

Notice of Meeting:

I hereby give notice that an ordinary meeting of the Dunedin City Council will be held on:

Date: Thursday 12 February 2026
Time: 9.00 am
Venue: Council Chamber, Dunedin Public Art Gallery, the Octagon, Dunedin

Sandy Graham
Chief Executive Officer

Council
SUPPLEMENTARY AGENDA

MEMBERSHIP**Mayor**
Deputy Mayor

Mayor Sophie Barker
Cr Cherry Lucas

Members

Cr John Chambers	Cr Christine Garey
Cr Doug Hall	Cr Marie Laufiso
Cr Russell Lund	Cr Mandy Mayhem
Cr Benedict Ong	Cr Andrew Simms
Cr Mickey Treadwell	Cr Lee Vandervis
Cr Steve Walker	Cr Brent Weatherall

Senior Officer

Sandy Graham, Chief Executive

Governance Support Officer

Lauren Riddle

Lauren Riddle
Governance Support Officer

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Note: Reports and recommendations contained in this agenda are not to be considered as Council policy until adopted.

ITEM TABLE OF CONTENTS

PAGE

REPORTS

20	Terms of Reference - Council Controlled Organisation Transition Steering Group	4
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REPORTS

TERMS OF REFERENCE - COUNCIL CONTROLLED ORGANISATION TRANSITION STEERING GROUP

Department: Enterprise Dunedin and Executive Leadership Team

EXECUTIVE SUMMARY

- 1 This report recommends that Council adopt the proposed Terms of Reference as directed by Council to begin the process of consulting with the community on Council's preferred option to transfer Enterprise Dunedin into a standalone Council Controlled Organisation (CCO).
- 2 The proposed Terms of Reference for the Economic Development Agency Transition Steering Group (Transition Steering Group) will provide strategic oversight, ensure alignment with Council priorities, and support robust decision-making throughout the project lifecycle to develop documentation required to proceed to consultation on the resolution to transfer Enterprise Dunedin into a standalone CCO.

RECOMMENDATIONS

That the Council:

- a) **Adopts** the terms of reference (with or without amendment) for the Economic Development Agency Transition Steering Group.
- b) **Appoints** Mayor Barker, Cr Simms and three external advisors as members of the Transition Steering Group

BACKGROUND

- 3 On 29 January 2026, a report from Enterprise Dunedin provided Council governance options to consider Enterprise Dunedin's future operating model. It drew on operational data, portfolio-specific impact assessments, benchmarking of other New Zealand economic development agencies, and the lessons learned from similar governance changes in Auckland, Wellington, Christchurch, and other regions.
- 4 The report evaluated two governance options for Enterprise Dunedin as directed by Council resolution on 12 August 2025. The options compared were:
 - a) Council-Controlled Organisation (CCO): Create an arm's-length entity owned by Council, governed by an independent board and advised by a stakeholder group and an

- b) Enhanced In-House Model: Retain Enterprise Dunedin as an internal unit of the Council, with some functions refined or redistributed within Council.

5 The Council resolution from the meeting on 29 January 2026 is as follows:

Moved (Mayor Sophie Barker/Cr Andrew Simms):

That the Council:

- a) **Agrees** its preferred option for consultation is to transfer Enterprise Dunedin into a standalone Council Controlled Organisation (CCO).
- b) **Requests** a report from staff for the 12 February 2026 Council meeting to establish a Transition Steering Group, with proposed Terms of Reference that should include:
 - i. membership of the group;
 - ii. authority to consider timing of consultation;
 - iii. necessary delegations to recommend consultation material back to Council; and
 - iv. any resourcing requirements.

Division

The Council voted by division

For: Crs John Chambers, Doug Hall, Cherry Lucas, Russell Lund, Mandy Mayhem, Benedict Ong, Andrew Simms, Lee Vandervis, Steve Walker, Brent Weatherall and Mayor Sophie Barker (11).

Against: Crs Christine Garey, Marie Laufiso and Mickey Treadwell (3).

Abstained: Nil

The division was declared CARRIED by 11 votes to 3

Motion carried (CNL/2026/005)

DISCUSSION

6 Council directed that draft terms of reference be developed for the Transition Steering Group. The draft terms of reference (attached to this report) outline the responsibilities of the Transition Steering Group as follows:

- a) to enable development of the required consultation documentation
 - i) determination of the intended objectives
 - ii) functions and scope of the Dunedin Economic Development Agency
 - iii) proposed legal structure/governance model
 - iv) develop estimated budget models associated with options presented

- b) development of stakeholder engagement and communication plans necessary to proceed to public consultation
 - c) ensure the consultation process meets all of Council's legal requirements.
- 7 Elected member representatives are the joint portfolio leads for Economic Development.
 - 8 External members will be appointed based on their relevant expertise and ability to contribute effective governance, strategic oversight and skills and industry expertise.
 - 9 The initial focus for the Transition Steering Group is to undertake the work required to have properly formed consultation documentation available to undertake the public consultation necessary.
 - 10 The resource required to undertake this work will be funded from existing budgets (noting there is currently a favourable operating position). If that position changes the Chief Executive will bring a report to Council requesting an authorised overspend for this activity. Cost will be captured in the monthly financial reports.

OPTIONS

- 11 This report and draft terms of reference respond to a council resolution and as such no options are provided. Council are free to consider and amend the attached terms of reference.

NEXT STEPS

- 12 If Council approves the terms of reference (with or without amendment) staff will work with the Transition Steering Group to progress the work programme.

