than biogenic methane by 2050
- 14 to 24 per cent reduction below 2017 biogenic methane emissions by 2050, including 10 per cent reduction below 2017 levels by 2030.

Table 1 sets out the first three budgets that step New Zealand towards these targets. EB1 has now concluded, and New Zealand is in the first year of EB2.

Table 1: New Zealand's first three emissions budgets

	Emissions budget period		
	2022–25	2026–30	2031–35
All gases, net	290 Mt CO_2e	305 Mt CO_2e	240 Mt CO_2e
Annual average	72.5 Mt CO_2e	61 Mt CO_2e	48 Mt CO_2e

The Act requires the Minister of Climate Change to prepare and publish emissions reduction plans, which set out the policies and strategies for meeting the corresponding emissions budget.

The second emissions reduction plan (ERP2) was published in December 2024 and amended in January 2026. It sets out the Government's approach to meeting New Zealand's climate targets, and is underpinned by the climate strategy. The third emissions reduction plan, for meeting EB3, is due for publication by the end of 2029.

The Government was due to set EB4 by the end of 2025. Following changes to the 2050 target in 2025 we requested the Commission to review its advice on EB4 to reflect the amended target. The Commission's updated advice is due by 31 March 2027, and we are required to set EB4 by 31 December 2027.

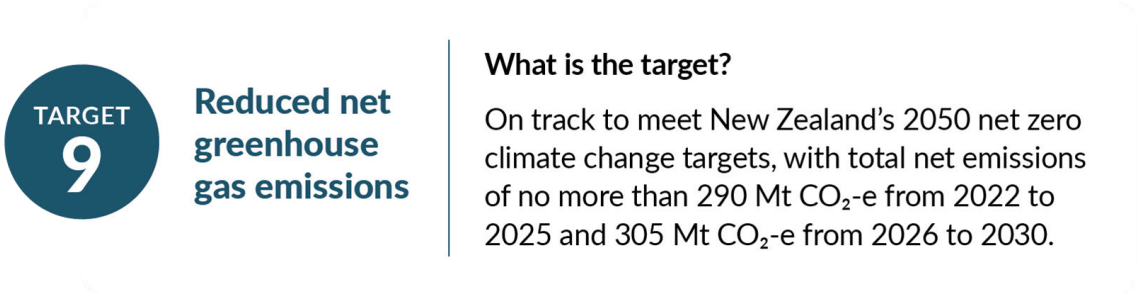
Government Target 9

In April 2024, Cabinet set nine government targets. The aim is to focus the public sector on improving results in health, law and order, work, housing and the environment.

Target 9 is focused on reduced net greenhouse gas emissions. It aligns with EB1 and EB2, and the 2050 net zero target.

The Minister for Climate Change reports quarterly to the Prime Minister (via the Department of the Prime Minister and Cabinet) advising on progress towards Target 9.

Figure 3: Target 9 – Reduced net greenhouse gas emissions



Previous Target 9 reports are on the Ministry for Cities, Environment, Regions and Transport (MCERT) website. The latest publicly available report, for the quarter ending 30 June 2026, shows New Zealand is on track to meet Target 9.

Implementing the second emissions reduction plan

ERP2 includes a range of policies and initiatives to reduce emissions, speed the uptake of new technologies and encourage innovation. It came into effect on 1 January 2026, with the start of EB2.

The Climate Change Chief Executives Board monitors and reports on progress in implementing ERPs and publishes its reports on the MCERT website. The most recent ERP2 progress report for the period ending 30 June 2026 shows that nearly all ERP2 policies and actions are on track.

ERP2 amendment

In October 2025, the Government announced that it would not progress an on-farm emissions pricing system by 2030. We expect this to have a minor impact during EB2, since pricing was planned to start in the last year of EB2 in 2030. We do not expect it to affect New Zealand's ability to meet EB2.

ERP2 was amended in January 2026 to reflect this revised approach to reducing agricultural emissions.

