

Our vision is to create a positive, educated and healthy community.



2018 COMMUNITY UPDATE LIFT-OUT



Eastern Bay Energy Trust Trustees: Kevin Hennessy, Wade Brown, David Bulley, Don Lewell, Aaron Milne, Edwina O'Brien

Directory

Trust Manager

Rawinia Kamau
Trust Office: 5 Richardson Street, Whakatane
Postal: PO Box 567, Whakatane 3158
Phone: 07 307 0893 | Freephone: 0800 323 800
Fax: 07 307 0896 | Email: ebetrust@ebet.org.nz
www.ebet.org.nz

Chairman

Don Lewell Phone: 07 308 7244 | Mobile: 027 270 9632

Deputy Chairman

David Bulley Phone: 07 312 5874 | Mobile: 027 291 0297

Trustees

Kevin Hennessy Phone: 07 315 6799 | Mobile: 027 625 9379
Edwina O'Brien Phone: 07 323 6553 | Mobile: 021 0831 3757
Wade Brown Phone: DDI 09 4122730 | Mobile: 021 530 245
Aaron Milne Phone: 07 308 7625 | Mobile: 021 053 0557

Treasurer

Paul Wills Phone: 07 308 7155 | Mobile: 027 454 1225

Chairman's Report

Contributing and collaborating for a better Eastern Bay

The Eastern Bay Energy Trust is a major contributor to our community allocating more than \$35 million in the past 22 years to the Eastern Bay of Plenty.

The Eastern Bay Energy Trust is unique as it is New Zealand's only charitable energy trust. Now into our second year of 100% ownership, the Eastern Bay Energy Trust has developed a strategy of corporate intent with the Horizon Energy Group. Formalising this relationship has led to a better understanding of both organisations, and particularly, the role of the Eastern Bay Energy Trust which was set up to fund energy-related activities undertaken by community groups and organisations in our region.

We are pleased to report that the ownership status continues to unlock further value that is enabling the Eastern Bay Energy Trust to retire debt faster than planned and ultimately to deliver greater value to our community.

In the previous 12 months, the Eastern Bay Energy Trust can report a \$4million growth in our investments and distributions of \$2.385 million in grants to 69 community organisations and energy-related education and training initiatives.

The Trust continues to take a proactive approach to meet the needs of our community through our annual strategic planning process. We work hard to capture synergies by collaborating with other funding agencies, and to support iconic community projects.

The Eastern Bay Energy Trust contributed to community projects such as the Whakatane Heads redevelopment and the Whakatane Museum and Gallery rebuild. In addition, the Trust supports important community events such as the ANZAC dawn service organised by the Whakatane Returned Services Association and the Te Teko Community Development Trust for sound and lighting Mataatua Regional Kapa Haka Festival.

We are also committed to supporting suitably skilled people to pursue qualifications in the energy industry and offer annual 'electrical taster' courses for Eastern Bay secondary students, university scholarships and apprenticeships.

Investing in the tomorrow's leaders and supporting today's leaders who are managing community groups and organisations is exciting work, and we have great Trustees, who along with our Trust Manager and staff are working hard to achieve maximum benefits from our funding allocations.

Thank you to my fellow Trustees and welcome to new Trustee Aaron Milne, elected a year ago, along with former Trustee David Bulley who was re-elected. Aaron and David both bring diverse and necessary skillsets within the areas of financial management and energy industry experience respectively.

Support from the Eastern Bay Energy Trust reaches into many walks of life and areas within our community from rugby and sports clubs through to kohanga reo, schools, councils and organisations enhancing community well-being, recreational activities and creating healthier homes. We are proud of the successes our support has enabled so many others to achieve.

Don Lewell
Chairman



Manager's Report 2018

It is great to continue to support the Trustees to achieve the vision of the Trust.

We are continually looking at ways to improve our processes and reduce complexities for those applying for funds; becoming more and more proactive in our distribution approach. Further streamlining of our grants process and plans for online granting system supports our aim to provide a more modern platform and align with the move other funders have made.

This year has seen an increase in collaboration with fellow Trusts such as Bay Trust and these relationships provide further opportunity for our region as we collaborate to ensure the best investment decisions are made.

