

## Section 1: What is a biodiversity credit system?

Question	Options	Explanation
<p>Q1. Do you support the need for a biodiversity credit system (BCS) for New Zealand?</p>	<p>A. Yes B. No</p>	<p>Whakatāne District Council (the Council) acknowledges the biodiversity crisis and recognises the need for a BCS in Aotearoa New Zealand.</p> <p>We support the system but urge MfE to think about the following when designing the system:</p> <ol style="list-style-type: none"> <li>1. We support the system in line with the NPSIB, but we need to make sure the system is created in a way that prioritises biodiversity.</li> <li>2. We think the system should be contextualised locally and align to the national system. The National Policy Statement for Indigenous Biodiversity has the principle that there is a web of interconnectedness between indigenous species, ecosystems, the wider environment, and the community at both a physical and metaphysical level.</li> <li>3. We would like to see how this system can fit alongside the Emissions Trading Scheme (ETS).</li> <li>4. We also pursue equitable outcomes whereby the system is not limited to private landowners, but it is accessible and fair for all.</li> <li>5. Whilst providing incentives for funding, we believe there should be regulatory and compliance measures which provide safeguards around the incentives.</li> </ol>
<p>Q2. Below are two options for using biodiversity credits. Which do you agree with?</p>	<p>A. Credits should only be used to recognise positive actions to support biodiversity. B. Credits should be used to recognise positive action to support biodiversity, and actions</p>	<p>The Council supports option B – Credits should be used to recognise positive action to support biodiversity, and actions that avoid future decreases in biodiversity.</p> <ol style="list-style-type: none"> <li>1. Positive actions can go hand in hand with actions that avoid future decreases in biodiversity, but they can also standalone. In either</li> </ol>

	<p>that avoid future decreases in biodiversity</p>	<p>case, actions should prioritise protection, restoration, and enhancement of indigenous biodiversity. This could be through reducing ecosystem loss and degradation, improving the connectedness of ecosystems or maintaining and restoring native habitats.</p> <p>2. For example, ancient indigenous ecosystems are generally biodiversity hotspots which sequester high proportions of carbon. These ecosystems need positive action to support biodiversity now, but also actions to avoid further decreases.</p>
<p>Q3. Which scope do you prefer for a biodiversity credit system?</p>	<p>A. Focus on terrestrial (land) environments.</p> <p>B. Extend from land to freshwater and estuaries (eg, wetland, estuarine restoration)</p> <p>C. Extend from land and freshwater to coastal marine environments (eg, seagrass restoration)</p>	<p>The Council supports option C – extend from land and freshwater to coastal and marine environments. This recognises that the system is connected and needs to be supported.</p> <p>1. Incorporating marine and coastal ecosystems into the BCS is essential. Both systems are biodiversity hotspots. The Whakatāne District (and the majority of Aotearoa New Zealand) covers all these environments (terrestrial, freshwater, estuaries, coastal, and marine environments). The coastal and marine environment plays a part in our communities’ identities. It is a place of connection, recreation and gathering of resource.</p> <p>2. We urge the government to look at the whole system because everything is connected. For example, the migratory pathways between different environments are key to many of our Taonga species The interconnectedness between birds such as Kereru and podocarp trees like Tawa.</p> <p>3. If marine/coastal systems are included consideration should be given to provisions relating to aquaculture and fisheries, as these are key income generators for Aotearoa New Zealand.</p>

