



Talking points: Meeting with Prem Mann

Date submitted: 26 February 2024

Tracking number: BRF-4314

Security level: Policy and Privacy

Actions sought from ministers	
<i>Name and position</i>	<i>Action sought</i>
To Hon Andrew HOGGARD Associate Minister for the Environment	None

Appendices and attachments
1. Appendix 1: Talking points 2. Appendix 2: Key people

Key contacts at Ministry for the Environment			
<i>Position</i>	<i>Name</i>	<i>Cell phone</i>	<i>First contact</i>
Principal Author	Andrew Marshall		
Responsible Manager	Jo Burton		
General Manager	Hayden Johnston	022 153 0221	✓

Talking points: Meeting with Prem Mann

Purpose

1. This meeting note gives you information for your meeting with Prem Mann on 29 February 2024 9(2)(ba)(i)

Context

2. You are meeting with Prem Mann, Executive Chairman of Southern Pastures, at 3:30pm on 29 February 2024, in Meeting Room 1.103 – Parliamentary Library.
3. Hayden Johnston, General Manager, Ministry for the Environment (MfE) can attend the meeting if you would like officials to be present.

4. 9(2)(ba)(i)

Summary of proposal

5. 9(2)(ba)(i)

Current context


6. New market mechanisms have potential to help New Zealand achieve environmental outcomes, judging by market offerings emerging in New Zealand, and mechanisms that are being deployed in other countries (refer BRF-4157).
7. Some potentially relevant considerations include:
 - i. Voluntary market mechanisms are emerging without government involvement (but may require some form of regulatory backstop to engender trust to reach scale).

- [REDACTED]
- ii. 9(2)(g)(i)
[REDACTED]
 - iii. Carbon and methane tend to be applicable to a commodity-style market (similar to gold or copper), as they can be more objectively quantified and compared.
 - iv. Biodiversity on the other hand, relates to a diverse range of species and ecosystems with different attributes and levels of scarcity/level of threat of loss, meaning that biodiversity is less easily compared, though it is possible (eg, the UK Biodiversity Net Gain offsetting scheme that recently went live creates such a framework to enable trades to occur across non-equivalent biodiversity).
 - v. Unitisation of biodiversity credits is not necessary, however, for a well-functioning market, in a similar way that many markets adequately manage heterogeneity (eg, shares and housing markets).
 - vi. An important condition for efficient markets is that participants (sellers and buyers) have sufficiently equal information to enable effective price discovery according to respective preferences, and costs. Hence market regulators tend to focus on upholding transparency in those markets. Australia's nature repair market framework, for example, requires that sellers disclose key information about projects on offer, which are measured, verified and reported on according to standardised methodologies.
 - vii. Market offerings in some cases combine attributes, but these can have trade-offs. For instance, some carbon credits include biodiversity attributes and can trade at a premia, but the additional 'co-benefits' can lack clear information and be mis-valued
 - viii. While some ecosystem projects may offer both carbon sequestration value and biodiversity value, or even additional values such as nutrient control, not all project offerings offer multiple attributes. Some may only offer biodiversity value, and a dedicated market offering may be more appropriate.

Appendix 1: Talking points

1. You might ask Prem Mann:

9(2)(g)(i) and 9(2)(ba)(i)



- v. Do you think that the voluntary carbon and biodiversity markets could have potential to incentivise land use changes? What are the shortcomings of voluntary markets and what are their benefits?

Appendix 2: Key people

Photo



Name and details

Prem Mann
9(2)(a)