



## PROACTIVE RELEASE COVERSHEET

<b>Minister</b>	Hon Simon Watts	<b>Portfolio</b>	Climate Change
<b>Name of package</b>	Target 9 Reduced net greenhouse gas emissions	<b>Date to be published</b>	26/2/2025

### List of documents that have been proactively released

<b>Date</b>	<b>Title</b>	<b>Author</b>
17 October 2024	Target 9 Reduced net greenhouse gas emissions	Ministry for the Environment
22 October 2024	Cabinet Strategy Committee Minute of Decision: STR-24-MIN-0016	Cabinet Office

**Information redacted** **NO**

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

**Summary of reasons for redaction**



# Cabinet Strategy Committee

## Minute of Decision

---

*This document contains information for the New Zealand Cabinet. It must be treated in confidence and handled in accordance with any security classification, or other endorsement. The information can only be released, including under the Official Information Act 1982, by persons with the appropriate authority.*

---

### Target 9: Reduced Net Greenhouse Gas Emissions

**Portfolio**                      **Climate Change**

On 22 October 2024, the Cabinet Strategy Committee:

- 1        **noted** the advice on progress to meet New Zealand's 2050 net zero climate change targets, as set out in the slides under STR-24-SUB-0016;
- 2        **noted** that relevant agencies are working closely on a co-ordinated approach to *Target 9: Reduced net greenhouse gas emissions*, which is currently on track to be met.

Rachel Clarke  
Committee Secretary

---

**Present:**

Rt Hon Christopher Luxon  
Rt Hon Winston Peters  
Hon Nicola Willis  
Hon Brooke van Velden  
Hon Chris Bishop  
Hon Paul Goldsmith  
Hon Louise Upston  
Hon Judith Collins KC  
Hon Mark Mitchell  
Hon Simon Watts

**Officials present from:**

Office of the Prime Minister  
Office of Hon Simon Watts  
Ministry for the Environment  
Ministry for Primary Industries  
Officials Committee for STR

# Reduced net greenhouse gas emissions

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

**LEAD MINISTER** Hon Simon Watts, Minister of Climate Change

**LEAD AGENCY** Ministry for the Environment  
Chair of the Climate Change IEB, James Palmer

Agencies are working closely on a coordinated approach to ensure we can meet Target 9. The Government has published the Climate Strategy, taken decisions on ETS settings which have set us up to achieve our Emissions Budgets, and published the discussion document for the second emissions reduction plan (ERP2), which is now being finalised ahead of its publication in December 2024.

## THE CLIMATE STRATEGY

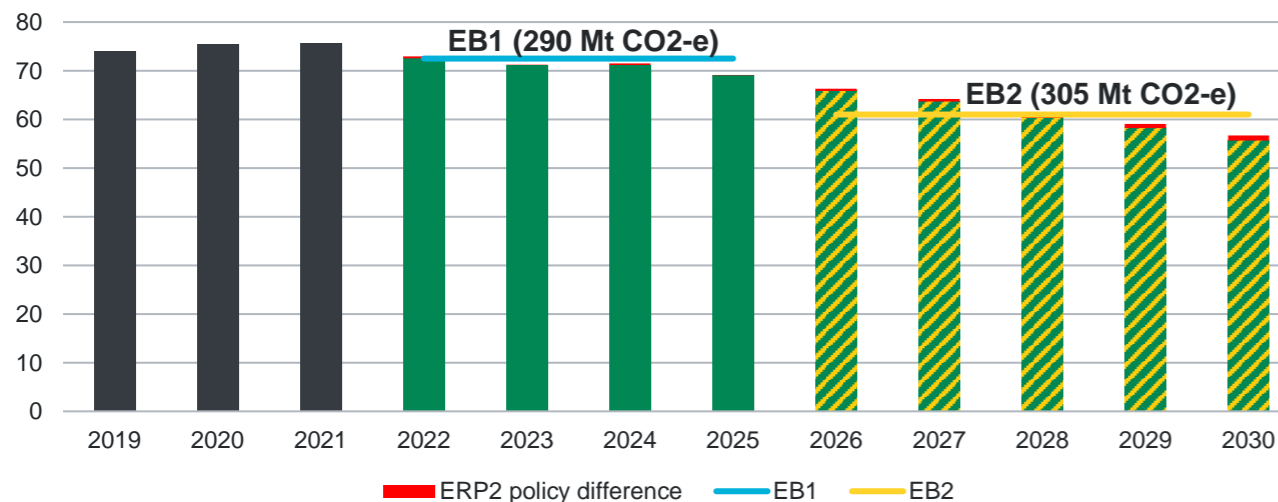
<b>Infrastructure is resilient and communities are well prepared</b>	<b>Credible markets support the climate transition</b>	<b>Clean energy is abundant and affordable</b>	<b>World-leading climate innovation boosts the economy</b>	<b>Nature-based solutions address climate change</b>

