

The Māori Trustee's submission on  
Helping nature and people thrive –  
Exploring a biodiversity credit system for  
Aotearoa New Zealand

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## Summary of Position

1. The Māori Trustee administers, as trustee or agent, approximately 87,000 hectares of Māori freehold land on behalf of around 100,000 individual Māori landowners. Te Tumu Paeroa – the Office of the Māori Trustee – supports the Māori Trustee to carry out her functions, roles and responsibilities. Detailed information regarding the Māori Trustee and Te Tumu Paeroa is set out in Appendix A. Additional information can be found on Te Tumu Paeroa’s website, [www.tetumupaeroa.co.nz](http://www.tetumupaeroa.co.nz).
2. The views expressed in this submission represent the Māori Trustee’s position as the single largest trustee and agent of Māori land. However, given the sheer scale and varied nature of the land assets within the Māori Trustee’s portfolio, the Māori Trustee’s views may not always be shared by all owners of lands she administers.
3. Detailed responses to the questions posed in the Discussion Document are set out in the tables at pages 6 to 15 below. The Māori Trustee summarises her submission as follows:
  - The Māori Trustee supports what she understands to be the general thrust of the proposed policy in terms of investigating alternative mechanisms to increase funding for the protection and enhancement of indigenous biodiversity, and in particular for general title and whenua Māori.
  - Would only support a voluntary Biodiversity Credit System (BCS) however the Discussion Document does not identify a demonstrable benefit for small whenua Māori blocks in adopting a Biodiversity Credit System (BCS) and a market led approach, and accordingly, at this time the Māori Trustee cannot support it. The Government should undertake further research and analysis to ensure that a BCS, or an alternative/accompanying mechanism, accounts for and adequately benefits owners of small whenua Māori blocks.
  - Biodiversity credits should be used to recognise positive actions however further research is required to develop a system and information that avoids participant bias.
  - The scope for a BCS should initially focus on land and freshwater environments based upon current policy guidance, protection priorities, and typical indigenous biodiversity habitat character within whenua Māori.
  - The scope for land-based biodiversity credits should be limited to general title and whenua Māori not primarily recognised for conservation values.
  - A BCS should be based upon activities and projects to encourage participation by whenua Māori (Māori Freehold Title). A BCS relating to outcomes would require a period of time to measure and verify that they are achieved. The most important outcomes are those that work for the environment, for all people, and as part of a wider system. An Outcomes based direction would (currently) be a disadvantage to the participation of small whenua Māori blocks and it is considered other funding alternatives should be investigated.
  - Biodiversity credits should be made available for increasing the legal protection of indigenous biodiversity.



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- The Māori Trustee does not support a BCS where biodiversity credits could be used to offset development impacts.
  - A BCS would be attractive to both domestic and overseas stakeholders for investment to support indigenous biodiversity in New Zealand. Further research of existing projects (such as the Maungatautiri Mountain Sanctuary) is required to determine criteria for investment.
  - In terms of BCS design and implementation principles, those that should be prioritised are numbers 1, 7, 5 and a principle that combines 2,3 and 6. Further, two additional principles relating to; Giving effect to te Tiriti o Waitangi, and Empowering local communities should also be prioritised.
  - Mechanisms should be included in a voluntary BCS market to assure protection or enhancement of indigenous biodiversity.
  - Participation by small whenua Māori blocks in a voluntary BCS will require funding in relation to the Discussion document six necessary components (as per Figure 5), with Government involvement related to enablement and administration for a BCS. However, based on experience with the NZ ETS, government involvement in a BCS may create timing delays, process inefficiencies and information duplication, and may further disadvantage small whenua Māori blocks from participating.
  - Potential roles for government in market investment for a BCS could include; Publicising priorities for conservation; Facilitation and funding for whenua Māori; Technical guidance; and Quality Control.
  - A voluntary BCS for Aotearoa should be tested as a pilot system in conjunction with a private provider and should align with internal systems and frameworks.
  - The Māori Trustee would welcome an opportunity to assist the Ministry for Environment in identifying sites in relation to the development of a biodiversity credit system.
  - A voluntary BCS could be complementary to an objective of carbon sequestration within permanent indigenous vegetation but should not be regulated to integrate with the NZ ETS.
  - A BCS where the achievement of credits is interlinked to the priorities set for a biodiversity strategy is not supported. A voluntary BCS could be complementary to whenua Māori (including small blocks) by encompassing the value of ecosystem-based services or valuing natural capital. This approach would enable those with significant biodiversity on their land to have its services recognised and valued.



