

Frequency of Applications

An applicant who has received assistance by way of a Grant from the Trust would not generally be eligible for a further grant until at least twelve months has elapsed from date of approval.

Payment of Grants

The Grant will only be paid on production of a claim form along with copies of suitably itemised invoices specifying all the work carried out. The Trustees must be satisfied that the amount granted is only used for the purposes which was originally applied for and approved. A signed declaration form may also be required on completion of the project. Any payment made would be direct to the applicant and any accounts incurred must not be in the name of Taranaki Electricity Trust.

An approved Grant must be uplifted within twelve months. After this time the Grant may lapse at the discretion of the Trustees.

Discretion of Trustees

Each application is considered on its merits and approval is at the discretion of Trustees, subject always to the trustees being satisfied the application is for a charitable purpose and falls within their powers under the Deed of Trust.

G.S.T.

Taranaki Electricity Trust is not registered for G.S.T. thus any payment will not have G.S.T. added to it.

Accordingly if the applicant is registered for G.S.T. and the invoice submitted amounts to less than the maximum granted, only the net amount of the invoice will be paid out.

Information Submitted With Applications

Please limit the information supplied as far as possible and be as concise as possible. i.e. please do not send large packs of information which may be largely irrelevant.

Further information can be obtained from:-

The Administration Officer
Taranaki Electricity Trust
35 Rata Street
P.O. Box 163
INGLEWOOD

Phone: (06) 756 7563
Fax: (06) 756 7057

Email: taret@xtra.co.nz
Website: www.taranakielelectricitytrust.co.nz

Office hours are Wednesdays & Fridays 9.30am – 12.30pm
Applications can be posted in or left in the mail box at the AMP Heartland Office
(downstairs in the same building) at any time.

TARANAKI ELECTRICITY TRUST

Annual Plan and Policy on Income Distribution 2007/2008

Note to Applicants

Each application is considered on its merits and approval of any application is at the discretion of the Trustees.

(July 2007)



TARANAKI ELECTRICITY TRUST

Annual Plan and Policy on Income Distribution 2007/2008

Background

Taranaki Electricity Trust is a Charitable Trust. The Trust was originally formed in 1993 and receives investment income which is distributed by way of grants to suitable applicants from the area previously supplied by the Taranaki Electric Power Board.

Policy of Trust

Income

The policy of the Trust is to distribute all of its budgeted available net income to suitable applicants by way of discretionary grants. By distributing funds to as wide a range of applicants as possible, it is hoped that the income will be returned to the community which originally built the power company.

Capital

The Trust's policy is not to distribute capital but could in exceptional circumstances in accordance with the Deed of Trust.

Investments

The Trust has a written statement of Investment Policies and Objectives which is separate from this Annual Plan and Policy on Income Distribution.

Parties Eligible for Grants

Applicants may be organisations or individuals but generally would be expected to be from the old Taranaki Electric Power Board district. Individuals who apply would generally be expected to live in the area and in the case of an organisation, the project concerned would be expected to be in the appropriate area. An organisation which is applying may have its office outside of the area but in order to be eligible would have to show that members who are to derive the benefits reside in the Trust area. An application would only be eligible where there would be a benefit to people in the Trust area.

Trust Area

The Trust area is the area previously supplied by the old Taranaki Electric Power Board (in other words if power accounts were paid to Taranaki Electric Power Board then this will be in the Trust area but if power accounts were paid to New Plymouth Energy then this will be outside the area).

The Trust area extends to past Uruti in North Taranaki, includes Waitara, Inglewood, Stratford, Eltham and extends as far south as Te Roti. South of the mountain the west boundary is Awatuna and the eastern boundary extends well inland past Whangamomona. A map of the exact area is attached to this policy.



d) Sports Clubs

Sports Clubs can receive assistance in the same manner as non-profit organisations, provided the facilities are in the interest of social welfare.

e) Churches & Religious Organisations

Churches and religious organisations can receive funding from the Trust for a variety of projects. Examples of successful applications include heating of church halls and church buildings, building alterations, purchase of appliances. Generally the maximum amount for these organisations has been limited to \$6,000.

f) District Councils

District Councils can receive assistance where the Trustees believe electors will benefit or for the support of electrical supply works which the Trustees consider desirable. Examples would include undergrounding of power lines, improvements to lighting in a town, or maintenance of uneconomic rural lines.

g) Commercial Enterprises

Privately owned businesses will not normally be eligible for receiving assistance unless the application is in terms of criteria b (viii), i.e. where employment opportunities will be created by the new business.