## WE ARE ON TRACK TO ACHIEVE TARGET 9

**EB1 (290Mt, 2022-2025):** On track, with a projected 5.5 Mt CO<sub>2</sub>-e (2%) overachievement. Surpluses can be carried into future EBs

**EB2 (305 Mt, 2026-2030):** On track. If proposed ERP2 policies are implemented as planned, we are projected to meet the target by a margin of 1.3 Mt CO<sub>2</sub>-e (0.4%)

## ERP2 emissions projections



\*Note all ERP2 and related numbers are subject to change as ERP2 modelling is finalised

## MANAGEMENT OF RISKS TO ENSURE WE REMAIN ON TRACK

### Risks to meeting our targets

① External factors can impact emissions more than changes in policy, and projections are uncertain



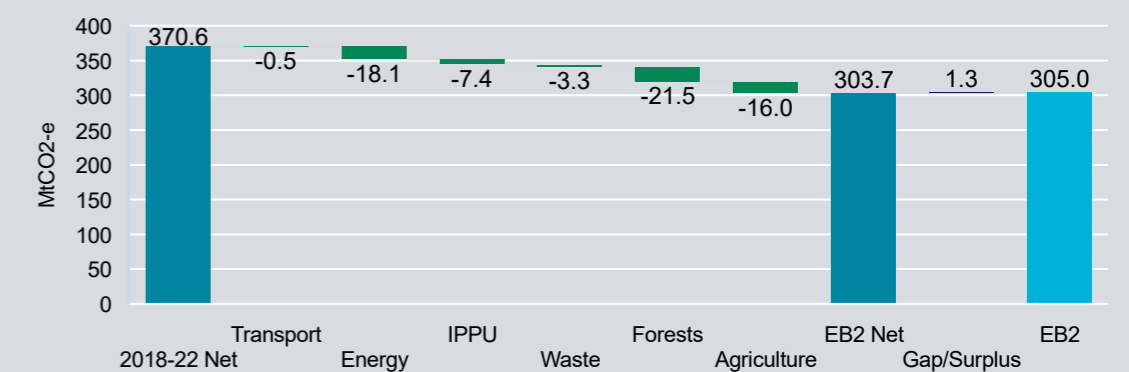
② The ETS will have less impact over time as the agricultural sector's share of emissions increase



③ Using short-term levers to reduce emissions quickly to meet targets can have high trade-offs. For example, additional policies may cost more than what the ETS would deliver over time, and may have stronger market impacts

### How we can manage these risks

- ✓ Ensure we execute ERP2 policies fully (described over the page)
- ✓ Take annual ETS setting decisions aligned with the delivery of EB2
- ✓ Regularly monitor progress and be prepared to react if needed



\*This waterfall plot shows sectoral emissions reductions and where we expect to land with net emissions in EB2