## Specific Submissions

Section	Question	Response	Reason for Answer
<p><b>What is a biodiversity credit system?</b></p>	<p>1. Do you support the need for a biodiversity credit system (BCS) for New Zealand?</p> <p>Please give your reasons.</p>	<p>Partial support</p>	<p>At this time the Māori Trustee is unable to support a biodiversity credit system based on the limited information provided in the Discussion Document. However, the Māori Trustee acknowledges and supports the need for a mechanism, or a suite of mechanisms, that increases funding towards the protection, maintenance and enhancement of indigenous biodiversity, particularly on whenua Māori and general title. The Māori Trustee would be particularly supportive of any mechanism that would enable direct investment into activities or projects that increase the quantity and quality of indigenous biodiversity on whenua Māori without detrimentally affecting the land’s ability to provide an income stream and economic return for present and future generations.</p> <p>The Māori Trustee is not convinced that a ‘biodiversity credit system’ (BCS) or a ‘market’ for biodiversity credits is the best mechanism to protect, maintain and enhance indigenous biodiversity in Aotearoa, particularly for small whenua Māori blocks. The Māori Trustee’s portfolio<sup>1</sup> consists generally of land blocks that:</p> <ul style="list-style-type: none"> <li>• Are fragmented and small in size.</li> <li>• Have a disproportionate amount of indigenous biodiversity and natural forest cover<sup>2</sup>.</li> <li>• Are not economically viable in their own right.</li> <li>• Have multiple ownership interests.</li> <li>• Are marginal land classes.</li> <li>• Have minimal improvements and are largely un-occupied.</li> <li>• Are often leased to neighbouring properties at income levels that are barely able to cover costs.</li> </ul> <p>The Māori Trustee therefore considers that a BCS using a “market” led approach has the potential to unintentionally disadvantage Māori landowners. There is a risk that an emergent BCS market would favour large scale projects or would unintentionally exclude the participation of Māori landowners through criteria that does not adequately recognise indigenous biodiversity values on small land holdings that have multiple land uses. If a BCS was to be adopted, it should be developed to recognise that many whenua Māori blocks have mixed-use areas that can be suitable for both primary production and the protection and enhancement of indigenous biodiversity.</p> <p>The Māori Trustee also has concerns that a BCS, using a market regulated approach, could easily become overly complex, impenetrable and dominated by unit price fluctuations like that of the New Zealand Emissions Trading Scheme (NZ ETS). This would likely disincentivise public participation and uptake of the system as well as create uncertainty about the effectiveness of a BCS ‘market’.</p> <p>The Māori Trustee consider that the Government should undertake further research and analysis to determine the merit of implementing a market based BCS compared to other identified funding approaches for biodiversity protection<sup>3</sup>. Funding for indigenous biodiversity protection through a licencing system, like Fernmark<sup>4</sup>, could also provide a quality assurance alternative that is complementary to achieving positive biodiversity outcomes. This research and analysis should be undertaken before the Government commits to a market-based system.</p>

<sup>1</sup> The Māori Trustee currently administers, as trustee or agent, approximately 82,000 ha of land for 1,746 entities in Aotearoa. The median area of a land block within our portfolio is 16.6ha and the mean area is 48 ha.

<sup>2</sup> Of the 572,487 ha of Māori land 42% is in natural forest of 12% of general title land. Of the Māori Trustee’s portfolio 32% is in natural forest.

<sup>3</sup> Figure 1 *Green financing mechanisms* on Page 11

<sup>4</sup> Refer to the website link <https://www.fernmark.nzstory.govt.nz/info> for more details about Fernmark.



Section	Question	Response	Reason for Answer
			<p>The Māori Trustee would also support a mechanism that provides recognition of the ecosystem services/natural capital of existing indigenous biodiversity and remuneration for its retention. It is currently unclear whether this scenario would be recognised as part of a BCS. However, landowners should be significantly financially compensated, on an on-going basis, for the indigenous biodiversity on their land.</p> <p>It is imperative that a government established BCS, or alternative mechanism(s), recognises and provides for the rights and interests of mana whakahaere (including Māori landowners, iwi and hapū) under te Tiriti o Waitangi. Additionally, further consideration should be given to how Māori should be funded and resourced to ensure a Te Ao Māori worldview is embedded in the protection and enhancement of indigenous biodiversity in Aotearoa.</p>
	<p>2. 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.</p> <p>(b) Credits should be used to recognise positive actions to support biodiversity, and actions that avoid decreases in biodiversity.</p> <p>Please answer (a) or (b) and give your reasons.</p>	Support option (b)	<p>The Māori Trustee considers that option (b) should be used. The Māori Trustee also considers that allocating biodiversity credits for both types of actions would put Aotearoa on track to achieve our global biodiversity targets by 2030<sup>5</sup>.</p> <p>Implementing option (b) could risk participants favouring the completion of actions that ‘avoid decreases in biodiversity’ rather than ‘positive actions’ that aim to support the increase of biodiversity due to cost and resourcing perceptions. However, this bias could be mitigated through the development of an equivalency framework that values activities based on the true cost of administration/management and also their contribution to our overall biodiversity goals. This would ensure that ‘positive actions’ that result in an increase to indigenous biodiversity in Aotearoa could receive a greater portion of credits, while also acknowledging and rewarding actions that avoid decreases.</p> <p>The Māori Trustee therefore considers that the Government should undertake further research on the following matters prior to committing to the use of biodiversity credits:</p> <ul style="list-style-type: none"> <li>• Evaluation and research into the value or benefit of “positive actions” compared with “actions that avoid decrease”.</li> <li>• Develop criteria for ‘equivalency’ (degree of equivalence) to improve understanding in the value of ‘positive action’ versus the value of actions to ‘avoid decrease’.</li> <li>• Evaluation should include a Te Ao Māori and Mātauranga Māori perspective. For instance, the planting of certain native species, that would potentially qualify for a biodiversity credit, could garner additional credits if the species of indigenous plants was established on whenua Māori and could be utilised in customary rongoā practices.</li> <li>• Evaluating the potential for complementary land management practices such as the application of organic farming practices to have a positive impact for biodiversity protection and enhancement.</li> <li>• Guidance could be developed in relation to what is considered a positive action, or what is an action that avoids a decrease in biodiversity.</li> </ul>
	<p>3. Which scope do you prefer for a biodiversity credit system?</p> <p>(a) Focus on terrestrial (land) environments.</p> <p>(b) Extend from (a) to freshwater and estuaries (eg, wetland, estuarine restoration).</p> <p>(c) Extend from (a) and (b) to coastal marine environments (eg, seagrass restoration).</p> <p>Please answer (a) or (b) or (c) and give your reasons.</p>	Support option (a) and (b)	<p>The Māori Trustee considers that the scope of a BCS should focus on environments within options (a) and (b) due to:</p> <ul style="list-style-type: none"> <li>• Environmental policies, such as the National Policy Statement for Freshwater Management 2020 (NPS FM) and the National Policy Statement for Indigenous Biodiversity 2023 (NPS IB), already integrate across terrestrial and aquatic habitats including the interfaces of those habitats.</li> <li>• Whenua Māori often includes terrestrial, freshwater and wetland indigenous biodiversity habitat in rural production or forestry land uses. Current environmental regulations (e.g. Freshwater Farm Plans, Low slope stock exclusion) that require management and separation of indigenous biodiversity from rural production activity may also provide options for the identification of locations for biodiversity credits; and</li> <li>• Wetland habitats are often underrepresented and undervalued for the services they provide in climate resilience and climate adaption. The inundation of low-lying land (from sea level rise) may enhance indigenous biodiversity values and provide for biodiversity credit income.</li> </ul>