Applications Likely to Receive Assistance

1. Types of Expenditure/Projects

Applications are not limited to electrical applications or electrical work. The Trustees can approve any project which is for charitable purposes and which will be for the benefit of electors or residents in the district which enables a wide range of projects to be funded.

2. Own Contributions

Generally applications would be more favourably considered if the applicant can demonstrate that it has made some considerable effort of its own before requesting funding. Examples of this would be either cash reserves of its own or the use of extensive voluntary labour in the project.

3. Items Not Considered as Eligible

Each application is considered individually on its merits although the following would not generally be eligible for assistance:

- (a) Travel and related expenditure.
- (b) Expenditure incurred prior to making the application.
- (c) Expenditure on Motor Vehicles



Application Forms

Consideration will only be given to applications made on the prescribed application form. Application forms can be obtained from the TET office or downloaded from the TET website www.taranakielelectricitytrust.co.nz

Closing Date for Applications

Applications under \$100,000

The last Thursday of each month. Please note that these applications would be considered by the Trustees over the following couple of months, therefore applicants may not receive a response for up to 8 weeks.

Applications over \$100,000

31 March and 30 September. Although these are the closing dates, applications should be submitted as early as possible to allow Trustees to discuss the proposed project with the organisation concerned.

Income Available for Distribution

Each application is considered on its merits and there is no maximum amount which can be applied for.

The Trustees estimate that the net income available for distribution as grants for the 2007/08 year will amount to \$5m.

The Trustees will monitor the level of grants approved and will ensure that the Trust has sufficient reserves in its Income Account to cover anticipated Grants over the balance of the year.

Applicants

a) Individuals

Individuals may apply for funding assistance but usually would only qualify in the area of educational assistance allied to the energy industry. Individuals with disabilities or suffering distress or hardship may also qualify for some assistance.

b) Education

Special application forms will be sent to all Educational Institutions and the amount granted to each institution will be at the discretion of the Trustees. Factors taken into account will include the roll of the institution, the financial position and forthcoming projects.

c) Non-Profit Organisations

Non-Profit organisations can receive assistance from the Trust for a wide range of projects. Examples of successful applications include heating of halls, electrical appliances, building alterations etc. The purposes must however be beneficial for the community.

Criteria for Qualifying for Assistance

The overall criterion for assistance is that a grant must be for a “charitable purpose”. This is necessary to:-

- (a) Preserve the Trust’s exemption from income tax, and
- (b) To enable the trustees to comply with the Deed of Trust

“Charitable purpose” is not defined anywhere in our law, except in the Income Tax Act 1994, where the definition is not helpful. The trustees will therefore adjudge “charitable purpose” in accordance with the summary in CCH New Zealand Income Tax Law and Practice, volume 1, paragraph 163-000 to 163-175.

Subject to grants meeting the overriding requirement of being for a charitable purpose, grants can be made where projects meet any of the following criteria:-

- (a) For “Charitable Purposes”, including
 - (i) Projects benefiting the electors of the District.
 - (ii) Other purposes which in the discretion of the Trustees consider will benefit electors.
 - (iii) Purposes which will benefit residents of the District.
 - (iv) For the support of economic development of the District.
- (b) For “Energy Related Charitable Purposes”, including
 - (i) Safety improvements eg removing hazards caused by overhead power lines.
 - (ii) Activities relating to remedying or avoiding adverse effects on the environment.
 - (iii) For the promotion of energy efficiency research and development projects.
 - (iv) Financial assistance to charitable organisation relating to cost and use of energy resources.
 - (v) For the support of electrical supply works such as undergrounding of power and maintenance of uneconomic rural lines.
 - (vi) For the promotion of energy efficiency.
 - (vii) For the provision of bursaries and other educational assistance allied to the energy industry.
 - (viii) For the assistance of new businesses where employment opportunities will be created by subsidy of energy costs.
 - (ix) Rebates or subsidies on electricity accounts (provided it meets the definition of charitable purpose).



