

Sustainable Business Council and Climate Leaders Coalition

Response to the Ministry for the Environment's
consultation on Aotearoa New Zealand's voluntary
nature and carbon markets



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Aotearoa New Zealand's Voluntary Carbon and Nature Credits Markets (VCNM)

1. Executive summary

This report presents consolidated insights from members of the Sustainable Business Council (SBC) and Climate Leaders Coalition (CLC) on how to strengthen confidence, integrity, and scale within Aotearoa New Zealand's voluntary carbon and nature markets (VCNM). The engagement was designed to provide a structured channel for businesses to share their perspectives with the Ministry for the Environment (MfE) as it develops policy settings for a credible, accessible, and enduring national framework.

Feedback was gathered through an online survey, which received 23 full responses and 2 partial responses, alongside an online workshop with three additional participating entities. Respondents represented a broad cross-section of sectors including finance, professional services, manufacturing, agriculture, construction, energy, and transport. Importantly, those who completed the survey typically did so because they held sufficient knowledge or active involvement in carbon and nature market activities. Several organisations began the survey but did not feel confident completing it due to limited expertise, though they remain interested in the market's direction and in learning from peers.

Together, the insights reflect a strong appetite from business for a high-integrity voluntary market aligned with Aotearoa New Zealand's strategic climate and biodiversity objectives, while also being sufficiently accessible for smaller stakeholders - such as farmers and Māori landowners - who face higher barriers to participation. The findings point to the importance of a principle-based policy framework, proportionate verification pathways, and public-good market infrastructure that reduces cost and complexity across the system.

This report summarises what businesses told us, interprets what these insights mean for market design, and outlines practical actions for Government that would support the development of a trusted, transparent, and scalable VCNM.

Topline findings

- **Integrity is non-negotiable:** Businesses overwhelmingly emphasise that high integrity underpins market confidence, credibility, and long-term viability.
- **Accessibility matters, particularly for smaller stakeholders:** Farmers, Māori landowners, SMEs, and community scale project developers require proportionate processes and clearer guidance to participate meaningfully without compromising integrity.
- **Businesses prefer a balanced approach:** Most respondents favour balancing integrity and accessibility through tiered or segmented frameworks that reflect different project types, scales, and risk profiles.
- **There is strong support for a principle based national framework:** Clear standards, quality guardrails, transparent claims rules, and durable long-term policy signals are seen as essential.
- **Verification cost and complexity are major barriers:** Lower cost, proportionate verification pathways - supported by national datasets and improved measurement tools - would significantly reduce friction.

- **Government has a critical role in market confidence:** The strongest expectations relate to Government acting as a standard setter, quality assurer, and cornerstone participant, particularly in early stages of market development.
- **Public good infrastructure is needed:** Investment in national environmental data, monitoring baselines, and a meta registry to improve transparency and price discovery is widely supported.
- **Market participation is growing but uneven:** While many businesses already invest in nature related activities, levels of maturity vary, and clear policy direction would help normalise and scale participation.
- **Clear claims guidance is urgently needed:** Definitions of additionality, permanence, leakage, reversal risk, and double counting must be standardised to avoid confusion and reputational risk.

2. Endorsements and Government's role

Government's role in scaling the VCNM

There is a strong call for clear, long-term policy direction in scaling the VCNM. Businesses are looking for a high-integrity, principle-based national framework that provides stable rules, credible verification, and trusted governance without heavy regulation. They see the Government's role as providing leadership - as a cornerstone investor and standard setter - and using targeted public demand to help build market confidence.

Businesses also perceive Government's role as providing early-stage funding, de-risking support, and investment in national datasets and digital infrastructure to help scale the market. Alignment with international norms, tailored to New Zealand's institutional strengths, is considered essential, as is ensuring the market remains transparent, accessible, and low-cost for all participants, including smaller landowners and community projects. Many also highlight the value of integrating carbon and nature markets over time.

See [Appendix A, List 1](#) for a breakdown of responses.

How Government should balance high integrity and accessible market standards

Half of respondents (50%) believe integrity and accessibility should be balanced equally, signalling strong support for a framework that maintains high standards while still enabling broad participation through a segmented or tiered approach. Respondents also recognise that accessibility remains important for smaller stakeholders, such as farmers and Māori landowners, who often face higher barriers to participation due to costs, capability demands, and verification complexity.

Notably, no respondents prioritised accessibility over integrity, making it clear that businesses do not want standards to be lowered. Instead, the message is that integrity is non-negotiable, but accessibility must still be thoughtfully enabled - through proportionate verification, targeted support for smaller projects, and clearer guidance - so the market can grow inclusively without compromising trust.

See [Appendix A, Pie Chart 1](#) for a graph representation.

Where Government funding would deliver the most value

Government funding delivers the greatest value where it unlocks early-stage project development and strengthens market integrity. Priority areas include support for international standard validation and verification, and endorsement of standard methodologies that meet high-integrity principles - enabling high-integrity carbon and nature projects to develop and scale. Additional value was identified in blended investment models and direct support for project developers, noting that the concept of "blended models" is not always clearly understood. Early-stage support was also viewed as a key enabler for organisations that may not currently purchase credits but are interested in developing projects.

Strong emphasis was placed on investment in underlying market infrastructure, including:

- National datasets, which require dedicated funding to improve measurement, baselining, and comparability
- Verification capability aligned with international norms, recognising that high integrity does not rely solely on Integrity Council for the Voluntary Carbon Market (ICVCM) verification and may involve supporting Aotearoa New Zealand institutions developing or applying standards.
- A registry of New Zealand nature-credit supply, ideally designed as a meta-registry that connects multiple systems to improve transparency and price discovery rather than duplicate existing platforms.

Government signals and endorsements that would add the most value

Policy alignment with the VCNM is the strongest confidence signal. Businesses view this being supported by accreditation pathways (such as Net Zero), integration into climate and nature strategies, public statements of support, and a clear quality assurance approach as crucial. Feedback also emphasised the value of visible Government participation as a buyer, maintaining affordability and accessibility, and using targeted measures such as rates relief for native reforestation land. There was strong support for building on the work already underway throughASUREQuality as a government owned State-Owned Enterprise (SOE) progressing a standardised framework. Businesses would like to see Government providing public statements of support and clear guidance on claims (offset vs contribution), as well as keep the market affordable and accessible, including targeted measures such as rates relief for native reforestation land where appropriate.

See **Appendix A, Bar Chart 1** for a graph representation.

Key recommendations to Government on endorsement and their role:

1. Publish a durable, principle based national framework with clear guardrails on integrity, verification, governance, and claims.
2. Act as a cornerstone participant (including selective early purchasing) to anchor demand and validate high-quality supply.
3. Invest in public good infrastructure - national datasets and digital systems - to reduce costs and improve comparability.
4. Endorse a clear quality assurance pathway (e.g., a nationally recognised standard or guarantee) to signal integrity without heavy regulation.
5. Maintain affordability and access (e.g. targeted measures for native reforestation) while keeping standards high.

3. Market design and function

Critical success factors for scaling Aotearoa New Zealand's VCNM

Clear standards and strong verification processes are central to building confidence in a voluntary carbon and nature credits market. Greater clarity in environmental claims is needed to avoid misleading buyers, alongside flexibility to incorporate emerging measurement technologies.

Alignment with international norms and frameworks, tailored to Aotearoa New Zealand's institutional strengths, is also seen as critical. This includes recognising credits verified under established international standards. International alignment adds value where it enables access to global buyers or recognises internationally verified credits, provided it remains proportionate to New Zealand's scale.

See **Appendix B, Bar Chart 1** for a graph representation.

Challenges and opportunities for VCNM in Aotearoa New Zealand

Businesses identified a number a of key barriers including:

- Verification complexity and cost.
- Unclear standards and claims terminology.
- Lack of steady demand, and price uncertainty in a small domestic market.

Additional risks include high ongoing ecological monitoring costs and ambiguity about what "international alignment" means in practice.

Opportunities centre on co-benefits across the economy, community and biodiversity, including improving freshwater/coastal ecosystems as well as supporting climate resilience. Respondents also highlighted strong potential for iwi/hapū led projects, particularly those that restore wāhi taonga and value mātauranga Māori.

See **Appendix B, Bar Chart 2 and 3** for a graph representation.

Key recommendations to Government on market design:

1. Adopt a tiered/segmented market design that balances integrity with accessibility across project sizes and risk profiles.
2. Recognise credible international credits where appropriate to increase liquidity while domestic capacity scales.
3. Build proportionate monitoring and verification pathways to lower cost/complexity - especially for small projects.
4. Stand up an interoperable meta registry to connect existing systems and improve transparency and price discovery.
5. Clarify core definitions and claims rules (additionality, permanence, leakage, reversal; offset vs contribution).

