

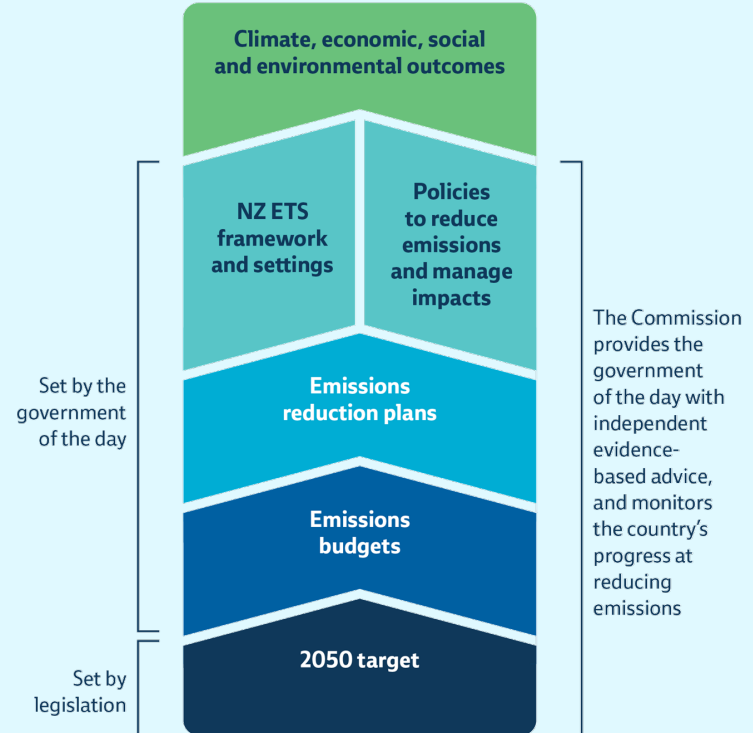
Emissions Reduction Monitoring 2025

July 2025

Jo Hendy, Chief Executive
Rob Carr, Project Director

Commission's role

- We provide independent, evidence-based advice to government
- We monitor the country's progress towards our climate change goals
- Our research and analysis provides insights into progress, challenges, risks and opportunities
- Annual emissions monitoring builds a picture over time



What we do and why

Purpose

What's measured, gets managed

Course-correction

Accountability

Requirements

Emissions and removals

Projections

Assessment of adequacy, progress, and new opportunities

Approach to report

- We have used the same approach and framework as last year.
- Since our 2024 report, the Government has finalised the second emissions reduction plan. This means that the factors that we assessed against have changed.
- Our review covers latest available data, and government policy and action for the 12 months up to 1 April 2025.
- This year, there are summaries for different audiences.

How it all fits

Our work

Emissions budgets and 2050 target

NZ ETS

Annual emissions monitoring report tracks

Purpose

To advise the Government whether budgets and target should or shouldn't be changed

Align unit volumes in the scheme with the Government's plan to meet current budgets and targets

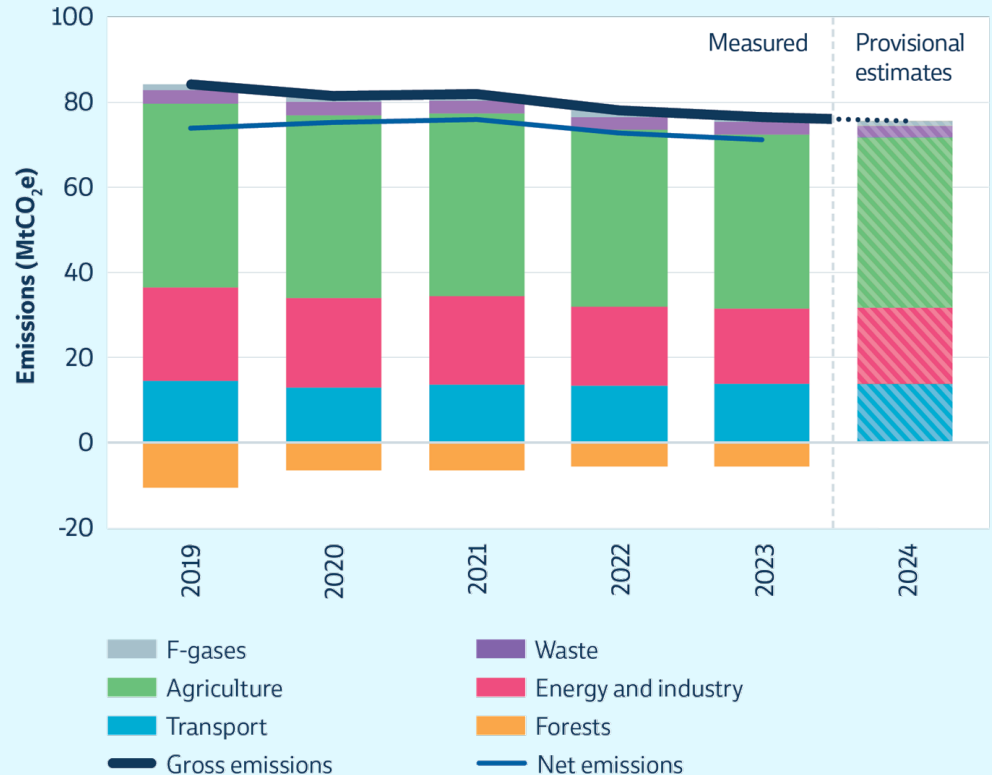
Tracks progress against current emissions budgets and 2050 target, and assesses whether the Government's emissions reduction plan is adequate