		<p>4. We understand that it would be best to trial the system in terrestrial environments, as it will be easiest to monitor and measure. This will ensure the system is set up to achieve the best outcomes.</p>
<p>Q4. Which scope do you prefer for land-based biodiversity credits?</p>	<p>A. Cover all land types, including both public and private land including whenua Māori</p> <p>B. Be limited to certain categories of land, for example, private land (including whenua Māori)</p>	<p>The Council supports option A – Cover all land types, including both public and private land including whenua Māori.</p> <ol style="list-style-type: none"> <li>1. Option A, will increase accessibility to the system as it covers all land types. Most community restoration efforts are occurring on public land. However, if it is limited to just private landowners, this could increase inequality. We therefore prefer Option A and are in support of a system that incentivises a biodiversity system on both public and private land.</li> <li>2. There are important things to keep in mind when it comes to land. For example, there may be land settlement disputes. There would need to be clarity when it comes to who looks after the land, and who would receive the credits. For example, the inter-relation between the Department of Conservation, and iwi-owned land. If it is owned by iwi, will the biodiversity system credit DOC or iwi, as this could impact future settlements? This is an important question which we believe needs to be addressed and/or further clarified.</li> <li>3. The government must be aware of the scenario of conflict with land settlement and build this into the systems. There are many risks associated with whenua Māori land that is controlled by DOC. There needs to be clear guidance on who receives the credits in this case.</li> <li>4. The government also needs to build in provisions for land settlement and transfer. For example, if a piece of land is returned to whenua Māori, and it already has credits claimed, the</li> </ol>

		<p>government needs to ensure the credits follow the ownership of the land.</p> <p>5. The government needs to be aware of statutory land right obligations. Land that is shared with government Iwi and Hapū must be eligible for the BCS. This land tenure often misses our on traditional government funding prioritisation.</p>
<p>Q5. Which approach do you prefer for a biodiversity credit system?</p>	<p>A. Based primarily on outcome  <b>B. Based primarily on activities</b>  C. Based primarily on projects</p>	<p>The Council supports option B – Based primarily on activity.</p> <p>Measuring by activity is the most practical way. It also allows the system to be more accessible to users in registering for credits. Measuring by activity would reduce the difficulty of measuring biodiversity and would save applicants the resource of getting projects evaluated and measured. Rewarding credits by activity will allow for ongoing biodiversity protection. For example, pest control and monitoring need to be ongoing which measuring by activity would ensure.</p> <p>A mixed model approach must be enabled through the system. Landowners committed to improving nature must be able to continue complementary activities on the land that allow them to generate income. It is unsustainable to expect land owners to undertake intergenerational conservation and lock in the land on income from the biodiversity credit system.</p>
<p>Q6. Should there also be a requirement for the project or activity to apply for a specified period to generate credits?</p>	<p>A. Yes  B. <b>No</b></p>	<p>We think this should be a permanent system, although we believe there may need to be a specified period to garner and support community action. We need to be mindful that restoration efforts take time to implement and can take longer than anticipated to see impacts. We think there may need to be compliance monitoring which ensures ongoing efforts. Therefore, we do believe that there should be a form of compliance monitoring which holds users of the system accountable to their efforts in a specified time.</p>

<p>Q7. Should biodiversity credits be awarded for increasing legal protection of areas of indigenous biodiversity? For example, QEII National Trust Act 1977 covenants, Conservation Act 1987 covenants or Ngā Whenua Rāhui kawenata.</p>	<p>A. Yes B. No</p>	<p>The Council is in support of biodiversity credits being awarded for increasing legal protection of areas of indigenous biodiversity.</p> <ol style="list-style-type: none"> <li>1. Any area of biodiversity that already exists should be included in the system. As previously noted, the protection of current biodiversity is often more important as these older ecosystems are often hotspots for biodiversity and carbon sequestration.</li> <li>2. Alongside the QEII land, pre-1990 indigenous forests should be included in the Biodiversity Credit System, as these are not currently covered within the emissions trading scheme. Including them in this system will provide them with some protection.</li> </ol> <p>However, biodiversity credits awarded for increasing legal protection of areas of indigenous biodiversity may have positive or negative effects for Māori.</p> <ol style="list-style-type: none"> <li>1. Access and accessibility to utilise land owned by Māori (general title and Māori title) is already impeded by the many NPS that have come out.</li> <li>2. We need to consider what will happen if the incentive to increase legal protection is taken up for the purpose of receiving credits, which then impedes on the current or future rights of Māori i.</li> </ol> <p>We thus urge the Ministry to think about how they address the barriers that can be foreseen for Māori in this space.</p>
<p>Q8. Should biodiversity credits be able to be used to offset development impacts as part of resource management processes, provided they meet</p>	<p>A. Yes B. No</p>	<p>The Council agrees that biodiversity credits should be used to offset development impacts within the resource management process. This is a key driver to establish a BCS to help implement the NPS-IB.</p>

