

Hon Simon Watts, Minister of Climate Change, Energy & Resources  
Parliament Buildings, Wellington

Cc: The Prime Minister; Minister of Finance; Minister of Transport; Minister of  
Agriculture

**Re: Government response to Climate Change Commission advice on the 2050  
target**

10 December 2025

Dear Minister Watts,

As professionals passionate about Aotearoa New Zealand's future prosperity and desirability, we are writing to express our concern that the Government's response to *He Pou a Rangi—Climate Change Commission's 2024* advice risks undermining the country's opportunity for economic growth, investment certainty, competitiveness, and our international standing.

Specifically, the decisions to **(i)** continue excluding international shipping and aviation from the 2050 long-lived gases target, **(ii)** reset the biogenic methane pathway to 14–24% by 2050, **(iii)** defer clarity on further reductions beyond 2050 and **(iiii)** reject the recommendation to strengthen net zero long-lived gas target to -20Mt CO<sub>2</sub>e by 2050 do not reflect the market realities New Zealand faces, nor do they address the worsening impact of climate on the country.

We acknowledge that the Climate Change Response Act 2002 imposes no obligation upon the Government to accept the Commission's advice as given. However, we believe that it is strongly in New Zealand's interests to accept the Commission's advice on the grounds of market alignment and economic strategy.

### **Introduction to Kiwis in Climate**

[Kiwis in Climate](#) ("KiC") is a global professional network of 300 New Zealanders working in climate and sustainability. Our members include executive leaders and

experts from a range of fields including business, non-profit, science, law, engineering, and policy, and are spread across the world from Auckland and Wellington to London and New York.

The diverse make-up of KiC gives us a unique view of Aotearoa New Zealand's action on climate change on the global stage as well as the opportunities from collective global progress on climate change. Collective views are informed by world leading practice by Kiwis who are on the ground developing the solutions.

### **The economic argument**

The argument that the Commission's advice comes at too high an economic cost to New Zealand is incorrect when both the cost of inaction, and the opportunity for growth from decarbonisation, are considered. The use of integrated assessment models (IAMs) by Treasuries and Central Banks fail to capture potential for exponential clean tech growth,<sup>1</sup> and the exponential downsides of business as usual emissions increasing the risk of breaching climate tipping points<sup>2</sup> - as acknowledged by the Bank of England.<sup>3</sup>

New Zealand has already faced significant economic losses from climate-related events. Since 2010, the total cost of natural hazards to New Zealand has reached \$64 billion.<sup>4</sup> Against this backdrop, the Commission's recommendations should be viewed not as an excessive burden but as a pathway to unlock direct economic benefits and opportunities.

In addition, ambitious emissions targets have the possibility of delivering higher economic growth than maintaining the status quo. There are potential economic gains from innovation, resilience, and opportunities created by the low-carbon transition - decisive action could deliver \$64 billion of additional economic gain to New Zealand's economy by 2050.<sup>5</sup>

Furthermore, stable and ambitious policy settings are essential for the market, as they provide the foundation for capital investment, drive innovation, and secure supply chain commitments. Climate policy is no exception. A weaker methane trajectory and partial-economy coverage sends a negative signal to trading partners and financiers increasingly screening for robust decarbonisation pathways.

### **The opportunity for action**

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<sup>1</sup> <https://www.volts.wtf/p/learning-curves-will-lead-to-extremely>

<sup>2</sup> <https://global-tipping-points.org/>

<sup>3</sup> Refer BoE PRA Supervisory Statement – SS4/25, p6

<https://www.bankofengland.co.uk/-/media/boe/files/prudential-regulation/supervisory-statement/2025/ss425-december-2025.pdf>

<sup>4</sup> <https://www.iag.co.nz/newsroom/news-releases/iag-sapere-report-nz-natural-hazard-spending>

<sup>5</sup> <https://www.deloitte.com/nz/en/about/media-room/decisive-climate-action-could-add-64-billion-to-new-zealands-economy.html>

Decarbonisation is a major opportunity for New Zealand. Around the world, economies that act early on climate are attracting investment, building new industries, and creating high-value jobs. New Zealand is well-positioned to do the same. Our abundant renewable energy resources, strong agricultural science capability, and innovative technology sector mean we can lead rather than follow.

More than 70% of New Zealand's export value is directed to economies that have already implemented—or are in the process of introducing—mandatory climate-related financial disclosures. This signals a decisive shift in global risk management and transparency standards across our key trading partners. These markets increasingly expect businesses to demonstrate credible climate strategies, emissions reporting, and resilience planning as part of their license to operate. Diluting domestic climate targets in response to short-term pressures risks sending the wrong signal to these partners. Such a move could undermine New Zealand's reputation as a trusted, future-focused trading nation and jeopardize access to markets where climate alignment is becoming a prerequisite for participation.

### **Our ask**

We request the Government:

1. **Restore a 1.5 degree methane pathway**—commit to a 35–47% gross reduction by 2050, while maintaining the 10% by 2030 milestone.
2. **Include international shipping and aviation** emissions within the 2050 long-lived gases target to reflect full-economy responsibility and international practice.
3. **Commit to net-negative long-lived gases and further reductions post-2050**, consistent with the Commission's advice and peer-country pathways.
4. **Provide a clear timetable for emissions budget decisions** and near-term implementation measures that give firms the confidence to invest.
5. **Develop a strategy for international carbon trading**, as Australia is doing, to allow for the opportunity to enter Article 6 carbon markets, when the need arises, in recognition of the fact that New Zealand's commitment of a 50 percent reduction in emissions below 2005 levels was always based on a combination of domestic and international action.

These adjustments would strengthen New Zealand's climate credibility, reduce long-run costs, and position our economy to protect and enhance existing economic activity and capture the productivity and resilience benefits of the transition.

### **Our offer**

As a broad collective of technical experts spanning multiple disciplines, we bring deep, practical expertise to climate issues and are here to help the government fully realise the opportunities they present.

We welcome the opportunity to meet with you and officials to discuss pragmatic, investable pathways so that policy certainty is matched by delivery on the ground.

Yours sincerely,

**Kiwis in Climate**

*A global network of New Zealand climate and sustainability professionals*

[www.kiwisinclimate.org](http://www.kiwisinclimate.org)