4. Demand Side Articulation

Nature credit offerings businesses are most likely to engage with

Most businesses are open to both internationally aligned and domestic nature credit offerings, reflecting different drivers. Some require high-integrity, verified credits for corporate reporting and global alignment, while others place greater value on local, high-quality projects. A credible Aotearoa New Zealand framework should therefore recognise and accommodate both approaches.

Businesses also noted that a framework should allow for verified carbon components and provide a safe, supported pathway for early nature-based carbon projects, including smaller 5–100 ha parcels. A tiered, regionally appropriate approach would enable participation at different scales without compromising integrity.

Cost expectations vary across businesses. Some have no fixed preference, while larger corporates may rely on internationally aligned credits to meet commitments yet still support smaller domestic projects where feasible.

Appendix C, Bar Chart 1 representation of nature credit offerings businesses are most likely to engage with
Appendix C, Bar Chart 2 representation of credit structures most attractive to buyers.

Barriers to investing in Nature Credits

Investment is constrained by high upfront capital requirements, delayed revenue, and verification complexity and cost, which together raise project risk. Price uncertainty, unclear standards and claims terminology, and uncertain demand or internal buying further limit confidence.

At a system level, barriers include the immaturity of nature measurement, limited policy drivers, and the absence of a government-backed verification framework aligned with international expectations. Additional hurdles relate to scheme costs, legal and rights-sharing complexities (including crediting periods and volatile supply chains), low market liquidity, and difficulties securing verifiable data and supply-chain linkage.

Some organisations have no immediate buying intent, are prioritising their own biodiversity programmes, or are developing their own supply, and note that nature credits are harder to explain than carbon and lack clear methods for determining value.

See **Appendix C, Bar Chart 2** for a graph representation.

Guidance needed to support business participation

Clear, consistent guidance is needed to support confident participation in nature markets. Priority areas include Aotearoa New Zealand-specific definitions and terminology. Stronger government involvement is also important for setting direction and clarifying how nature markets fit within Aotearoa New Zealand's wider nature and climate strategies.

Guidance on permanence and additionality remains a critical gap, particularly where long-term outcomes depend on sustained funding (e.g., pest control). Integrity is further strengthened through access to internationally verified supply and clear expectations for how domestic projects align with global standards.

Businesses also need a pragmatic, transparent, and cost-effective accreditation process, along with clear rules for environmental claims — including how to avoid double counting and how credits contribute to national and international commitments. Practical capability-building support, such as training, tools, and decision frameworks, would further help organisations participate with greater clarity and confidence.

See **Appendix C, Bar Chart 3** for a graph representation.

Information needed to assess carbon and nature credit offerings

Businesses place the greatest importance on transparency and strong verification rigour, viewing both as essential for confidence in nature-based credit offerings. Return on investment (ROI) remains a key consideration, with co-benefits such as biodiversity and community outcomes strengthening the overall business case.

See **Appendix C, Bar Chart 4** for a graph representation.

What supports a strong business case for nature investment?

There are three core enablers for making a stronger internal case for nature investment:

- Robust ROI analysis, including breakeven timeframes and cost-of-capital comparisons.
- Practical case studies and peer benchmarks that demonstrate financial outcomes and co-benefits.
- Clear regulatory signals—notably Government commitment to NDC delivery and international partnerships—to build confidence and reduce perceived risk. Additional factors include the presence of a formal, liquid market with clear participation pathways, along with flexibility for in-house co-benefit or carbon projects where appropriate. Co-benefits and wider public-good outcomes also carry weight in internal decision-making.

Other pathways for nature investment

Businesses are already investing in nature through a broad range of activities beyond credit purchases. This includes:

- Acting within their value chains through nature-based solutions
- Natural capital accounting
- Blue carbon research
- Wetlands management
- Regenerative agriculture
- Sourcing from nature-positive suppliers

Others are pursuing insetting and self-generated outcomes, including nature-based carbon units, biodiversity gain programmes, indigenous forest regeneration, and wetland restoration.

Partnership approaches are also common, including collaborations with councils, lines companies, processors, the Department of Conservation, and NGOs. Many businesses focus on supporting their local communities through grant-funded restoration, pest control, reforestation, Jobs for Nature legacy initiatives, visitor-donation schemes, and staff volunteering or tree-planting programmes.

Several businesses are also building internal capability through biodiversity stocktakes, nature-impact assessments, and broader nature-positive strategy development. Retailers and exporters are likewise exploring nature-positive supply-chain practices, embedding nature considerations across production, sourcing, and procurement.

Key recommendations to Government on boosting demand

1. Issue authoritative claims guidance, with practical examples, to unlock internal approvals and reduce reputational risk.

2. Provide a government-endorsed quality mark or assurance that signals minimum standards for projects and credits.
3. Support buyer capability building (e.g., training, tools, due-diligence templates) to reduce transaction costs.
4. Clarify the role of nature credits in relation to New Zealand's domestic and international commitments (e.g., NDCs, biodiversity targets).
5. Align procurement policies so public entities can participate (where appropriate) and help strengthen early demand signals.

6. Current practice

Current participation in carbon and nature investments

Participation in carbon- and nature-related purchases varies widely across organisations, ranging from small-scale engagement through to multimillion-dollar investments. Overall, 65% of businesses surveyed are already investing in nature-related projects, while 35% are not.

Among those already investing, activity spans both domestic and international pathways:

- 47% are purchasing credits or funding projects within Aotearoa New Zealand
- 20% are investing offshore
- 33% are engaged in both

Budget allocation for nature-related purchases

Budget allocation for nature-related purchases varies widely across organisations, reflecting differences in emissions profiles, certification needs, and project strategies. Smaller budgets typically sit in the tens of thousands (e.g., ~NZD 20k for internationally verified credits or ~NZD 30k for domestic native forest restoration). Some corporates allocate hundreds of thousands (e.g., ~NZD 300k) or more, with several indicating commercially sensitive, multi-million-dollar levels.

Budgets are also variable or still “in development,” influenced by evolving accreditation settings and market information. Some organisations prioritise in-house initiatives such as insetting, biodiversity programmes, and restoration, as well as domestic carbon sinks to reduce future reliance on external markets. Others prefer international credits to meet near-term certification requirements.

Key recommendations to Government on supporting current practice

1. Fund pilot to scale transitions (baselining, monitoring, verification) to reduce ongoing costs and accelerate issuance.
2. Provide targeted technical assistance for farmers, Māori landowners, SMEs, and community projects to lower capability barriers.
3. Offer clear pathways for insetting and self-generated outcomes alongside external credit purchases.
4. Publish practical case studies and indicative ROI ranges to strengthen business cases and normalise participation.
5. Standardise minimum documentation (evidence, data custody, monitoring) to streamline audits and verification.

7. Micro-credits

Where microcredits can create the most value for purchasers

Microcredits offer the strongest value for local community and catchment groups, NGOs, and SMEs. This reflects the contexts where smaller-scale, place-based projects and lower entry thresholds are most advantageous. They also provide flexibility across purchaser types, including councils and individuals, particularly where microcredits are embedded within product or supply-chain value propositions.

Their effectiveness, however, depends on clear demand signals and ensuring microcredits are not isolated “tiny schemes” but can be aggregated into larger credit packages that meet market expectations for scale and integrity. This approach would also help reduce reliance on grants and improve viability for smaller-scale supply chains.

See **Appendix D, Bar Chart 1** for a graph representation.

Types of claims businesses seek to make

The strongest interest is in claims that demonstrate support for nature projects and, where integrity is high, contributions toward climate targets. There is a clear emphasis on authentic, measurable impact, which is viewed as far more important than promotional or on-pack claims. Most organisations seek to communicate verified contributions to nature, backed by transparent measurement and high-integrity project outcomes.

Businesses also value place-based storytelling that highlights tangible results—such as employment created, cultural landscape restoration, or climate-resilience benefits—seeing these as more meaningful than generic marketing statements. While the specific type of claim varies depending on organisational drivers, the overall preference is for credible, evidence-based communications that reflect genuine “nature-positive” outcomes rather than claims for their own sake.

See **Appendix D, Bar Chart 2** for types of claims businesses seek to make

See **Appendix D, Bar Chart 3** for factors and willingness to pay

See **Appendix D, Bar Chart 4** for preferred price point

See **Appendix D, Bar Chart 5** for required levels of validation and verification

Key recommendations to Government on micro-credits:

1. Enable aggregation of microcredits so small projects can scale into credible, market sized units.
2. Provide clear claims guidance focused on verified, measurable contributions to nature and climate.
3. Strengthen demand signals for small and community scale projects through government participation and policy alignment.
4. Support proportionate, low-cost verification tools suitable for site specific and small-scale nature projects.
5. Promote evidence based, place-based storytelling to help buyers communicate authentic local co-benefits.