<sup>5</sup> As identified on page 24 of the Discussion document the Kunming-Montreal Global Biodiversity Framework has 23 targets relating to indigenous biodiversity.



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			<p>The initial system could focus on small-scale (pilot) projects within a larger catchment area, for example, encompassing a harbour, river, or wetland. After an agreed time period to review and assess the effectiveness of a BCS and its market, the scope of the system could be extended to include environments within option (c).</p> <p>The Māori Trustee also considers that the priorities for allocating biodiversity credits could be informed by strategies for indigenous restoration as set out in documents such as:</p> <ul style="list-style-type: none"> <li>• <i>Te Mana O Te Taiao Aotearoa New Zealand Biodiversity Strategy 2020</i> (Department of Conservation); or</li> <li>• Regional Biodiversity Strategies published by Regional Councils (as required under the NPS IB).</li> </ul>
	<p>4. Which scope do you prefer for land-based biodiversity credits?                      (a) Cover all land types, including both public and private land including whenua Māori.                      (b) Be limited to certain categories of land, for example, private land (including whenua Māori).</p> <p>Please answer (a) or (b) and give your reasons.</p>	<p>Support option (b)</p>	<p>The Māori Trustee considers that the scope for land-based biodiversity credits should be limited to certain categories as provided for in option (b). Focusing the eligibility (or scope) for credits on land that is not primarily recognised for conservation values could increase the margin of indigenous biodiversity positive outcomes versus land already having objectives for protection/enhancement. Allowing for these categories of land to be eligible for biodiversity credits will likely increase the impact of positive actions for biodiversity enhancement. However, the provision of biodiversity credits only for land fitting the criteria of option (b) could be time limited to, for example – the first 15 years of an operating biodiversity credit system, to enable preferential uptake. Dependent upon the uptake within the initial category, the scope could be broadened (or reduced) to meet system objectives.</p>
	<p>5. Which approach do you prefer for a biodiversity credit system?                      (a) Based primarily on outcome.                      (b) Based primarily on activities.                      (c) Based primarily on projects.</p> <p>Please answer approach (a) or (b) or (c) and give your reasons.</p>	<p>Support for approaches (b) &amp; (c)</p>	<p>The Māori Trustee’s preference is that a BCS would be more effective for small whenua Māori blocks where it primarily is focused on “activities” and “projects” approaches (b) and (c). However, The Māori Trustee considers that both ‘activities’ and ‘projects’ would support the achievement of a particular strategic outcome (a) and therefore can be undertaken in their own right.</p> <p>To enable the direction of funding towards outcomes, it is suggested that the allocation of biodiversity credits could be based on a tiered points system where:</p> <p>Category A is awarded the most points / credits for meeting indigenous biodiversity outcomes such as:</p> <ul style="list-style-type: none"> <li>- increase of habitat type X</li> <li>- increase in number of species X</li> <li>- increase in the range of species X).</li> </ul> <p>Category B is awarded a lesser amount of points / credits for projects (combinations of activities) such as:</p> <ul style="list-style-type: none"> <li>- Combined fencing and pest and/or predator control over area (location and size) X</li> </ul> <p>Category C is awarded the least amount of points / credits for singular activities</p> <ul style="list-style-type: none"> <li>- Fencing of area X</li> <li>- Pest or predator control of area X</li> <li>- Planting of area X.</li> </ul> <p>The Māori Trustee considers that an outcome-based approach would likely lead to small whenua Māori blocks (based on their size and limited income stream) only qualifying for categories B and C (if at all). Focusing only on outcomes may result in a bias with some species being perceived as more valuable than others. This conflicts with Te Ao Māori values and a BCS in Aotearoa must not treat taonga species as a commodity. In Te Ao Māori, we embrace a holistic perspective, that activities can have interconnected results greater than numeric measurements.</p> <p>This, in part, is why the Māori Trustee’s considers that a BCS is not suitable for small whenua Māori blocks and other funding alternatives should be investigated.</p>



