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Department of Internal Affairs
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SUBMISSION ON RATES CAP CONSULTATION

INTRODUCTION

1. The Royal Forest & Bird Protection Society Inc. of New Zealand (Forest & Bird) is Aotearoa New Zealand's leading independent conservation organisation. For over 100 years, Forest & Bird has been a 'voice for nature', having strong interest and involvement in advocating for, protecting and restoring nature on land, in freshwater and in the ocean, throughout the motu. Our legal and advocacy work is independently funded by private subscriptions, donations, and bequests. While our practical conservation mahi is funded through these mechanisms, as well as contestable and non-contestable grants and funding initiatives.
2. As well as employing over 70 staff, Forest & Bird have very active volunteer network including 41 regional branches, whose multigenerational members and supporters play an important and active role in protecting and restoring the region's native species and habitats in their respective districts through advocacy, education and 'on the ground' projects. Forest & Bird also have regional Kiwi Conservation Clubs (KCC) for tamariki, and Youth hubs for rangatahi across the country.
3. Forest & Bird are submitting on this consultation as we are concerned that capping rates could mean decreased funding available for nature, such as:
 - Less contestable and non-contestable grants/funds for community projects.
 - Decreased investment in nature-based solutions and natural hazard mitigation.
 - Long-term biodiversity and environmental outcomes (e.g., by choosing cheaper and quicker options, rather than investing in longer term, co-beneficial projects).
 - Council owned land (such as parks and reserves) not being utilised to their full potential to benefit both people and nature.
 - Decreased investment in climate change mitigation and adaptation, resulting in a more costly and difficult future state.

POINTS OF CONCERN

4. Capping rate rises risks severe cuts to local government funding for biodiversity protection and enhancement, climate change adaptation and mitigation work, and community grants that provide value-for-money investments for councils and local communities throughout the country.
5. Sufficient funding is critical to ensure the long-term success of nature enhancement projects such as pest/predator control, native planting, invasive plant control, biodiversity monitoring/tracking, and the implementation of nature-based solutions that protect communities and our built infrastructure. These activities are often underfunded, with traditional infrastructure usually taking the priority share of rates¹.
6. The Environmental Defence Society (EDS) Restoring Nature' report² revealed that Regional and Unitary council spending on protecting biodiversity is \$82 million per annum (p. 168). While this sounds like a large sum, this is in fact less than three percent of total rate revenue collected by those councils, indicating the low priority that biodiversity and environmental conservation is given in budgetary decisions. At the top end, Horizons Regional Council spent 15.5% and at the lower end, the ORC spent only 2.9% of the total rate collection on biodiversity. Given the majority of our environmental indicators continue to decline, or inadequately improve, it is clear investment in these areas cannot further decrease.
7. Local government has numerous responsibilities – relevant to biodiversity, conservation, and climate mitigation and adaptation. Local government is legislated to be responsible for these domains under numerous Acts, some examples include:
 - National Policy Statement for Indigenous Biodiversity: places significant, legally binding obligations on local authorities to identify, protect, and restore indigenous biodiversity in New Zealand; and
 - New Zealand Coastal Policy Statement (2010): Specifically requires the protection of indigenous biodiversity in the coastal environment (which is under local government jurisdiction); and
 - Resource Management Act 1991 (RMA): assigns councils the responsibility to manage biodiversity, regulate land use, and protect significant natural areas; and
 - Local Government Act 2002 (LGA 2002): requires councils to promote environmental well-being and sustainable development; and
 - Biosecurity Act 1993: requires local government to participate in the management of pests and harmful organisms that threaten biodiversity, as part of the broader national biosecurity system; and
 - Climate Change Response (Zero Carbon) Amendment Act 2019: requires all levels of government, including local government, to contribute to national emissions-reduction and climate-adaptation planning through alignment with emissions budgets and adaptation plans.

While the funding of these areas only represents a fraction of overall local government spending, it is essential that adequate budget is enabled for these functions, given the level of responsibility

¹ <https://www.oag.parliament.nz/2025/local-govt/part2.htm>

² Koolen-Bourke, D; Peart, R; van Uitregt, B; Dowsett, C (2024) *Restoring Nature - Reform of the conservation management system*, p. 168: <https://eds.org.nz/wp-content/uploads/2024/08/Restoring-Nature-Report-FINAL-web.pdf>

delegated to councils and the need for sound, locally informed decision-making to achieve meaningful environmental, social, and economic outcomes.