<p>the requirements of both the BCS system and regulatory requirements?</p>		<ol style="list-style-type: none"> <li>1. Considerations should be given to selecting the most reliable credits. Credits selected should be localised and match ecosystem type where possible. For example, a development in a wetland in the Whakatāne district should be offset by restoring a wetland in the Whakatāne district.</li> <li>2. The effects management hierarchy should be followed before the offset option is taken, especially for developments which have significant environmental impacts. Accountability and regulation need to be enforced to ensure the system is being used correctly.</li> </ol>
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## Section 2: Why do we need a biodiversity credit system?

Question	Options	Explanation
<p>Q9. Do you think a biodiversity credit system will attract investment to support indigenous biodiversity in New Zealand?</p>	<p>A. Yes B. No</p>	<ol style="list-style-type: none"> <li>1. If the system is designed with verifiable and traceable biodiversity credits it will attract investment.</li> <li>2. To get wider buy-in from corporations the government would need to provide some incentive to go alongside the credits, whilst being mindful of greenwashing.</li> </ol>
<p>Q10. What do you consider the most important outcomes a New Zealand biodiversity credit system should aim for?</p>	<p><b>Prioritise the environment.</b></p> <ul style="list-style-type: none"> <li>• Biodiversity protection, maintenance and restoration is funded and resourced to achieve the best environmental outcomes.</li> </ul> <p><b>Working for all people</b></p> <ul style="list-style-type: none"> <li>• Honouring and giving effect to te Tiriti o Waitangi,</li> </ul>	

	<ul style="list-style-type: none"> <li>• Recognising the work Whenua Māori, Community and landowners are already doing for biodiversity.</li> <li>• A system which is easy to understand and participate in.</li> </ul> <p><b>Mātauranga Māori</b></p> <ul style="list-style-type: none"> <li>• A BCS which enables the use of mātauranga māori..</li> </ul> <p><b>Future focus</b></p> <ul style="list-style-type: none"> <li>• Preserving Te Taiao for future generations.</li> </ul> <p><b>Transparency/legitimacy</b></p> <ul style="list-style-type: none"> <li>• Giving investors, businesses, and communities a trustworthy way to invest in biodiversity protection and restoration.</li> <li>• Credits need to be additional, traceable, and verifiable.</li> </ul> <p><b>Complementary:</b></p> <ul style="list-style-type: none"> <li>• A system which complements and contributes to wider policies and programs which address the biodiversity and climate crisis.</li> </ul> <p><b>Aligns to the latest science.</b></p> <ul style="list-style-type: none"> <li>• The system must align to the latest science.</li> </ul> <p><b>Co-benefits:</b></p> <ul style="list-style-type: none"> <li>• The credits should support broader co-benefits. The system needs to provide equitable outcomes for all people.</li> </ul>
<p>Q11. What are the main activities or outcomes that a biodiversity credit system for New Zealand should support?</p>	<ol style="list-style-type: none"> <li>1. Maintaining or restoring areas of existing indigenous biodiversity, including shrublands, native grasslands, tussock lands, natural and regenerating forests, and wetlands by improving ecosystem integrity within SNAs (e.g., pest and weed control, stock- or predator-proof fencing, planting).</li> <li>2. Expanding indigenous biodiversity around SNAs by creating buffer zones and ecological corridors around and between forest remnants, natural wetlands, or other natural areas.</li> <li>3. Creating new areas of indigenous biodiversity, such as planting indigenous forest species, supporting the transition from exotic to native forests, re-establishing wetlands, riparian planting using native plants alongside lakes, rivers, and streams, recreating seagrass beds, native grasslands, and shrublands.</li> </ol>