The Government agrees that the market barriers the Commission identifies are real. This includes uncertainty about whether market drivers and industry incentives will support enough uptake of new technologies, and reduce absolute emissions at the scale required. In this context, we have decided to take a technology and market-led approach to reducing agricultural emissions. Over the next four years, $437 million has been allocated to accelerate the development and availability of new tools and technology to help farmers reduce their on-farm emissions.

Managing progress towards EB2

ERP2 outlined an adaptive management approach to actively monitor how New Zealand is tracking toward its climate targets, and respond to changing circumstances. This process enables the Government to monitor developments closely and, if needed, make timely corrections to stay on track for EB2.

Adaptive management will apply annually through a three-stage cycle (figure 4). Chapter 3 of ERP2 outlines more on this. The Minister of Climate Change is expected to consider2026 adaptive management advice by the end of 2026.

Figure 4: Annual adaptive management cycle



Response to the ERM report recommendations and key findings

The Commission made two recommendations:

1. *That the Government takes action to address market barriers and failures within the next year to ensure it can meet its emissions goals.*
2. *That the Government updates its approach to emissions projections to ensure they provide a robust indication of likely future policy impact.*

The report also found:

- *Climate disruption and economic impacts in New Zealand are growing – greater and more durable emissions reductions are needed to manage these risks.*
- *Greenhouse gas emissions are gradually falling, but the reductions are unlikely to be enduring, and the pace needs to more than double.*
- *The second emissions budget (2026–2030) is at increasing risk.*
- *Current plans and policies are insufficient to meet the third emissions budget (2031–2035) or the 2050 target, and the window for action is closing.*
- *Acting earlier to reduce emissions can strengthen resilience, reduce exposure to shocks, and lower costs for households, businesses and the country.*

For a summary of its findings and recommendations, see the Commission's report (pp 5–6). Pages 18 and 19 set out the methodology.

Projecting emissions to 2050

Emissions projections assess how future emissions are expected to change under current policies and assumptions.

The updated 2025 projections indicate that New Zealand is on track to meet EB1, with a high level of confidence given that much of the budget period is now covered by the 2026 Greenhouse Gas Inventory (the Inventory) data.[5] They also indicate that EB2 can be met, but EB3 remains off track. These remain the latest available projections. They provide the Government's current assessment of New Zealand's emissions pathway and are referred to in this response.

Table 2: Updated 2025 emissions projections (Mt CO_2e) (central estimate*)

Emissions budget limits	Updated 2025 projections	2025 difference from EB[6]
EB1 290 Mt CO_2e	282.3	-7.7

[5] The 2026 Greenhouse Gas Inventory includes actual emissions and removals data for 1990 to 2024.

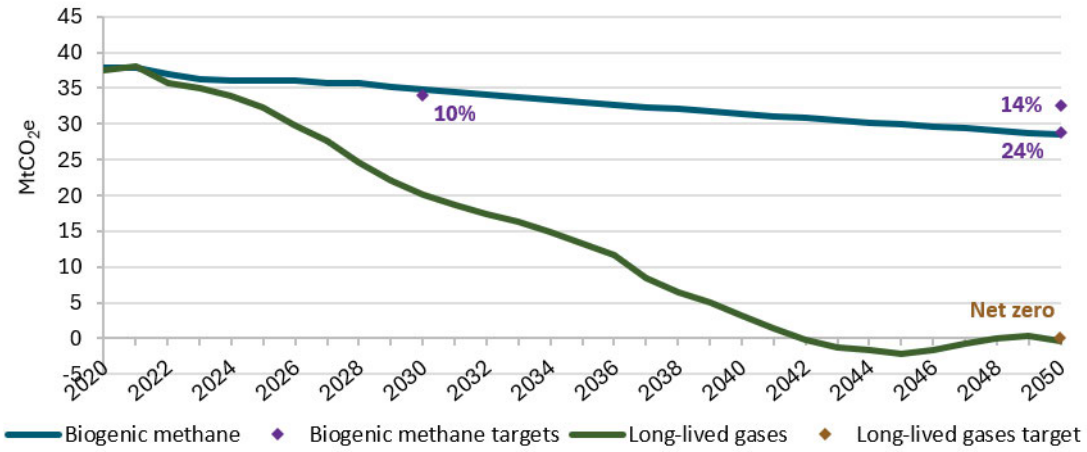
[6] Refers to how many Mt CO_2e under or over the emissions budget limit the projected emissions may be.