Section	Question	Response	Reason for Answer
	<p>6. Should there also be a requirement for the project or activity to apply for a specified period to generate credits?</p> <p>Please answer Yes/No and give your reasons.</p>	Yes	<p>The Māori Trustee considers that the generation of biodiversity credits from a project or activity should be based on achieving an outcome (as per Question 5 above). The achievement of an outcome may require a period of time (to occur and be measured for verification). For example, a participant within a BCS may receive an initial allocation of biodiversity credits for undertaking a biodiversity project or activity (e.g. setting up a pest management program). The perceived short-, medium- or long-term benefit of this project or activity would be valued with the option of further credits being released if the benefit or outcome is achieved at a set time period (e.g. the pest management program improves the population of a species of indigenous biodiversity measured after 5 years). These ‘milestone’ credits could be set as clauses under a contract or agreement (similar to a Ngā Whenua Rāhui kawenata).</p> <p>The Māori Trustee considers that a milestone approach could mitigate a perceived barrier to entering a BCS where credits are only viewed as providing a limited ‘one off’ income. Allocating credits in relation to achieving milestones provides for continuity of income and could ensure ongoing engagement and maintenance of a BCS and its integrity.</p> <p>Claims for a biodiversity credit should also be substantiated by an internationally recognised standard or system, with the assessment and measurement process subject to independent expert validation (i.e not the proponent, not the regulator, not the beneficiary). Verification should be based on evidence that the system’s purpose/objectives/outcomes are being achieved.</p>
	<p>7. Should biodiversity credits be awarded for increasing legal protection of areas of indigenous biodiversity (eg, QEII National Trust Act 1977 covenants, Conservation Act 1987 covenants or Ngā Whenua Rāhui kawenata)?</p> <p>Please answer Yes/No and give your reasons.</p>	Yes (Partial support)	<p>The Māori Trustee supports the awarding of biodiversity credits for increasing the legal protection of indigenous biodiversity on whenua Māori through mechanisms such as Ngā Whenua Rāhui kawenata. Ngā Whenua Rāhui kawenata are long term (25 year) agreements, with only some being into perpetuity. This means owners may at some stage decide to no longer protect their indigenous biodiversity through a legal mechanism. A BCS will therefore have to recognise this nuance and distribute credits accordingly. Under no circumstance should the awarding of biodiversity credits limit the renewability of a Ngā Whenua Rāhui kawenata.</p>
	<p>8. Should biodiversity credits be able to be used to offset development impacts as part of resource management processes, provided they meet the requirements of both the BCS system and regulatory requirements?</p>	No	<p>The Māori Trustee does not support a BCS where biodiversity credits could be used to offset development impacts. It is considered that doing so would conflict with:</p> <ul style="list-style-type: none"> <li>• A te ao Māori worldview which emphasises the interdependent relationship that humans (including their social, cultural, and economic wellbeing) have with the natural environment. This holistic view recognises that the needs of humans should not be viewed independently from, or prioritised over, the needs of the natural environment.</li> <li>• Tikanga Māori, in particular, mauri and kaitiakitanga; and</li> <li>• How Māori regard land, soil, and water as taonga.</li> </ul> <p>The Māori Trustee therefore cannot support a system that would value and reward the degradation or extinguishment of one environment in exchange for the protection, establishment, or enhancement of another environment (off-setting).</p> <p>Additionally, the discussion document<sup>6</sup> lacks information about the interrelationships between biodiversity credits and offsets. It is currently unclear how these could be robustly managed, with a degree of separation, so as not to allow negative impacts on the environment to accumulate. Furthermore, the tone of the discussion document<sup>7</sup> does not recognise “offsetting” as being beneficial to a BCS or the outcomes/objectives leading to the development of such a system.</p> <p>The Māori Trustee considers that biodiversity offsets should therefore remain separate from a BCS.</p>

<sup>6</sup> Pages 16, 17 of Discussion document

<sup>7</sup> Section 2 Pages 18 to 31, and Figure 2 of Discussion document.





Section	Question	Response	Reason for Answer																														
2. Why do we need a biodiversity credit system?	9. Do you think a biodiversity credit system will attract investment to support indigenous biodiversity in New Zealand?  Please give your reasons.	Yes	<p>The Māori Trustee would support any funding mechanism or system that encourages investment in improving indigenous biodiversity on whenua Māori that aligns with a Te Ao Māori worldview. It is considered that such a system could attract both high value investors, and investors that are more aware and attuned to participating in projects with nature positive and community enhancing objectives.</p> <p>The Māori Trustee also considers that providing this type of investment framework to support indigenous biodiversity aligns with the increasing global awareness that indigenous peoples are leaders in sustaining biodiversity and addressing climate change<sup>8</sup>.</p> <p>Investment in credits to support indigenous biodiversity in New Zealand is already occurring on a non-regulated basis (Maungatautari Mountain Sanctuary<sup>9</sup>). The predator proof fencing enabled by the credits has provided additional investment opportunities for landowners adjacent to the sanctuary. Properties along the shared boundary (as per Figure 1 below) have been granted additional land development rights by the District Council in conjunction with protection of the sanctuary. The Māori Trustee considers that the Government should analyse similar projects to learn what it takes to attract both local and foreign investment.</p> <p><i>Figure 1: Excerpt from Waipa District Plan</i></p> <p><b>Appendix O2 - Maungatautari Ecological Island Lots</b></p> <p><b>O2.1 Maungatautari Ecological Island Lot Entitlements</b></p> <p>O2.1.1 (Indicative only: Subject to defining and surveying property boundaries)</p> <table border="1"> <thead> <tr> <th rowspan="2">Holding No:</th> <th rowspan="2">Council Reference Number</th> <th rowspan="2">Property</th> <th rowspan="2">Legal Description</th> <th rowspan="2">Surveyed Length of Fence on each Private Holding/s <i>*Estimate only - subject to survey</i></th> <th rowspan="2">Approximate Area of the Private Holding/s incorporated into the Ecological Island <i>*Estimate only - subject to survey</i></th> <th colspan="3">Potential TDR Entitlements for:</th> </tr> <tr> <th>Fence &amp; Maintenance Track</th> <th>Land within the Ecological Island</th> <th>Easements created for Public Walking Track</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>13740</td> <td></td> <td>Maungatautari 4GSA</td> <td>700m*</td> <td>23.407ha*</td> <td>1</td> <td>2</td> <td></td> </tr> <tr> <td>2</td> <td>13739</td> <td></td> <td>Maungatautari 4G4</td> <td>296m*</td> <td>23.34ha*</td> <td>1</td> <td>2</td> <td>1</td> </tr> </tbody> </table> <p>The Māori Trustee would support the development of a not-for-profit platform that can direct interested parties to opportunities for investing in projects or activities that protect and enhance indigenous biodiversity.</p>	Holding No:	Council Reference Number	Property	Legal Description	Surveyed Length of Fence on each Private Holding/s <i>*Estimate only - subject to survey</i>	Approximate Area of the Private Holding/s incorporated into the Ecological Island <i>*Estimate only - subject to survey</i>	Potential TDR Entitlements for:			Fence & Maintenance Track	Land within the Ecological Island	Easements created for Public Walking Track	1	13740		Maungatautari 4GSA	700m*	23.407ha*	1	2		2	13739		Maungatautari 4G4	296m*	23.34ha*	1	2	1
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	10. What do you consider the most important outcomes a New Zealand biodiversity credit system should aim for?	Refer to reasons	<p>The Māori Trustee does not consider that a BCS represents the best practicable option for improving or enhancing biodiversity outcomes on small whenua Māori blocks for reasons already stated in this submission. However, if a BCS is established, the most important outcomes are considered to be those listed in the discussion document<sup>10</sup>. In relation to those, the focus should be to:</p> <p><b>Works for the environment</b></p> <ul style="list-style-type: none"> <li>• Providing for the protection and enhancement of indigenous biodiversity on private land including whenua Māori.</li> </ul> <p><b>Works for all people</b></p> <ul style="list-style-type: none"> <li>• Give effect to te Tiriti o Waitangi.</li> <li>• Recognise the work undertaken by landowners on whenua Māori and the interconnection between humans and biodiversity protection.</li> </ul> <p><b>Works as part of a wider system</b></p>																														