8. Conclusion

This report demonstrates strong and consistent support from SBC and CLC members for the development of a high-integrity Voluntary Carbon and Nature Credits Market (VCNM). Participants were clear that integrity is non-negotiable and fundamental to market confidence, credibility, and long-term viability. At the same time, they emphasised the need for a framework that is proportionate and accessible, particularly for farmers, Māori landowners, SMEs, and community-scale project developers.

Across all themes, businesses highlighted the importance of clear, principle-based national standards; consistent definitions and claims guidance; and verification pathways that reduce cost and complexity without compromising quality. Government is seen as playing a pivotal role in setting direction and building confidence—through durable policy signals, quality assurance and endorsement, investment in public-good market infrastructure, and selective early participation to anchor demand and validate high-integrity supply.

Taken together, the insights in this report point to a clear opportunity to design a trusted, transparent, and scalable voluntary market that supports Aotearoa New Zealand's climate and biodiversity objectives while enabling broad participation. With the right settings in place, the VCNM can complement existing policy tools, crowd in private investment, and deliver enduring environmental, economic, and community benefits.

Appendix A: Endorsements and Government's role

List 1, responses to the Government's role

Clear, stable, long-term policy direction

- Certainty, durable policy, and long-term government commitment.
- Bipartisan support to avoid shifting settings.
- Clear differentiation from the ETS and transparency about national objectives.

High-integrity national framework with consistent rules

- A clear, principle-based framework that organisations can opt into.
- Consistent methodologies, standardised metrics, and high-integrity guardrails.
- Assurance, verification, transparency, and quality controls.
- Clear, credible communication rules to avoid greenwashing.

Governance focused on accountability and trust (without heavy regulation)

- Market governance that builds trust and credibility, balancing oversight with flexibility.
- Quality assurance mechanisms that don't overburden smaller participants.

Government as cornerstone investor and integrity setter

- Government acting as a cornerstone or anchor participant to validate the market.
- Setting high-integrity standards and endorsing credible verification systems.
- Crowding in private investment through early de-risking.

Early market support: funding, de-risking & infrastructure

- Grants, catalytic funding, and pilot support to prove early transactions.
- Support for producer onboarding and verification capability.
- Investment in national datasets and digital public infrastructure for nature data exchange.
- Lowering transaction costs so participation is feasible.

International alignment with NZ-specific strengths

- Aligning the market with international standards and norms.
- Leveraging NZ's strengths (credible rule of law, land title systems) to support trust.
- Building local verification capability to avoid costly international certification.

Accessible, transparent market that supports participation

- Clear guidance for businesses on participation and claims.
- Low transaction costs, simple processes, and transparent market platforms.
- Support for local and smaller projects, farmers, Māori landowners, and community initiatives.

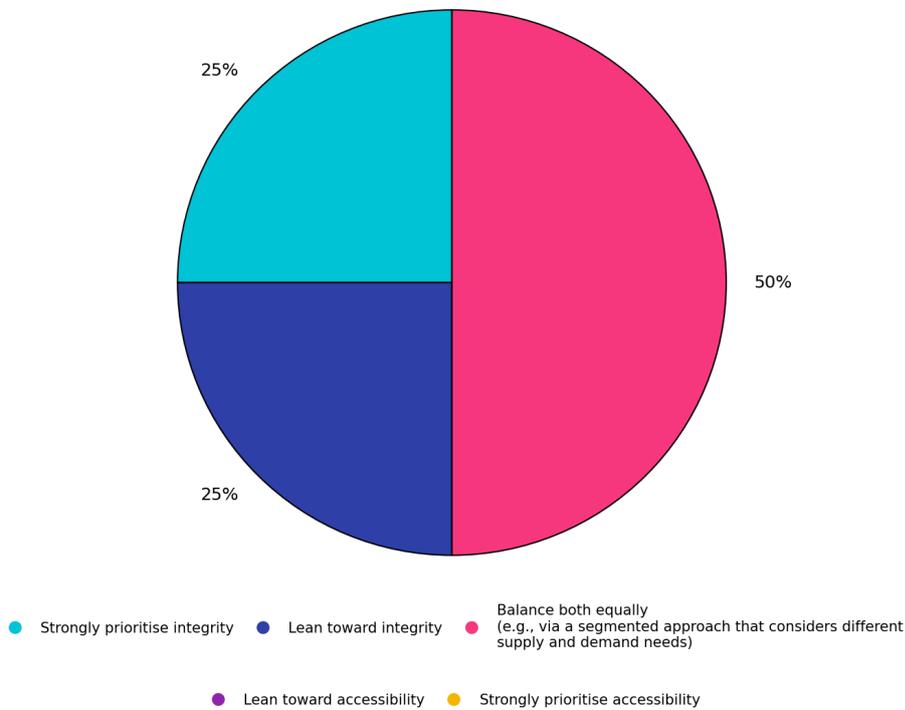
Integration across voluntary carbon & nature markets

- A cohesive national approach that aligns voluntary carbon and nature credits.
- Connection to national strategies (climate, biodiversity, adaptation).
- Ensuring comparability and clarity when both markets operate simultaneously.

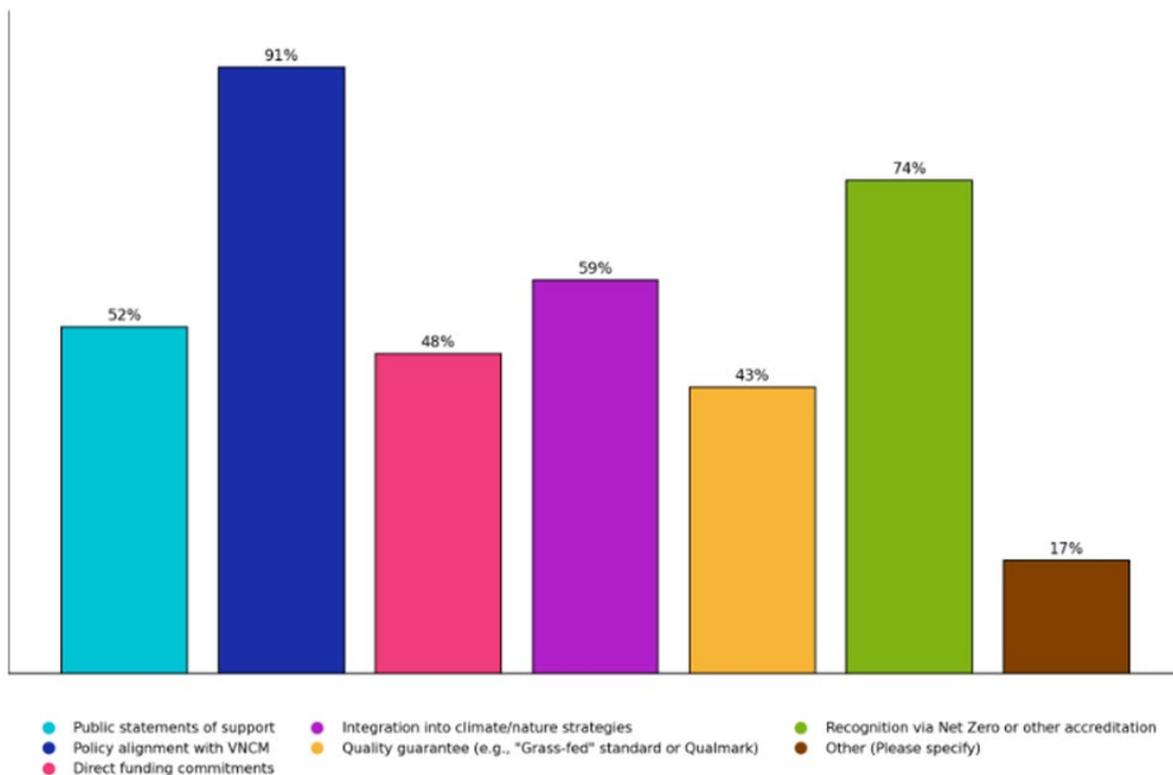
Demand creation and market confidence

- Government purchasing credits (e.g., toward NDCs) to stimulate early demand.
- Market confidence that long-term projects will attract buyers.