8. With the escalating climate crisis and many councils declaring a climate crisis/climate emergency in 2019/20, councils have been investing in climate change adaptation and mitigation measures, such as zero carbon plans and policies, blue/green infrastructure initiatives and nature-based solutions³. As seen in more recent years, budget cuts often affect these plans and initiatives greatly, with councils having to make the decision to decrease (or cut investment completely) in this area. Forest & Bird are greatly concerned that rates caps will force councils to underinvest in climate adaptation, which not only sacrifices nature and biodiversity, but it also diminishes natural hazard mitigation and puts human health and safety at risk – exacerbating long-term implications. Climate related events are becoming increasingly costly, as proven by the 2023 North Island Weather Events, which cost the New Zealand economy between \$9 billion and \$14.5 billion⁴. It could also force council to choose less expensive, and less effective, shorter-term options (for example flood banks vs. making room for rivers). Underinvestment now will only cost more in the long term⁵.
9. Territorial authorities are responsible for council owned land and property, often used as parks, reserves and other public places which benefit the community and nature. There is a risk that capping rates will mean cuts to important biodiversity work and projects undertaken on these assets. An example of one such project is City Sanctuary in Ōtepoti Dunedin, a Dunedin City Council project which spans more than 8,000 hectares and includes many of Dunedin's suburbs and urban reserves, reducing introduced predators to very low numbers in key parts of the city to protect native wildlife and prevent the surrounding landscapes being reinvaded⁶. There are numerous projects like this throughout the country, run and funded by councils, often having their own dedicated staff or team of staff as well as dedicated local communities and their volunteers. If budget cuts need to be made, these projects could be put on hold/abandoned, have their scope reduced, or cheaper options chosen which are not as effective for nature. Not only would this adversely impact biodiversity, but it could also lower the quality of life for residents in the relevant area.
10. Forest & Bird has 'on the ground, at place' projects across the country, such as Ark in the Park (Waitākere, Auckland), Pest Free Hibiscus Coast (Whangaparāoa Peninsula, Auckland), Tarapuruhi Bushy Park (Manawatū-Whanganui), Te Hoiere Bat Recovery Project (Marlborough), Lenz Reserve/Tautuku Restoration Project (Catlins, South Otago) and more. The long-term benefits of these projects are substantial⁷. As well as protecting and enhancing habitats and species population numbers, these projects also result in increased carbon storage, better water quality, connected ecosystems/eco-corridors, increased climate resilience, and opportunities for the public to connect with nature, bringing a range of social and cultural benefits. These projects benefit greatly from the council grants and non-contestable funding that they receive, and in the absence of other funding opportunities such as the

³ https://www.forestandbird.org.nz/sites/default/files/2025-06/F%26B_NBS_Resource_Online.pdf

⁴ <https://www.icnz.org.nz/wp-content/uploads/2025/02/ICNZ-NIWE-REPORT-FINAL-1.pdf>

⁵ See for example Brierley et al. (2022). Reanimating the strangled rivers of Aotearoa New Zealand. <https://wires.onlinelibrary.wiley.com/doi/full/10.1002/wat2.1624> & https://www.camecon.com/wp-content/uploads/2021/03/The-economic-costs-benefits-of-nature-based-solutions_final-report_FINAL_V3.pdf

⁶ <https://citysanctuary.org.nz/our-project>

⁷ For example, see the mahi achieved in just one year at Pest Free Hibiscus Coast, thanks to council funding and the enabled volunteer commitment (https://www.forestandbird.org.nz/sites/default/files/2025-02/F%26B%20PFHC%202024%20Impact%20Report_compressed_Jenny%20Hanwell.pdf)

retired Jobs for Nature program, council funding is relied upon to provide essential resources. More so, councils and communities benefit from the cost-benefit of these projects.

11. Forest & Bird, along with many other groups across the country, leverage private funding and volunteer time to help deliver conservation outcomes on Council land, boosting the effectiveness of Council spending. An example of this is our Pest Free Hibiscus Coast project in [Appendix One](#). Councils are getting millions worth of output and outcomes from community groups and projects at little cost. Without volunteers undertaking this work, nature focused or otherwise, the work would need to be undertaken by Council staff and/or contractors, costing ratepayers millions a year. We think it is crucial that these numbers are understood and considered by those making such significant financial decisions relevant to rating caps. Capping rates could mean less funds available for community projects, creating significant shortfalls in environmental protection and community improvements, creating difficulties for councils to meet their legislated responsibilities.
12. With the rates cap proposal in reality only saving the average household \$2.79 a month⁸, the possible cost to nature, community resilience and hazard mitigation is too high. We advocate for the government to abandon this proposal, to retain the impact of local decision-making and communities.

