

OC260287

12 June 2026

Spencer Jones

[fyi-request-34431-c52e7e78@requests.fyi.org.nz](mailto:fyi-request-34431-c52e7e78@requests.fyi.org.nz)

Tēnā koe Spencer,

I refer to your email dated 8 April 2026, requesting the following under the Official Information Act 1982 (the Act):

*“Copies of any documents held from 1 January 2015 to present that:*

1. *Assess or analyse the atmospheric impacts of shipping emissions, including:*
  - *sulphur dioxide (SO<sub>2</sub>)*
  - *sulphate aerosols*
  - *particulate matter*
2. *Evaluate or discuss:*
  - *aerosol–cloud interactions*
  - *cloud condensation nuclei (CCN)*
  - *cloud formation or reflectivity*
  - *rainfall or precipitation effects*
3. *Relate to implementation or impacts of:*
  - *MARPOL Annex VI*
  - *Marine Protection Rules Part 199*
4. *Include any modelling, monitoring, or scientific assessments of:*
  - *coastal air quality near ports*
  - *secondary sulphate formation*
  - *observable “ship track” phenomena”*

On 29 May 2026 we issued you a decision letter and partial response in relation to your request and advised we intended to release the other two documents to you in part, but that further consultations were required on the papers before a decision could be communicated to you. We advised we would provide this to you no later than 12 June 2026.

We have now completed the necessary consultations to make a decision on the remaining two documents in scope of your request. The document schedule attached as Annex 1 outlines how the have been treated under the Act. Certain information is withheld under the following sections of the Act:

- 6(a) as release would be likely to prejudice the security or defence of New Zealand or the international relations of the New Zealand Government
- 9(2)(a) to protect the privacy of natural persons

- 9(2)(ba)(i) to protect information which is subject to an obligation of confidence or which any person has been or could be compelled to provide under the authority of any enactment, where the making available of the information would be likely to prejudice the supply of similar information, or information from the same source, and it is in the public interest that such information should continue to be supplied
- 9(2)(f)(iv) to maintain the constitutional conventions for the time being which protect the confidentiality of advice tendered by Ministers of the Crown and officials
- 9(2)(g)(i) to maintain the effective conduct of public affairs through the free and frank expression of opinions by or between or to Ministers of the Crown or members of an organisation or officers and employees of any public service agency or organisation in the course of their duty
- 9(2)(h) to maintain legal professional privilege
- 9(2)(j) to enable a Minister of the Crown or any public service agency or organisation holding the information to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations)

With regard to the information that has been withheld under section 9 of the Act, I am satisfied that the reasons for withholding the information at this time are not outweighed by public interest considerations that would make it desirable to make the information available.

If you would like to discuss this decision with us, please do not hesitate to contact us at [OIA@transport.govt.nz](mailto:OIA@transport.govt.nz).

You have the right to seek an investigation and review of this response by the Ombudsman, in accordance with section 28(3) of the Act. The relevant details can be found on the Ombudsman's website [www.ombudsman.parliament.nz](http://www.ombudsman.parliament.nz).

The Ministry publishes our Official Information Act responses and the information contained in our reply to you may be published on the Ministry's website. Before publishing we will remove any personal or identifiable information.

Nāku noa, nā



Mary Craythorne  
**Manager, Environment**

## Annex 1: Document Schedule

Doc #	Reference number	Date	Document title	Decision on request
8.	OC250051	12/03/2025	Briefing: International Maritime Organisation: Approach to Upcoming Decarbonisation Negotiations	Release with some information withheld under sections 6(a), 9(2)(a), 9(2)(f)(iv) and 9(2)(j). Annex 2 was treated in Document 7 in our partial response of 29 May 2026.
9.	OC250591	26/09/2025	Briefing: International Maritime Organisation: Seeking Decisions on Net-Zero Framework Negotiations	Release with some information withheld under sections 6(a), 9(2)(a), 9(2)(ba)(i), 9(2)(f)(iv), 9(2)(g)(i), 9(2)(h) and 9(2)(j). Annex 3 was treated above in Document 7 in our partial response of 29 May 2026.