Emissions budget limits	Updated 2025 projections	2025 difference from EB[6]
EB2 305 Mt CO_2e	301.4	-3.6
EB3 240 Mt CO_2e	248.7	+8.7

*'Central estimate' refers to the value believed to be most likely, based on the current understanding of relevant assumptions.

New Zealand is projected to meet both components of the 2050 target, but the 2030 biogenic methane target remains off track (figure 5).

Figure 5: 2025 biogenic methane and long-lived gas emission projections and targets to 2050[7]



Our approach to the projections

Emissions projections are inherently uncertain but are based on the best available information to understand how New Zealand is tracking towards its emissions budgets and targets. The Government's projections are produced annually and reflect the latest available information on economic conditions, polices and other key assumptions at that point in time.

The overall context and level of uncertainty for modelling projections is shifting:

- Global uncertainty and volatility are increasing.
- Government actions, decisions by businesses, industry groups and consumers also shape how sectors develop, with implications for future emissions.
- Different sectors face varying levels of uncertainty, depending on how they are affected by factors such as market conditions, geopolitical developments, weather, technology development and uptake or consumer behaviour.
- The stage of policy development also plays a role. In some cases, details of how a policy will be implemented have yet to be decided (eg, afforestation on Crown-owned land).

[7] Emissions pathways are based on the central estimate.

Together, these factors can make future emissions outcomes more difficult to project.

The 2025 projections used a mix of modelling approaches to reflect uncertainty, depending on what is appropriate for each sector. This includes uncertainty ranges and providing multiple plausible future scenarios to illustrate how different assumptions and developments could affect future emissions.

We take a continuous improvement approach to emissions projections, reviewing the process each year and identifying improvements for future updates. Improvements already made to the projection processes include better visibility of major assumptions and strengthened quality assurance and quality control processes.

It is in this context that we have considered the Commission's recommendation on emissions projections. In recommendation 2, the Commission raised concerns about relying on scenario-based modelling to represent likely policy impacts. It considers some assumptions behind the projections to be insufficiently grounded in current policy, particularly for agriculture technology, afforestation on Crown-owned land and landfill gas capture.

We acknowledge the Commission's recommendation that projections need to provide a robust indication of the likely future policy impact. Our response to the concerns is set out below.

We will continue to be transparent about the assumptions underpinning projections in key publications, including biennial transparency reports and ERPs. We will refine methodologies and assumptions as new evidence and policy decisions become available. In the agricultural sector for example, this may include:

- availability and cost of emissions reduction technology
- fluctuations in the market, climate and weather patterns
- actual uptake of technology
- uncertainty about predicted productivity improvements.

Some policies were still in development at the time of the Commission's 1 April information cut-off, and not reflected in the 2025 projections. We expect that current policy settings, alongside the actions, investment and strategies of other market participants, will support us to achieve our emissions budgets and targets and strengthen the policy and evidence base for our projections. This includes the Early Adoption Accelerator to support the early use of technology to mitigate agricultural emissions announced on 10 June 2026 and consultation on reducing organic waste emissions in June/ July 2026.

The 2026 projections were already in development when the Commission's report was released and are expected to be published by the end of 2026, alongside an updated assessment of New Zealand's emissions pathway and progress towards budgets and targets. Further refinements will be considered through this process, including the Commission's recommendation.