	<ol style="list-style-type: none"> <li>4. Specific interventions for endemic or taonga species to improve species number, diversity, and range.</li> <li>5. Enhancing legal protection of existing significant areas of indigenous biodiversity by supporting the establishment of conservation covenants, conservation easements, land use restrictions, and acts like the Queen Elizabeth II National Trust Act 1977 or Conservation Act 1987 covenants.</li> <li>6. Māori-led initiatives to restore, maintain, and/or improve indigenous biodiversity in accordance with local expressions of mātauranga Māori.</li> <li>7. Activities may also be distinguishable based on the type of land, including public conservation land and regional parks, or private land, including whenua Māori.</li> <li>8. Community restoration work, which should be included in a way that ensures it is not overlooked, recognizing that this is often done on a smaller scale.</li> <li>9. Education: Including educational initiatives as an outcome, such as groups that teach about specific ecological areas, plant types, or inspire people to undertake ecological activities.</li> <li>10. Research: Broadening the outcomes to include ecological research, such as funding for citizen science or population censuses.</li> </ol>
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## Section 3: How should we design and implement a biodiversity credit system?

Question	Options	Explanation
Q12. Of the following principles, which do you consider should be the top four to underpin a New Zealand biodiversity credit system?	<p>Please select your top four principles (and rank 1-4)</p> <ol style="list-style-type: none"> <li>A. Principle 1 - Permanent or long-term (eg, 25-year) impact.</li> <li>B. Principle 2 – Transparent and verifiable claims</li> <li>C. Principle 3 – Robust, with measures to prevent abuse of the system.</li> <li>D. Principle 4 – Reward nature-positive additional activities.</li> <li>E. Principle 5 – Complement domestic and international action.</li> <li>F. Principle 6 – No double-counting, and clear rules about the claims that investors can make.</li> <li>G. Principle 7 – Maximise positive impact on biodiversity.</li> </ol>	<p><i>[We just need to enter this is on the matrix.]</i></p> <ol style="list-style-type: none"> <li>1- Principle 7 - Maximise positive impact on biodiversity.</li> <li>2- Principle 3 - Robust</li> <li>3- Principle 1 - Permanent (long term) impact</li> <li>4- Principle 5 - Complement domestic and international action</li> </ol>



<p>Q13. Have we missed any other important principles?</p>	<ol style="list-style-type: none"> <li>1. Equity – A system that works for everyone.</li> <li>2. Importance of co-benefits (ecosystem services) from projects.</li> <li>3. Ensuring projects support Mātauranga Māori and align with te Tiriti.</li> <li>4. Ensure projects align to a framework like the sustainable development goals.</li> </ol>
<p>Q14. What assurance would you need to participate in a market, either as a landholder looking after biodiversity or as a potential purchaser of a biodiversity credit?</p>	<ol style="list-style-type: none"> <li>1. A very clear system that is easy to follow and enrol in.</li> <li>2. An understanding of the process.</li> <li>3. A system that has does not require prior knowledge.</li> <li>4. A guide on how to measure biodiversity.</li> <li>5. An understanding of what can be included/excluded.</li> <li>6. Independent auditor needed to ensure the system is robust.</li> <li>7. An understanding of the role local government plays.</li> </ol>
<p>Q15. What do you see as the benefits and risks for a biodiversity credit market not being regulated at all?</p>	<p>Risks:</p> <ol style="list-style-type: none"> <li>1. No actual, measurable increase in biodiversity, failing to stop or even enables biodiversity loss (e.g., by failing to support lasting, nature-positive impacts).</li> <li>2. Financial benefits restricted to specific groups.</li> <li>3. The system being too complex for everyone to participate in.</li> <li>4. Ecosystem services (positive ecosystem outcomes) restricted to particular groups, creating inequity.</li> <li>5. Selecting specific types of biodiversity as winners.</li> <li>6. Lack of transparency and integrity or encouragement of 'greenwashing'.</li> <li>7. Failing to attract investment and stifle innovation.</li> <li>8. Failing to support investment in high-impact action, including action that addresses the most urgent biodiversity needs.</li> <li>9. Failing to give effect to te Tiriti, or adequately provide for the rights and interests of iwi and hapū under te Tiriti or as part of Treaty settlements.</li> <li>10. Creating a mismatch or conflict with other government and community programs and policies.</li> <li>11. Lack of mechanisms to monitor and enforce rules.</li> <li>12. Undesirable outcomes, such as overwhelming potential investors with too many different BCSs, each with different standards and meanings.</li> </ol> <p>Benefits</p> <ol style="list-style-type: none"> <li>1. Making credits robust, traceable etc will require heavy resource from participants.</li> <li>2. discourage productive land uses that also improve biodiversity outcomes.</li> </ol>