We welcome any questions on our submission and would be happy to discuss further.

Ngā Mihinui

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⁸ <https://newsroom.co.nz/2026/01/15/rates-cap-will-save-households-a-can-of-baked-beans/>

APPENDIX ONE

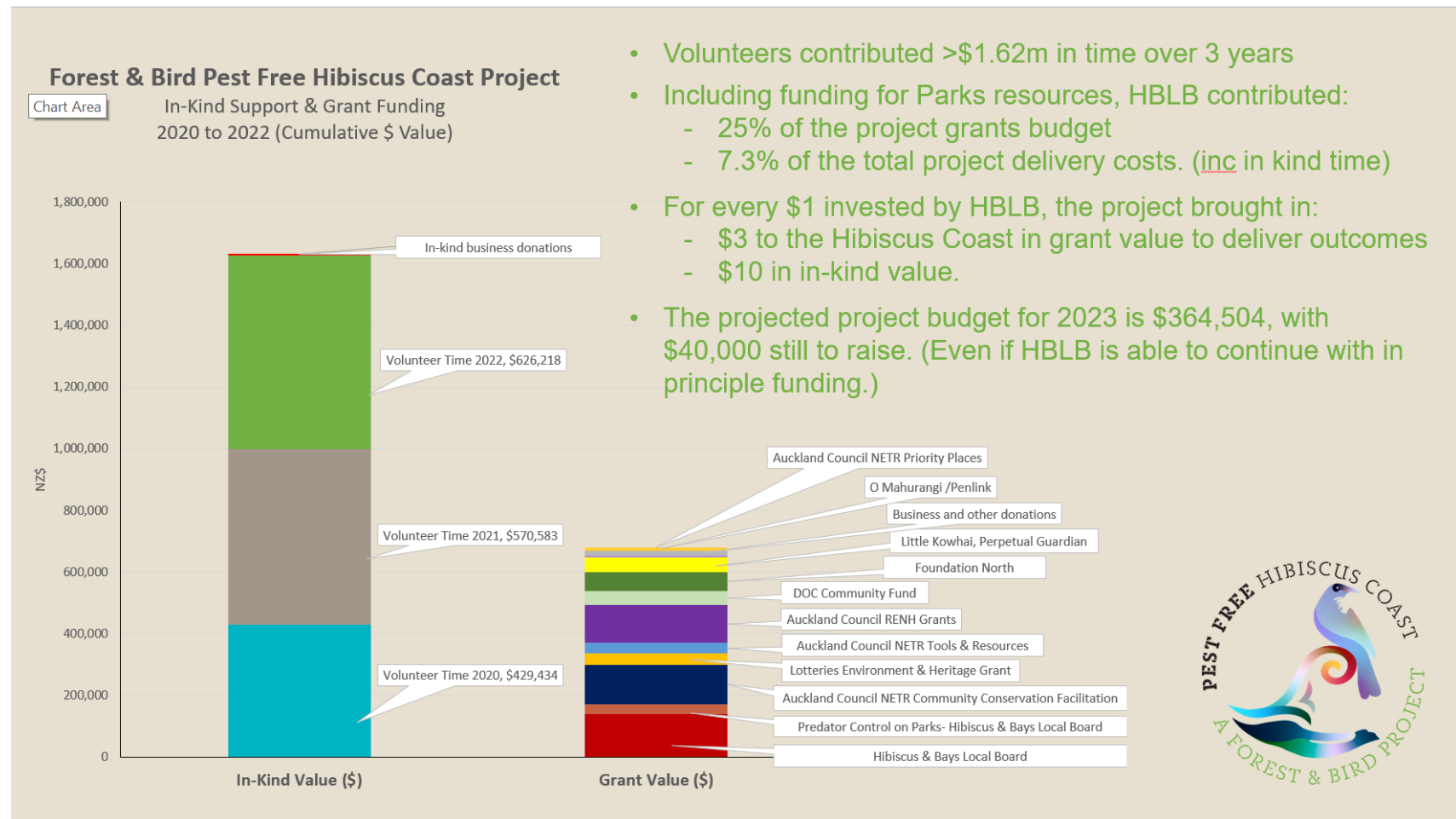


Figure 1: Forest & Bird's Pest Free Hibiscus Coast project funding and resourcing