

FEEDBACK ON

Local Government Reform

20 February 2026

To: Department of Internal Affairs

Name of Submitter: Horticulture New Zealand

Supported by: Avocados NZ, Blackcurrants NZ, Citrus NZ,
Vegetables NZ, Tomatoes NZ, Onions NZ, Summerfruit NZ

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OVERVIEW

Submission structure

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Our feedback

Horticulture New Zealand (HortNZ) thanks Internal Affairs for the opportunity to provide feedback on 'Simplifying Local Government: A draft proposal' and welcomes any opportunity to continue to work with Internal Affairs and to discuss our feedback.

The details of HortNZ's feedback and decisions we are seeking are set out below.

HortNZ's Role

Background to HortNZ

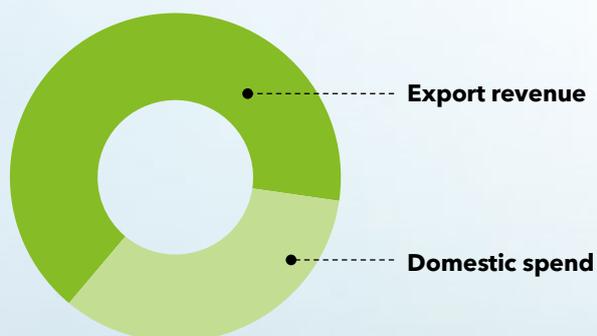
HortNZ represents the interests of approximately 4,300 commercial fruit and vegetable growers in New Zealand who grow around 100 different fruits and vegetables. The horticultural sector provides over 40,000 jobs.

There are approximately 80,000 hectares of land in New Zealand producing fruit and vegetables for domestic consumers and supplying our global trading partners with high quality food.

It is not just the direct economic benefits associated with horticultural production that are important. Horticulture production provides a platform for long term prosperity for communities, supports the growth of knowledge-intensive agri-tech and suppliers along the supply chain, and plays a key role in helping to achieve New Zealand's climate change objectives.

The horticulture sector plays an important role in food security for New Zealanders. Over 80% of vegetables grown are for the domestic market and many varieties of fruits are grown to serve the domestic market.

HortNZ's purpose is to create an enduring environment where growers prosper. This is done through enabling, promoting and advocating for growers in New Zealand.



Industry value \$7.54bn
Farmgate value \$4.89bn
Export revenue \$4.99bn
Domestic spend \$2.55bn

Source: HortNZ Annual Report 2025

Executive Summary

HortNZ **supports** the Government's initiative to review local council functions with the aim of improving efficiency, effectiveness, and reducing the cost and complexity of growers' interactions with councils. HortNZ sees Regional Re-organisation Plans (RRPs) as a useful mechanism to address long-standing grower concerns about inefficient and fragmented service delivery.

HortNZ considers it essential that development of RRP is led by an independent body with the appropriate technical skills. While informed by council staff, elected members, and communities, independent leadership is needed to ensure objective and credible recommendations.

We also believe there is value in exploring efficiencies across multiple regions, particularly in areas such as digital systems, shared services, and common data infrastructure—reflecting findings from the *Review into the Future for Local Government*.

HortNZ **does not support** the proposal to replace regional councillors with a board of mayors (CTB). Key concerns include:

- **Mayors may not have the interest, experience or capacity to take on regional council governance:** Regional councillors typically have a strong interest in natural resource issues and often hold expertise in specialised areas such as freshwater management, biosecurity, and land management. Mayors may not have the capacity, interest or natural resources experience to take on a regional governance role.
- **Role misalignment:** Mayors are mandated to represent their own district, which could compromise regional decision-making and create tension when regional goals do not align with district interests.
- **Democratic issues:** Replacing elected regional councillors mid-term undermines democratic principles and concentrates decision-making power among fewer representatives.
- **Loss of diverse representation:** Fewer elected representatives risks weakening community voice and reducing meaningful checks and balances.

Growers see potential benefits in Crown participation, particularly in addressing capability gaps in areas like financial and legal expertise. However, HortNZ stresses that:

- **Local community representation must be preserved.**
- Crown representatives should **not hold veto power** and should remain a **minority** on governance bodies.

- Crown involvement should be guided by a **formal capability analysis**, initiated by the governance chair, with members endorsing the types of Crown expertise needed.
- Care is required, as Crown Commissioners are typically associated with failure or crisis, and their involvement may be sensitive for communities.

Feedback

HortNZ feedback is organised to align with the discussion questions posed in the Internal Affairs discussion document, *Simplifying Local Government, A Draft Proposal*.¹

1. Overall approach

Q. 1. Do you agree there is a need to simplify local government?
What do you think of the proposed approach overall?

The proposal includes options to simplify local council governance, and to consider changes to how councils are re-organised to deliver services.

AGREE

HortNZ welcomes the government proposal to review the delivery of council functions for the purposes of seeking greater efficiencies and improving the effectiveness of the work councils do. Reviews undertaken as part of Regional Re-organisation Plans (RRPs) would provide an opportunity to address issues often raised by growers including the costs of interacting with councils, and the frustration felt from ineffective council spending. An example of product group feedback on this issue is below.

'There is a need to address local council cost escalation, which is increasingly impacting communities and sectors alike. The board acknowledges there is no single, simple solution, but improved accountability and leadership at the executive level is widely seen as an important starting point.'

