

Meeting Date: 22 June 2018

ELECTION OF A TEMPORARY OR STANDING DEPUTY CHAIRPERSON

SECURITY
AND
RELIABILITY
COUNCIL

Due to the resignation of the Security and Reliability Council (SRC) Chair, the SRC needs to elect a temporary or standing deputy Chair.

Note: This paper has been prepared for the purpose of the SRC. Content should not be interpreted as representing the views or policy of the Electricity Authority.

Election of a temporary or standing deputy chairperson

The resignation of the SRC Chair means the SRC must elect a deputy Chair

The SRC Chair resigned effective from 18 June 2018. The Chair's letter of resignation has been included in the correspondence for the 22 June 2018 meeting.

For practical and legislative reasons, the SRC must elect a deputy Chair at the commencement of its 22 June 2018 meeting.

The SRC has considerable discretion for who, how, and why it may elect a deputy Chair. The Electricity Industry Act 2010 (Act) stipulates that, "The [SRC] may determine its own procedure, subject to this Act and the [Charter for advisory groups]...".¹

Since the Act and the charter are silent on criteria or process for electing a deputy Chair, the SRC may determine its own procedure. Paragraph 8.5 of the *Terms of Reference for the Security and Reliability Council and other advisory groups* (terms of reference) explicitly enables the election of a standing or temporary deputy Chair:

The group may appoint a member to be a standing or temporary deputy chairperson, who may exercise all the functions and powers of the chairperson in relation to a matter if:

- (a) the chairperson is unavailable; or
- (b) the chairperson has a conflict of interest relating to the matter.²

However, the terms of reference do not provide any further guidance on the election of a standing or temporary deputy Chair.

The secretariat recommends some criteria and process be adopted

The secretariat recommends two main selection criteria:

- The deputy Chair should have as few interests as possible, to best enable visibly impartial consideration of other members' interests.
- The deputy Chair should be:
 - o willing to do the role
 - o sufficiently experienced with SRC meetings to have a sense of the norms
 - o competent and confident to steer the meeting.

The secretariat recommends the election process include:

- a formal motion that clearly identifies the nominee and whether the motion is for a temporary or a standing deputy Chair

¹ See section 20(4) of the [Electricity Industry Act 2010](https://www.ea.govt.nz/about-us/strategic-planning-and-reporting/foundation-documents/#ag-charter). The *Charter for advisory groups* is available from <https://www.ea.govt.nz/about-us/strategic-planning-and-reporting/foundation-documents/#ag-charter>

² The terms of reference are available from <https://www.ea.govt.nz/development/advisory-technical-groups/src/charter-and-terms-of-reference/>

- a seconder to the motion with subsequent opportunity for 'ayes and nays' (or formal voting in the event of an unclear majority).

The deputy Chair needs to consider the interests of members and steer the meeting

Whoever is elected as deputy Chair will have two functions to fulfil.

Consider the interests of the members

The deputy Chair's first task will be to review the latest register of members' interests. Then, having considered those interests in relation to the particular agenda, the deputy Chair will need to do one of the following:

- give 'permission to act despite interests' where he/she was convinced it was in the public interest; or
- give 'permission to act despite interests' *with conditions* where he/she was convinced it was in the public interest. Conditions might include not making or seconding a motion or prohibitions against discussing certain aspects of a matter; or
- not give 'permission to act despite interests'. In this case, each member would need to excuse themselves from any discussion in which they believe they are 'interested' for the purposes of the Crown Entities Act 2004.

The Electricity Authority has appointed the members of the SRC in knowledge of their interests. Very often, those interests are inextricably connected to the expertise that makes a member a valuable contributor. From that, an observer may infer an implied expectation that those members would generally be able to act in their SRC roles.

The secretariat can recall no instances of a Chair withholding 'permission to act' and only one instance of conditions being put in place. That instance involved a member whose work colleagues presented to the SRC on the observations from a 'near miss' on the power system.

The 22 June 2018 SRC meeting agenda includes a presentation by a member, in their capacity as the Chief Executive of an industry participant.

The secretariat has, at the time it provided this paper to the members, also provided members with the up-to-date register of interests.

Chair the meeting

The deputy Chair will steer the meeting by using their judgement to:

- keep members' discussion:
 - o within the scope of the SRC's statutory function
 - o on topic for the particular agenda item
 - o at the right level of detail
- seek out particular members' views and provoke discussion
- hasten or extend the end of agenda items given the trade-offs involved with focussing on certain topics versus balancing attention across the full agenda.

The secretariat recommends appointing a temporary deputy and a member has agreed to be nominated

Appointing a *standing* deputy Chair when the interests of the new Chair are unknown is undesirable. The secretariat considers it is important to avoid having the Chair and deputy Chair interested in the same sorts of matters. This would be problematic because the Crown Entities Act 2004 precludes them giving each other 'permission to act' in relation to that matter.

As such, the secretariat recommends the SRC appoint a *temporary* deputy Chair.

The secretariat:

- has considered which members would best meet the secretariat's proposed selection criteria
- has contacted the best suited who has agreed to be nominated for the position of temporary deputy Chair.

Next steps

The next steps are:

- the SRC needs to elect a deputy Chair, using whatever procedure it prefers
- the member elected as deputy Chair must then consider the interests of the members (as discussed above) and take action as they see fit
- the SRC may wish to consider a motion to write a letter of thanks to the former SRC Chair.