The growth of local labor for local workforce opportunities continues to be one of the most satisfying parts of the role as Trust Manager. This area of investment includes the Taster Course, Scholarship Programme, Energy Education and the Apprenticeship Programme; though in the big scheme of these, the investment is quite modest, the impact on the community is considerable.

Continued partnership with the Horizon Staff regarding co-messaging continues and events such as the Horizon Business Awards will show case both EBET and HEG.

While on the topic of community, I continue to work with the District Councils to identify where we can add most value; taking a customised approach for each district.

Industry technology such as Electric Vehicles and Solar PV continue to challenge us from a grants perspective as more and more organisations investigate the value of such technologies.

Finally, one of the most notable areas of funding is community events; again – a modest budget of \$60,000 per annum; we're able to provide support for summer events such as Xmas in the Park, Opotiki Rodeo, Lantern Festival and Jazz in the park. Sporting events such as the Touch Tournament as well as Civic events such as the Anzac Parade. This investment supports those individuals that put hours into the organisation and in my mind, helps build great community pride and spirit.

I feel privileged to be the Trust Manager and have no doubt of my obligations to make the best of the opportunity that the Trust can bring for you; our community.

Rawinia Kamau
Trust Manager



New trustee profile: Aaron Milne

Bringing a skillset and a long-term vision to the table was important for the newest trustee of the Eastern Bay Energy Trust.

Aaron Milne has a background in financial investment and moved to Whakatane six years ago with his wife Christel when they purchased the WhakaMax movie and café complex. The couple has two children Oscar (10) and Harriet (8).

Aaron sees an aspirational future for the Eastern Bay Energy Trust having moved to 100% ownership, which he congratulates the previous Trustees on achieving. "This has given the current Trust the ability to look to the future with a transformational approach, where we can achieve high-impact investments to enhance the Eastern Bay community."

While future-focused, Aaron knows from his commercial background and excellent industry experience that the Trust must continue to invest successfully, thereby generating funds for distribution to all the huge variety of community initiatives and organisations.

"The Trust has a unique perspective in that the deed specifies the energy-related nature of the funding. This still enables a wide scope of funding support for the Eastern Bay community and we need to continue our important role in the space of collaborative and iconic projects and investments in the Eastern Bay."

Large-scale investments may require a multi-generational approach, which Aaron says is ideal given the Trust is the most likely facilitator of such community investment in the Eastern Bay. "We are typical of small-town New Zealand, in that our region needs local economic and community development to create longer-term employment and sustainability opportunities."

Aaron Milne
Trustee



The Trust's Investment Strategy

- Approximately 40% of the Trust's net income will be placed in investments that provide a fair and reasonable return.
- The trustees are responsible for maintaining the Trust Fund and are committed to a path of diversification of the Trust's investments in accordance with sound investment principles, to ensure that the Trust Fund is sustainable in the long term.
- The trustees are committed to managing the Trust's investment portfolio to maintain and grow its value, while balancing risk and return.
- The trustees will, where appropriate, take independent investment advice.
- The Trust has the risk profile of a moderate investor with a low to medium risk. The trustees prefer to have a higher allocation of income assets than growth assets. In achieving the capital growth required the trustees are not prepared to experience significant fluctuations in investment returns.
- The investment strategy of the Trust is to develop a moderate investment portfolio.
- Local investments will be considered provided they meet the risk profile.
- When considering investments, the trustees should be cognizant of the principles of diversification, in line with the Trust's investment profile
- The Horizon investment is guided by a Statement of Corporate Intent (SCI)

Investment Portfolio

Horizon Energy Distribution Ltd	94.33%	\$110,212,008
ASB Bond Portfolio	1.59%	\$1,924,983
Craigs Share Portfolio	2.10%	\$2,612,407
Opotiki Packing and Cool Storage Ltd ^{OPAC}	0.50%	\$589,956
OTK Orchards Ltd	0.51%	\$965,634
CT Scanner	0.32%	\$293,573
DEL Richardson Street	0.64%	\$745,000

Total Investment
\$117,343,561
 As at 31st March 2018

(Diagram is indicative only, not accurate or to scale.)

Funding Distribution Chart

Vision

To create a positive, educated and healthy community

Mission

Funding through energy

Community Events

To assist the delivery of Community Events which will be enjoyed by a significant number of residents in our district.