<sup>8</sup> Refer [Indigenous peoples proven to sustain biodiversity and address climate change: Now it's time to recognize and support this leadership - ScienceDirect](https://www.sciencedirect.com/science/article/pii/S2590332221003572) and <https://www.sciencedirect.com/science/article/pii/S2590332221003572> (3 ways Indigenous knowledge protects nature (conservation.org)).

<sup>9</sup> Page 13 Discussion document

<sup>10</sup> 'Outcomes to aim for' in the discussion document pp. 29-30.



Section	Question	Response	Reason for Answer
			<ul style="list-style-type: none"> <li>Must fit within a suite of existing or future policy tools for protecting and enhancing indigenous biodiversity on whenua Māori and general title.</li> </ul>
	11. What are the main activities or outcomes that a biodiversity credit system for New Zealand should support?	Refer to reasons	<p>The Māori Trustee considers that the main activities or outcomes that a BCS for New Zealand would support are the:</p> <ul style="list-style-type: none"> <li>Protection and enhancement of at-risk indigenous biodiversity on general title including whenua Māori.</li> <li>Recognition of the work undertaken by landowners on whenua Māori and the interconnection between humans and biodiversity protection.</li> <li>Continuous recording and reporting of project learnings to improve our collective knowledge. This information should be held on a single digital platform, administered at the national level, and be easily accessible and digestible for the public. This process could also assist in, among other things, the verification of the quality of a biodiversity credit.</li> </ul>
3. How should we design and implement a biodiversity credit system?	12. Of the following principles, which do you consider should be the top four to underpin a New Zealand biodiversity credit system? Principle 1 – Permanent or long-term (eg, 25-year) impact Principle 2 – Transparent and verifiable claims Principle 3 – Robust, with measures to prevent abuse of the system Principle 4 – Reward nature-positive additional activities Principle 5 – Complement domestic and international action Principle 6 – No double-counting, and clear rules about the claims that investors can make Principle 7 – Maximise positive impact on biodiversity	Support for Principles 1, 7, 5 and combining Principles 2, 3 and 6.	<p>The Māori Trustee considers that if a BCS is designed and implemented the following four principles should be prioritised:</p> <p><b>Principle 1: Permanent or long-term</b></p> <p>The Māori Trustee considers that, in the context of assessing indigenous biodiversity values, 25 years as an interval is neither ‘long-term’ or ‘permanent’. For example, a forest ecology will generally take hundreds of years to achieve the greatest level of benefit for indigenous biodiversity and ecosystem services. Permanence should therefore be the default position for biodiversity credit allocation. Milestone payments could assist in incentivising and maintaining the permanence of biodiversity projects. Permanence should also not preclude the ability of Māori to practice customary harvest and other cultural activities, where appropriate, in sites registered for biodiversity credits on their whenua.</p> <p><b>Principle 7: Maximise positive impact on biodiversity</b></p> <p>The Māori Trustee considers that a BCS should have a preferential bias towards maximising positive impact on biodiversity. This would require the articulation of a strategy for a site or project area in relation to its biodiversity objectives. This information may potentially be made available from a national or regional biodiversity strategy as required under the NPS IB.</p> <p><b>Principles 2, 3 and 6: Integrity</b></p> <p>The Māori Trustee considers that these should be combined into one principle that represents the integrity of a BCS.</p> <p><b>Principle 5: Complement domestic and international action</b></p> <p>It is highly desirable that a BCS integrate with domestic objectives and programmes to protect and enhance indigenous biodiversity. A BCS should also align with international actions. This is in terms of being directly comparable to assist with attracting investment and demonstrating a commitment to global agreements (refer <i>Question 19</i> below).</p>
	13. Have we missed any other important principles? Please list and provide your reasons.	Support for an additional principle	<p>The Māori Trustee considers the following principles should underpin a BCS:</p> <p><b>Principle 8: Give effect to te Tiriti o Waitangi</b></p> <p>The proposed system appears to be created using a western framework that does not account for the complexities and nuances experienced by whenua Māori and Māori landowners.</p> <p><b>Principle 9: Empower local communities to connect with biodiversity</b></p>