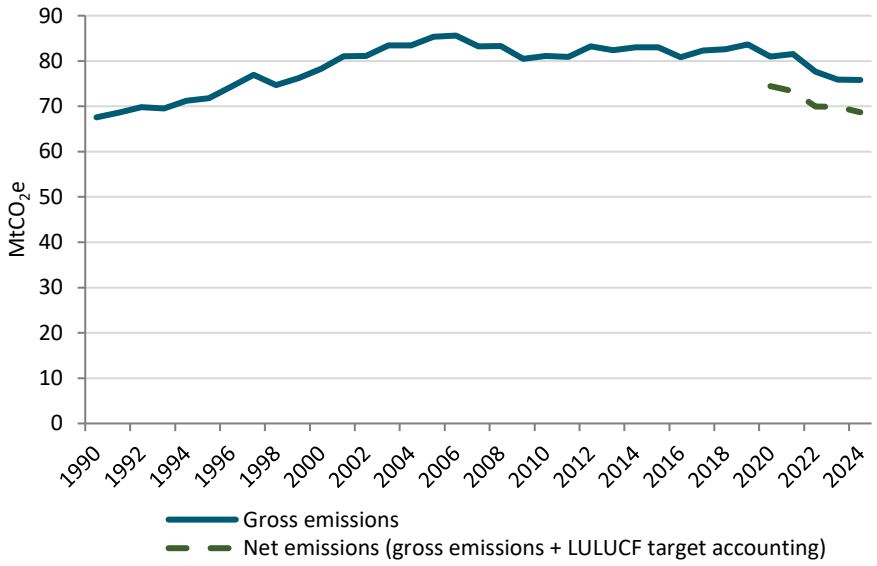
The 2026 projections could not be completed in time for this response given the required cross-sector compilation, review and assurance process. Proposed changes through the Climate Change Response Amendment Bill will better align the timing of the Commission's ERM report, and the Government's emissions projections and response. This will provide greater flexibility to consider the latest available evidence in future responses.

Meeting EB1

The Commission finds that EB1 is likely to be met. The 2026 Inventory data support this assessment, showing that net emissions continued to fall in 2024:

- gross emissions peaked in 2006 and have generally declined since 2019. They fell by 0.1 per cent in 2024 as increased fossil fuel electricity generation during a dry year slowed the rate of decline
- net emissions continued to decline, falling 2 per cent between 2023 and 2024 (figure 6).

Figure 6: Gross and net emissions (in Mt CO_2e), 1990–2024[8]



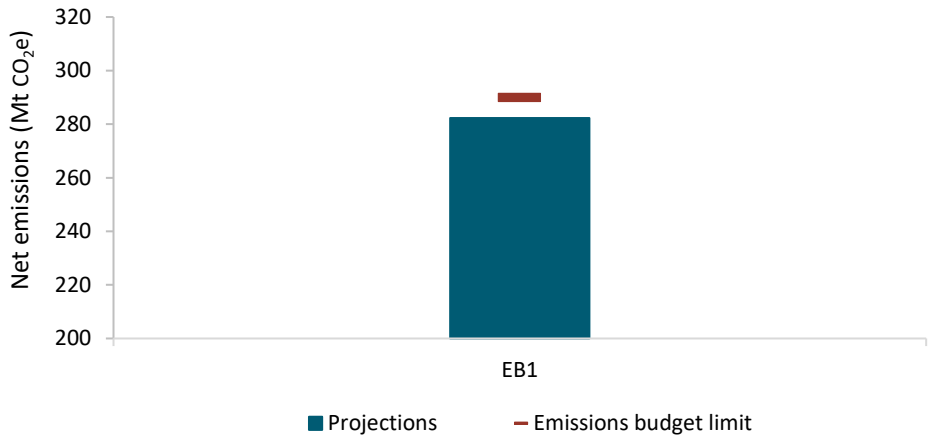
More recent provisional emission estimates from Statistics New Zealand[9] indicate that gross emissions continued to decline in the beginning of 2026.