Pie chart 1, how Government should balance high integrity and accessible market standards

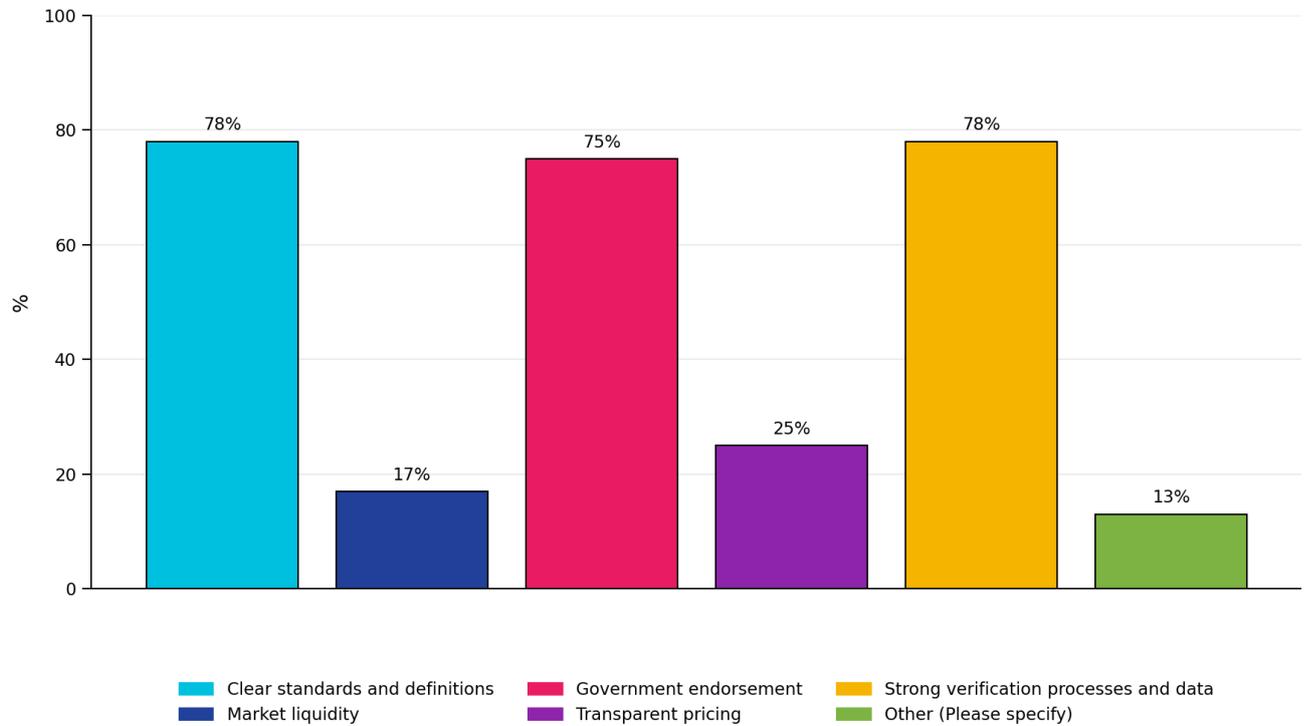


Bar chart 1, Government signals and endorsements that would add the most value

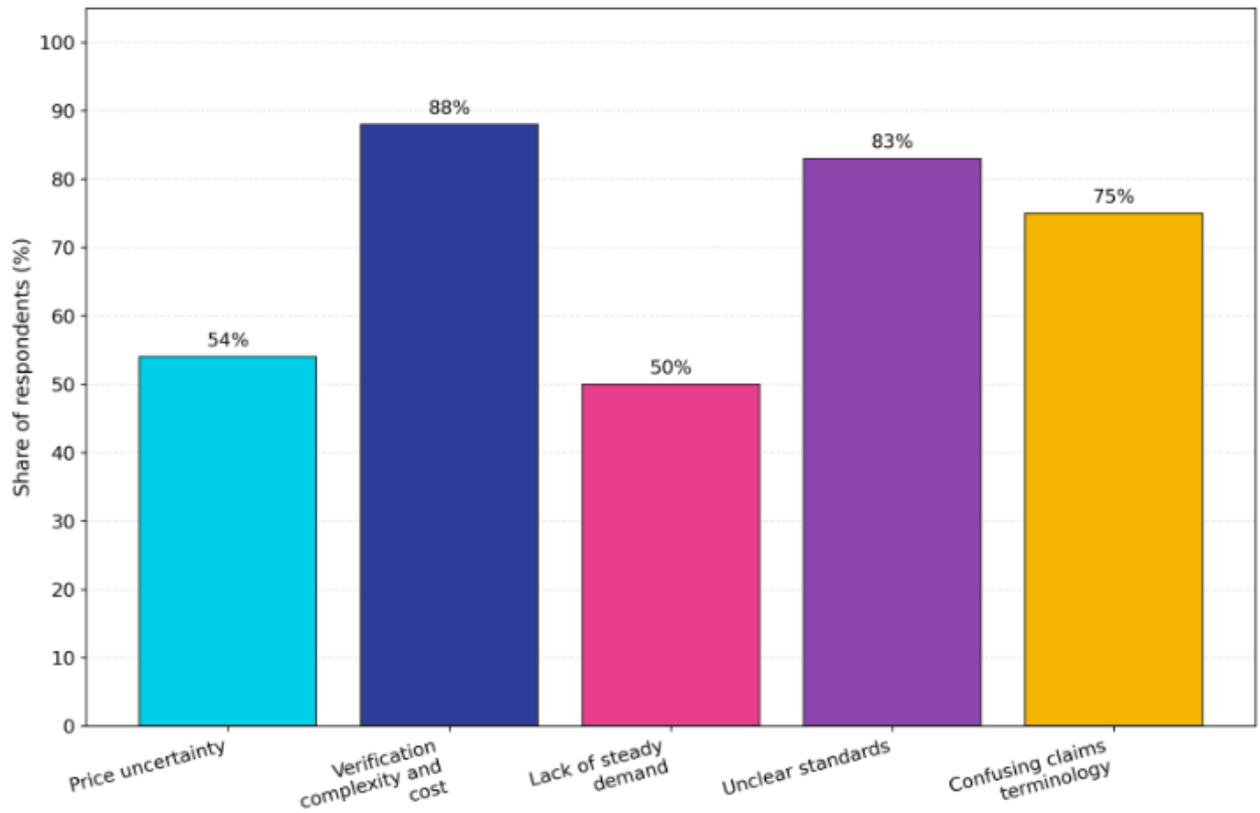


Appendix B: Market Design & Function

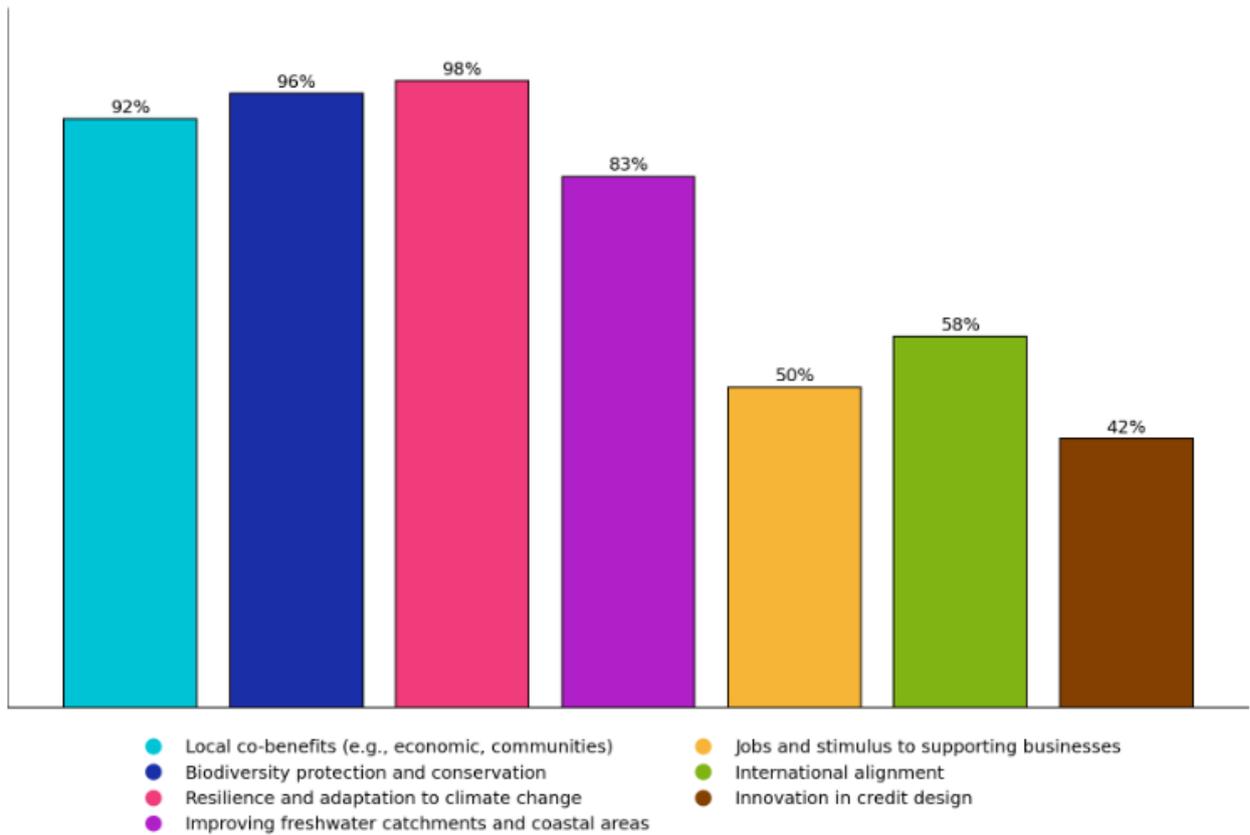
Bar chart 1, Critical success factors for scaling Aotearoa's voluntary carbon and nature markets