Section	Question	Response	Reason for Answer
			Local and international research confirms the role of indigenous peoples and local communities in effective and equitable conservation. This principle is required to deliver a social outcome in making a BCS relevant to its (local) community and increasing the 'buy in' or 'ownership' of actions to protect and enhance indigenous biodiversity by a local community <sup>11</sup> .
	14. 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?	Partial support	<p>The Māori Trustee considers that to participate in a voluntary BCS market, in representing whenua Māori owners, the following assurances are needed:</p> <ul style="list-style-type: none"> <li>• That the protection or enhancement of indigenous biodiversity will not disadvantage: <ul style="list-style-type: none"> <li>○ Other activities (for primary production or other economic purposes) that may occur on the same or adjacent land.</li> <li>○ The ability to exercise customary harvest where this is lawfully provided for.</li> </ul> </li> <li>• A model for funding that is equitable for small whenua Māori block owners. <ul style="list-style-type: none"> <li>○ Administration costs should not outweigh the benefits.</li> </ul> </li> <li>• It must ensure respect for Māori, in terms of data sovereignty, in relation to taonga species.</li> <li>• A stable market that is not subject to the political will of the day.</li> <li>• Biodiversity credits must have legal recognition and transparency.</li> <li>• The process for obtaining credits is robust in terms of measurement, verification and reporting processes.</li> </ul>
	15. What do you see as the benefits and risks for a biodiversity credit market not being regulated at all?	Refer to reasons	<p>The Māori Trustee considers the following as benefits or risks for a biodiversity credit market that is not regulated:</p> <p><b>Benefits</b></p> <ul style="list-style-type: none"> <li>• Greater efficiency of processes and less administration costs.</li> <li>• Easier access into a market and between prospective buying/selling parties.</li> </ul> <p><b>Risks</b></p> <ul style="list-style-type: none"> <li>• Potential for falsified credits due to a lack of robust certification or verification and/or registration with Government entity.</li> <li>• Biodiversity credits offered do not have any value or are double counted.</li> </ul> <p>The Māori Trustee considers that a voluntary market (or very light regulatory and administrative environment) is required for a successful BCS. The discussion document references examples of a voluntary market in Aotearoa<sup>12</sup>. Examples of platforms for promoting nature positive biodiversity projects such as the Toha network can also be found in recent Government reports<sup>13</sup>.</p> <p>The Māori Trustee considers that the risk of biodiversity credits being double counted or falsified could be mitigated with a 3rd party audit function with a regular report on biodiversity credits required as an amendment to current legislation.</p>

<sup>11</sup> This is indirectly alluded to in the Discussion document Section 3, p 32. However, a coherent principle is not articulated under the Table 2 *Potential underlying principles*.

<sup>12</sup> The EKOS Maungatautiri example on page 13

<sup>13</sup> Reference to the East Coast Exchange / Toha Foundry Ltd see <https://www.toha.network> Paragraph 42, page 26 (*Outrage to Optimism: The Panel for the Ministerial Inquiry into Land uses associated with the mobilisation of woody debris (including forestry slash) and sediment in Tairāwhiti / Gisborne District and Wairoa District, 2023*).



Section	Question	Response	Reason for Answer
	<p>16. 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>To have the most impact in attracting people to the market, which component(s) should the Government be involved in? Please give your reasons.</p>	<p>Refer to reasons</p>	<p>The Māori Trustee considers that for small whenua Māori blocks to participate in a voluntary BCS, funding is required for all the components identified in the question. It is also considered that the Government should be involved with roles related to both enablement and administration for a BCS.</p> <p>The Māori Trustee makes the following comments in relation to the components identified by the question:</p> <p><b>Project provision</b></p> <ul style="list-style-type: none"> <li>Guidance as to the geographic areas or priorities for biodiversity protection and enhancement would assist those seeking to set up a site, project, or activity for a biodiversity credit.</li> </ul> <p><b>Quantification of activities or outcomes</b></p> <ul style="list-style-type: none"> <li>A process needs to be set out in terms of how this is done and by whom. Details about this could be provided through further consultation and engagement. Free participant training could also be provided (through an online webinar or courses) and the actual task could also be accomplished by participants using an online calculator or digital form.</li> </ul> <p><b>Monitoring measurement and reporting</b></p> <ul style="list-style-type: none"> <li>As is the case for assessment and audit of Freshwater Farm Plans, a similar or the same system could be applied to the measurement and reporting of claims for biodiversity credits.</li> </ul> <p><b>Verification of claims</b></p> <ul style="list-style-type: none"> <li>A self-assessment system and associated training should be provided to enable landowners to undertake verification for existing protected areas such as land under a Ngā Whenua Rāhui.</li> </ul> <p><b>Operation of the market and registry</b></p> <ul style="list-style-type: none"> <li>There are already existing voluntary market platforms<sup>14</sup> that may be useful for the Government to partner with.</li> </ul> <p><b>Investing in credits</b></p> <ul style="list-style-type: none"> <li>Regulation is likely to be required for legal recognition to mitigate the potential for fraudulent biodiversity credit claims.</li> </ul>
	<p>17. In which areas of a biodiversity credit system would government involvement be most likely to stifle a market?</p>	<p>Refer to reasons</p>	<p>Based on experience with the management of forestry under the NZ ETS the Māori Trustee considers that the overall role of government, as a market administrator, may stifle a BCS market in terms of:</p> <ul style="list-style-type: none"> <li>delays in processing</li> <li>the level or complexity of process</li> <li>the potential for duplication of information</li> </ul> <p>These issues will likely provide a barrier for participation in a BCS for whenua Māori landowners.</p> <p>However, to ensure that the development of a BCS is not stifled by its administration, the following is suggested:</p> <ul style="list-style-type: none"> <li>A single government agency should be tasked with as the liaison for stakeholders, and with any functions pertaining to administration, oversight or regulation.</li> <li>Early stakeholder engagement and focus group testing of BCS administration components:             <ul style="list-style-type: none"> <li>to provide guidance on the process;</li> <li>to clearly articulate the information requirements; and</li> <li>to utilise tools such as digital templates for ease of access.</li> </ul> </li> </ul>

<sup>14</sup> The Toha network <https://www.toha.network>.