12 March 2025

OC250051

**Hon James Meager**

**Action required by:**

**Associate Minister of Transport**

**Tuesday, 18 March 2025**

**Relevant Ministers to consider by:**

**Tuesday, 25 March 2025**

## **INTERNATIONAL MARITIME ORGANIZATION: APPROACH TO UPCOMING DECARBONISATION NEGOTIATIONS**

### **Purpose**

The International Maritime Organization (IMO) is currently negotiating measures to lower the emissions from international shipping. This briefing outlines our proposed approach to these negotiations using the Cabinet mandate agreed in September 2024.

### **Key points**

- IMO member states are negotiating measures to meet the IMO targets agreed in the 2023 Strategy on the Reduction of Greenhouse Gas (GHG) Emissions from Ships. States have agreed that the measures will include a global fuel standard (likely a sinking lid on the emissions intensity of maritime fuels), and an emissions pricing mechanism – which could be a compliance credit trading scheme or a per-tonne of emissions levy.
- We propose to approach these negotiations utilising the existing negotiating mandate approved by Cabinet (CBC-24-MIN-0088, attached). This mandate gives the Ministers of Trade, Climate Change, Foreign Affairs and yourself the power to make decisions on negotiations that are within the mandate’s policy settings.
- An agreement on the global fuel standard is close, and we do not require Ministerial direction on progressing this. Member states’ positions around the emissions pricing mechanism are less clear, and this briefing seeks Ministerial direction on how to approach the April negotiations.

s 9(2)(j)

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- <sup>s 9(2)(j)</sup> [Redacted]
- [Redacted]
- [Redacted]

- If a pricing mechanism is agreed to in April, states will meet again in October 2025 <sup>s 9(2)(f)(iv)</sup> [Redacted]. We will provide you with advice prior to this on the forecasted impact on New Zealand's economy.

**Recommendations**

We recommend you:

- 1 <sup>s 9(2)(j)</sup> [Redacted]
- 2 [Redacted]
- 3 [Redacted]
- 4 [Redacted]

Yes / No

Yes / No

- 4 **agree** to forward this briefing to the Ministers of Trade, Foreign Affairs, and Climate Change for their consideration by Tuesday 18 March 2025 and to seek their feedback by Tuesday 25 March 2025, to ensure officials receive guidance prior to meetings beginning 30 March.

Yes / No

- 5 **agree** to forward this briefing to the Prime Minister and Minister of Finance for their information.

Yes / No

*8/2/2025*

Siobhan Routledge, Acting Deputy Chief Executive, Policy	Rt Hon Winston Peters Minister of Foreign Affairs	Hon Todd McClay Minister for Trade and Investment Minister of Trade	Hon Simon Watts Minister of Climate Change	Hon James Meager Associate Minister of Transport
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Minister's office to complete:

Approved

Declined

Seen by Minister

Not seen by Minister

Overtaken by events

Comments

### Contacts

Name	Telephone	First contact
Siobhan Routledge, Acting Deputy Chief Executive, Policy	s 9(2)(a)	
Nick Paterson, Manager, Environment		✓

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# APPROACH TO UPCOMING DECARBONISATION NEGOTIATIONS

## *New Zealand and The International Maritime Organization (IMO)'s Strategy on the Reduction of Greenhouse Gas Emissions (GHG) from ships*

- 1 The International Maritime Organization (IMO) is the United Nation's (UN) specialised agency with responsibility for the safety and security of shipping and the prevention of marine and atmospheric pollution by ships. International shipping transports more than 80 percent of global trade to peoples and communities all over the world.
- 2 New Zealand and other IMO member states are negotiating measures to meet the IMO targets agreed in the 2023 Strategy on the Reduction of GHG Emissions from Ships. The Strategy targets net-zero GHG emissions for international shipping by 2050. It sets 2030 progress targets to reduce total emissions by a minimum of 20%; carbon intensity by at least 40%, and to achieve at least 5% uptake of zero emissions fuels. The measures will be finalised in 2025 with entry into force by 2027.

