

6.1. ORC Consideration of 2025-2028 Governance Structure

Prepared for: Council
Report No. GOV2619
Activity: Governance Report
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Endorsed by: Richard Saunders, Chief Executive
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PURPOSE

- [1] To consider and adopt a governance structure for the Otago Regional Council for the 2025-2028 triennium.

EXECUTIVE SUMMARY

- [2] Council needs to consider and adopt a governance structure for the 2025-2028 triennium.
- [3] A proposed structure has been recommended by the chairperson, following discussions with councillors, as attached. This structure provides for decision-making to sit solely with Council, complemented by the establishment of portfolio areas and the appointment of portfolio leads. Portfolios would not have specific decision-making delegations. A role outline is proposed below.
- [4] An Audit and Risk Committee with an external appointee is proposed.
- [5] The Joint Transport Committee, Joint Committee Civil Defence, and Joint Committee Regional Deals continue to exist and appointments will be proposed for consideration by Council at the end of November.
- [6] Council can review its governance structure at any time during the triennium.

RECOMMENDATION

That the Council:

- 1) **Notes** this report.
- 2) **Adopts** the proposed governance model of portfolio areas to complement Council decision making, as attached, with or without changes.
- 3) **Approves** the appointment of portfolio leads, as attached, with or without changes.
- 4) **Appoints** an Audit and Risk Committee, with membership as attached.
- 5) **Agrees** to appoint Mr Andrew Douglas to a further one-year term as Co-Chair of the Audit and Risk Committee, based on the recommendation of the previous Audit and Risk Committee to provide continuity with the committee's workplan (Mr Douglas's CV was circulated separately).

- 6) **Notes** that more detailed terms of reference for each portfolio area, the role of portfolio leads, and a Council calendar for 2026 will be brought to Council for consideration and adoption on 26 November 2025.
- 7) **Notes** that a further list of Council appointments to Joint Committees, external and internal working groups will be presented for consideration to Council on 26 November 2025.

BACKGROUND

- [7] The Local Government Act 2002 (the LGA) gives local authorities the power to appoint committees, subcommittees, and other subordinate decision-making bodies that it considers appropriate (Section 30, Schedule 7). Local Authorities are also able to appoint non-elected members to those committee (Section 31(3), Schedule 7, LGA).
- [8] Under the Local Government Act, Section 30 (7) unless resolved otherwise the committees are deemed to be discharged when the incoming council takes office after triennial elections.
- [9] The LGA (Section 32, Schedule 7) also gives Council the ability to delegate any of its responsibilities, powers or duties. Some decisions cannot be delegated, these include:
- The power to make a rate
 - The power to make a bylaw (although local boards have the right to recommend these for their local areas)
 - The power to borrow money, or purchase or dispose of assets, other than in accordance with the long-term council community plan
 - The power to adopt a Long-Term Plan, Annual Plan, or Annual Report
 - The power to appoint a chief executive

2022-2025 Councillor reflections

- [10] During the previous triennium, a new committee structure was trialled from March – September 2025. This included the following ORC committees:
- Environmental Strategy and Policy Committee (2 iwi representatives)
 - Environmental Delivery Committee (1 iwi representative)
 - Science and Resilience Committee
 - Public and Active Transport Committee
 - Partnerships and Community Committee
 - Finance Committee
 - Audit and Risk Committee (1 external representative)
- [11] Councillors provided the following reflections and directed that these be shared with the incoming Council to help with considering the committee structure.
- Co-Chairs for each committee has been a successful model for previous councillors.
 - The structure adopted in March 2025 worked well, with good alignment between staff, the organisation and Co-Chairs
 - Delegations should be considered
- [12] Following discussion at Mana to Mana in August 2025 it was reflected that the principle of engagement on council committees for iwi appointees has been working for a number of trienniums now. It has been positive, useful and has worked well for iwi. Mana to Mana was supportive of the journey continuing, with councillors noting that it had been valuable, getting a wider view of the environment on various issues.

- [13] Audit and Risk also benefits from an external appointee, who has been co-chair of the committee this triennium. This appointment is also recommended by the Office of the Auditor General. At the last Audit and Risk Committee for the triennium it was reflected that while general practice is for Audit and Risk appointees to serve two terms on Council, the changeover date could benefit from being disconnected from local body elections, to ensure there is some continuity within the committee. The committee suggested that Andrew Douglas's appointment be extended by a further 12 months to provide continuity for the committee's workplan.

DISCUSSION

- [14] Below is an overview of the proposed role of a portfolio lead. This will be considered as part of more detailed terms of reference to be brought for Council consideration on 26 November 2025.

- [15] **The Portfolio Lead role would be to:**

- Provide leadership and advice on portfolio issues
- Build a strong understanding of the portfolio area and share updates with councillors to ensure they are kept up to date, informed and prepared to make well informed decisions when papers come to Council
- Be a point of contact for councillors on portfolio matters
- Lead discussion at Council meetings on papers or decisions relevant to portfolio
- Support community engagement and communications activity in the portfolio area (including being spokespeople for media release, attending community consultations)
- Work with senior staff responsible for portfolio areas to undertake the above roles
- Liaison Group Chairs to report through portfolio leads

- [16] Below is an overview of the proposed portfolio lead areas. More detailed terms of reference would be developed for Council consideration on 26 November 2025, along with a Council calendar for 2026.