## ERP2 POLICIES REFLECT THE CLIMATE STRATEGY



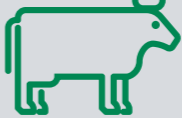
The Government's agreed strategic approach to achieving climate mitigation targets	Key lever	Minister
<p>The Government's overall approach to address mitigation is centred on taking a net-based, and least cost approach - enabled by a strong and credible Emissions Trading Scheme.</p> <p>The Government has taken recent decisions on NZ ETS settings that support the market's credibility.</p> <p>The NZ ETS will be supported by a package of enabling sector policies, that align with the Climate Strategy.</p>	<b>Annual NZ ETS Unit supply/ price settings</b>	Hon Simon Watts

Proposed supporting policies	EB2 abatement (Mt CO2-e)	Minister
<p><b>Electrify NZ – reduce consenting burden</b></p> <p>Faster and cheaper consents for renewable electricity generation will support greater investment in renewable electricity and grid infrastructure</p>	-0.1	Hon Simeon Brown
<p><b>Investigate carbon capture and storage (CCUS)</b></p> <p>Reduce barriers to carbon capture, utilisation and storage (CCUS), including by establishing a monitoring and liability regime and exploring NZ ETS treatment of CCUS</p>	-1.0	Hon Simeon Brown
<p><b>Target 10,000 electric vehicle (EV) charge points by 2030</b></p> <p>Facilitate private investment in EV charging infrastructure, and review Government co-investment approach to ensure it is fit for purpose</p>	-0.01	Hon Simeon Brown
<p><b>Agricultural mitigation technologies and emissions pricing</b></p> <p>Create and enable an environment where farmers and growers have the right tools and technologies to cost-effectively reduce their emissions without having to reduce production</p> <p>Price emissions in the agriculture sector no later than 2030</p>	-0.2	Hon Todd McClay
<p><b>Waste Minimisation Fund</b></p> <p>The Government has committed to investing a portion of the forecast waste levy revenue (through to 2030) into resource recovery systems and infrastructure that processes methane emitting organic waste</p>	-1.0	Hon Penny Simmonds
<p><b>Organic waste and landfill gas capture</b></p> <p>Work with industry to investigate opportunities to improve organic waste disposal and landfill gas capture</p>	-0.8	Hon Penny Simmonds
<p><b>HFCs - Refrigerants Regulated Product Stewardship scheme</b></p> <p>Introduce a regulated framework for an industry-led product stewardship scheme for refrigerants to reduce 'fugitive' gases</p>	-0.4	Hon Penny Simmonds

\*Note all ERP2 and related numbers are subject to change as ERP2 modelling is finalised

## THREE OPPORTUNITIES TO EXPLORE FURTHER EMISSION REDUCTIONS

Opportunity	Sector	High-level description
<p>① <b>Increase afforestation on Crown Land</b></p>	<p><b>Forestry</b></p> 	<p>Unlock at scale, planting opportunities on Crown Land to achieve both emissions abatement and economic outcomes.</p> <p><b>Significant potential in relation to long-term targets.</b></p>
<p>② <b>Develop further policies to complement NZ ETS-driven emissions reductions in the industrial sector</b></p>	<p><b>Energy and Industry</b></p> 	<p>Explore policies that could support the ETS to reduce emissions in the industrial sector. Provide greater certainty for industry to make step-change investments in low emissions plant and equipment (e.g. industrial allocation settings, addressing barriers to feedstock certainty and supply).</p> <p><b>Significant overall potential for near and medium term (EB2 and EB3).</b></p>
<p>③ <b>Accelerate development and commercialisation of agricultural mitigation technologies</b></p>	<p><b>Agriculture</b></p> 	<p>Support the development and commercialisation of agricultural mitigation technologies with the potential to deliver significant emissions reductions – getting tools into the hands of farmers faster.</p> <p>This includes continuing to invest in AgriZero, a public-private joint venture established to drive product development and commercialisation of mitigation tools.</p> <p><b>Significant potential to fundamentally move our emissions profile.</b></p>