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Building a nature-positive economy in the Australasia region and beyond: Voluntary Biodiversity Markets in Australia and New Zealand.

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In Australia, a Nature Positive Summit will “supercharge” private land protection, according to Minister for the Environment and Water, Tanya Plibersek. Plibersek announced the summit, which is scheduled for 2024, at the 15th meeting of the Conference of the Parties to the UN Convention on Biological Diversity ([COP15](#)) in December. It is one of several recent initiatives aimed at innovating voluntary biodiversity markets in Australia and New Zealand.



Neds Corner Station, a 30,000 Hectare conservation reserve in North-Western Victoria, Australia. Credit: Shannon Reddaway

“The Nature Positive Summit will help all nations, especially developing nations, get the knowledge, tools and technical support they need to attract private investment in nature,” Plibersek wrote in a press release. The release further details that the summit will convene countries and businesses to share technical knowledge supporting Australia’s 30x30 goals, learn about effective nature protection and investment strategies, and collaborate to better measure the economic output of conservation.

To complement this process, the newly elected federal government is developing [legislation](#) that will support a national ‘Nature Repair Market’, to encourage and guide private investment in nature. This has been spurred by the country’s 2021 [State of the Environment report](#) as well as the 2020 [independent review](#) of the country’s national environmental legislation, which both tell a story of environmental degradation, loss, and inaction.

Under this legislation landholders will be granted certificates for restoring or managing local habitats. These certificates can be sold to businesses, which are under increased pressure to assess and disclose environmental impacts following the release of two new policy documents. The Kunming-Montreal Global biodiversity Framework, which was agreed on by 196 nations in December 2022 and sets out a detailed plan for protecting and conserving nature, and the [Taskforce on Nature-related Financial Disclosures](#), a market-led and science-based framework published in June 2021 that guides businesses to better advocate for nature.

The market instruments created by the new legislation are intended to dovetail with Australia’s carbon trading scheme. This allows investors to purchase ‘stacked’ carbon credits, while rewarding landholders for their efforts to conserve and restore nature. Activities that may form part of a biodiversity project include Indigenous revegetation, erosion and topsoil management, and management of remnant vegetation. All landholders, including First Nations people, farmers, and conservation groups can participate.

[Biodiversity credit markets](#) like the Nature Repair Market are being developed to finance actions that result in measurable positive outcomes for biodiversity – whether this be species, ecosystems, or habitats – through the creation and sale of biodiversity units. In contrast to biodiversity offset markets, credit markets are premised on the recovery of nature; they are intended to support a company’s ‘nature-positive journey’, rather than just offsetting loss.

Adoption of voluntary biodiversity market instruments varies by region. In Aotearoa New Zealand the government is not yet directly legislating biodiversity markets. Instead, it is moving towards an approach where a voluntary biodiversity market sits alongside other environmental legislation to incentivise implementation. This will likely be facilitated via the [National Policy Statement for Indigenous Biodiversity](#), due to be introduced in Parliament in coming months.

Many independent organizations are in support of recent government action to promote biodiversity markets, but they also warn against viewing the policies as a panacea.

The [Australian Land Conservation Alliance](#) (ALCA), Australia’s peak body for private land conservation, is [supportive](#) of a national biodiversity market, “that delivers high-quality, high-integrity, and positive outcomes for the environment”. This means the market should be directed towards nationally strategic biodiversity investments; have clear positive outcomes for the environment; and ensure a premium for in-perpetuity protection. ALCA recommends that the government act as a market participant to kick-start the process.

Some prominent voices have highlighted the dangers of relying on markets to drive nature conservation. In an [open letter](#) to the World Wildlife Foundation, the World Economic Forum, the Convention on Biological Diversity, and the European Commission, a group of conservation and business leaders outlined their concerns about the campaign underway to promote a “so-called ‘nature positive economy’”. Key to their argument was the risk of diverting the global conversation away from tighter

environmental regulations that curb initial biodiversity destruction. In this spirit ALCA CEO Dr. Jody Gunn [wrote](#):

Attracting international finance and philanthropy is one key part of the puzzle, and the role of government – investing public funds and adopting the right policies – is another. At the federal level, this means delivering a well-designed, high-integrity nature positive biodiversity market alongside the right tax and investment settings, as well as effective environmental law reform. While international finance and philanthropy cannot replace the role and necessity of public funding, it builds the confidence the conservation sector needs for them to co-invest.

Gunn is correct in asserting that a nature positive policy framework will only succeed if it operates alongside meaningful national environmental laws, including effective avoidance, mitigation, and enforcement measures. Australia's track record to date has been middling at best. Time will tell whether the newly elected government can deliver more for Australia's environment, and business sector, and set a standard that nations can look to in 2024.

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