Section	Question	Response	Reason for Answer
			It should also be recognised that whenua Māori has specific issues (as listed in the response to Question 1) that directly impact the ability of owners to participate in a BCS. Those identified matters would be exacerbated if, in developing an administrative system for biodiversity credits, the Government does not engage directly with mana whakahaere and stakeholder groups.
	18. Should the Government play a role in focusing market investment towards particular activities and outcomes and if so, why? For example, highlighting geographic areas, ecosystems, species most at threat and in need of protection, significant natural areas, certain categories of land.	Refer to reasons	<p>The Māori Trustee considers that the Government could undertake the following roles in relation to focusing investment in a voluntary BCS:</p> <ul style="list-style-type: none"> <li>• <b>Publicising priorities for conservation:</b> A direction for investment through information contained in national or regional biodiversity strategies (required by the NPS IB) is already provided. This information could be simplified through standalone information sheets or web pages to assist the development of projects in a voluntary BCS.</li> <li>• <b>Whenua Māori:</b> Facilitation and funding (as proposed under the NPS IB) for the assessment of indigenous biodiversity protection and enhancement on whenua Māori under a BCS. Market activities and outcomes must retain rangatiratanga and optionality for Māori Freehold land due to legacy development issues and the additional compliance associated with Māori Land Court jurisdiction.</li> <li>• <b>Technical guidance:</b> The provision of technical guidance complemented with face to face workshops using expert facilitators for common topics of a BCS.</li> <li>• <b>Quality Control:</b> Use those already available internationally that can be amended for an Aotearoa context. Develop them for a voluntary BCS and for biodiversity credits. A timeframe can be set for reviews to determine whether the investment going into a biodiversity credit market is aligned to national and regional priorities.</li> </ul>
	19. 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? Please give your reasons.	Partial support (critical)	<p>The Māori Trustee considers that it is very relevant - (4) - that a NZ BCS aligns with international systems and frameworks for the following reasons:</p> <ul style="list-style-type: none"> <li>• Aotearoa/New Zealand is a signatory to international agreements in relation to indigenous biodiversity (the Convention on Biological Diversity, the Kunming-Montreal Global Biodiversity Framework, and the Paris Agreement in relation to climate change).</li> <li>• International systems and frameworks reinforce the rights and aspirations of whenua Māori owners for indigenous biodiversity as mana whakahaere. This would support the development of a BCS that gives effect to te Tiriti o Waitangi and acknowledges mātauranga Māori.</li> </ul>
	20. Should the Government work with private sector providers to pilot biodiversity credit system(s) in different regions, to test the concept?  If you support this work, which regions and providers do you suggest?	Support	<p>The Māori Trustee supports a proposal that requires the Government to work with private sector providers to pilot biodiversity credit system(s) in different regions, to test the concept.</p> <p>Much land the Māori Trustee administers is recognised as containing indigenous biodiversity values<sup>15</sup> and some has also been involved in projects for the restoration of indigenous biodiversity values. These examples could assist in the evaluation of the design for an indigenous biodiversity credit system.</p> <p>The Māori Trustee would welcome an opportunity to assist the Ministry for Environment in identifying sites in relation to the development of a biodiversity credit system. Examples of managed land with different indigenous biodiversity values can be found within Northland, Gisborne, Hawke’s Bay, Otago, Southland, and the West Coast Regions.</p>
	21. What is your preference for how a biodiversity credit system should work alongside the New Zealand Emissions Trading Scheme or voluntary carbon markets?	Partial support, option (b)	<p>The Māori Trustee considers that the protection and enhancement of indigenous biodiversity as an objective is complementary with an objective of carbon sequestration within permanent indigenous vegetation. However, the Māori Trustee does not support a BCS based upon rigid standards or that a BCS market be regulated to integrate with the NZ ETS.</p> <p>There are numerous problems with the current ETS for owners of small land blocks, but the main ones are:</p>

<sup>15</sup> Of the 572,487 ha of Māori land 42% is in natural forest of 12% of general title land. Of the Māori Trustee’s portfolio 32% is in natural forest.



