

Submission to the Ministry for Cities, Environment, Regions & Transport (MCERT) on “Voluntary nature and carbon markets in New Zealand”

August 2026

Introduction

The Aggregate and Quarry Association (AQA) is the industry body representing construction material companies which produce an estimated 48 million tonnes of aggregate and quarried materials consumed in New Zealand each year.

Funded by its members, the AQA has a mandate to increase understanding of the need for aggregates to New Zealanders, improve our industry and users' technical knowledge of aggregates, and assist in developing a highly skilled workforce within a safe and sustainable work environment.

We welcome the opportunity to provide feedback on [Voluntary nature and carbon markets in New Zealand | Ministry for the Environment](#).

Executive Summary

We acknowledge that the Government wishes to encourage more private sector nature conservation and climate mitigation action with durable outcomes. The proposed mechanism is to create highly regulated markets where transactions would occur voluntarily.

In our view, the proposals are unworkable and unnecessary, because solutions already exist, to a large degree.

Many companies in New Zealand can, and do, undertake sustainability reporting on their impacts on communities and the environment, including ways that they improve such impacts. Alternatively, or in addition, they may obtain environmental product declarations for their products and seek to reduce their environmental impacts.

Such entities, including quarrying companies, already do a measure of voluntary action, e.g. community support projects or programmes, nature conservation projects, heritage restoration. They may also be subject to biodiversity offsets and/or compensation packages that form part of obtaining legislative and regulatory approvals.

The Government wants companies to do more, and to incentivise that by providing for selling and buying nature conservation credits in a market, or trading platform. We note that by themselves the pilot projects listed in the technical engagement document are not markets or trading platforms.

We note also that it could take an entity more than 100 years of nature conservation action to earn credits to sell. To the extent that credits can be earned, they will tend to be in faster growing and/or recovering ecosystems.

The Government has developed “integrity principles”, which set a high bar for demonstrating real achievement, however, they lack the rigour and detail that existing international reporting schemes and standards already provide.

In order to earn nature conservation credits, outcomes would have to be guaranteed in perpetuity, which is all but impossible to do. By introducing this scheme, anyone participating in it runs the risk of “greenwashing” i.e. misrepresentation of sustainability credentials.

At issue with voluntary carbon markets is that emitters already participate directly or indirectly in the NZ ETS, which provides an accounting and offsetting framework for greenhouse gas emissions. The risk here is of double counting of climate mitigation, i.e. paying for voluntary credits when payment has already been made to offset emissions, e.g. via forestry removals or Paris Agreement allowances. We cannot imagine why any emitter would pay for voluntary credits when they have already offset their emissions under the ETS, either directly, or via government allocation (e.g. agriculture).

Recommendations

AQA recommends MCERT propose that the Government:

- a) Abandon the concept of voluntary nature markets, principally because it would be almost impossible to guarantee the durability in perpetuity of nature conservation credits;
- b) Abandon the concept of voluntary carbon markets, principally because emitters are already subject to the NZ ETS, directly or indirectly to avoid double counting.

As an alternative we propose that the Government:

- a) Incentivise more sustainability reporting and/or obtaining environmental product declarations, on the part of larger entities in New Zealand.

We are happy to engage with officials on our views and concerns and assist with solutions.

Feedback on the Technical Engagement document

1. Are the criteria sufficiently clear to provide consistent assessments of schemes?

We do not believe there needs to be a complex process to assess “schemes”, when there are already several internationally recognised and proven schemes for sustainability reporting and documenting environmental impacts. Some examples are:

- [EPD International](#) – environmental product declarations

Suppliers of construction materials, e.g. timber, steel, concrete, aggregate, are increasingly obtaining EPDs in response to market demand.

- [Global reporting initiative](#) (GRI)

This scheme provides for sustainability reporting to various levels of external assurance, driven, in part, by international financial, insurance, labour and consumer markets.

The AQA has examples of work done to guide members in [sustainability reporting](#), and [life-cycle assessments](#) (including EPDs). New Zealand's larger quarrying companies already carry out sustainability reporting. As do other sector organisations, e.g. Concrete NZ.

2. Does the criteria adequately address risks that could undermine integrity and credibility?

No. Buyers of credits will have to do their own due diligence before purchase. There are several risks including:

- It may be impossible to guarantee durable conservation outcomes, as such outcomes will need to last in perpetuity (e.g. pest and weed control, fencing livestock out of wetlands, managing the risk of fire, and, separately, climate change effects.)
- There is the problem in ascertaining equivalent values. As an example, a roading project that may affect endangered lizards may wish to buy forest ecosystem recovery credits to offset the impacts. How many hectares of recovering beech forest over a one-year period would equate to the number of lizards impacted?

Most entities that affect native biodiversity are already required to manage those effects under resource consent conditions and, potentially, other legislation and regulations. This can often include offset and compensation packages to deliver no net loss in biodiversity.

In terms of voluntary carbon markets, the buyer's cost of quality assurance could outweigh the benefits, i.e. it may be more worthwhile to reduce emissions directly and sell credits to someone else, who, in turn, may decide it is more cost effective to reduce emissions directly.

New Zealand's market for voluntary nature and carbon markets is small. No trading may occur.

In relation to the pilot projects, it is not clear from the technical engagement document what level of government subsidy is involved in each case, nor is it clear how these projects will turn into "markets".

Given the above, it is not clear how “trading platforms” will develop, and it is not clear who will be in the market for buying nature credits that, as a matter of New Zealand ecology, could take more than 100 years to earn.

3. Do you have any suggestions to improve the criteria?

We propose abandoning the idea of voluntary nature and carbon markets, because they are unworkable in the case of nature, and, in the case of carbon, unnecessary. On the latter, there are already internationally recognised schemes for sustainability reporting, and producing environmental product declarations. It is unlikely that anyone will buy voluntary carbon credits if they are already subject to the NZ ETS, whether directly or indirectly, because this would amount to double counting. The emitters have already offset their emissions under the ETS, directly or indirectly.

4. Are the additional explanations clear?

No. In general, the document lacks the technical rigour and depth that experienced international organisations such as EPD International and GRI provide.

This proposal is likely to create work for consultants in providing services that already exist under internationally recognised schemes. These schemes are always going to offer higher quality and more credible standards than what is likely to be developed in New Zealand.

5. Do you have any suggestions to improve the interpretation and practical application of the integrity principles?

The Government should consider alternative ways of incentivising durable conservation action, and climate change mitigation. It could explore how to better integrate existing practices overseas into private sector practice in New Zealand. There are many examples of good sustainability and climate mitigation practice in New Zealand that should be shared with the public.

Wayne Scott

Chief Executive Officer

[Aggregate and Quarry Association of New Zealand](http://www.aggregateandquarry.org.nz)

wayne@aqa.org.nz

021 944 336