As outlined above, the updated 2025 projections also indicate that New Zealand remains on track to meet EB1, with projected emissions of 282.3 Mt CO_2e – 7.7 Mt CO_2e below the budget limit of 290 Mt CO_2e. As much of the budget period is now covered by Inventory data, the Government agrees, with a high level of confidence, that EB1 will be met (figure 7).

[8] Net emissions are shown for 2021–24 only. The LUCAS CRA model used to generate LULUCF target accounting forestry estimates has currently produced results for this period only (per the 2026 Greenhouse Gas Inventory).

[9] Stats NZ's quarterly emissions estimates are based on the production of greenhouse gases by ANZSIC06, and by households on a residence basis.

Figure 7: Updated 2025 projections for EB1[10]



The Government also acknowledges the Commission's finding that changes to the Inventory methodology, which are then reflected and updated in the historical time series, have reduced the emissions reduction effort needed to meet EB1. Proposed changes through the Climate Change Response Amendment Bill will explicitly allow the current emissions budget to be amended to reflect methodological changes. It also provides for the creation of a consistent approach for measuring, and accounting for, methodological improvements that will be used by Climate Change Commission, government agencies and the Minister of Climate Change.

Meeting EB2 and EB3

The Commission finds that EB2 is likely to be met, but is now at significant risk. It states that the pace of emissions reductions needs to more than double. It also finds that current policies and plans are insufficient to meet EB3. Recommendation 1 of its report therefore calls on the Government to address market barriers and other constraints on investing in emissions reductions over the next year.

For EB2, the Commission estimates that 12.4 Mt CO_2e of projected emissions reductions are at significant risk of not being achieved due to policy and programme delivery risks, particularly across the electricity generation, agriculture and transport sectors. This represents net reductions that may not be delivered as assumed, rather than a predicted 12.4 Mt CO_2e shortfall.

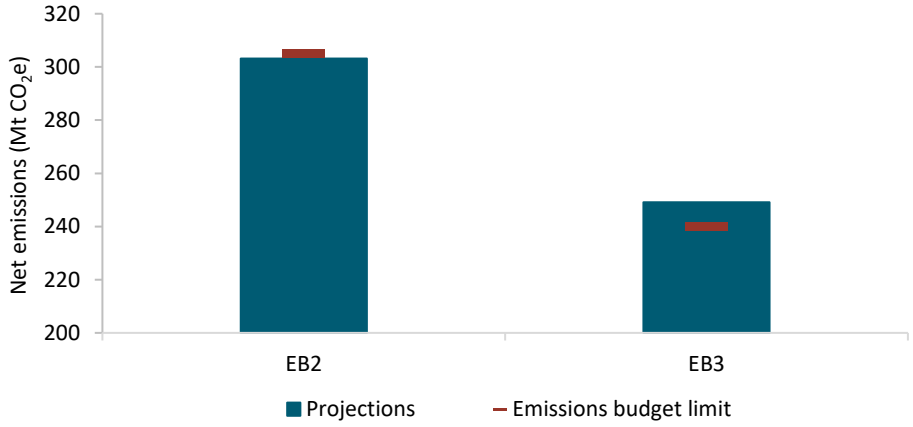
In the Commission's assessment, the risk to policy or programme delivery has also increased for EB3. It states that there are significant risks across forestry, industry and the ETS. It also assessed planned agricultural policies as insufficient to deliver projected reductions.

[10] The historical data for 2022 and 2023 are denoted as estimated historical, due to adjustments to the baseline data which impacts on emissions in 2020–23. Adjustments were made to be consistent with the 2025 Ministry for the Environment projections, which account for updates to the waste emissions methodology.