Whilst HortNZ agrees with the move to review local government delivery of functions, we wish to raise the following matters:

1. Expertise must be matched to the job of reviewing and making recommendations on re-organisation and the outcome should not be unduly influenced by vested interest. For these reasons, HortNZ believes that the RRP process need to be led by an independent body with specialist skills, informed by an advisory group of elected members. The local community should be provided with an opportunity to provide feedback on proposed RRP.
2. The RRP would be developed at a regional scale. We suggest there is need to also include opportunities to consider where improved efficiency and effectiveness could be achieved by considering multiple regions, such as being undertaken under the Public Service AI Work Programme¹. The Review into the Future for Local Government² states,

¹ [Public Service AI Work Programme | NZ Digital government](#)

² [Future for Local Government Review - dia.govt.nz](#)

There is huge potential in building common systems and shared capability across the sector, including digital and data architectures and resulting services and systems. The Panel sees both back office corporate functions and customer-facing systems as big opportunities for shared and managed service arrangements.

Central government and regional sector leadership will be needed to identify and action these multi-region opportunities at a multi-council or national scale. HortNZ suggests that a multi-council working group is formed, to identify, evaluate and make recommendations on opportunities for efficiency gains across multiple regions. A second stage process may be needed to approve and operationalise these recommendations.

3. Whilst consideration of multiple regions is important in achieving efficiency outcomes, the reform also needs to be flexible at the regional level, so growers aren't disadvantaged by frameworks that do not fit all regions. Central government could assist by providing a standardised process and criteria for RRP development that each regional independent body follows. This would streamline the process, whilst enabling each region to propose workable solutions for its region.

2. Regional governance

Q. 1. Do you agree with replacing regional councillors with a CTB?
What do you like or dislike about the proposal to replace regional councillors with a CTB?

The proposal discusses replacing regional councillors with boards of mayors, or a Combined Territories Board (CTB). CTBs would then take on all roles and functions of regional councils, e.g.:

- managing rivers, lakes, the coastal marine area and air quality
- managing regional council assets
- implementing any Treaty settlement commitments which are administered by the regional council
- regional transport planning
- civil defence and emergency management
- environmental regulation and resource management

Under the government's proposal, the CTB (and/or Crown Commissioners) would review how councils work together and develop Regional Re-organisation Plans (RRPs) to deliver services more effectively and efficiently.

DISAGREE

HortNZ does not support replacing regional councillors with a CTB of mayors for three reasons:

1. Regional councillors have the interest and often experience and expertise in the functions regional councils hold, such as in freshwater management, biosecurity and land management. These functions will still be the responsibility of regional councils under the new resource management system as described in the Planning Bill and Natural Environment Bill. Mayors do not always have the interest, experience and expertise in these matters. It could be argued that mayors did not sign up for a regional governance role and may not wish to take on these responsibilities.
2. Mayors are elected to lead their district. Their constitutional role, as laid out in the Local Government Act 2002, is to provide leadership to their councillors and citizens of their districts, and to guide the direction of council plans and policies. Regional councillors also guide the direction of council plans and policies. However, they are required to work with other councillors around the table on behalf of all constituents, rather than advancing the interests of their own constituency. This is a fundamental difference between mayors and regional councillors, given mayors represent their own constituencies. Placing mayors around a regional governance table would be expected to create tension and challenges in meeting cross-constituency goals.
3. Additionally, the replacement of regional councillors with a CTB of mayors in this current local government term would run against the principles of democracy. Removing democratically elected regional councillors and re-assigning a new role to democratically elected mayors is undemocratic. Any changes decided through this consultation should only take effect immediately prior to the election of the next term's local government representatives.
4. Lastly, reducing the number of elected representatives would result in a concentration of power in the hands of fewer elected representatives. This increased concentration of power reduces the opportunity for checks and balances to be applied through diverse governance. Growers want to ensure a continued pathway for local and regional voices in decision making.

3. Crown representation

Q. 1.

What level of Crown participation in regional decision-making do you prefer?

- None – only mayors on the CTB
- Crown Commissioner (non-voting)
- Crown Commissioner (veto power)
- Crown Commissioner (majority vote)
- Crown Commissioners instead of a CTB.

The proposal seeks views on whether Crown representation should be part of the newly formed Combined Territories Board (CTB). Various options are provided, from having no Crown representation, to have a board comprised of only Crown representatives.

Growers have expressed the sentiment that Crown representatives could add value to regional governance and the development of RRP. However, growers want to see the retention of regional community representation at the governance table. Additionally, growers are concerned that local communities' appetites for spending ratepayer funds may not meet the aspirations of Crown appointed commissioners. At the same time, bringing some more objectivity to regional funding decisions through Crown participation, may bring some more balance to spending decisions.

Crown representatives should only be appointed to regional governance roles where there are capability gaps amongst the elected members to add value to the governance table, rather than replacing elected representatives. For example, legal and financial expertise is an area of capability that is often less prominent amongst elected representatives.

Local community representation and decision-making is critical to our growers. Growers see the benefit in Crown participation to fill capability gaps (as stated above). However, they do not support a veto right by Crown representatives. Rather, Crown representatives should have a voting right but collectively comprise a minority proportion of the governance group.

Crown participation in regional governance would need to be handled sensitively, as there is a view that Crown Commissioners are only introduced when things go wrong.

HortNZ recommends the Chair of the governance group initiates a governance capability-analysis and the governance group votes on the type of capability needed by Crown Commissioners, based on this needs analysis.