- [17] **Finance Portfolio**

To guide, monitor and provide advice to Council on the Council's financial and non-financial service level reporting, commercial, and administrative affairs, including the Port shareholding and operational performance, Long-Term Plan, Annual Plans, and implementation of the Local Government Act 2002. *The Senior Officer for this portfolio would be the Chief Financial Officer.*

- [18] **Policy and Planning Portfolio**

To provide advice and guidance to Council on the development of Otago's environmental (water, land, air, biodiversity and biosecurity) plans and policies and to support ORC's engagement in central government legislative reform processes. To ensure the Council partnership with Kāi Tahu is reflected in the above processes. *The Senior Officer for this portfolio would be General Manager Regional Planning and Transport.*

- [19] **Science and Resilience Portfolio**

To consider and set the direction for programmes of work and provide advice to Council

on matters that affect our communities' ability to be informed about issues that impact resilience across Otago and the work ORC does to support this. Includes natural hazards, science, environmental monitoring, flood and drainage schemes and civil defence responsibilities. *The Senior Officer for this portfolio would be General Manager Science and Resilience.*

[20] **Environmental Delivery Portfolio**

To monitor and provide advice to Council on ORC's delivery of environmental outcomes, projects, and environmental funding, and how we work with the community to achieve these environmental outcomes as set out in the Long-Term Plan 2024-34. Also to monitor ORC's regulatory functions and how these are delivered. *The Senior Officer for this portfolio would be General Manager Environmental Delivery.*

[21] **Transport Portfolio**

To set the strategic and operational direction for approved Regional Council public transport policy and strategy, and monitor its implementation. *The Senior Officer for this portfolio would be the General Manager Regional Planning and Transport.*

[22] **Strategy and Customer Portfolio**

To be the guardian of the development and implementation of Otago Regional Council's Strategic Directions, which includes vision, community outcome areas and goals, and Council's partnership with mana whenua. To connect the overarching strategic directions with the community through governance, engagement, communications and customer functions and activities. *The Senior Officer for this portfolio would be the General Manager Strategy and Customer.*

[23] **Audit and Risk Committee**

To provide advice about governance, risk management, and internal control matters, external reporting and audit matters. The Committee can make recommendations to the Council and/or the chief executive, and request information and advice through the chief executive when necessary. *The Senior Office for this committee would be the Chief Financial Officer.*

OPTIONS

- [24] To consider and adopt the proposed governance structure with or without changes.

CONSIDERATIONS

Strategic Framework and Policy Considerations

- [25] The ORC's current strategic directions are reflected in the proposed governance structure, along with clear business accountability.
- [26] Previous governance structures have included committees with mana whenua representation. Consideration will need to be given to the role of mana whenua within the proposed portfolio structure to ensure that our strategic direction of partnership is reflected in governance arrangements.

Financial Considerations

[27] There are no financial implications related to this paper.

Significance and Engagement

[28] He Mahi Rau Rika speaks to ORC's commitment to partner with mana whenua and make mātauranga Kāi Tahu an integral part of our decision making. Consideration will need to be given to achieving this commitment within the proposed portfolio structure.

[29] The 2024 Te Tiriti Audit also recommended Council engage with mana whenua on committee structure, terms of reference and delegations.

Legislative and Risk Considerations

[30] Not applicable.

Climate Change Considerations

[31] Not applicable, this is an administrative decision.

Communications Considerations

[32] Not applicable.

NEXT STEPS

[33] To be confirmed depending on Council's decision.

ATTACHMENTS

1. Draft Governance Structure 2025 2028 [6.1.1 - 1 page]

Proposed Otago Regional Council Governance Structure 2025-2028

Chair	Hilary Calvert
Deputy Chair	Kevin Malcolm
Portfolio Leads Environmental Delivery <i>Issues include: Integrated Catchment Management, Consenting/Compliance, Biodiversity and Biosecurity, Harbour Master</i>	Andrew Noone Robbie Byars
Portfolio Leads Science and Resilience <i>Issues include: Rivers, flood management, natural hazards, civil defence and emergency management, environmental monitoring and science, deep lakes</i>	Gary Kelliher Gretchen Robertson
Portfolio Leads Policy and Planning <i>Issues include: Resource Management reform, submissions, regional pest management plan, air plan, coast plan</i>	Kate Wilson Neil Gillespie
Portfolio Leads Finance <i>Issues include: corporate planning, finance and performance reporting, environmental fund, Port Otago</i>	Kevin Malcolm Chanel Gardner
Portfolio Leads Transport <i>Issues include: regional transport planning, public transport operations</i>	Matt Hollyer Alan Somerville
Portfolio Leads Strategy and Customer <i>Issues include: strategic directions, governance, iwi partnership, community engagement, communications</i>	Michael Laws Hilary Calvert

Audit and Risk Committee
Co-Chairs: Kevin Malcolm, Andrew Douglas Members: Chairperson Gary Kelliher Chanel Gardner Neil Gillespie