Current projections

The updated 2025 projections indicate that we can meet EB2, with projected emissions of 301.4 Mt CO_2e – 3.6 Mt CO_2e below the budget limit (305 Mt CO_2e). EB3 remains off track, with projected emissions of 248.7 Mt CO_2e – 8.7 Mt CO_2e above the budget limit (240 Mt CO_2e).

Figure 8: Updated 2025 projections for EB2 and EB3



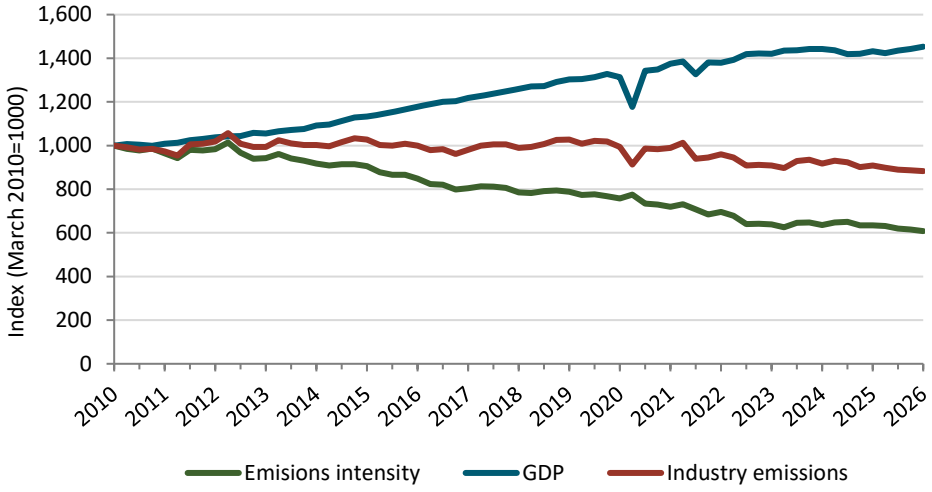
Confidence in meeting EB2

The Government acknowledges the delivery risks the Commission raises. However, subsequent policy and implementation progress not available to the Commission at the time of its assessment provides additional confidence in achieving EB2 (see government action below).

Risks and circumstances change over the course of an emissions reduction plan. Rather than responding to individual risks as they emerge, the Government uses adaptive management to monitor progress and assess whether further action is needed to stay on track. The 2026 assessment will occur in tandem with the development of the 2026 projections, so that both processes can draw on the latest evidence. Given the projected EB2 buffer, the early stage of the budget period and progress in ERP2 implementation, we have greater confidence that EB2 can be met.

Moreover, recent economic and emissions trends provide further confidence in meeting EB2. GDP growth and emissions have decoupled consistently since the December 2024 quarter, indicating that the economy can continue to grow while emissions decline (figure 9).

Figure 9: Emissions intensity, Statistics New Zealand[11]



Looking ahead to EB3

We acknowledge the Commission's finding that current policies and plans are insufficient to meet EB3. Recommendation 1 also raises concerns about the ability of the ETS to incentivise sufficient emissions reductions in the 2030s. We acknowledge that the ETS will not be able to achieve EB3 on its own. Our current provisional estimates have ETS auctions ceasing in 2032, after which the Government will have a reduced ability to directly influence emissions reductions using the ETS. This places greater emphasis on other policy tools to drive the reductions necessary to meet EB3 and the 2050 target.

Work is currently underway to identify strategic options for closing the EB3 gap. This will support reductions in the 2030s and may also lead to additional reductions during EB2.

Recent government action that increases confidence in delivery

In considering recommendation 1, we have taken into account recent policy and implementation developments that increase confidence in the delivery of future emissions reductions. These are outlined below.

Agriculture

The Government is taking a technology and market-led approach to reduce agricultural emissions. Following the removal of agricultural emissions pricing from ERP2, we have committed $437 million over four years, alongside industry investment through the Accelerating New Mitigations programme, to support the development and uptake of agricultural mitigation technologies. In Budget 2026, we confirmed a further four years of funding for AgriZeroNZ (AgriZero), the Ag Emissions Centre and wider technology investment programme, providing certainty for this programme of work.

