

Forestry sector

Forestry has a dominant role in Aotearoa New Zealand's approach to reducing emissions, and there is a risk in overly relying on removals rather than encouraging gross reductions.

When forests absorb more carbon dioxide than they release, they are a net sink (rather than a net source) of emissions, called 'removals'. The country can increase removals by afforestation and reforestation, reducing deforestation and managing the carbon stores in existing forests. Afforestation rates have been at historic highs since 2019, but they will likely decrease substantially in the next few years due to policy settings.

The second emissions reduction plan places an outsize reliance on forestry: removals comprise 25% of net reductions in the second emissions budget and almost half of net reductions in the third emissions budget.

Snapshot of emissions

Total sector emissions	Change in emissions between 2023 and 2024
–6.0 MtCO _{2e} (2023) ¹	–2.6% in afforestation and reforestation
–7.1 MtCO _{2e} (2024)	–52.3% in deforestation
	–71.6% in forest management
Percentage of projected net reductions (2026-2030)	
25.1%	

¹ Negative emissions signify that these quantities are removals. A negative change in emissions between 2023 and 2024 can indicate a decrease in emissions or an increase in removals.

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

Policy area	Overall risk assessment	
	EB2	EB3
Net forest removals	—	—

Moderate risks Significant risks

Key findings



Changes in emissions

- Forest removals increased in 2024 to –7.1 MtCO₂e, almost 19% more than 2023,² due to both more carbon taken up by forests and less deforestation.
- Coming off recent peak levels of planting, afforestation remained historically high in 2024, which was expected to continue in 2025.



Policy changes in the last year

- Restrictions were placed on registering exotic forestry converted from highly productive land into the New Zealand Emissions Trading Scheme (NZ ETS) via the Climate Change Response (Emissions Trading Scheme – Forestry Conversions) Amendment Act, which came into force in October 2025.



Challenges to achieving planned emissions reductions

- The NZ ETS has structural issues that may undermine its ability to incentivise the high level of afforestation necessary to meet the third emissions budget and prevent higher-than-expected levels of deforestation or harvesting.
- The disproportionate reliance on forests to deliver emissions budgets is a risk in and of itself. Forest removals are expected to deliver 25% of the action needed to achieve the second emissions budget and almost half that needed for the third emissions budget.



Areas for attention

- The Government has not yet confirmed how it plans to account for forest management activities after previously indicating it would align with accounting used for the nationally determined contribution (NDC).

² Based on the provisional accounting quantity, excluding forest management published in the 2026 GHG Inventory.

- The risks to forests were recognised as among the most significant risks in the second national climate change risk assessment. Adaptation and resilience need to be integrated into all forest planning and management, including their role in climate mitigation.



Opportunities for further reductions

- Voluntary carbon markets are gaining traction, both in policy development and potential participants. This may create new opportunities for long-term, durable carbon removals.

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 transport 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.