3 s 9(2)(j)

- 4 The Strategy aims to enhance the IMO's contribution to global decarbonisation efforts like the Paris Agreement. It also emphasises addressing the potential impacts of these efforts on states and recognising the importance of shipping in supporting global trade.

### *Agreement to date and focus of upcoming negotiations in April*

- 5 All member states, including New Zealand, agreed in October 2023 that the measures will include a global fuel intensity measure<sup>1</sup>. Negotiations in early April will focus on finalising the fuel intensity measure and an emissions pricing mechanism.

### *Agreement on the fuel intensity measure is close*

- 6 A consensus is emerging over the fuel intensity measure and the complex mechanisms by which it is defined, therefore negotiations around a global fuel intensity measure do not require additional Ministerial decisions.
- 7 There may be disagreements at the April negotiations about whether this fuel intensity measure should also feature financial incentives and disincentives. For example, where low or zero emissions shipping is financially rewarded by penalising those above an agreed level of emissions.

8 s 9(2)(j)

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<sup>1</sup> Expected to set a sinking lid on the emissions intensity of maritime fuels and potentially create a scheme where shipping operators are rewarded for using low or zero emissions fuel, while financially penalising those emitting above an allowed level.

*Agreement on an emissions pricing mechanism is less clear, and we are seeking your direction*

9 An emissions pricing mechanism is more contentious than the fuel intensity measure and other member state's positions are evolving<sup>2</sup>.

10 Therefore, we require guidance from Ministers on what New Zealand's position should be ahead of the negotiations in April.

s 9(2)(j)

*A lack of an overarching emissions pricing mechanism could lead to businesses having to expensively comply with multiple individual mechanisms*

15 We note that having an agreed IMO emissions pricing mechanism would avoid the risk of New Zealand businesses needing to comply with an increasing number of individual country regimes.<sup>4</sup>

*Next steps and further advice to Ministers*

16 If consensus is reached on an emissions pricing mechanism, we will have until October 2025 to consider it and raise any concerns on how it may disproportionately impact New Zealand. We will provide you with further advice, including a briefing on the forecasted impacts on New Zealand's economy.

17 If no progress is made in April, negotiations will likely be shelved until October. It is possible that additional intersessional negotiations may be established.

s 6(a)

<sup>4</sup> New Zealand exporters already face charges for international shipping emissions on goods exported to the EU. s 6(a)

- 18 The IMO Secretariat may invite responsible Ministers (in this case, the Associate Minister of Transport) to negotiate in October. If this occurs, we will provide you with a briefing outlining possible ways to engage.
- 19 Any agreed pricing mechanism will likely enter into force in March 2027.

*Connections to the Climate Change Commission's 2050 advice*

- 20 The Climate Change Commission in December 2024 recommended that international aviation and shipping emissions be included in New Zealand's 2050 target. Cabinet is yet to respond or make decisions based on this advice. <sup>s 9(2)(f)(iv)</sup>

*Consultation with agencies*

- 21 We have worked closely with Maritime New Zealand, the Ministry of Foreign Affairs and Trade, the Ministry for the Environment and the Treasury have been consulted.

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**ANNEX 1 – CONTEXT ON NEGOTIATIONS AND THE CURRENT STATE OF PLAY**

**The International Maritime Organization (IMO) is negotiating measures to decarbonise international shipping – we require decisions from you on our approach.**

1 A global approach to tackle these emissions (which sit outside the Paris Agreement) is important to New Zealand’s net zero transition given our reliance on international shipping, and export market demand to reduce embedded emissions including from transport.

