Department of Conservation
Te Papa Atawhai

Briefing: Voluntary Nature Credit Market and pilot project update

To	Minister of Conservation	**Date submitted**	26 August 2025
Action sought	**Agree** to send the attached letter to the Manaaki Kaimai Mamaku Trust **Note** the Voluntary Nature Credit Market update	**Priority**	Normal
Reference	CORM-1678	**DocCM**	DOC-10404827
Security Level	In Confidence		

Risk Assessment	Low	**Timeframe**	26 August 2025
Attachments	Attachment A – draft response letter to Manaaki Kaimai Mamaku Trust		

Contacts	
Name and position	**Phone**
Ewan Delany, Acting Deputy Director General, Policy and Regulatory Services	s 9(2)(a) [redacted]
James Johnson, Manager, Budget and Funding Policy	[redacted]

Executive summary – Whakarāpopoto ā kaiwhakahaere

1. On 6 June 2025, Cabinet agreed in-principle to key elements of government's role in the proposed Voluntary Nature Credit Market (VNCM) in New Zealand, subject to a report back and testing during the pilot programme [CAB-25-MIN-0187 refers].
2. There are two pilot projects on public conservation land (PCL). The Department of Conservation (DOC) was not involved in their selection and has been working to determine what regulatory permissions are required.
3. After the pilot period (June 2026), s 9(2)(b)(ii) [redacted]
4. DOC is supportive of enabling VNCM activities on PCL. Further work is needed to explore options within existing settings that make participation more accessible for projects s 9(2)(f)(iv) [redacted]
5. We will provide you with advice by the end of the year on options to support VNCM activities on PCL, including the costs, benefits and risks, of such activities, and what incentives or mitigations may be needed.
6. This briefing also seeks your agreement to send a response letter to a VNCM pilot project Manaaki Kaimai Mamaku Trust (MKMT) on PCL. The Chief Executive of the MKMT, s 9(2)(a) [redacted] wrote to you on 10 June. s 9(2)(b)(ii) [redacted]

We recommend that you … (Ngā tohutohu)

		Decision
a)	**Agree** to send the attached response letter to the Chief Executive of Manaaki Kaimai Mamaku Trust.	Yes / No
b)	**Note** the update on VNCM pilot projects on PCL, s 9(2)(b)(ii) [redacted] and DOC's work programme to assess the opportunities and risks of VNCM on PCL.	Yes / No

Date: / /

Ewan Delany
Acting Deputy Director General – Policy and Regulatory Services

Date: / /

Hon Tama Potaka
Minister of Conservation

Purpose – Te aronga

1. This briefing provides you with:
   - an update on the Voluntary Nature Credit Market (VNCM) pilot projects on public conservation land and the regulatory approvals they require;
   - a draft response letter to the Manaaki Kaimai Mamaku Trust pilot project for you to sign; and
   - a high-level update on DOC's VNCM work programme.

Background and context – Te horopaki

Voluntary Nature Credit Markets

2. The VNCM is intended to attract private investment for landowners, community groups and Iwi to invest in and protect nature and reduce carbon emissions. The VNCM is proposed to capture a range of market types, including biodiversity credits, carbon credits and other nature activities.
3. Credits represent an uplift or enhancement in environmental outcomes, such as biodiversity or carbon sequestration. The credit holds monetary value, and can be traded, sold, or used to be associated with environmental improvements.
4. While the market mechanism and credit will depend on the project, most nature credit activities will be carried out by a project proponent and funded by a third party via investment or purchase of a credit. For example, a community group may carry out biodiversity work that creates an 'uplift' or enhancement of biodiversity. This uplift would represent a 'credit', which can be sold on the market. Revenue from the sale can be re-invested into the project.

The Government is supporting the emerging Voluntary Nature Credit Market

5. On 6 June 2025, Cabinet agreed in-principle to key elements of government's role in the proposed Voluntary Nature Credit Market in New Zealand, subject to a report back and testing during the pilot programme [CAB-25-MIN-0187 refers].
6. The proposed role for government is limited to direction setting, supporting standard setting led by the market, supporting assurance processes and promoting transparency.
7. The Government announced the pilot programme on 12 June, which will run between June 2025 to June 2026. Ten privately funded pilot projects were selected by the Ministry for the Environment (MfE) to test how nature credits can work in a New Zealand context and the role of government.
8. Cabinet agreed that you, alongside the Associate Minister for the Environment and the Minister of Climate Change, would jointly progress a more detailed design of the final VNCM proposal and work on the role of government.

The Ministry for the Environment selected two pilot projects on PCL

9. MfE worked with Boffa Miskell—an environmental consulting group — to select two conservation projects already operating on PCL to include in the pilot programme.
   - **The Kaimai Mamaku Restoration Project** – Managed by Manaaki Kaimai Mamaku Trust (MKMT) (who the response letter is for). The trust functions as an umbrella for eight smaller sub-projects (Iwi/Hapū led), each with their own agreement with DOC. Across the projects, work is focused on predator and pest control and biodiversity restoration.
   - **Pūponga Farm Park** – Northern South Island – Managed by HealthPost Nature Trust. Work focuses on the establishment of a small predator proof fence and the regeneration of natives on retired farmland.