Monthly



Total Grant Pool
\$60,000
Grant Value
Up to \$5,000

Community Development

To support community organisations and projects that have a positive impact on our community.

Monthly



Total Grant Pool
\$400,000
Grant Value
Up to \$50,000

Community Amenities

To support Community Amenities that provide a significant benefit to the wider community.

6 Monthly
May, November



Total Grant Pool
\$400,000
Grant Value
Over \$50,000

Iconic Projects

This fund targets significant regional projects that will deliver inter-generational benefit and have a wide impact.

6 Monthly
May, November



Total Grant Pool
\$450,000
Grant Value
\$50,000

Education and Training

To facilitate local interest in the supply industry. To provide education opportunities on energy efficiency and safety in our schools.

Annual
March



Total Grant Pool
\$240,000

Community Health, Safety and Wellbeing

To provide programmes that ensure electrical safety. To facilitate energy efficiency in homes that could also provide health benefits and warmer, drier homes.

Annual
March



Total Grant Pool
\$540,000

Discovery (Research and Consultation)

Investigating community needs from a global perspective. **Total Grant Pool** \$110,000

Schedule of Distributions for Energy Related Purposes 2017 -2018

Reactive Community Grants Initiated by the Community

Community Amenities	Galatea War Memorial Hall	Gas califont, gas bottles	7,140.00	296,458.78		
	Kawerau District Council	Projector	1,165.00			
	Kawerau District Council	PA system	2,951.00			
	Opeke Marae Trustees Waioweka Papakainga 25	Project split between two funding pools	49,960.31			
	Opotiki District Council	Christmas lights instal and dismantal	7,242.47			
	Opotiki District Council	BBQ & Solar lights	28,000.00			
Community Events	Whakatane District Council	Liveable Homes Project - insulation	200,000.00	59,897.54		
	BOP Opotiki Rodeo Association	Opotiki Rodeo 2017 - sound system hire	900.00			
	Community Arts Council	Jazz in the park 2018 - sound system hire	2,500.00			
	EBOP Family Events Committee	Yeah Nah its not ok song quest	4,720.04			
	Edgecumbe Development Improvement Team	Sound and lighting hire - Edgecumbe concert	4,499.95			
	Fibre & Fleece Trust	Fashion parade	4,150.04			
	Have a Heart Charitable Trust	Sound system hireage - Expo & Family Festival	1,000.00			
	Hospice Eastern Bay of Plenty	Sunshine and a plate - sound system hire	2,755.00			
	Kawerau District Council	Woodfest 2017 - sound system hire	5,000.00			
	Kawerau District Council	Stage sound system hire - Christmas in the park 2017	5,000.00			
	Matata Blue Light & Matata Resource Centre	Matata Christmas in the Park - sound system hire	3,507.24			
	Opotiki District Council	Sound equipment & lighting - Lantern festival 2018	4,500.00			
	Rotary Club of Whakatane West	Sound system hire - Christmas Float Parade & Mistletoe Market	1,500.00			
	The Light Party	Sound system hire	1,331.10			
	The Parahia Trust	Whakatane Christmas in the park - sound system hireage	4,500.00			
