



TARANAKI ELECTRICITY TRUST

Annual Plan and Policy on Income Distribution (As from 1 July 2026)

Background

Taranaki Electricity Trust (TET) 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 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.

This includes both standard grant funding and targeted investment through the Strategic Projects Grant Category, which enables the Trust to support larger-scale projects delivering significant long-term community benefit.

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 Trust area. 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 Trust area and the organisation would have to be based or operate from within the Trust area. An application would only be eligible where there would be a benefit to people in the Trust area. Currently it is the priority of the Trust to fund applicants from within the TET 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 detailed map of the exact area is available on the Trust's website.

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 2007, 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:-

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.

Applicants must ensure that they are up-to-date with all statutory requirements. This includes where applicable, Inland Revenue, Charities Services and the Registrar of Incorporated Societies. Any organisation that has lost its charity registration (Charities Services) or is dissolved (Incorporated Societies) will not be considered for a grant. Similarly, should an organisation lose its charity registration or become dissolved, then any unpaid grants will be frozen immediately. For any unincorporated organisation, the maximum grant is \$1,000.

Application Process

Applications should be loaded through the Fluxx system. The address is <https://tet.fluxx.io/>.

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 pieces of information which may be largely irrelevant.

For applications seeking support for remuneration, the application must be completed by someone who is not an employee, eg, a Board/Committee member should complete the application.

Closing Date for Applications

Applications under \$100,000

The 20th 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 \$100,000 and over

Annually on 20 August. Although this is the closing date, applications should be submitted as early as possible to allow Trustees to discuss the proposed project with the organisation concerned.

Strategic Projects Grant Category

The Trust may also consider larger-scale projects through a separate Strategic Projects Grant Category.

These projects are typically of a scale or complexity not well suited to the standard application processes outlined below and are therefore considered through a staged engagement and assessment approach. This

approach enables the Trust to support projects delivering significant long-term community benefit that may not otherwise proceed through standard application processes. The process, criteria, and funding approach for these projects are set out in the Strategic Projects Framework, which should be read in conjunction with this policy.

Projects that fall within the Strategic Projects Grant Category are not subject to these closing dates and will be considered in accordance with the Strategic Projects Framework, which is located on the TET website, under documents. However, applicants considering projects of this nature are encouraged to engage with the Trust at an early stage.

Income Available for Distribution

Each application is considered on its merits.

The Trustees have a budgeted income for distribution as grants for the 2026/27 year and will adhere to that figure.

Applicants

a) Individuals

Individuals may apply for funding assistance but usually would only qualify in the area of education. There is an annual scholarship available for those undertaking tertiary education. Applications must be made online on the Scholarship application form which is available from September each year. In the case of individuals applying as sporting representatives, the Trustees will use their discretion as to the level of funding, particularly where representative selection is not involved.

b) Education

All Educational Institutions will receive notification when Education grants are open. The amount granted to each institution will be at the discretion of the Trustees. Education grants will generally be awarded for specific projects or programmes. Other factors taken into account will include the roll of the institution, its financial position, as well as the planned project or programme.

c) Non-Profit Organisations & Registered Charities

Non-Profit organisations and Registered Charities 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.

All organisations are required to ensure that their most up-to-date rules are submitted with their application. For unincorporated bodies, these rules, as a minimum, must include clauses prohibiting any pecuniary gain for members, how the rules can be changed and the process for liquidating the organisation including the distribution of assets. In all instances, the requirements of the IRD must be satisfied.

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. Where support is provided for uniforms, at all times these must remain the property of the organisation.

e) District Councils

District Councils can receive assistance where the Trustees believe there will be sufficient benefits to the TET area.

f) 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

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. Other funding sources

It is expected that applicants will engage with other funding providers, especially for larger projects/expenses.

Items Generally Not Considered as Eligible

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

- (a) Expenditure incurred prior to the application being considered.
- (b) Expenditure on Motor Vehicles.
- (c) Jubilees or reunions, unless there is full community involvement.
- (d) Alcohol and alcohol-related expenses.

2. New Organisations

Generally organisations that have been operating for less than 12 months would not be eligible for assistance.

Frequency of Applications

An applicant who has received assistance by way of a Grant from the Trust would not 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. Failure to supply suitable declaration forms may impact on the awarding of future grants. Any payment made would be direct to the applicant and any accounts incurred must not be in the name of TET.

Any organisation that has received a grant of \$100,000.00 and above is required, prior to payment being made, to be visited by a Trustee to verify the project and ensure suitable recognition. Further, in their next annual audit/review, to have the contents of the grant spending reviewed in accordance with the conditions that it was awarded, including providing proof of payment. The audit/review must be supplied to TET before any future grants are considered.

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

By accepting a Grant, you/your club/organisation agree to supply a brief update on what the grant has done for you/your club/organisation and to supply a photo which may be used for publicity purposes.

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.

Further information can be obtained from:-

The Administration Officer
Taranaki Electricity Trust
PO Box 163

INGLEWOOD

Phone: (06) 756 7563

84 Rata Street, Inglewood

Email: taret@xtra.co.nz

Website: www.taranakielelectricitytrust.co.nz

Office hours are Wednesdays & Fridays 8.30am – 1.30pm

Applications can be hand delivered, emailed, or posted. Outside of office hours, applications can be left in the TET mail box at the entrance to the TET office.