[11] Figure 9 shows change in industry emissions (CO_2e) and gross domestic product, seasonally adjusted and indexed to 2010 for the March 2010–March 2026 quarters. Emissions intensity is defined as the ratio of industry emissions per unit of GDP.

A strong pipeline of technology is in development in New Zealand and globally. While research and development is inherently uncertain, New Zealand continues to trial and test technology advances and new mitigations. AgriZero monitors and publicly reports on its assessment of the future availability of this pipeline each quarter, through the Scorecard on its website.[12]

The Early Adoption Accelerator, announced in June 2026, provides up to $51 million of Crown funding over three years, matched by industry. It addresses barriers and promotes the uptake of mitigation technology. This new investment will build confidence in the use of proven technologies on farms in New Zealand. We expect this will support farmers to adopt mitigations projects at scale. Early feedback from the sector is that it will enable them to act earlier and take on projects with more confidence. This is an important contribution to the technology and market-led approach, and is consistent with the Commission's recommendations.

Energy

New Zealand has seen a material uplift in new renewable electricity capacity with 3.74 terawatt-hours of new generation built in the three years from 2023-25, which is more than double the 1.65 terawatt-hours built in the previous 8 years. A robust pipeline of projects remains, and fast-track consenting supports further development.

The Government recognises that a declining domestic gas supply presents an increasing challenge for electricity security, affordability and industrial transition planning. Alongside enabling investment in renewables, we are progressing a range of measures to improve system resilience during dry years, including work related to LNG.

Budget 2026 also introduced a Gas Transition Loan Guarantee Scheme to support businesses transitioning away from natural gas.

Transport

The Government continues to support the shift to low-emissions transport. We have recently removed consenting barriers for public charging infrastructure, making it faster and easier to install new chargers. We have also recently allocated $52.7 million in zero-interest loans. Alongside private sector co-investment, we expect this to accelerate the roll-out of the public charging network.

We expect the loans to more than double the public charging network to around 4,550 charge points, supporting continued electric vehicle uptake. We have announced a second round of zero-interest loans, allocating up to $21 million.

Officials have also completed a first-principles review of the Clean Vehicle Standard, which the Government has decided to retain.

Forestry

Forestry plays an important role in reducing net emissions and meeting New Zealand's climate change targets. 9(2)(f)(iv) These include allowing voluntary nature and carbon market activity on public conservation land and progressing legislative change to enable a wider range of activities on

[12] AgriZero[NZ]. 2026. Progress. Scorecard: Retrieved 15 September 2026.

Crown pastoral land alongside farming. As part of this we are exploring how native afforestation can be enabled.

The Government also acknowledges the Commission's concerns about forest management accounting, and the need to maintain confidence in emissions budget reporting. We are considering options on how to treat forest management accounting in New Zealand's domestic emissions accounting framework, including how it applies to emissions budgets.

Waste

The Waste Minimisation Fund is making progress towards projected emissions reductions. Emerging evidence indicates less food waste is being sent to landfill, and more is being diverted elsewhere.

We have also finished consulting on changes to the ETS to improve landfill gas capture. Emerging evidence points to an increased potential to generate energy from captured landfill gas.

New Zealand Emissions Trading Scheme

The Government has sought to improve confidence and stability in the ETS through:

- largely stable settings over recent years
- reducing the cap for EB2 and EB3
- deliberately constraining auction volumes, to manage the risk the stockpile poses to meeting the budgets.

ETS settings in the last two years have set more constrained auction volumes than the Commission recommended. Regular updates to ETS regulations have also supported confidence in the scheme.

Supporting Māori participation in emissions reductions

The Government also acknowledges the Commission's areas for attention relating to iwi, hapū and other Māori groups, including barriers to accessing funding and finance, and emission data.