2 Advice to Cabinet is pending on a response to the Climate Change Commission’s recommendation to bring international shipping emissions into the scope of New Zealand’s domestic 2050 target. <sup>s 9(2)(f)(iv)</sup>



3 States have agreed that the measures will include a global fuel standard, which will become progressively stricter over time, and an emissions pricing element. The pricing mechanism is contentious, but, if agreed, most likely to take the form of a per-tonne of emissions levy.

4 If a super majority of IMO member states (2/3<sup>rd</sup>s of membership) agree to a global emissions pricing mechanism, this would be likely be implemented directly by the IMO, with compliance enforced by flag states. <sup>s 9(2)(j)</sup>



5 IMO modelling suggests that under all combinations of proposed emission reduction measures there will be increased maritime logistics costs, Consequently, all states would see trade cost impacts on potential GDP growth regardless of the emission reduction measures chosen. However, impacts are of a scale that is less than current market fluctuations in shipping costs. Importantly, the modelling did not account for technological change, or net-zero transition of the rest of the economy, both of which would mitigate negative, and potentially support positive, impacts.

6 In September 2024, Cabinet agreed to a negotiating mandate (OC240671 refers). This mandate proposed the following principles for engagement at the IMO:



s 9(2)(j)

s 6(a)

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s 9(2)(j)

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## ANNEX 2 – CABINET MINUTE ON NEGOTIATING MANDATE

Annex 2 is treated in document 7 of our partial response of 29 May 2026 and was refused as it is publicly available on the Ministry's website here: <https://www.transport.govt.nz/assets/Uploads/Proactive-release-IMO-Minute-of-Decision-and-Cabinet-Report.pdf>

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26 September 2025

OC250591

Hon James Meager

Action of all required by:

Associate Minister of Transport

Friday, 3 October 2025

Rt Hon Winston Peters

Minister of Foreign Affairs

Hon Todd McClay

Minister for Trade and Investment

Hon Simon Watts

Minister of Climate Change

## INTERNATIONAL MARITIME ORGANIZATION: SEEKING DECISIONS ON NET-ZERO FRAMEWORK NEGOTIATIONS

### Purpose

Seeking agreement to support the draft package of emissions reduction measures that comprise the International Maritime Organization's (IMO) Net-Zero Framework at October negotiations.

### Key points

- IMO members approved a draft Net-Zero Framework in April by majority vote. The Framework is designed to put the international shipping industry on track for transition to Net Zero by or around 2050, providing regulatory certainty to enable investment.
- New Zealand abstained from the April vote. The Framework's impact on New Zealand at that time was not clear. <sup>s 6(a)</sup>
- This successful vote was a result of compromise, which saw a direct, per tonne of emissions levy sought by ambitious countries rejected in favour of a lower cost greenhouse gas fuel intensity mechanism. Ships above an allowed emissions intensity limit will be charged, those under it rewarded.

- The Framework will take effect from 2027 if two thirds of voting IMO members (including flag states representing at least 50% of the world's shipping fleet) support formal adoption at a special IMO session in October.

- If adopted, the Framework will add to the cost of sea freight, and shipping operators may pass this on to consumers. While difficult to account for the response of the market, trading partners, and shipping operators, <sup>s 9(2)(f)(iv)</sup>

(assuming that 50% of costs of international shipping to and from New Zealand is passed on to New Zealand businesses and industry responds via slowly improving the efficiency of the fleet).

