

## ATTACHMENT E

### Governance Workshop notes 31 August 2021

#### Attendees

- Andrew Whiley
- Lloyd McCall
- Steve Walker
- Jim O'Malley
- Gareth Green
- Langley Cavers
- Alastair Cameron
- Phil Goff
- Don McLeod
- Rex Capil
- Sam Broughton
- Gary Kircher
- Bruce Vollweiler
- Bayden Barbor
- Mike Lord

#### Concerns

- Scope of the Representative Group
  - What powers will Representative Group have?
  - What decisions will be made at this governance level?
  - What happens at the RRG level vs the Entity Board level?
- Representation and influence
  - How will each city / region be able to direct the Entity on what they need for their community?
  - The size of the RRG means not every local authority and mana whenua will be represented on the RRG. Do they have to somehow canvas and represent all?
  - Local authorities lose direct control
  - RG not going to be easily picked and too far removed from community
  - Will our council have a rep?
  - Local authorities lose direct control
  - Currently no infrastructure provides a co-governance model
  - Lack of democratic accountability, elected member control
- Regulation
  - Regulators mean we'll have stronger/clearer regulatory demands
- Community connection
  - Model shows well represented on customer side but not council side
  - Significant separation of local owners from governance and operations
  - No accountability to people these entities serve – talking away responsibility from the people
  - Council and iwi represent the people, but that's not leveraged in the model

- Integration with planning
  - Not enough recognition of council plans
  - Lack of controls to comply with key docs; need to make sure the Entities give effect to the strategic plan for each district

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### **Problem statements**

- How might we ensure the board is accountable to all members?
- How might we pick people who will represent the collective, not specific members on a 1:1 basis?
  - How will my community be represented on a Representative Group of six?
  - How will mana whenua be represented adequately?
- How might the regional representative group be selected? is the balance right between being elected and being selected?
- How might we have meaningful input into the SOI or the GPS?
- How might we achieve balance sheet separation without reducing control and accountability to communities and mana whenua?
- The Independent Selection Panel takes away the power of the RG to hire and fire Board of Directors and hold the entity to account.
- How might we ensure accountability to our local communities?
- Assets are still 'owned by the community' but the community has no say in how they're managed.
- How might we manage growth for local communities and ensure local needs and issues are addressed?
- How might we ensure alignment between who holds entities accountable and who sets their performance requirements?
- How might the WSE give affect to the Treaty of Waitangi?
- Councils will be held accountable to the community for what the entities do, or don't do, but not able to control them.

### **Potential ideas**

- CCO model like Watercare
- Independent Selection Panel is an advisory board to the RG, not an additional layer between the RG and the Board
  - The ISP can ensure the candidates have the necessary competencies etc... and guide them through the process of selection
  - The RRG then holds the Board to account with respect to delivery against the Sol. Hires/Fires/Accountable
  - Having the ability to hire/fire retains the ability to have strong influence over expectations vs Sol
- Shareholders Council model where all councils in the WSE region have a seat
- Increase the size of the regional representative groups so they represent every council/mana whenua
- WSE must "give affect to" all council LTPs in the first 3 years

- Do we need to achieve full balance sheet separation? Could councils not give up so much accountability/direction setting, but have S&P still assess councils as having a contingent liability on their balance sheets?
- More direct levers on the local government side to hold the entities to account for delivery and performance
- The RG develop a "kawenata" or covenant that sets out the expectations at a principles level for our communities that the entities have to deliver to and live up to. This would improve accountability to local councils and mana whenua.
- Stronger direct accountability mechanisms for councils to call WSE to account for non-delivery or non-performance.
- Could RRP's look more like regional transport committees?
- Can you resolve the balance sheet separation issue by having the crown as a shareholder with liquidity facility?
- Could there be a statutory prohibition on councils bailing the entities out?
- Are we looking at debt rating agency in a binary fashion, is there flex?
- We need to examine the shadow rating more closely? Could we cede some governance control and still achieve debt separation?