<p>Q16. To have the most impact in attracting people to the market, which component(s) should the Government be involved in? A biodiversity credit system has six necessary components (see figure 5). These are: project provision, quantification of activities or outcomes, monitoring measurement and reporting, verification of claims, operation of the market and registry, investing in credits.</p>	<p>A. Project provision B. Quantification of activities or outcomes C. Monitoring measurement and reporting D. Verification of claims E. Operation of the market and registry F. Investing in credits.</p>	<p>We do not support project provision. This could allow politics to determine which project owners can apply for credits. Furthermore, popular species could be prioritised. Instead, a criteria framework should be developed, as well as an independent entity to approve applications which suit the criteria.</p> <p>The government should not invest in credits but provide funding to set up the system. For example, they could provide the funding for the independent auditors to take the burden off community.</p> <p>For local government it is better for us to invest directly into community groups the Council already has relationships with opposed to going through a second step system.</p>
<p>Q17. In which areas of a biodiversity credit system would government involvement be most likely to stifle a market?</p>	<ol style="list-style-type: none"> <li>1. Project provision – If there is a lack of understanding from government some important projects may not meet requirements for the system. For example, some systems are not “popular” so may be missed for things that the public perceives as important.</li> <li>2. There may be risk associated with the government purchasing credits, and there needs to be guidance around this. For example, will local government be able to purchase credits supporting local initiatives, if it goes to the system, it would be better for LG to support community groups directly.</li> <li>3. We are not biodiversity experts or ecologists, so resourcing and training would need to be provided if this system is to be used as part of the RMA consenting process.</li> </ol>	
<p>Q18. Should the Government play a role in focusing market investment towards particular activities and outcomes?</p>	<p>A. Yes B. No</p>	<p>It is important that the funding generated from the BCS goes to the geographic areas/ecosystems/species which need it the most.</p>

<p>For example, highlighting geographic areas, ecosystems, species most at threat and in need of protection, significant natural areas, certain categories of land.</p>		<p>However, this could end out being a popularity contest and where public perception picks certain ecological winners and losers. A justified matrix needs to be put in place to direct funding to the best place.</p> <p>This will also increase the complexity of the system and make it difficult for ordinary people to be involved.</p>
<p>Q19. On a scale of 1, not relevant, to 5, being critical, should a New Zealand biodiversity credit system seek to align with international systems and frameworks? Should a New Zealand biodiversity credit system seek to align with international systems and frameworks?</p>	<p>Scale of 1 (not relevant) to 5 (it critical) <b>3 - neutral</b></p>	<p>It is important to learn lessons from others, but we need to keep in mind the uniqueness of Aotearoa New Zealand. For example, we need to localise international frameworks.</p> <p>International offsetting standards and verifiers will be key to involve in the process to ensure the intended outcomes are being met. We can also re-work a credit registry from overseas.</p> <p>The Council supports allowing international buyers into the market. This would see more revenue and better biodiversity outcomes.</p> <p>Although it is key to learn from other biodiversity markets which are already up and running, the government should be mindful of linking up with other markets. For example, although there are many international carbon markets, there is no international market yet due to the complexity to do this.</p>
<p>Q20. Should the Government work with private sector providers to pilot biodiversity credit system(s) in different regions, to test the concept?</p>	<p><b>A. yes</b> A. No</p>	<p>We support a private sector pilot project. This will be key to test the system. It is important to get a wide range of sectors, across different activities/projects.</p> <p>If a pilot project is successful, it will increase peoples trust with the system.</p>