Through the Māori Climate Platform, we are providing more than $12.1 million in funding to support initiatives across 77 marae throughout the motu. The platform is currently funded through to June 2027. We will consider any future funding beyond June 2027 through the normal government budget process.

The Government's Māori Development Fund, focused on Māori economic growth initiatives, is another source of funding for Māori-led climate projects. Budget 2026 allocated $38.21 million per annum to the fund from 1 July 2026.

We are also progressing several initiatives in agriculture that were not captured in the Commission's report. For example, the Accelerating New Mitigations programme has a workstream with dedicated funding to support Māori entities and agribusinesses to reduce on-farm emissions. This provides advice, support and funding for projects that cover research,

development, extension and adoption of low-emissions agriculture. It recognises the unique structures and investment horizons of Māori entities.

Similarly, the Ag Emissions Centre has a dedicated Māori research strategy which funds a range of research, particularly on ‘whole of whenua’ farm systems.

Conclusion

The Government thanks the Commission for its third annual emission reduction monitoring report, and its independent assessment of New Zealand’s progress towards meeting its emissions budgets and targets.

We will continue to monitor implementation progress and delivery risks through the annual adaptive management assessment. We will consider corrective action through that process, if risks materialise or the outlook for meeting the current budgets changes. At this early point in the EB2 period (and based on the updated 2025 emissions projections, and further policy progress since the Commission’s information cut-off), the Government has confidence that EB2 can be met.

Alongside this, we are progressing work to identify options for closing the projected gap to EB3 and supporting achievement of New Zealand’s longer-term climate change targets. This will provide increased confidence that EB3 can be met.

Aide Memoire

Next steps for the release of the 2026 response to the Climate Change Commission's Emissions Reduction Monitoring Report

Date:	28/09/2026	**Priority:**	Urgent	**Tracking number:**	26 BRF 02786

Information for Minister(s)
Hon Simon Watts **Minister of Climate Change**

Contacts for discussion

Name	Position	Telephone	1st contact
Kirsty Flannagan	Executive Director	021 042 0264	✓
Manon Julien	Senior Policy Advisor	9(2)(a)	

Annexes and attachments
Annex 1: Government response to the 2026 Climate Change Commission Emissions Reduction Monitoring Report

Purpose

To provide you with the final formatted version of the Government response to the Climate Change Commission's (the Commission) 2026 Emissions Reduction Monitoring Report (ERM report) for tabling in the House of Representatives (attached in Appendix 1).

Discussion

1. You have approved the Government response to the Commission's ERM Report (BRF-02596 refers). The response is required to be tabled in the House of Representatives by 1 October 2026 and made publicly available.

2. Your office provided the response to the Ministers of Finance, Energy, Transport, Agriculture and Forestry, and Environment for consideration and feedback. No comments were received.

3. The Government response will be released as a Category 3 market-sensitive publication and will be tabled in the House and published before market opening on 29 September 2026. No proactive announcement is planned. Officials will work with your office to coordinate tabling, publication, and associated communications materials.

4. Attached is the final formatted response (see Annex 1) that includes the following revisions:

    i. 9(2)(f)(iv)

    ii. Applied minor editorial and formatting revisions to remove duplicated information and tidy in-document references.

Next steps

5. The Government response to the ERM report will be tabled in the House before 7.30 am on 29 September 2026.

6. The Government response is a Parliamentary paper and, as such, the Office of the House needs two hard copies and a PDF copy by the morning of the day you wish to table the response. We will work with your office to support this process.

7. Once tabled, the Government response will be made publicly available on the Ministry for Cities, Environment, Regions and Transport (MCERT) website along with an accompanying news story.

8. If any media enquiries are received, the MCERT communications team will support you. A set of key messages and reactive Q&As were provided to your office separately on 24 September 2026.

Annex 1

Government response to the 2026 Climate Change Commission's Emissions Reduction Monitoring Report

[see attached report]