10. Boffa Miskell is using the two PCL projects to inform the development of its own Biodiversity Credit Standard and adapt it to the New Zealand ecological context. The standard is designed to have a robust methodology and verification process to ensure credits represent a credible and trustworthy uplift in biodiversity. The pilot is a desktop exercise using the projects biodiversity data and reporting to refine this product they hope to sell and be used in the VNCM.
11. Boffa Miskell, Manaaki Kaimai Mamaku Trust and HealthPost Nature Trust hope that their participation as a pilot project s 9(2)(b)(ii) [redacted]

Regulatory approvals for VNCM pilots on PCL

12. DOC was not involved in the selection of these projects and had to work at pace to understand what the pilot projects are trying to achieve and whether they have the correct permissions to proceed [25-B-0196 & 25-B-0252].
13. We informed the projects that we would work to understand what activities are permissible or would require further regulatory approvals. We have now confirmed:

- **Where a project has a community agreement with DOC, they can participate in the VNCM pilot project**. We have assessed the nine existing community agreements (one for HealthPost Nature Trust, eight for the Kaimai Mamaku projects). Over the pilot period, the projects are not proposing to carry out new activities or generate a 'credit' from their biodiversity work. Therefore, their existing community agreements with DOC are sufficient for that period.

- **A concession is required to be a 'credit earning' project on PCL.** Projects wishing to generate a nature credit (financial return) require a concession to undertake this activity on PCL under existing legislative settings. s 9(2)(b)(ii) [redacted]

Work is needed to explore improvements to existing settings to enable VNCM

14. The conservation regulatory system and concessions processes are designed to limit and mitigate risk to biodiversity outcomes from activities on PCL. Current settings are not well suited to enabling or supporting activities, like nature credit projects, which are centred on achieving biodiversity improvements.
15. The concessions process is costly ($2000-$3000 per application fee, plus ongoing activity and management fees), and time consuming (seven to nine months to assess, or longer for new types of activities), which creates challenges for small conservation groups.
16. DOC is supportive of enabling VNCM activities on PCL. s 9(2)(f)(iv) [redacted] We will provide you with additional advice by the end of the year on options to support VNCM activities on PCL.
17. s 9(2)(b)(ii) [redacted] s 9(2)(f)(iv) [redacted]

Response to Manaaki Kaimai Mamaku Trust

18. Following a meeting with DOC on 29 May 2025 where we noted uncertainty regarding the permission status of the projects, s 9(2)(a) [redacted] the Chief Executive of the Manaaki Kaimai Mamaku Trust (MKMT), wrote to you on 10 June. s 9(2)(b)(ii) [redacted]

19. On 12 August, the Regional Director for the Eastern North Island, Jade King-hazel, informed [redacted] that a [redacted] but that DOC is committed to enabling these types of projects.
20. The draft response letter (Attachment A) notes this work programme and DOC's commitment to find a pathway for these projects to seek the correct concessions to be a 'credit earning' activity on PCL.

VNCM risks and opportunities for DOC

21. The VNCM presents new opportunities and potential risks for conservation. Throughout the pilot period, DOC will assess the costs and benefits of nature market schemes on PCL and will advise you on our recommendations by the end of the year.
22. There is already interest from existing partners, [redacted] The VNCM could present new funding opportunities for other conservation projects, such as predator free community groups and large-scale landscape projects on PCL.
23. However, there are legal and policy issues to work through, such as how risk to the Crown is managed, if project standards are not robust and lack credibility, or where projects fail or liabilities fall to DOC. There are choices between creating a 'low cost' enabling system and potential return to DOC for charges.

VNCM proposal and policy development with the Ministry for the Environment

24. We are supporting MfE on the policy development for the VNCM proposal and report back to Cabinet in March 2026. It is important that you remain involved alongside the Associate Minister for the Environment and MfE continues to work with DOC.
25. There is a strong rationale for DOC's involvement and contribution to the design of the VNCM market, as government lead for biodiversity and conservation. It is important that the market is designed to be credible, trustworthy, and represents real gains in biodiversity, to avoid the failures of the voluntary carbon market.

Risk assessment – Aronga tūraru

26. [redacted] While timeframes are challenging, we are working to ensure that the projects are informed of the options and risks associated different permission options well ahead of time.

Treaty principles (section 4) – Ngā mātāpono Tiriti (section 4)

27. Through the concessions policy options analysis and assessment of VNCM opportunities for DOC, we will consider how the options give effect to the Treaty principles and how Treaty Partners may be impacted by VNCM activities on PCL.

Next steps – Ngā tāwhaitanga

28. By the end of the year, we will report back to you with options to support and enable VNCM on PCL through an accessible concession process. We will also advise you on the opportunities and risks regarding VNCM and DOC.

ENDS