## Section 4: How a biodiversity credit system could complement the wider system

Question	Options	Explanation
<p>Q21. What is your preference for how a biodiversity credit system should work alongside the New Zealand Emissions Trading Scheme or voluntary carbon markets?</p>	<p>A. Little/no interaction: biodiversity credit system focuses purely on biodiversity, and carbon storage benefits are a bonus</p> <p>B. Some interaction: biodiversity credits should be recognised alongside carbon benefits on the same land, via both systems, where appropriate</p> <p>C. High interaction: rigid biodiversity 'standards' are set for nature-generated carbon credits and built into carbon markets, so that investors can have confidence in 'biodiversity positive' carbon credits</p>	<p>Due to the current failure of the ETS market, we suggest some interaction. Due to complexity and failure of the system it would be best to start the BCS independently. If the ETS improves the Council would support high interaction.</p> <p>If the system starts to perform well it would be great to see the two linked. For example, landowners could apply for both biodiversity and carbon credits on their land.</p> <p>Ecosystems such as saltmarshes and wetlands sequester large amounts of carbon dioxide. Due to the complexity of the system, it is difficult to estimate the amount of Co2 sequestered to apply for ETS credits. A BCS could have a carbon parameter and projects with higher carbon sequestration potential (although not measured) could be worth more.</p> <p>The government needs to be aware of double counting across the two systems.</p>
<p>Q22. Should a biodiversity credit system compliment the resource management system? For example, it could prioritise:</p> <ul style="list-style-type: none"> <li>Significant Natural Areas and their connectivity identified through</li> </ul>	<p>A. Yes</p> <p>B. No</p>	<p>Yes. The Council thinks a biodiversity credit system should complement the RM system.</p> <p>Maintaining indigenous biodiversity comes at a cost with funding being a barrier to implementation. A biodiversity credit system could resolve this issue and support the NPS-IB by providing funding for</p>

<p>resource management processes</p> <ul style="list-style-type: none"> <li>endangered and at-risk taonga species identified through resource management processes.</li> </ul>		<p>landowners to undertake projects on SNAs that support and conserve nature.</p> <p>A biodiversity credit system can also support the NPS-IB by providing a platform for offsetting. Under the NPS-IB if an activity has adverse effects on an SNA that cannot be avoided, biodiversity offsetting or biodiversity compensation needs to be provided. A biodiversity credit system could be the mechanism that is used for offsetting with compensation used to fund conservation efforts in other SNAs.</p> <p>A biodiversity credit system has the potential to play an important role in conserving indigenous biodiversity by providing a platform to fund conservation and helping achieve the purpose of the NPS-IB.</p>
<p>Q23. Should a biodiversity credit system support land-use reform?</p> <p>For example, supporting the return of erosion-prone land to permanent native forest, or nature-based solutions for resilient land use.</p>	<p>A. Yes</p> <p>B. No</p>	<p>The Council supports the use of a biodiversity credit system to support land-use reform. The Council supports the financial support invested into things like erosion prone land restoration, nature-based solutions, and resilient land-use.</p> <p>Investing in the return of erosion prone land to permanent nature forest will help to reduce the impacts being faced where poor land management is intersecting with climate change. Recent examples from Te Tairāwhiti, and the following ministerial investigations have highlighted the negative impacts poor forestry practices have on land and communities but have highlighted remedies which can be implemented to mitigate some of these practices. A biodiversity credit system will help to support some of</p>

		<p>this work. This system will give landowners an alternative to pine forestry to make an income.</p> <p>Investing in nature-based solutions will not only provide mitigation but will support our communities to more resilient in the face of climate change. For example, ecosystems such as mangrove swamps and dune systems have been proven to sequester large quantities of carbon, but also act as natural barriers to coastal inundation. The Council supports the use of biodiversity credits for nature-based solutions with positive mitigation and adaptation climate outcomes and we hope to see these outcomes embedded into the framework. The BCS could provide a funding mechanism for broader adaptation work. For example, if managed retreat land was restored to a reserve.</p>
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