- However, the Framework will provide a level playing field for addressing emissions from ships. If a global framework cannot be agreed to, seaborne trade could be subject to a proliferation of emissions reduction measures, increasing compliance costs and uncertainty <sup>s 6(a)</sup>

- Additionally, we assess that the Framework is consistent with the Government's least cost and market-based approach to transition. <sup>s 9(2)(i)</sup>

- <sup>s 9(2)(g)(i)</sup>

- <sup>s 6(a)</sup>

- <sup>s 9(2)(j)</sup>

-

s 9(2)(j)

s 9(2)(h)

**Recommendations**

1

s 9(2)(j)



2

Yes / No

3

**agree** to forward this briefing to the Prime Minister and Minister of Finance for their information

Yes / No

 Nick Paterson <b>Manager,                  Environment,                  Ministry of                  Transport</b>	 Alice Revell <b>Acting Deputy                  Secretary,                  MLG, Ministry                  of Foreign                  Affairs and                  Trade</b>	Rt Hon Winston Peters <b>Minister of                  Foreign Affairs</b>	Hon Todd McClay <b>Minister for                  Trade and                  Investment</b>	Hon Simon Watts <b>Minister of                  Climate                  Change</b>	Hon James Meager <b>Associate                  Minister of                  Transport</b>
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Minister's office to complete:

Approved

Declined

Seen by Minister

Not seen by Minister

Overtaken by events

Comments

**Contacts**

Name	Telephone	First contact
Nick Paterson, Manager, Environment, Ministry of Transport	s.9(2)(a)	✓
Nathan Glassey, Manager, Climate Change Unit, Ministry of Foreign Affairs and Trade		✓
Paul Hawkes, Senior Adviser, Environment		

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## INTERNATIONAL MARITIME ORGANIZATION: SEEKING DECISIONS ON NET-ZERO FRAMEWORK NEGOTIATIONS

### Cabinet gave you and your colleagues a mandate

1. <sup>s 9(2)(j)</sup> [REDACTED]
2. This mandate also authorised the Ministers of Foreign Affairs, Trade, Climate Change and Associate Transport to make final decisions as part of negotiations. If these decisions are consistent with the negotiating mandate, you will not be required to return to Cabinet to confirm our approach to negotiations.
3. Following the conclusion of negotiations, Cabinet will have the opportunity to consider the final detail of the Net Zero Framework as well as a proposed programme of implementation.

### The Net-Zero Framework

4. Negotiations in April focused on whether the Framework should include both a fuel intensity mechanism and a direct levy on emissions from shipping. The levy concept was particularly contentious and was set aside in favour of a compromise that involved pricing centred on the fuel intensity mechanism. Saudi Arabia still called a vote to put opposition to the Net Zero Framework on record. The overall result was <sup>s 9(2)</sup> in favour, including <sup>s 6(a)</sup> <sup>s 6(a)</sup> and flag states covering a majority of the global fleet. <sup>s 9(2)(j)</sup> oil producing countries opposed, and <sup>s 9(2)</sup> countries abstained, <sup>s 6(a)</sup> in protest at what they perceived to be insufficient ambition.
5. We gauge it likely that a vote will be called again in October. New Zealand abstained in April, in line with Ministerial direction (OC250051 refers). <sup>s 9(2)(j)</sup> [REDACTED]
6. The draft Framework will take effect from 2027 if two thirds of voting IMO members (including flag states representing at least 50% of the world's shipping fleet) support formal adoption at the October session.

*The vote will be to support or oppose the Framework's fuel intensity mechanism*

7. The draft Framework includes a 'Greenhouse-Gas Fuel Intensity' (GFI) pricing mechanism. For each year out to 2050 there will be a negotiated 'GFI' defined in grams of CO<sub>2</sub> emissions per megajoule of energy coming from a ship on a 'well to wake' (i.e. measuring emissions from the original source of the fuel all the way until it is emitted from the ship) basis.

8. Ships will either be compliant or non-compliant with either a 'base' or 'direct' GFI. The 'base' target is set at a higher level than the 'direct.' If a ship's fuel intensity is between these two levels, it will be required to purchase a \$USD 100 per tonne of emissions credit from the IMO to offset this. If a ship's fuel intensity is above the 'base' level, the ship will be charged \$USD 380 per tonne of emissions over that point (as well as the earlier \$USD 100 per tonne level). This mechanism encourages the market to decarbonise by making non-compliance expensive as the allowed fuel intensity levels will decrease over time.