	Te Teko Community Development Trust	Mataatua Regional Kapa Haka Festival 2018 - towards sound system hire	1,500.00			
	WDC Junior Rugby League Festival	Sound system hire	2,000.00			
	WDC - Whakatane District Youth Council	Sound system hire	1,995.00			
	Whakatane District Council	Wild Food Challenge - sound system hire	500.00			
	Whakatane Returned Services Association Incorp.	Sound, video and lighting - Dawn parade	4,540.52			
Whakatane Touch Association Charitable Trust	Sound system hire	3,498.65				
Community Development	Central Kids Apanui	Heat pumps	7,596.82	740,594.48		
	Eastern BOP Hunt Inc	Walk in chiller & electrical wiring	12,386.00			
	EB Dog Obedience Club	Floodlighting supply & installation	57,582.35			
	Edgecumbe Playcentre	Electrical wiring upgrade, heat pumps, insulation	14,932.75			
	Kokohinau Kohanga Reo	Electrical wiring, insulation and heat pumps	30,000.00			
	Lyceum Club of Whakatane	Exterior security lighting	2,088.28			
	Manawahe Eco Trust	Power supply, electrical upgrade, lighting, dishwasher & heat pump	34,355.91			
	Maraetotara Trust	Electrical wiring, Heating, insulation & hot water gas system	46,752.13			
	Matahi Marae	Power supply upgrade, heat pumps, lighting, insulation, water pump, washing machine & dryer	63,852.53			
	Ngati Umutahi Marae Trust	Kitchen appliances and chillers	50,567.33			
	NZ Police	Streamlight scenelight	2,437.66			
	Ohope Bowling Club	Electrical wiring, lighting, appliances, extractor rangehood, gas & water connection, gas cylinders	39,012.35			
	Ohope Chartered Club	Alarm & fire alarm upgrade & replacement of lighting	41,315.00			
	Ohope Chartered Club	CCTV upgrade and alram & fire alarm upgrade	8,238.04			
	Ohope Volunteer Fire Brigade	Electrical work, LED lighting, generator, garage door opener, thermal imaging camera & 2 scenelights	58,551.81			
	Opeke Marae Trustees Waioweka Papakainga 25	Kitchen appliances	50,000.00			
	Opotiki Playcentre	2 heat pumps	5,187.64			
	Opotiki Rosegarden preschool	Heat pump and insulation	7,735.94			
	Opotiki Senior Citizens Association Incorporated	3 heat pumps	3,925.47			
	Philips Search & Rescue Trust	Thermal monocular - Rescue Helicopter	3,130.26			
	St James Tanatana Parish	Heat pump & radiant heaters	19,870.98			
	Titoki Healing Centre	Four heat pumps & vertical chiller	13,007.57			
	Torere Reserves Trust	Electrical wiring, heating, lighting	63,436.28			
	Whakatane Baptist Church	Lighting replacement to LED	13,099.85			
	Whakatane Croquet Club	Electrical upgrade, security lighting, lighting & hot water supply	13,216.95			
	Whakatane Surf Lifesaving Club Inc.	Electrical wiring, lighting, security & 2 defibrillators	45,814.78			
	Whakatane Town Association Football Club	Electrical wiring, lighting & heat pumps	30,069.80			
	Whanau Awhina Women's Refuge Inc.	Security Cameras	2,430.00			
	Iconic Projects	Opotiki District Council	Upgrade streetlights to LED		38,745.00	338,745.00
		Whakatane District Council	Upgrade streetlights to LED		300,000.00	
	TOTAL REACTIVE COMMUNITY GRANTS				1,435,695.80	