Bar chart 2, Challenges for Voluntary Nature Markets in Aotearoa New Zealand

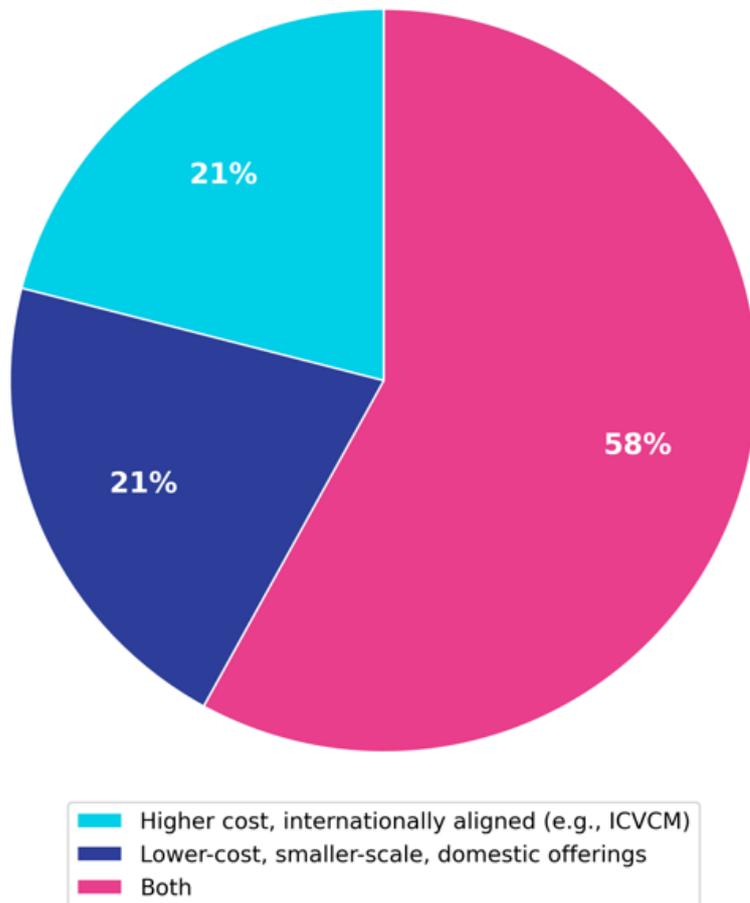


Bar chart 3, Opportunities for Voluntary Nature Markets in Aotearoa New Zealand

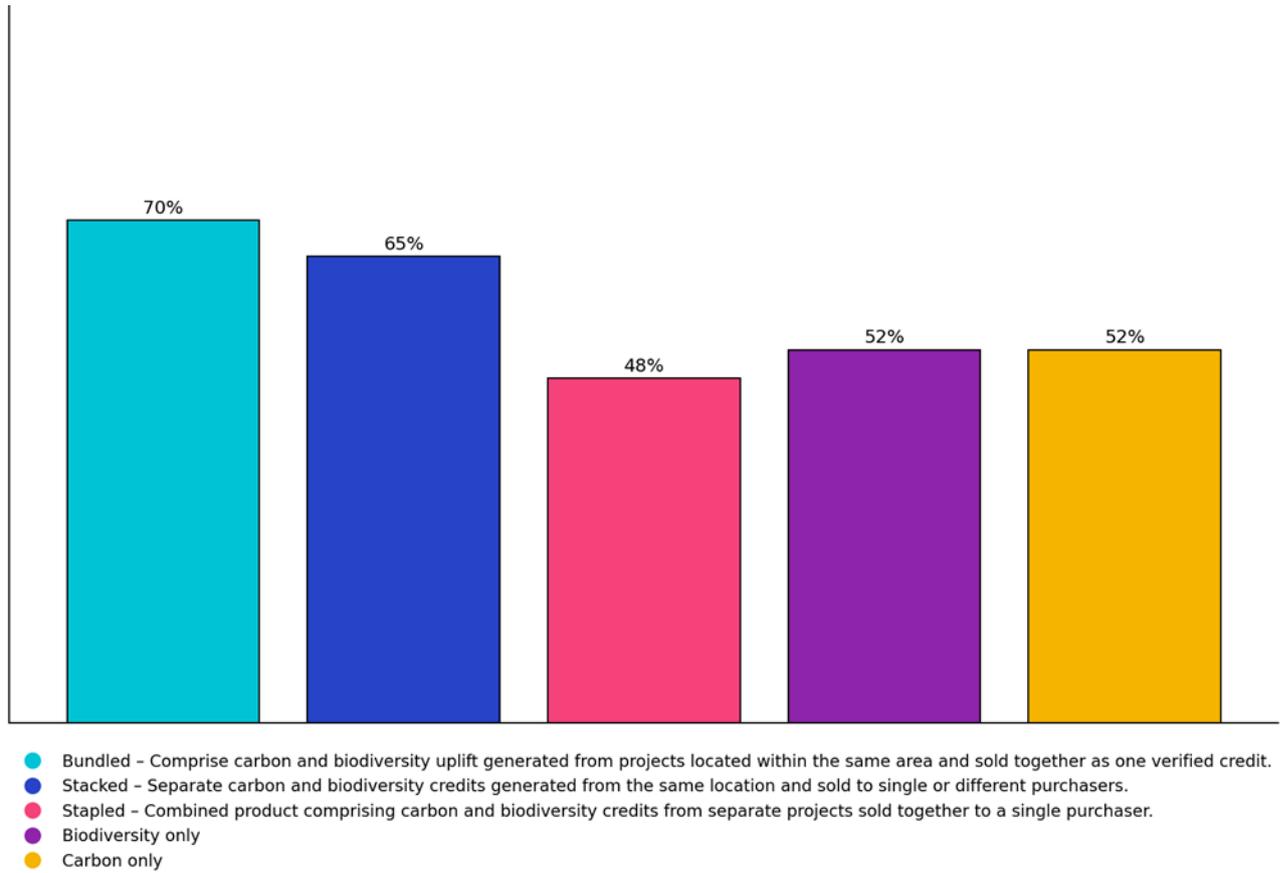


Appendix C: Demand side articulation