Signatories

Author:	Sian Sutton - Manager, Enterprise Dunedin Mike Costelloe - General Manager, Arts, Culture & Economic Development
Authoriser:	Sandy Graham - Chief Executive

Attachments

	Title	Page
⬇️A	Draft Terms of Reference Economic Development Agency Transition Steering Group	9

SUMMARY OF CONSIDERATIONS

Fit with purpose of Local Government

This decision enables democratic local decision making and action by, and on behalf of communities. This decision promotes the social, economic, environmental and cultural well-being of communities in the present and for the future.

Fit with strategic framework

	Contributes	Detracts	Not applicable
Social Wellbeing Strategy	✓	<input type="checkbox"/>	<input type="checkbox"/>
Economic Development Strategy	✓	<input type="checkbox"/>	<input type="checkbox"/>
Environment Strategy	✓	<input type="checkbox"/>	<input type="checkbox"/>
Arts and Culture Strategy	✓	<input type="checkbox"/>	<input type="checkbox"/>
3 Waters Strategy	✓	<input type="checkbox"/>	<input type="checkbox"/>
Future Development Strategy	✓	<input type="checkbox"/>	<input type="checkbox"/>
Integrated Transport Strategy	✓	<input type="checkbox"/>	<input type="checkbox"/>
Parks and Recreation Strategy	✓	<input type="checkbox"/>	<input type="checkbox"/>
Other strategic projects/policies/plans	✓	<input type="checkbox"/>	<input type="checkbox"/>

While this report deals with the establishment of the Transition Steering Group, the potential establishment of a CCO to guide economic development in Dunedin is likely to have implication for all strategies in the framework.

Māori Impact Statement

At this stage there has been no engagement with Mana Whenua.

Sustainability

Implications for sustainability have not been considered.

LTP/Annual Plan / Financial Strategy /Infrastructure Strategy

The Transition Steering Group will ensure that Council meets all its legal obligations in relation to the long term plan and levels of service.

Financial considerations

The establishment of the Transition Steering Group is unbudgeted. Costs will be met from the current operating surplus and, if required, a report requesting an overspend will be presented to Council in the future.

Significance

Significant decision which would therefore require public consultation.

Engagement – external

The creation of the Transition Steering Group to establish a CCO responds directly to external feedback.

Engagement - internal

There has been limited internal engagement on the establishment of the Transition Steering Group.

SUMMARY OF CONSIDERATIONS***Risks: Legal / Health and Safety etc.***

The staff identified to support the group will help ensure that legal, HR and H&S risks are appropriately managed as part of the process.

Conflict of Interest

No known conflicts of interest

Community Boards

No specific engagement with community boards

Economic Development Agency (EDA) Transition Steering Group – Draft Terms of Reference

Name of Advisory Panel	Economic Development Agency Transition Steering Group
Purpose	The Economic Development Agency Transition Steering Group (the Transition Steering Group) is established to provide strategic and governance oversight to enable council resolution to consult on its preferred option to transfer Enterprise Dunedin to a Council Controlled Organisation (CCO).
Responsibilities	<p>The Steering Group will initially focus on development of comprehensive consultation documentation to guide Council through its preferred option to establish a CCO (or alternative). Consultation documentation will need to include:</p> <ul style="list-style-type: none"> • allocation of resource to enable development of required consultation documentation • intended objectives, functions, and scope of the EDA • proposed legal structure and governance model of the EDA • major risks associated with the transition and establishment process and mitigation strategies. • estimated costs and a draft budget for the establishment process, including legal, governance, recruitment, communications, operational costs and initial funding requirements for the entity for consultation purposes <p>A stakeholder engagement and communications plan, including providing advice on the timing and approach to public consultation will also need to be delivered as part of this process.</p>
Powers, duties and functions	<p>The Transition Steering Group is an advisory and oversight body. It does not have decision-making powers.</p> <p>The Transition Steering Group will have the ability to co-opt members to the group if it believes further expertise is required.</p>
Reporting Requirements	<p>The Transition Steering Group will report to Council at key milestones, including:</p> <ul style="list-style-type: none"> • submission of the plan for consultation • in addition to formal reporting, the Transition Steering Group will operate on a ‘no surprises’ basis, which means providing the Council with early warning of any significant challenges or issues that arise from undertaking its responsibilities.
Committee of Council that the Advisory Panel is to report to	Council

Economic Development Agency (EDA) Transition Steering Group – Draft Terms of Reference

Type and Regularity of Reporting	Monthly reporting in person or virtually
Membership	Mayor Sophie Barker (Chair) Councillor Andrew Simms Up to three external appointees to be confirmed
Quorum	A quorum shall comprise of three members and must include at least one elected member
Frequency of Meetings	Monthly or more frequently as required
Expected term	Initial term is to guide the development of consultation documentation and see the public consultation completed.
Support Staff	Legal, Communication, People and Capability, Administration and Finance
Senior Officer supporting Transition Steering Group	Chief Executive or delegate
Remuneration	Members of the Transition Steering Group that are external representatives (not an elected member or staff member of Council) will be remunerated per meeting attended in person or virtually. The meeting fee includes preparation time, any pre- or post-meeting communication or consultation, preparation and delivery of any written decision, and an allowance for travel costs. Remuneration will need to be negotiated with the external members.
Review of Terms of Reference	The Transition Steering Group may recommend changes to these Terms of Reference for Council approval at any time.