Proactive Distributions Initiated by the Trust

Community Health, Safety and Wellbeing	Advocacy services	5,000.00
	EnergyChecks and Energy Audits 2017-2018	10,000.00
	Investigation of generation & co-generation opportunities	16,500.00
	Retrofit insulation Healthy Homes 2017-2018	400,000.00
	Safe & Smart Packs 2017-2018	8,500.00
	Undergrounding 2017-2018	100,000.00
Iconic Projects	EV Chargers - Te Kaha & Opotkil	73,500.00
	Apprenticeship programme 2017-2018	30,000.00
Community Education	Energy Education programme 2017-2018	133,685.00
	Renewable Energy Project	4,500.00
	Scholarship programme 2017-2018	51,815.00
	Taster Course 2017	20,000.00
Discovery	Discovery	110,000.00
TOTAL PROACTIVE DISTRIBUTIONS		963,500.00

Total Funds Distributed by the Trust

Reactive	1,435,695.80
Proactive	963,500.00
SUBTOTAL	2,399,195.80
Less returned to grant pool	-14,059.49
TOTAL	2,385,136.31

How We Have Benefited the Community

Total Funds Allocated in 2017–2018

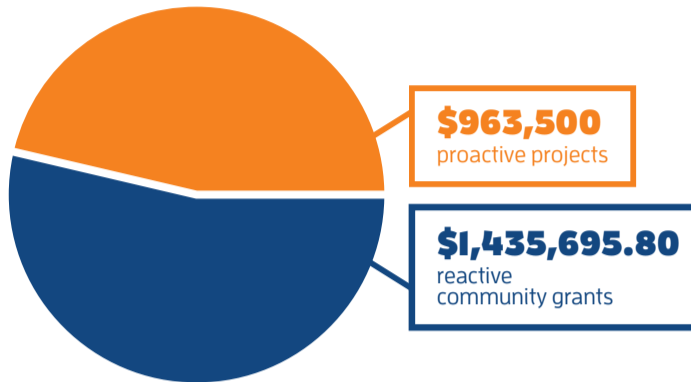
\$2,399,195.80

Less Funds Returned to the Trust Fund

\$14,059.49

Total Funding Distributed in 2017–2018

\$2,385,136.31



Grants to the Value of
\$37.12 million



Proactive Projects Highlights



EnergyCheck

The Trust's free EnergyCheck programme is designed to provide Eastern Bay of Plenty householders with a full report on all of the energy aspects of their homes, including recommendations to reduce electricity accounts and improve their homes' energy efficiency. This year, the Trust's contractors visited 100 homes and gave householders advice on how they can save power and money.



Healthy Homes EBOP

The trustees are very proud of the Trust's retrofit insulation programme which has now been running for 19 years. It is not only the Trust's largest project, the model developed in the Eastern Bay of Plenty is now being copied throughout New Zealand resulting in the insulating and upgrading of a large number of sub-standard homes. The Trust's total contribution to retrofit insulation in the Eastern Bay has now reached \$10,000,000 and this has been used to leverage co-funding from the Energy Efficiency & Conservation Authority (EECA).

The Trust's retrofit insulation work in the Eastern Bay is contracted to Smart Energy Solutions (SES). During the 2016-2017 year, a total of 500 homes were insulated.

The journey of Aquaheat Facility Services Ltd Whakatane



The Aquaheat Facilities Services Whakatane team

Together, stronger as one.

A journey that began in 1998 has seen a number of brand changes for a humble organisation that delivers top quality service across Whakatane. Aquaheat Facility Services, although recently new in the area, has a rich history within the community.

Our tradies, designers and engineers have piped, plumbed, purified, heated and cooled their way to customer satisfaction in the rural, domestic, commercial and industrial sectors, since 1998 under ESP Technologies. The company was started by couples Brett and Mary-Ann Waghorn, and Snow and Ollie Goldsmith. It has grown steadily over the last fifteen years, expanding from just three full-time employees to a team of 24 staff who deliver a suite of technical and trade services.

In August 2016, the company rebranded to trade as Coollogic, then Electriserv and finally, in early July 2018 to Aquaheat Facility Services.

Aquaheat is an industry-leading HVAC/mechanical services contractor within New Zealand and the Fiji Islands, with over 65 years' experience in the installation and maintenance of building services. The team in Whakatane offer electrical, plumbing, gas, solar, heating ventilation, air conditioning, pumping & water reticulation, milking machinery, refrigeration and dairy effluent.

Aquaheat currently employ 302 staff throughout New Zealand with 188 staff working within the contracting (installation) business and 114 staff working in our facility services operation. So although, there has been brand name change over the years, the team in Whakatane are the same great people, services and faces you know and are still proud to be part of the Horizon Energy Group of companies.



Left photo:

Horizon Energy Group
Chairman Tony de Farias

Right Photo:

Photo credit:
The Whakatane Beacon:
Staff from Transpower,
Horizon and the Eastern
Bay Energy Trust and
Opotiki Mayor John Forbes
father at Te Kaha for the
transfer of the substation
from Transpower to
Horizon Networks.

Horizon Networks Te Kaha Substation and 50kv line acquisition

Te Kaha: a small New Zealand community situated in the Bay of Plenty near Opotiki, with a population of about 387. The name Te Kaha means stronghold, and refers to the strength of local tribes who held off marauding war parties fighting for supremacy and land. The tribal name is Te Whanau a Apanui.

In July 2018, Horizon Networks saw a significant expansion of the Network with the acquisition of the Waiotaha to Te Kaha 50kV assets from Transpower, after many years of discussion and negotiation.

Transpower's 50kV electricity line between Waiotaha and Te kaha, as well as the substation at Te Kaha, was officially acquired by Horizon Networks on 2 July 2018. The transfer of the substation and 66km of line adds to Horizon Networks existing asset base of over 2500km of high voltage electricity line, and 10 substations across the Whakatane, Opotiki and Kawerau Districts serving over 25,000 customers.