Our findings

- The country is making progress on reducing greenhouse gas emissions
- Emissions are on track for the first budget, but will need more work – urgently – to set up for future reductions
- Action across a wide range of sectors can strengthen the country's resilience to changing global conditions

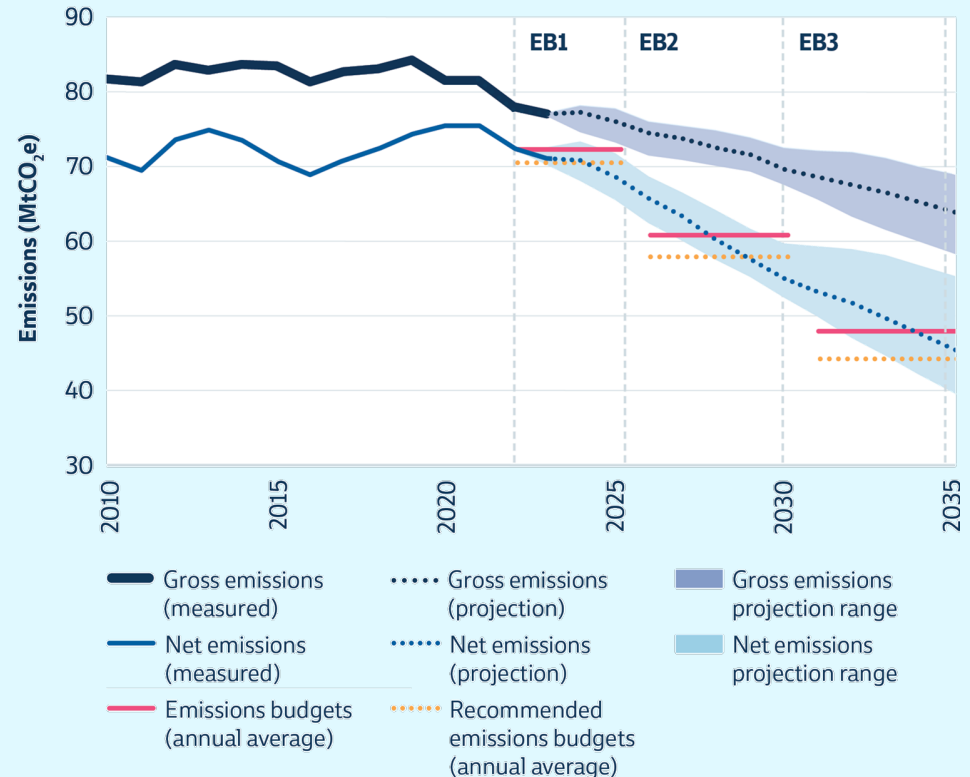
Emissions

- Gross emissions have declined steadily since 2019
- Both net and gross emissions reduced by 2% between 2022 and 2023



