

**INDIVIDUAL SUBMISSION**  
**ON PROPOSED NATIONAL POLICY STATEMENT**  
**FOR INDIGENOUS BIODIVERSITY**

**TO:** MINISTRY FOR THE ENVIRONMENT  
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**Contact information**

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## Introduction

The entity providing this submission is the owner of a high country station established over 160 years ago. It engages in extensive merino sheep and beef cattle farming.

The opportunity to provide input on the Proposed National Policy Statement for Indigenous Biodiversity (the **NPS**) is appreciated; thank you for that.

## Key input – a possible mechanism to fund the costs of the NPS

Our main input on this subject is how the broader objectives targeted might be achieved through providing a mechanism to help fund the inevitable costs involved.

Clearly, the costs of implementing the NPS will be substantial, although it is noted that there does not appear to be any specific assessment of these. (In passing, it seems less than ideal for a national policy to be presented and under consideration without it being properly costed. Whilst seeking to achieve improvements in national well-being are clearly laudable, it seems equally relevant that, as in any undertaking, the associated costs must also be properly assessed in advance in order that the benefits can be properly assessed against those costs.) The NPS would benefit from a rigorous cost / benefit analysis being undertaken before it is advanced further.

It is equally clear that the costs of implementing the required protections will fall to a considerable extent on landowners. In that case, if landowners are going to be required to take on additional costs for the provision of what is effectively a public good, then it seems equitable that some or all of that cost is met by the beneficiaries of that undertaking. In the case of the NPS, the beneficiaries appear to be the broader public.

Budgetary constraints being what they – whether for individual undertakings such as farms, as well as for central or regional governments – in practice, it seems unlikely that any direct financial assistance would come from the public purse to assist those that are encountering additional costs in order to provide this new public benefit.

In order to address the inherent inequity of that and to better incentivise the intended outcomes, it is suggested that **assistance with the costs of implementing the NPS be provided to participating entities that support delivery of the NPS public goods, including farmers, through the issue of NZ unit carbon credits (NZUs) to them.** The source of issuance of the NZUs would be the central government. It is further proposed that the amount of NZUs that could be issued to participating farmers need not be directly related to any particular aspect of, for example, carbon sequestration, that would result from their efforts of providing the NPS public goods, but could be more directly related to actual expenditure involved in the efforts undertaken (perhaps calculated on a national or regional scale in order to provide a transparent basis for assessment).

On a point of mechanics, any transfer of NZUs to participating farmers could be made by way of credit to an account that they would be required to open with the NZ Emissions Trading

Register (**ETR**). (Declaring an interest in this, the submitting organisation already holds a registered account with the ETR.) Guidance should also be provided to the NZU recipients as to how their credit of NZUs could be liquidated and converted into cash. In future, at a point where agricultural emissions become part of the country's emissions trading scheme, any credit of NZUs could alternatively be utilised to offset any net emissions liability of the participant.

It would seem that the potential benefits of this proposal might be as follows:

1. Equitable assistance in bearing the cost of delivering the targeted NPS public goods is provided to relevant, participating entities;
2. If the cost burden of providing the public goods sought is alleviated upon those charged with providing it, it seems likely this would incentivise more successful efforts to help achieve the aims set out;
3. There is no direct financial cost to the public purse;
4. Transferring NZUs into ETR accounts of participating farmers could also provide a positive mechanism to increase familiarity and engagement with operation of the ETR and its associated systems;
5. In combination, all of the above would appear to provide an equitable alignment of interests in order to the achieve the public goods intended by the NPS.

This proposal is intended to offer a tangible method to ensure equitable distribution of the costs of implementation without detracting government financial resources from other areas. Previously, the NZ National Biodiversity Action Plan 2016-2020 included reference to, *"Farmers will have the opportunity to earn biodiversity 'green credentials', allowing them to tap into increased international markets"*.<sup>1</sup> That statement included a very substantial assumption as to the ability of farmers "tap into international markets", or more particularly, to do so in a way which provides a greater reward than at present. It is hoped that the above proposal provides a more direct way for their expected cost to be met.

### **A balanced approach**

Whilst it is understood that purpose of the Resource Management Act 1991 (the **RMA**) "is to promote the sustainable management of natural and physical resources", it would be helpful if equal prominence is also given to the key qualifying statement for that purpose which is, *"sustainable management means managing the use, development, and protection of natural and physical resources in a way, or at a rate, which enables people and communities to provide for their social, economic, and cultural well-being and for their health and safety..."* (emphasis as per original).<sup>2</sup>

It is inevitable that the draft NPS will have a considerable impact on how this station is farmed. Whilst the reasonable goals of the NPS can be supported, it would seem to be equitable if the balance of interest required to achieve that acknowledged and, preferably, provided for in some form, for example through the proposal set out above.

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<sup>1</sup> Page 36.

<sup>2</sup> RMA s5(2).

As to comments on the detailed provisions on the draft NPS, we support the positions adopted by Federated Farmers and also Beef & Lamb New Zealand.

Again, we thank the Ministry for considering our views.

**Privacy**

We do not wish, and do not agree to the publication of our name in relation to this submission.