The long rural feeders from Waiotaha to Te Kaha are prone to high winds and there are also access issues during severe weather, meaning repairs can be delayed. Due to the 66 kilometer length of the Te Kaha feeder, many people are affected if it fails or has to be shut down for

service. The Transpower team were pleased to see the lines going back to the community rather than national ownership, describing it as the "right thing to do". Horizon Energy Group Chairman Tony de Farias agrees saying, "For 50 years, the network has not been totally unified. Horizon will strengthen the network as we now can access the line. This will increase reliability".

Horizon Energy Group CEO Ajay Anand said the acquisition represented value for the community. "The asset transfer is logical for consumers because the community, through ourselves and the Eastern Bay Energy Trust, now owns the infrastructure. We have local committed staff who are able to serve the community and respond to outages. The acquisition also provides Horizon Networks the flexibility to support future development in and around both the Opotiki township and the East Coast, such that the region is able to grow by way of reliable electricity infrastructure".

Opotiki Mayor John Forbes says "We need to get smarter as a nation if we want to look after our assets". Together, we are stronger as one.

PROUD TO BE

100% LOCALLY OWNED.

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Horizon Energy Group

Reactive Community Grants Highlights



District Council Projects

The Trust invested close to \$350,000 of fund from the Iconic project to convert the street lights to LED in the Opotiki and Whakatane Districts. We continued to support Xmas Lights and Xmas in the park events as well as the Wild Food Challenge in Whakatane and Woodfest event in Kawerau. Wairaka Centennial Park (pictured left) was one of the notable projects for Whakatane District.



Sport & Recreation

Bowling, Croquet, Football and Surf Life Saving Club were alongside Rugby in the our sport and recreation investment last year. The Trustees see sports clubs as a key part of the community infrastructure and the support of these projects were a mixture of field lights and club upgrades.



Community Events

A number of summer and winter events were supported. The Opotiki Rodeo a recipient of funding – ironically, the first time we have funded the event. Trust stuff recognized this as a highlight to the summer calendar and worked with our Opotiki Trustee and organizing of the event to ensure we were able to make a contribution to what has become an iconic for Opotiki.



Community Organisations

A full range of community organisations were supported last financial year. These ranged from a number of churches to Opotiki Senior Citizens hall and Whakatane Lyceum club. One of the features was the support for the EBOP Hunt Club; acknowledging the great service they provide to the district.



Industry Training Programmes

The Eastern Bay Energy Trust has a major focus on industry education and training. The industry training programme includes scholarships for energy-related study at university and polytechnic level, supporting local contractors to create apprenticeship positions, and an annual electricity supply taster course for senior secondary school students.



Taster Course

The purpose of the Taster Course is to encourage young people into the electricity supply and electrical sectors. The Trust puts considerable effort and funding into an annual electricity supply taster course for year 12 and 13 students who are considering a career in the industry.

In 2017 another 10 students from Eastern Bay high schools took part in the twelfth annual electricity supply taster course, which was held at Tarawera High School during the September – October school holidays.

The students not only learned how the New Zealand electricity supply industry works, but also gained an insight into career opportunities within the industry, as well as taking part in a range of site visits to electricity supply companies.

The course continues to be organised and co-funded by Eastern Bay Energy Trust and Connexis.



Scholarship Programme

110 scholarship, close to 1/2 million dollars. Isaac Abbott-Martin is our feature scholarship recipient this year. He is one of two of the Horizon Energy Scholarship recipients. Along with David Klein-Ovink, he was employed by Horizon over the 2017/18 summer holidays as part of his final year of Electrical Engineering at Otago University.



Energy Education Programme for Schools

By the end of the financial year over 2,500 students will have been engaged in the programme.

Energy education has been delivered to 97 different primary and intermediate age classes in 12 Eastern Bay schools ranging from small rural schools such as Omarumutu and Nukuhou North School to larger town schools such as Kawerau South and Apanui Primary. 2,000 Horizon funded electrical safety leaflets have been distributed to families with school age children.

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Copies

Copies of the annual report and financial statements are available upon request.

To order a copy please contact us on our freephone number, or visit the website.

Advisors

Legal Sharp Tudhope | Tauranga
Legal Osborne Attewell Clews | Whakatane
Financial & Business Deloitte | Wellington
Accountants Arrow Accountants | Whakatane
Auditors KPMG | Tauranga
Bankers ASB Bank | Auckland