

Transport sector

Transport provides significant opportunities to reduce emissions, lower costs and improve health and resilience, but relying on the few existing policies will not deliver these benefits.

Transport emissions come from burning fossil fuels for travel and freight movement by road, rail, air or coastal shipping. They can be reduced by decarbonising the light and heavy vehicle fleets, greater use of rail or coastal shipping for freight, as well as more fundamental shifts in how we plan, invest in and move around cities.

Transport accounts for about a fifth of the country's emissions. There is a risk that, without intervention, lower-emissions technologies and practices are missed out on and rising transport use offsets emissions reductions.

Snapshot of emissions

Total sector emissions	Percentage of projected net reductions (2026–2030)
13.8 MtCO _{2e} (2023)	8.7%
13.7 MtCO _{2e} (2024)	
Percentage of country's gross emissions	Change in emissions between 2023 and 2024
18.1%	–0.6% in passenger transport
	+0.2% in freight
	–1.5% in domestic aviation

Policy scorecard

Scorecards assess the adequacy of current policy and plans for reducing emissions in each sector, and determine if the risk has increased, decreased or remained the same as in our 2025 assessment.

– No change in risk since 2025 ↑ Increased risk since 2025

Policy area	Overall risk assessment	
	EB2	EB3
Reduce passenger transport emissions intensity	↑	↑
Reduce demand for high-emissions passenger transport	–	–
Reduce freight emissions intensity	–	–
Reduce demand for high-emissions freight	–	–
Reduce domestic aviation emissions	–	–

● Moderate risks ● Significant risks

Key findings



Changes in emissions

- Transport emissions declined slightly in 2024 to 13.7 MtCO₂e, down 0.1 MtCO₂e (0.5%) from 2023.
- Between 2023 and 2024, changes in emissions from passenger transport and freight were small. Aviation emissions fell slightly, despite domestic flight hours increasing to their highest point in over a decade, and road freight volumes continued to decline.



Policy changes in the last year

- Policy changes in the last year that could *reduce* emissions include time-of-use charging legislation and funding support for electric heavy vehicles.
- Policy changes that may *increase* emissions include changes to the Clean Vehicle Standard and its potential removal, and delays installing public electric vehicle (EV) charging points.



Risks to achieving planned emissions reductions

- There are significant risks in most areas. This is due to changes to the Clean Vehicle Standard, and uncertain timing of the Low Emissions Heavy Vehicle Fund (LEHVF) and the sustainable aviation fuel (SAF) mandate. As well, there are no policies to lower upfront purchase costs of light EVs or address the barriers identified in the Aotearoa New Zealand Freight and Supply Chain Strategy.

- In the second emissions budget period there are moderate risks to achieving a shift from cars to walking, cycling and public transport, and this rises to significant for the third budget. This is due to poor integration of land-use and transport planning, and reduced funding for walking and cycling infrastructure after 2027.



Areas for attention

- Supporting EV uptake in the light vehicle fleet with supply- and demand-side measures. Increased EV uptake helps achieve emissions reductions, is cheaper for households in the medium to long term, and provides resilience against international fuel price shocks.
- Integrating urban development and transport planning to encourage alternative transport modes. Compact, mixed-use areas that support walking, cycling and public transport can reduce emissions and deliver significant co-benefits.
- Incentivising zero-emissions heavy road freight. The electrification of a wide range of heavy vehicles is being proven through trials and fleet conversions, and continued support can help overcome cost and charging barriers.



Opportunities for further reductions

- Battery technology such as vehicle-to-grid (V2G) and vehicle-to-home (V2H) is maturing and offers potentially significant benefits to consumers and the energy system as it gets closer to commercialisation.
- EVs are increasingly available at prices comparable to or better than internal combustion engine (ICE) vehicles after five years. High petrol prices improve this case, and a wider range of EV models and falling battery costs continue to drive lower EV prices.

Overall findings of the 2026 report

- Greenhouse gas emissions are gradually falling, but the pace needs to more than double.
- The risks to meeting the country's emissions goals have increased. If additional action does not occur in the next one to two years, it will no longer be feasible to meet the 2030 biogenic methane target or the third emissions budget.
- Climate disruption and economic impacts in Aotearoa New Zealand are growing, and greater and more durable emissions reductions are needed to manage these risks.
- Acting earlier to reduce emissions can strengthen resilience, reduce exposure to shocks, and lower costs for households, businesses and the country.

About emissions reduction monitoring

Each year, He Pou a Rangi Climate Change Commission (the Commission) independently monitors Aotearoa New Zealand's progress on reducing greenhouse gas emissions. These reports form a picture over time, showing how the country is tracking towards its climate change goals.

This is our third annual report. It tracks emissions reductions overall, as well as the government's progress towards meeting the second and third emissions budgets and the 2050 target.

New Zealand's Greenhouse Gas Inventory provides emissions data up until the end of 2024; Stats NZ estimates and Government projections supplement this to provide a more up-to-date picture.

Want to read more?

There are also summaries of the agriculture; waste and fluorinated gases; energy, industry and buildings; and forestry sectors, as well as on progress, risks and further opportunities centred on iwi/Māori.

These summaries and the full report – along with the executive summary and a one-page summary of our findings – are on the Commission's website: climatecommission.govt.nz/ERM-2026.