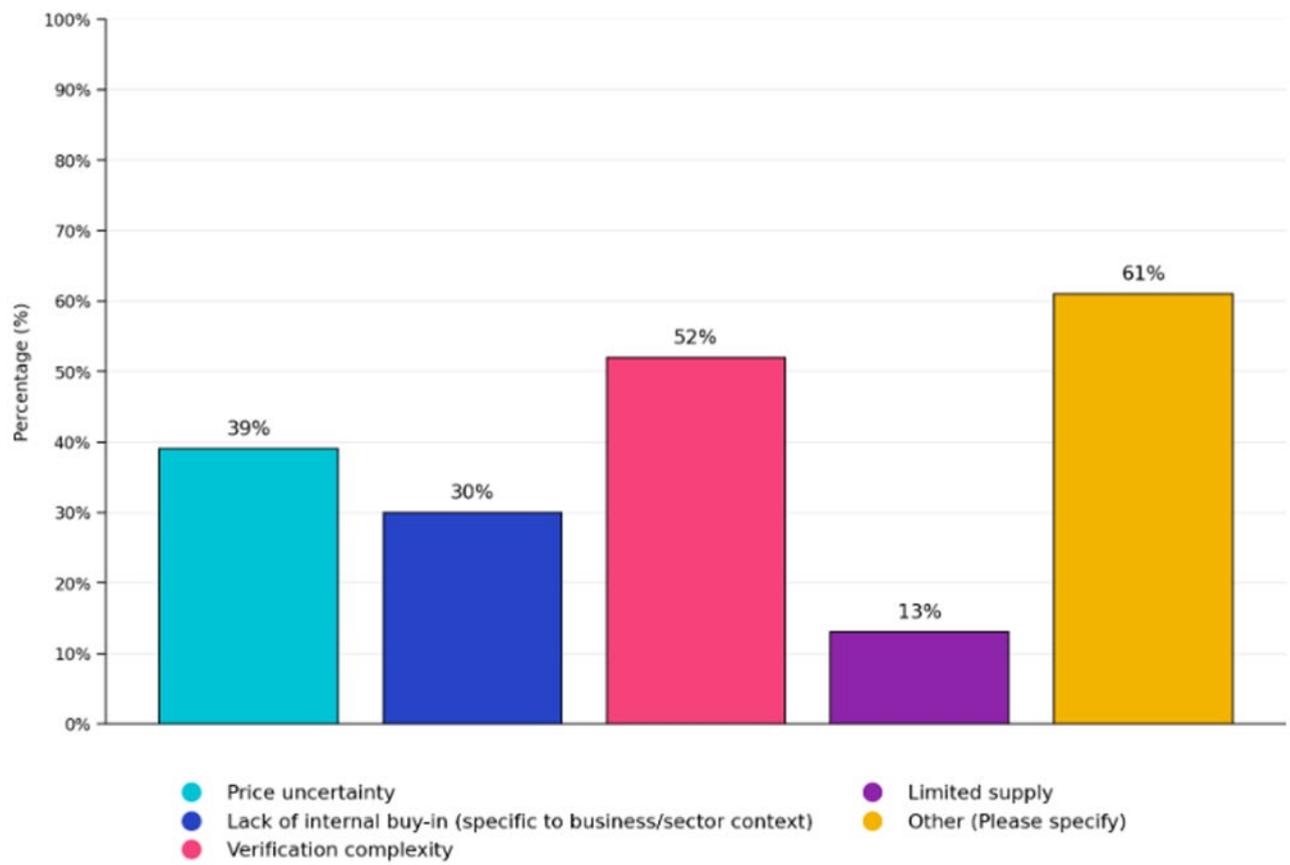
Pie Chart 1 - nature credit offerings businesses are most likely to engage with



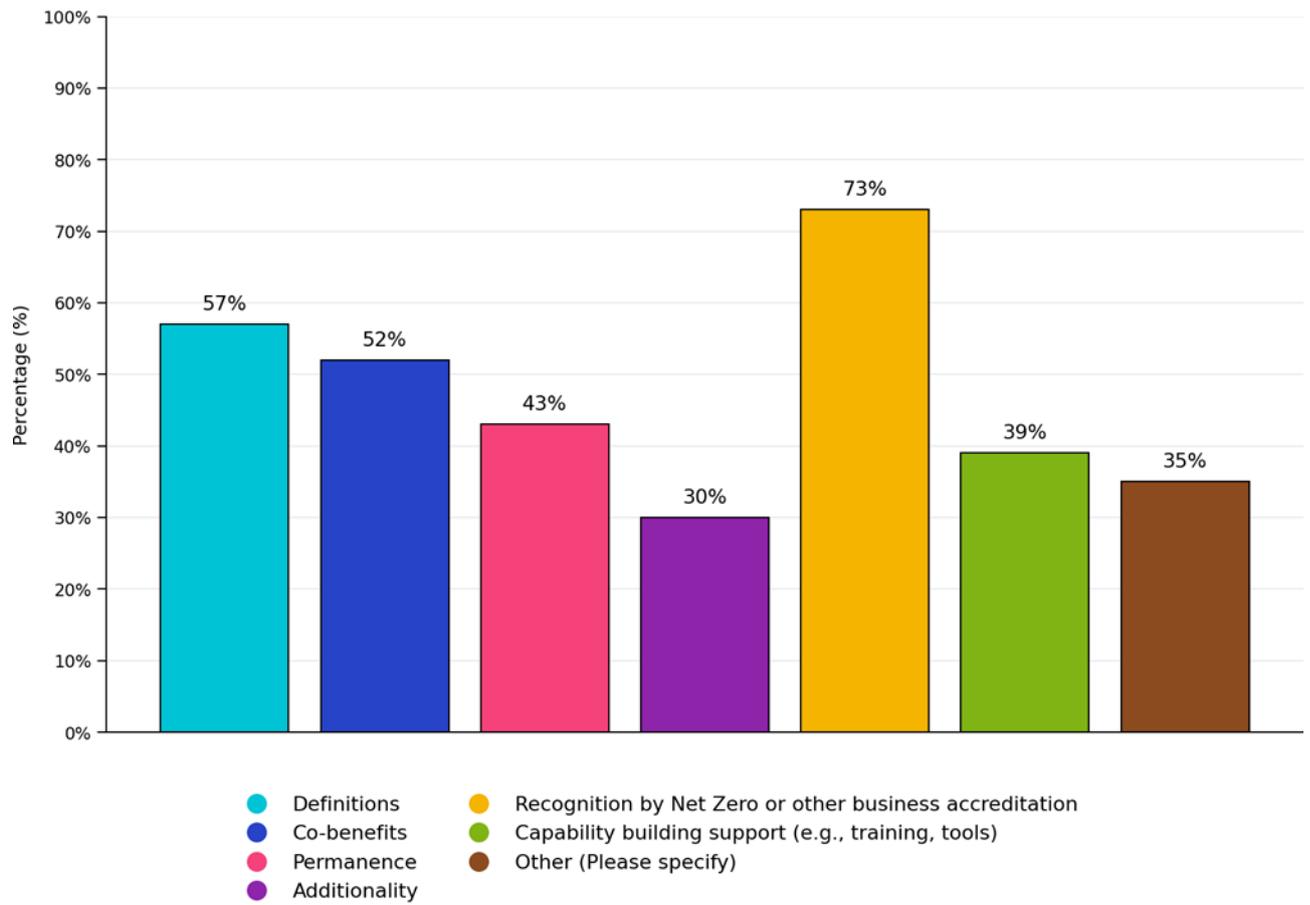
Bar chart 1 - Credit structures most attractive to buyers



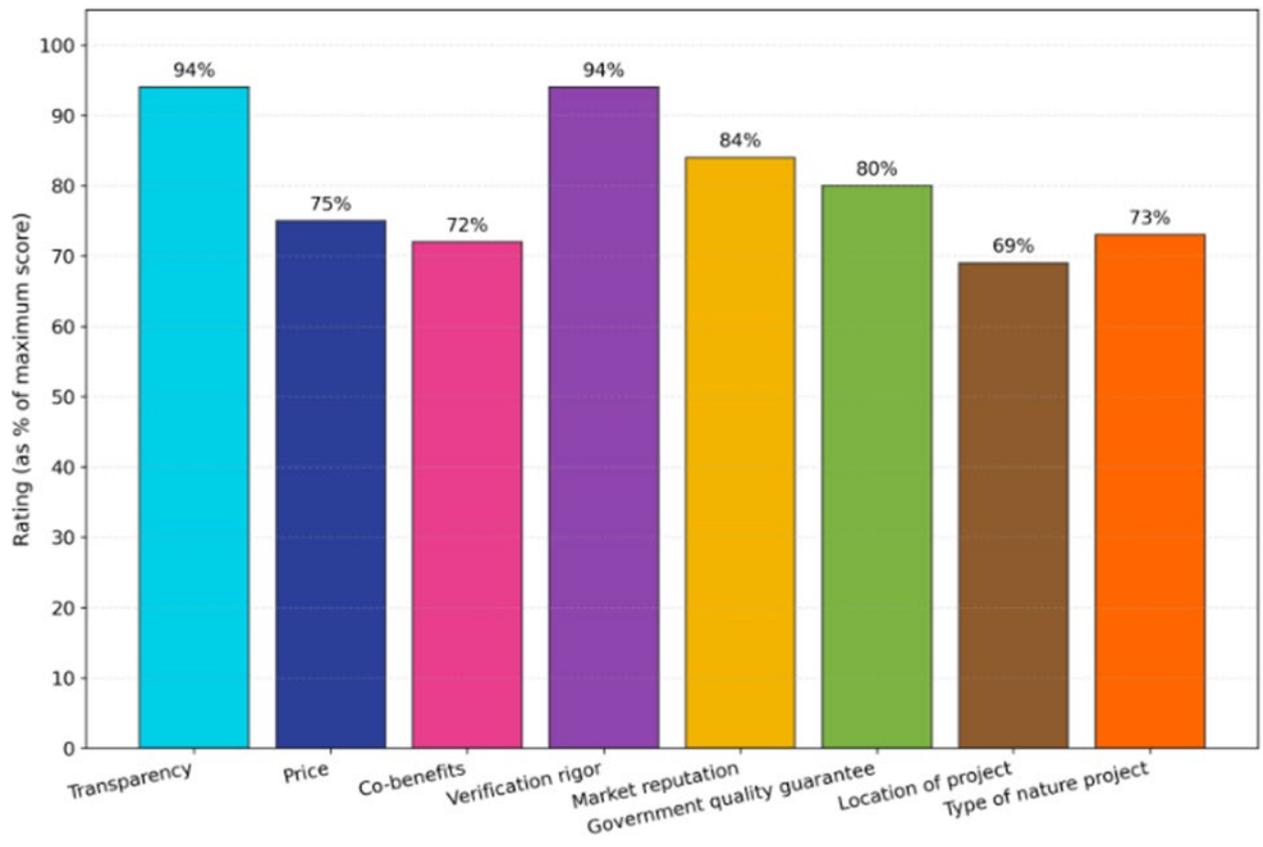
Bar chart 2 - Barriers to investing in Nature Credits



