



MEDIA RELEASE

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Trustees obliged to abide by Trust Deed

Ten nominations have been received for two positions on the Eastern Bay Energy Trust. Two Trustees are to be elected to represent consumers from the Whakatane District Council and/or Kaingaroa Village area of the Trust's district.

The standards that Trustees must observe in the administration and management of the Trust are defined by Trustee law and the Trust Deed.

In particular, the Trustees must manage the Trust Fund in accordance with the Purpose of the Trust, as set out in the Trust Deed – that the Trustees apply the Trust Fund for or towards energy related purposes for consumers. The Trust Deed of the Eastern Bay Energy Trust is different from other energy trusts. The energy related purposes contained in the EBET Trust Deed mean that the Trustees have a legal responsibility to place equal importance on all the purposes, and cannot focus on one purpose to the detriment of the others.

The energy related purposes relate to some aspect of beneficial use, application or enjoyment in the District of New Zealand's energy resources, including:

- a) Improvements to the safety of the general public by removing road and overhead hazards caused by above ground electricity supply support systems in the District;
- b) Improvements to the supply of electricity to the general public in rural or remote areas of the District by replacing inadequate or unreliable supply systems;
- c) Avoiding, remedying or mitigating any adverse effects of energy related activities in the District on the environment;
- d) Promoting research into more efficient ways of producing and distributing electrical energy for the benefit of the general public in the District including the awarding of research scholarships or prizes and the funding of research and development projects;
- e) The provision of financial assistance to persons in the District to enable them to make better use of energy resources available to them or to subsidise the cost to such persons of existing supplies of energy.

Although the final energy related purpose in the Trust Deed does allow for rebates to consumers, Trustees have a duty to acknowledge that this is not the only purpose, and that Trustees cannot undertake a global distribution to energy consumers without the full consideration of the other purposes set out in the Trust Deed.

The Eastern Bay Energy Trust has been acknowledged as a leader in energy efficiency and in particular for its work in undergrounding overhead power lines, electric blanket testing, lowering electricity bills through its retrofit insulation programme, working to improve security of electricity supply in rural and remote areas, and encouraging young people into the industry through its scholarship and apprenticeship programmes. Such is the high regard for the Trust's work that other energy trusts throughout New Zealand are now following EBET's lead.

The current Trustees are not opposed in principle to rebates. But, like all past, present and future trustees, they have a legal responsibility to ensure that **all** the energy related purposes are given due consideration. It would be

improper for any trustees to focus purely on the rebate issue to the exclusion of the other purposes set out in the Trust Deed.

The Trustees have an obligation to ensure that the Trust Fund is managed in the best interests of all the beneficiaries, present and future. The acquisition of shares to increase the Trust's 25% shareholding in Horizon Energy Distribution Limited to 77.3%, demonstrates the Trustees' commitment to ensuring the long-term viability of the Trust Fund.

Hundreds of community organisations including schools, churches, marae, sports clubs and the three District Councils have benefited from this obligation to consider all energy related purposes with equal importance. With over \$14 million distributed for energy related projects during the last decade, the Eastern Bay Energy Trust can be proud of its achievement.

For further information contact

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