

Biodiversity Credits – Draft Summary of Submissions Report

Date submitted: 21 March 2024

Tracking number: BRF-4358

Joint agencies: Department of Conservation (24-B-0125)

Security level: In-Confidence

MfE priority: Non-Urgent

Actions sought from Ministers		
Name and position	Action sought	Response by
To Hon Andrew HOGGARD Associate Minister for the Environment	Provide feedback on the draft report (Appendix 1). Authorise officials to make any minor publishing changes to the report.	4 April 2024
To Hon Tama POTAKA Minister of Conservation	Approve the publication of the report, subject to any feedback.	
CC Hon Penny SIMMONDS Minister for the Environment	Note the contents of this briefing.	N/A

Actions for Minister's office staff
Forward this briefing to Hon Simon Watts, Minister for Climate Change, if agreed. Return the signed briefing to the Ministry for the Environment (ministerials@mfe.govt.nz) and the Department of Conservation (GovernmentServices@doc.govt.nz).

Appendices and attachments
1. Appendix 1: Draft summary of submissions report on the biodiversity credit system consultation.

Key contacts at Ministry for the Environment			
Position	Name	Cell phone	First contact
Principal Author	Darby Moyle		
Responsible Manager	Jo Burton		
General Manager	Hayden Johnston	022 153 0221	✓
Key contacts at Department of Conservation			
Position	Name	Cell phone	First contact
Responsible Manager	James Johnson	9(2)(a)	

Deputy Director- General	Ruth Isaac	9(2)(a)	✓
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Minister's comments

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Biodiversity Credits – Draft Summary of Submissions Report

Key messages

1. Public consultation exploring whether government has a role to play in supporting the emerging biodiversity credits market and what this could look like closed on 3 November 2023. 276 submissions were received, and a draft summary of submissions report which outlines key themes heard from submitters is attached in Appendix 1.
2. We previously indicated that we would be providing a short summary of submissions and would be seeking approval to publish in due course, in keeping with normal practice [BRF-4157 and 24-B-0072 refers].
3. This briefing seeks your feedback and approval to publish the summary of submissions report and the related individual submissions, subject to any feedback.
4. Officials will work with your offices to develop communications for the publication to ensure next steps, if any, are clearly communicated and expectations of further work are appropriately managed.

Recommendations

We recommend that you:

- a. **note** the draft summary of submissions report on the biodiversity credit system consultation attached in Appendix 1

Note
- b. **provide** feedback on the draft report

Yes | No
- c. **authorise** officials to make any minor publishing changes to the report following your feedback, prior to publication

Yes | No
- d. **approve** the publication of the report, subject to any feedback, on the Ministry for the Environment's and the Department of Conservation's websites

Yes | No

- e. **note** submissions received will also be published on the Ministry for the Environment's and the Department of Conservation's websites shortly after the submissions report is published, as per normal practice.

Note

Signatures



Hayden Johnston
General Manager
Natural Environment Policy
Date: 21/03/2024



James Johnson
Policy Manager
Budget and Funding Policy
Date: 21/03/2024

Hon Andrew HOGGARD
Associate Minister for the Environment
Date:

Hon Tama POTAKA
Minister of Conservation
Date:

Biodiversity Credits – Draft Summary of Submissions Report

Purpose

5. This briefing seeks your feedback and approval to publish the summary of submissions report and the related individual submissions.

Background

6. Public consultation exploring whether government has a role to play in supporting the emerging biodiversity credits market and what this could look like closed on 3 November 2023.
7. We previously indicated that we would be providing a short summary of submissions and would be seeking approval to publish it in due course, in keeping with normal practice [BRF-4157 and 24-B-0072 refers]. The draft summary of submissions is attached in Appendix 1.

Analysis

8. The consultation document consisted of 23 questions and sought feedback on four key areas:
 - i what is a biodiversity credit system?
 - ii why do we need a biodiversity credit system?
 - iii how should we design and implement a biodiversity credit system?
 - iv how could a biodiversity credit system complement the wider system?
9. A total of 276 submissions were received. Most submitters strongly supported a BCS (76%), and this support was reflected across all main demographics. Some submitters partially supported a BCS (6%), while some did not support it (7%) and 8% of submitters did not provide an answer. Table 1 below outlines the number of submissions by submitter type and the percent in support of a biodiversity credit system.