Section	Question	Response	Reason for Answer
	<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. Please answer (a) or (b) or (c) and give your reasons.</p>		<ul style="list-style-type: none"> <li>the ETS is very complex, thus requiring the hiring of expensive consultants to navigate the system;</li> <li>it is subject to regulatory and policy risk which can undermine long-term investment decisions;</li> <li>the favouring of exotics over natives in carbon sequestration measurement;</li> <li>the volatile nature of the NZU price;</li> <li>Lack of flexibility in the penalties applied for unintentional transgressions of the NZ ETS rules.</li> </ul> <p>If a BCS is designed and implemented the Māori Trustee would prefer that it is a voluntary market system which does not interact with the NZ ETS.</p>
	<p>22. Should a biodiversity credit system complement the resource management system? (Yes/No)</p> <p>For example, it could prioritise:</p> <ul style="list-style-type: none"> <li>Significant Natural Areas and their connectivity identified through resource management processes</li> <li>endangered and at-risk taonga species identified through resource management processes.</li> </ul>	No	<p>The Māori Trustee acknowledges the potential for links between a BCS and the current resource management system. However, the Māori Trustee does not support a BCS where the achievement of credits is interlinked to the priorities set for a biodiversity strategy required under the NPS IB, or any strategy mandated by other legislation.</p> <p>The current and future use and development of Māori land, to sustain Māori communities and provide reconnection between our owners to their whenua must be considered in relation to a BCS. The Māori Trustee’s view is that a BCS which prioritises SNA’s or at-risk taonga species must not unintentionally penalise Māori land that has, through no fault of the owners, been underutilised for some time.</p> <p>The use of BCS as a strategy for protecting or enhancing indigenous biodiversity on whenua Māori needs to reflect the kaitiaki status of owners and provide for their decision making and mana motuhake in managing the protection and enhancement of indigenous biodiversity.</p> <p>The Māori Trustee suggests that a BCS could be complementary to whenua Māori (including small blocks) by encompassing the value of ecosystem-based services or valuing natural capital. This approach would enable those with significant biodiversity on their land to have its services recognised and valued. Landowners should be significantly financially compensated, on an on-going basis, for indigenous biodiversity on their land.</p>
	<p>23. Should a biodiversity credit system support land-use reform? (Yes/No)</p> <p>(For example, supporting the return of erosion-prone land to permanent native forest, or nature-based solutions for resilient land use.)</p>	Yes, partial support	<p>The Māori Trustee is supportive of a BCS being used as a tool for land use reform in terms of promoting the protection of erosion prone land and for protecting or enhancing biodiversity where this is supported by the landowner. This support is however caveated on the following:</p> <ul style="list-style-type: none"> <li>The Government provides early engagement with whenua Māori owners in the design and implementation of a BCS for this purpose.</li> <li>Funding is required to enable participation by small whenua Māori entities as they are financially under-resourced and have land use characteristics that do not generate an income sufficient to finance their uptake of a BCS.</li> </ul> <p>The Māori Trustee also considers that a BCS could act as a mechanism for improving the resiliency of rural communities in terms of providing enhanced learning and job creation opportunities.</p>



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## Appendix A – The Māori Trustee and Te Tumu Paeroa

### Who We Are

The Māori Trustee is appointed by the Minister for Māori Development under the Māori Trustee Act 1953. One of the principal roles of the Māori Trustee is to administer as trustee or agent whenua Māori and other client assets in accordance with the principles and obligations of trusteeship and agency, and relevant legislation including the Māori Trustee Act 1953, Trusts Act 2019 and Te Ture Whenua Māori Act 1993. The current Māori Trustee, Dr Charlotte Severne, was appointed for a three-year term in September 2018 and was re-appointed for a five-year term in October 2021.

Te Tumu Paeroa is the organisation that supports the Māori Trustee to undertake her statutory and other legal functions, duties and responsibilities.

The Māori Trustee administers approximately 82,000 hectares of Māori freehold land, as well as general land and other interests and investments, on behalf of over 100,000 Māori landowners.

A primary objective of The Māori Trustee, is to protect, utilise and grow the assets of our Māori landowners. The organisation provides land administration and professional trustee services to one third of all Māori land trusts (over 1700 trusts), as well as targeted development and sector-specific expertise. The organisation is involved in the management of a number of Māori enterprises and development projects.

The Māori Trustee currently employs approximately 166 staff across five offices throughout New Zealand, with the Māori Trustee based in Te Whanganui-a-Tara.

Te Tumu Paeroa is unique, in that it is the only nation-wide organisation that manages significant tranches of Māori land and assets on behalf of Māori landowners.

### Our Vision and Priorities

Our vision is: Ko Te Tumu Paeroa tēnei, te tauawhi nei, te taunaki nei, te tiaki nei ngā whenua Māori mō naianei, mō āpōpō hoki. Ensuring Māori land is protected and enhanced, now and for generations to come.

Our vision requires a careful balance between protection of the whenua and taiao and enhancement of the whenua through a range of pathways, including commercial development.

Our purpose is to be a dedicated professional trustee service for Māori.

Our strategic priorities assist us to deliver on our vision and purpose:

- Enhancing operational excellence.
- Growing an inclusive culturally competent organisation committed to a greater understanding of Te Ao Māori.
- Contributing to growth, development and future leadership in whenua Māori administration and governance.
- Increasing the resilience and sustainability of the assets and whenua we administer.



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## Our Portfolio

Our portfolio currently<sup>16</sup> consists of the following:

- Number of trusts and other entities under administration – 1746.
- Total hectares administered by Māori Trustee – 82,161.
- Number of owner accounts maintained – 104,049.
- Number of ownership interests – 263,233.
- Number of leases under management – 1,704.
- Client funds held (market value) - \$ 133 million.
- Māori Trustee equity - \$ 165 million.

## Our Mahi

The Māori Trustee has the responsibility to ensure that the best interests and outcomes for Māori land owners are advanced by Te Tumu Paeroa’s mahi.

Our core services are:

- Administration of trusts where the Māori Trustee is the responsible trustee.
- Agreed trustee services where the Māori trustee is an agent or custodian trustee.
- Keeping records for trusts we administer.
- Managing finances and preparing financial statements.
- Consulting with and convening meetings for advisory trustees.
- Consulting with and convening meetings for beneficial owners.
- Reporting to responsible trustees, advisory trustees and beneficial owners.
- Administering trust distributions.
- Filing applications with the Māori Land Court and attending associated hearings.
- Property management, including leases and asset maintenance.
- Reviewing land use and considering, where appropriate, alternative land use options.
- Developing and enhancing land and assets; including the production and maintenance of Asset Management Plans and Farm Environment Plans.
- Responding to requests for information.
- Managing and investing cash assets in the Common Fund.
- Managing and providing support services for the General Purposes Fund.

**- End of Document -**

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<sup>16</sup> The Māori Trustee Annual Report 2023