9. The GFI represents a cost-effective approach for New Zealand and will mitigate against disproportionate impact due to distance to markets, as ships have a pathway to compliance on a fuel intensity basis rather than having to pay a cost per-tonne of emissions. <sup>s 9(2)(f)(iv)</sup>

[Redacted]

10. <sup>s 9(2)(j)</sup>

[Redacted]

<sup>s 9(2)(j)</sup>

[Redacted]

13. Modelling undertaken by the IMO as part of its Comprehensive Impact Assessment (CIA) of potential measures indicated that New Zealand's rate of GDP growth could be around 0.3% lower in 2050 than would otherwise be the case without measures. This analysis is 'point in time' analysis and does not account for technological change over time. This study also estimated that increased maritime logistics costs would see a small negative impact on annual export revenue over time relative to what this revenue would have been otherwise, of around 0.2% by 2030 and 0.8% by 2050.

14. <sup>s 9(2)(f)(iv)</sup>

[Redacted]

15.

s 9(2)(f)(iv)

s 9(2)(f)(iv)

*Industry is generally supportive of the Net-Zero Framework*

19. The New Zealand Shipping Federation (NZSF) are supportive of the Framework but share global industry concerns about the availability of low or zero emissions fuel. The Framework should over time significantly increase the availability of these fuels. Financial incentives placed on the market will spur considerable development of alternative fuels to help shipping operators avoid penalties.
20. Representatives from Maersk (one of the largest shipping companies in the world) have informed us that industry orders for new ships are already switching to low or zero carbon based engines.
21. Zespri have informed officials that they are supportive of the Net-Zero Framework. In their view, a single, global framework that applies financial incentives and penalties to shipping emissions is easier to comply with than the possibility of multiple, different systems.
22. The Council of Cargo Owners which is comprised of largescale exporters (including Zespri) have also indicated to us support for the Framework.

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<sup>1</sup> This analysis is based on a model where the shipping fleet slowly decarbonises over time in response to the Net-Zero Framework, as well as reflecting that ships do not always carry the maximum possible cargo (which corresponds to lower fuel burn).

23. s 9(2)(ba)(i) note that New Zealand is generally served by older, less efficient vessels, which will be relatively penalised in comparison. This issue is longstanding (New Zealand port infrastructure cannot serve the significantly larger and more environmentally friendly ships coming on stream) and not directly a result of the Framework.
24. s 9(2)(ba)(i) acknowledges that a single, global framework is preferable to a situation in which multiple, regional frameworks develop.

s 6(a)

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s 6(a)

[Redacted]

31.

s 9(2)(j)

[Redacted]

**Additional matters and next steps**

s 9(2)(f)(iv)

[Redacted]

*Additional considerations – impacts on ferries and inspections*

36. Current and future Interislander ferries are flagged to New Zealand and at times may be required to sail overseas for specialised repairs. During these voyages they will be subject to the Net-Zero Framework, but the rarity of such trips means the overall cost impact will be low.

37.

s 9(2)(f)(iv)

[Redacted]

38. Without implementing the Net-Zero Framework, Maritime New Zealand would not be able to undertake similar checks on visiting ships. While New Zealand currently receives relatively

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<sup>2</sup>New Zealand’s FTAs with the EU and the UK both include references to committing to support the development and adoption of ambitious and effective GHG emissions reductions measures by the IMO.

older ships in terms of the global fleet, this could increase if we do not implement the Net-Zero Framework.

s 9(2)(h)



*Negotiations are likely to require a vote*

s 9(2)(j)



*Next steps – a programme of implementation*

44. Following conclusion of negotiations, IMO member states will have until February 2027 to implement the Net-Zero Framework. This will progress as a package of rules and regulatory changes. Relevant Ministers will be briefed as and when appropriate. Further details on implementation are attached to this briefing in an annex.