Bar chart 3 - Guidance needed to support business participation

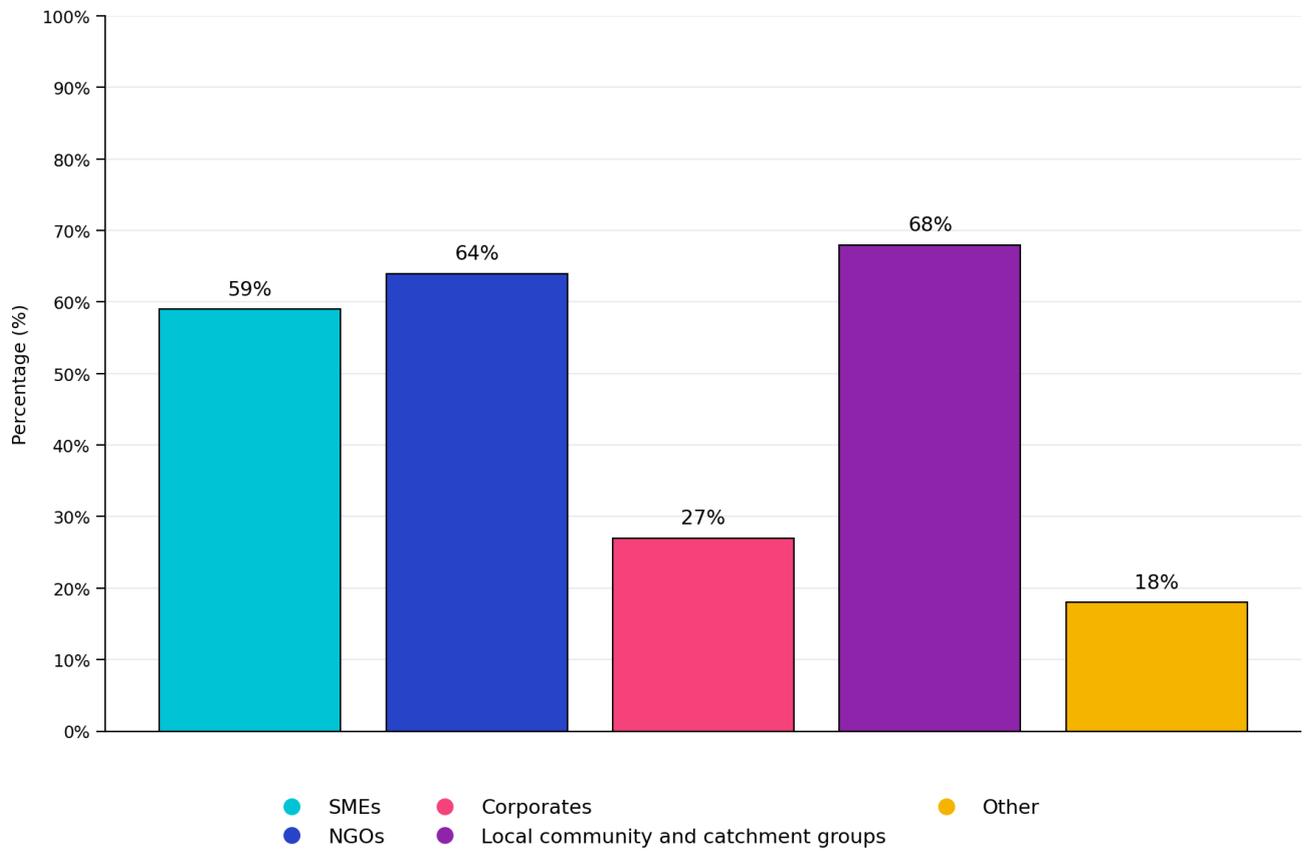


Bar chart 4 - Information needed to assess carbon and nature credit offerings

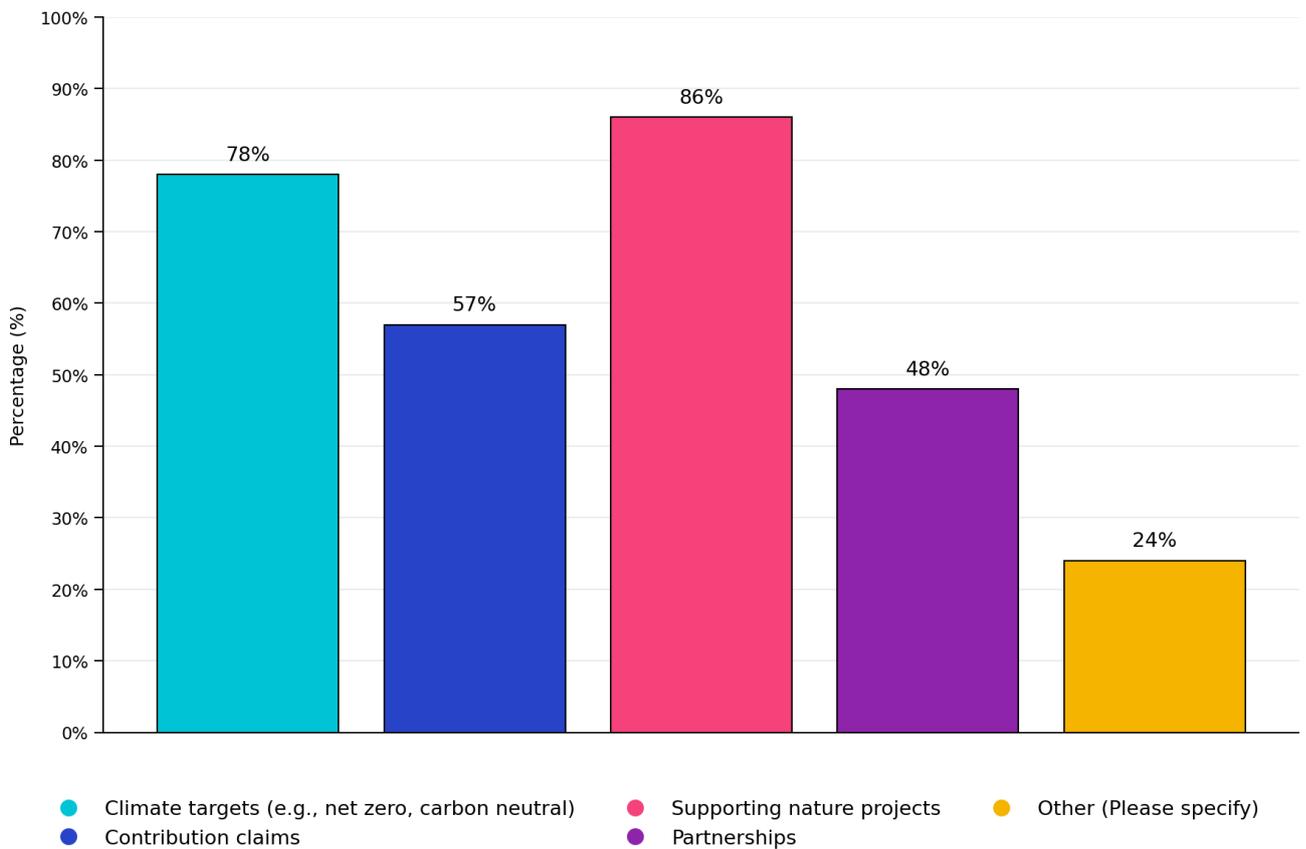


Appendix D: Micro Credits

Bar Chart 1 - Where micro-credits can create the most value for purchasers

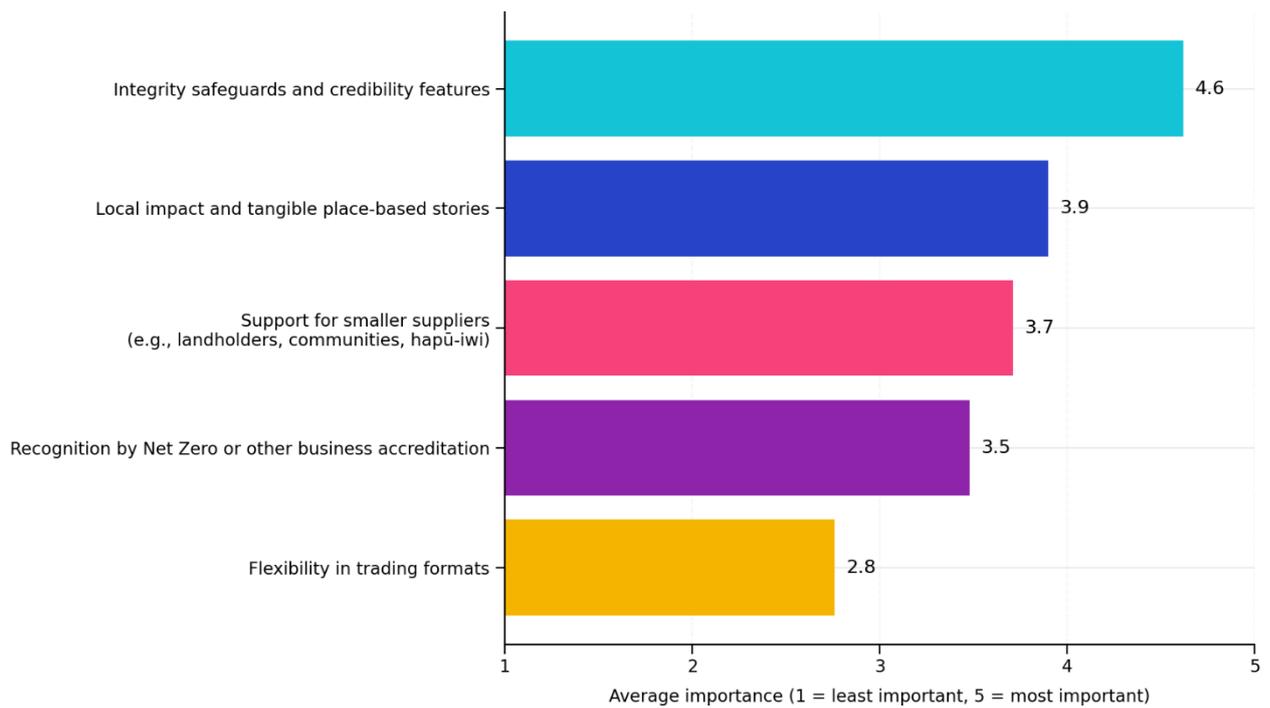


Bar Chart 2 - Types of claims businesses seek to make

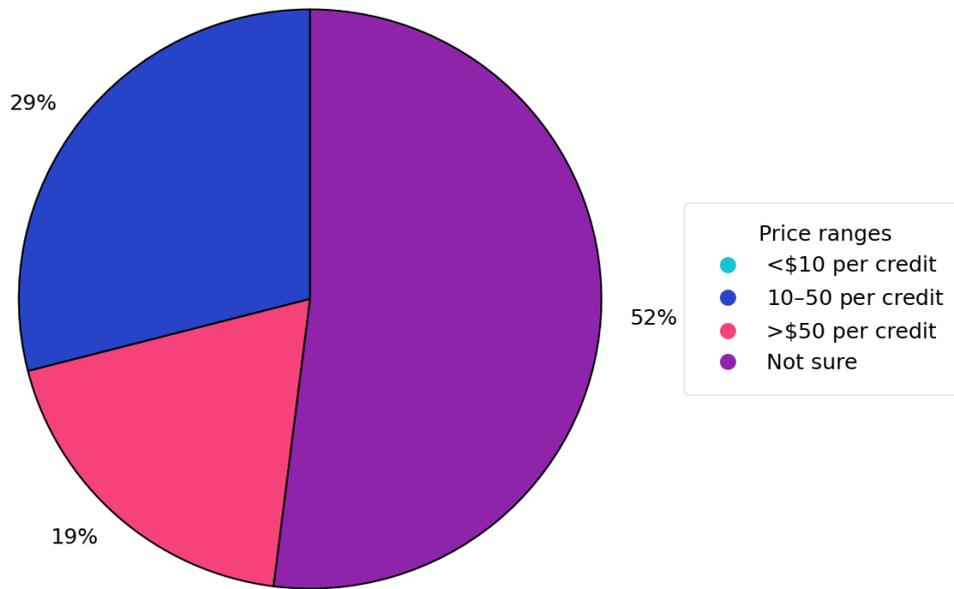


Bar Chart 3 - Factors shaping demand and willingness to pay

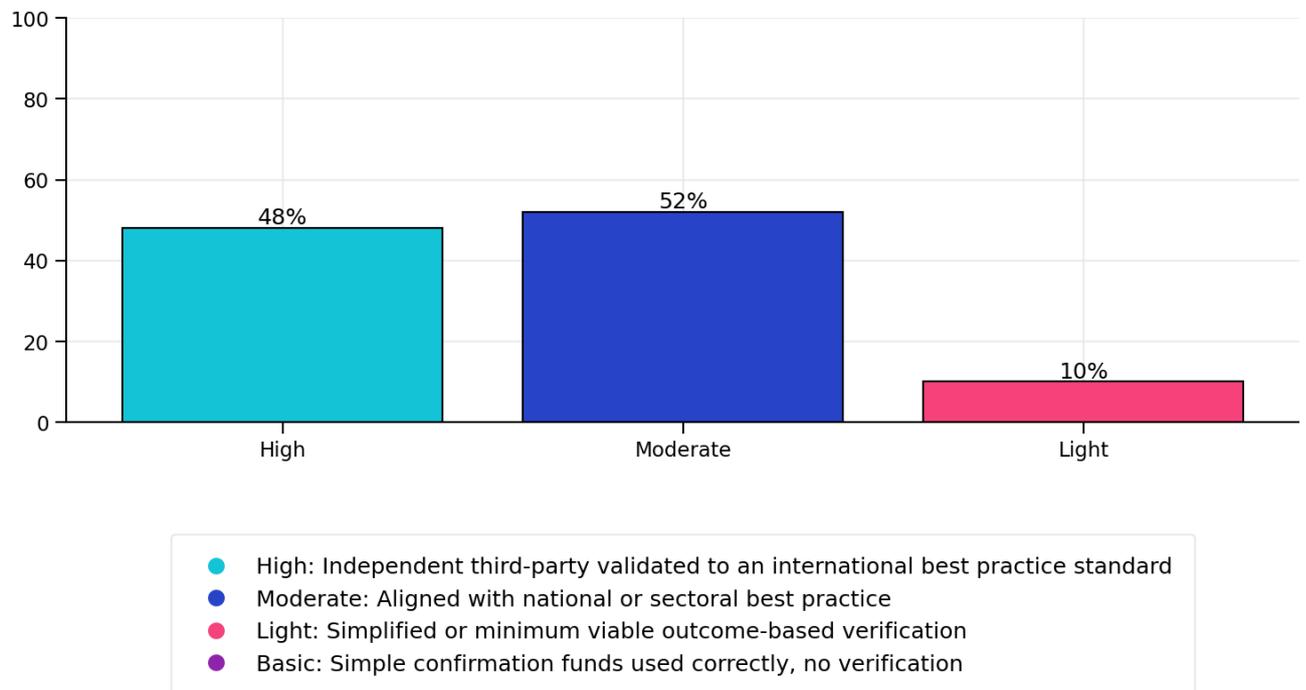
Factors shaping demand and willingness to pay (n = 21; 1-5 scale)



Bar Chart 4 - Preferred price point



Bar Chart 5 - Required levels of validation and verification



About the Sustainable Business Council

The Sustainable Business Council (SBC) is a CEO-led membership organisation of nearly 130 businesses from all sectors, ambitious for a sustainable Aotearoa New Zealand. Members represent more than \$175 billion of collective turnover, 42 per cent of GDP, and around 275,000 full-time jobs. Our network gives members the ability to take large-scale collective action. SBC is part of the BusinessNZ network and is the Aotearoa New Zealand Global Network partner to the World Business Council for Sustainable Development. www.sbc.org.nz/about/our-members/sbc-members

About Climate Leaders Coalition

Formed in 2018, the Climate Leaders Coalition has a mission of having New Zealand business CEOs leading the response to climate change through collective, transparent and meaningful action on mitigation, adaptation and transition. Together their signatories represent 30% of GDP, employ around 9% of Aotearoa New Zealand's full-time employees, and have a collective turnover of \$123 billion. <https://www.climateleaderscoalition.org.nz>