

Chair and Committee Members
CORPORATE BUSINESS COMMITTEE

10 MAY 2012

Meeting Status: **Public**

Purpose of Report: For Decision

USING ELECTRA VOTES FOR TRUSTEES

PURPOSE OF REPORT

- 1 This report seeks a decision by the Committee on using Council's voting rights for the election of trustees to the Electra Board of Trustees.

SIGNIFICANCE OF DECISION

- 2 Council's significance policy is not triggered by the report.

BACKGROUND

- 3 Electra Limited owns the electricity lines within Kāpiti and Horowhenua as well as other business interests and is owned entirely by the Electra Trust. Council has a number of facilities connected to the Electra network, which gives Council 241 votes for the election of the Electra Trust trustees.
- 4 The Electra Trustees' main roles are stated to be:
 - appointment of Directors to Electra Limited and ensuring that the Directors comply with the decisions made by beneficiaries at any meeting of beneficiaries such as AGMs or a special general meeting;
 - ensuring appropriate annual performance assessments are held;
 - monitoring and safeguarding the interests of Electra's owners;
 - ensuring the terms of the Trust Deed are met and consider any amendments;
 - commissioning ownership reviews from time to time;
 - ensuring any surplus funds generated by Electra Limited, are returned to the owners in the form of an annual discount;
 - approving the company's Statement of Corporate Intent and monitoring performance;
 - holding an Annual General Meeting of its owners (and any Special General Meetings that may be required) to inform owners and respond to questions;
 - maintaining open communication with owners (Electra supply customers).
- 5 The Trust has some influence over the direction of Electra Limited via the appointment of Directors, but no direct control as that is held by the Board of

Directors. Benefactors can influence the direction of Electra through resolutions at an AGM or special general meeting.

- 6 The Trustees receive dividends from Electra Limited and then apply or appropriate that to beneficiaries via Electra Limited.
- 7 The Electra Trust has six trustees: Chris Turver, George Sue, Lindsay Burnell, Ann Chapman, Judy Keall, and Ray Latham. Once a year, two of the Trustees (the longest in office) must either retire or stand again for election. The issue of using the votes to elect a trustee therefore comes up every year. For 2012, the trustees seeking re-election are Chris Turver and Ray Latham.
- 8 In 2011 Council deliberated the issue in a publically excluded meeting and voted not to support any candidates.

CONSIDERATIONS

Issues

- 9 Voting packs will be distributed around 25 May and voting closes at 5pm on Thursday 14 June 2012.
- 10 If the Committee decides that it wishes to consider the issue this year, it could debate and select which candidates it will support in public or during a publicly excluded meeting. Council normally debates individual appointments to committees and boards in publicly excluded meetings, allowing Elected Members to be free and frank during the debate.
- 11 The Committee may wish to debate if it should use its voting rights first in a public forum, and if it were to use its votes what outcome it would seek so that it can use that criteria to assist in choosing candidates.
- 12 An invitation could then be extended to the candidates to address Council, enabling Council to make an informed decision on which candidates to support.
- 13 The discussion of which candidate to support could then be made at the Council meeting on 7 June.

Financial Considerations

- 14 There are no financial considerations raised in this report.

Legal Considerations

- 15 There are no legal issues raised within this report.

Delegation

The Corporate Business Committee has the power to consider this matter under para 7.17 of the Governance Structure and Delegations (5 April 2012 version):

Authority in regard to any procedural matters relating to elections, polls and referenda, not otherwise delegated to the Chief Executive or to the Council's appointed Electoral Officer.

Consultation

16 There has been no consultation on this issue.

Policy Implications

17 There are no current policy implications raised by this report.

Tāngata Whenua Considerations

18 There are no tāngata whenua issues raised within this report.

Publicity Considerations

19 There may be public interest should Council wish to exercise its vote and evaluate candidates. A press release would be issued.

RECOMMENDATIONS

20 That the Committee agrees not to exercise the right to vote in any Electra Trust election; or

21 That the Committee agrees to (a) exercise the right to vote in the Electra Trust election and (b) evaluate candidates for the 2012 Electra Trust election.

Report prepared by:

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