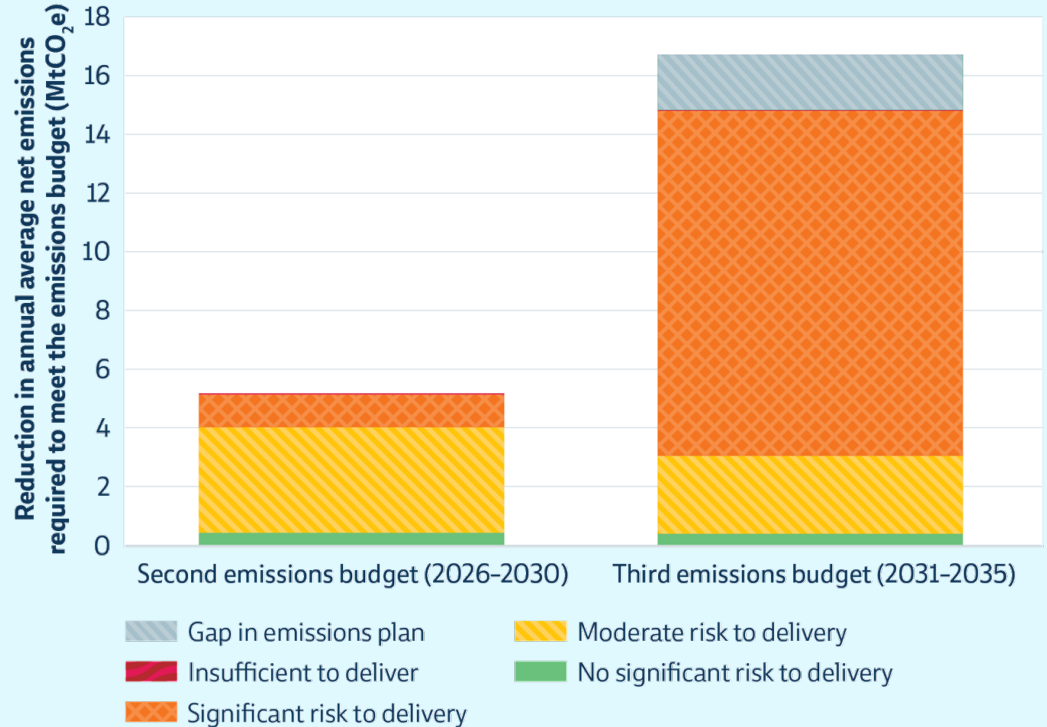
Projections

- Government projections are consistent with the first and second budgets being met
- However, greater reductions would be needed to meet the current third emissions budget or if budgets are revised



Risks

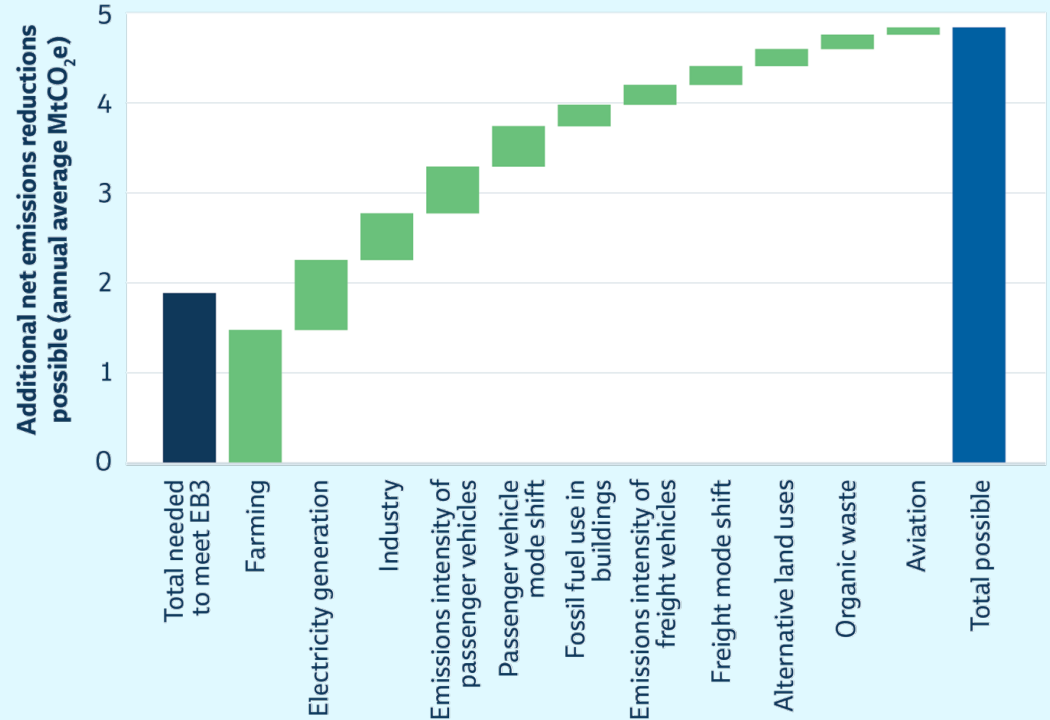
- First emissions budget: electricity generation, forests, inventory change
- Second and third budgets: energy and industry, forests
- Buffers are critical



Opportunities

- Supporting agricultural producers to take up new tech and farm practices will maximise competitive advantage and realise benefits of Government's investments
- Falling prices for solar, EVs, and batteries could accelerate the shift to an affordable and reliable low-emissions energy system
- Supporting private sector and Māori-led action can deliver additional reductions and wider benefits without significant fiscal cost

Opportunities in third budget period



Recommendation

We recommend the Government acts ahead of the third emissions reduction plan, to reduce risk for the second emissions budget and get on track for the third budget *and* 2050 target, by:

- strengthening the New Zealand Emissions Trading Scheme (NZ ETS) to ensure it can be effective as a key policy tool for reducing emissions *and*
- implementing additional targeted policies to complement the NZ ETS, focused on renewable energy, transport and agriculture.

What's next?

- Government has 3 months to respond.
- Find out more on our website:

One-page A3	Summarises key findings, facts and figures
Summaries	At a glance, sector & whakahekenga rehukino summaries
Main report	Sets out the Commission's findings in full
Technical Annex + data	Technical annex sets out more detail on methods and data & we've released data we've relied on

Pātai?

Want to get in touch?
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He Pou a Rangi
Climate Change Commission