## ANNEX 1 – OUTLINE OF IMPLEMENTATION REQUIREMENTS AND DRAFT TIMELINE

### Key implementation tasks

Staged process requiring 8- 12 months overall (policy to rules in force), mapping out the points at which Ministerial input will be required, along with key tasks.

### Implementation calendar

Task	Indication of decisions needed	Indicative dates
Policy assessment of any discretionary measures or flexibility mechanisms in the IMO framework details.	Direction from Ministers on any key policy or discretionary matters for NZ	At MEPC ES and ISWG-GHG-20, and in the immediate period after (October – December 2025)
Policy development for any discretionary matters for implementation  Interagency consultation (eg with MBIE on any fuel regulation elements)		January – April 2026
Policy decisions and rules/regulations and drafting	Testing of final policy recommendations with Ministers	April – May 2026
Agreement to consult on implementation rules package	Decision from Minister/s to release consultation	June – July 2026
Public consultation	Feedback on proposals	August - September 2026
Rules finalisation		October 2026
Signing of rules –	Relevant Minister signs rules and agrees in-force date	November 2026
Rules in force		February 2027

## ANNEX 2 – FURTHER INFORMATION ABOUT THE NET-ZERO FRAMEWORK NEGOTIATIONS AND INTERNATIONAL SHIPPING AND AVIATION EMISSIONS

### *New Zealand and The International Maritime Organization's Strategy on the Reduction of Greenhouse Gas Emissions (GHG) from ships*

1. The International Maritime Organization (IMO) is the United Nation's (UN) specialised agency with responsibility for the safety and security of shipping and the prevention of marine and atmospheric pollution by ships. International shipping transports more than 80 percent of global trade.
2. New Zealand and other IMO member states are negotiating measures to meet the IMO targets agreed in the 2023 Strategy on the Reduction of Greenhouse Gas (GHG) Emissions from Ships. The Strategy targets net-zero GHG emissions for international shipping by 2050. It sets 2030 progress targets to reduce total emissions by a minimum of 20%, carbon intensity by at least 40%, and to achieve at least 5% uptake of zero emissions fuels. The measures are planned to enter into force by 2027, with financial costs and rewards kicking in from 2028.

### *Government response to the Climate Change Commission's recommendation to include international shipping and aviation emissions in the 2050 domestic target*

3. The Climate Change Commission (the Commission) at the end of 2024 recommended that international shipping and aviation emissions be included in the domestic 2050 net zero target, citing New Zealand's duty to reduce them and the potential economic benefits of doing so.
4. Under the Climate Change Response Act, the Minister of Climate Change must respond by November 2025. Very few countries currently include these emissions in their domestic targets, and neither are they captured in Nationally Determined Contributions (NDCs) under the Paris Agreement. International practice is that international emissions are best managed via international mechanisms either under negotiation or adopted by the IMO and the International Civil Aviation Organization (ICAO).
5. The Ministers of Climate Change and Associate Transport recently agreed to maintain the status quo on international shipping and aviation emissions, which relies on international mechanisms to manage these emissions.

### *Negotiations on the Net-Zero Fund are ongoing*

6. The draft Framework also includes a dedicated Net-Zero Fund. Details are under negotiation, but the Fund is expected to collect revenue generated by the fuel intensity mechanism and redistribute it. This is expected to focus on ships using low emission fuels and supporting developing countries. Our continued presence in negotiations will be important to ensure New Zealand can advocate for a design that supports access for Pacific Small Island Developing States (SIDS). <sup>s 9(2)(f)(iv)</sup>

### ANNEX 3 – CABINET MINUTE ON NEGOTIATING MANDATE

Annex 3 was treated in document 7 of our partial response of 29 May 2026 and was refused as it is publicly available on the Ministry's website here: <https://www.transport.govt.nz/assets/Uploads/Proactive-release-IMO-Minute-of-Decision-and-Cabinet-Report.pdf>

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