Table 1: Proportion of submissions by submitter group

Submitter type	% of total	% in support of a biodiversity credit system
Business/Industry groups	26	77
Iwi/Māori groups	15	73
Environmental groups	18	79
Territorial authorities and central Government agencies	10	82
Subject matter experts	13	75
Other	18	73

10. The draft summary of submissions report is structured according to key themes from consultation: the support for a biodiversity credit system; biodiversity credit system design; role of government; and alignment with other systems. The report also provides survey statistics for questions that were amenable to statistical treatment.

11. Key insights from consultation submissions include:

- i **Overall support for a biodiversity credit system**, but for varying reasons. Some reasons included an undervaluing of biodiversity in current systems, inadequate funding, recognising Māori rights and interests, and to provide recognition to landowners/managers who actively support and protect biodiversity on their land.
- ii **Many thought that a biodiversity credit system would attract investment to support indigenous biodiversity in Aotearoa New Zealand.** Transparency and assurance were considered necessary to attract investment to support indigenous biodiversity. This includes ensuring that the methodologies for measurement, monitoring, reporting and verification are of high scientific integrity.
- iii **Biodiversity credit system design preferences were for coverage of all ecological and land types, and nature positive action.** Covering terrestrial, freshwater and coastal marine environments was preferred due to the need to incentivise investment in the protection of all natural resources. Covering both public and private land including whenua Māori was preferred because at risk environments, or potentially significant environments, are not restricted to one land type.
- iv **Most did not support the inclusion of offsets** for instance because many biodiversity values cannot be offset due to irreplaceability or vulnerability, and if they are adversely affected, they may be permanently lost. However, the majority of business submitters support the inclusion of offsets to ensure appropriate management of biodiversity where adverse effects cannot be avoided.
- v **Most considered that government should have a role in a biodiversity credit system.** Many submitters considered government should have a role in the operation of the market and registry, as well as in the verification of claims to ensure transparency and assurance in the market. There is also interest in partnering with government to pilot projects that could help to identify issues, refine approaches,

instil early confidence to encourage broader uptake, and ensure real benefits to biodiversity.

- vi **Most submitters recognised the need for such a system to be aligned internationally and with carbon markets.** International alignment could give the biodiversity credit system international credibility and attract important overseas investment in the market. High interaction with carbon credits could support investor confidence and demand.
- vii **Māori submitters had a range of views on a market and biodiversity credit system.** Many iwi, hapū and Māori submitters highlighted the relationship of the work to rights under te Tiriti and Treaty settlements, and expressed an interest in informing the design of a biodiversity credit system. Māori submitters who indicated support for a biodiversity credit system considered that there is an urgent need for greater investment towards protecting and restoring the health and resilience of the environment.

Other considerations

Risks and mitigations

- 12. The release of the summary of submissions report, in highlighting overall support for some form of government involvement, could elevate expectation on the Government to act. Furthermore, some Māori could have expectations for particular types of action relating to Waitangi Tribunal determinations, which could be accentuated by the release of the submissions summary. 9(2)(f)(iv)



- 13. Risks can be mitigated through clear messaging of how this Government views its role in relation to biodiversity credit markets, and how, if at all, it might take work forward.

Legal issues

- 14. No legal issues are associated with the proposals in this briefing.

Financial, regulatory and legislative implications

- 15. No financial, regulatory, or legislative implications are associated with the proposals in this briefing.



Next steps

16. We will incorporate any feedback from you and finalise the report for publishing.
17. We will return a track changed version of the report back to your offices once any feedback has been incorporated.
18. The Ministry for the Environment and the Department of Conservation will finalise and publish the summary of submissions report pending your approval. The publication of individual submissions will follow shortly after.
19. Officials will work with your offices to develop communications for the publication to ensure next steps, if any, are clearly communicated and expectations of further work subject to the Associate Environment Minister's and the Minister of Conservation's direction (pending discussion) are appropriately managed.

Appendices

Appendix 1: Draft summary of submissions report on the biodiversity credit system consultation.