

Trustees Report 2023/24

The past year has been one of determined and positive progress for Electra, as it prepares for a challenging future.

In the year to 31 March 2024, Electra has invested some \$15m in network assets, plant and equipment - all to keep the lights on and consumers happy. The Board and management have exited non-core investments undertaken when a very different growth strategy seemed to be the way forward.

Now it's all about 'growing' electricity through increased electrification to meet New Zealand's 2050 carbon neutral target which has been costed at \$30 billion. For your lines company, that will mean new and different investments in our core business, to meet the demands of an all-electric future. For Kāpiti-Horowhenua alone, that's estimated to be over \$300 million at a time when the region is also attracting new businesses and residents.

It's not just about money, it's also about Electra helping us all to adapt to change; it means having the best qualified staff to develop the infrastructure and get to grips with new sophisticated technologies. Therefore, it's good to report that the Trust has appointed new Directors who know and understand the consumer trust ownership model, electricity distribution

and the challenges ahead. We have a new Board chair and a new Chief Executive and senior team who are undertaking in depth strategic planning for the future.

The trust model will benefit from all this, and despite the challenges, Electra still returned \$5.9m to Beneficiaries by way of an annual price discount. Over the past 31 years of local ownership some \$228m has been returned to us.

Electra's performance has once again been in the top quartile of the country's lines companies despite some challenging weather events. Thanks to our dedicated employees we experience better reliability than similar provincial networks and have made a point of improving health and safety in what is a potentially dangerous job. Your Trustees appreciate the hard work and dedication shown by them always.

Governments come and go, so we are always alert to any political change of attitude to electricity trusts. So far, the emphasis for the current coalition is on security of supply, fair pricing and the continuation of the community ownership model. Electra is well placed to meet the future.

Sharon Crosbie
CNZM OBE Chair
Electra Trust

The Electra Trust is 100 percent beneficially owned by the 46,749 electricity consumers currently connected to the Electra network through Kāpiti and Horowhenua ("Beneficiaries").

The six elected Trustees of the Electra Trust hold the shares of Electra Limited ("Company") for the benefit of the Beneficiaries, ensure the terms of the Trust Deed are complied with, and the benefits of that shareholding are distributed to the Beneficiaries in the form of an annual price discount.

The Trustees appoint and monitor the performance of the Company's Directors. The Company is responsible for operating the lines network (including lines, transformers and substations).

For more information about the Electra Trust please visit: www.electratrust.co.nz

Where the Electra Network fits



Generation

Contact Energy, Meridian, Genesis, TrustPower, Mighty River Power



Transmission

Transpower



Distribution

Electra



Energy Retail

Contact Energy, Meridian, Genesis, Nova, TrustPower, Electric Kiwi & Others

The Annual Report of Electra Trust, including the audited Financial Statements, is available on request from: Electra Ltd, Cnr Bristol & Exeter Streets, Levin. Or telephone 06 368 8406 (Secretary). Or online at: www.electratrust.co.nz

OVERVIEW OF ELECTRA TRUST'S EXPENSES

	2024	2023
	\$	\$
Accountancy Fees	3,588	3,637
Annual Report Expenses	37,775	49,870
Audit Fees	8,510	6,728
Bank Charges	44	44
Beneficiaries Meetings	774	1,054
Conference Expenses	1,587	2,882
Corporate Trustee Fees	8,050	8,050
Depreciation	822	1,712
Director Appointment	47,540	35,138
ETNZ Levy	14,322	16,627
General Expenses	1,446	132
Legal Expenses	4,083	-
Office Expenses	421	230
Secretarial	36,250	35,086
Telephone and Internet	1,202	1,100
Trustee Election Expenses	18,103	44,784
Trustees' Expenses	13,028	17,177
Trustees' Fees	95,917	91,350
Trustees' Insurance	13,297	12,639
	\$306,759	\$328,240

These expenses are covered by a Dividend of \$300,000 received from Electra Limited.

Details of the discount are contained in the Electra Annual Report.

DIRECTORY

TRUSTEES

Sharon Crosbie (Chair) CNZM OBE
Lindsay R Burnell QSM
Brendan Duffy ONZM JP
Russell Longuet BE(elec)
Neil Mackay BCA
John Yeoman BBS ACA FCG

SECRETARY

Anne Robb, Levin

ADVISORY TRUSTEE

Public Trust, Wellington

AUDITOR

Deloitte, Wellington,
on behalf of the
Controller and Auditor
General

SOLICITORS

C S Law, Levin

NOTICE OF ANNUAL MEETING

Notice is hereby given that the Annual Meeting of Beneficiaries of Electra Trust will be held at the Council Chambers, Horowhenua District Council, Oxford Street, Levin, on Friday, 26th July 2024 commencing at 12 noon.

ORDINARY BUSINESS

- Presentation of the following:
 - Annual Report
 - Financial Statements for the year ended 31st March 2024
 - Report of the Auditor
- To record the election of three Trustees.
- To fix the remuneration of the Trustees for the coming year. Trust Beneficiaries are asked to consider, and if thought fit, to pass the following resolution:

“THAT the remuneration of the Trustees be increased by \$23,082.50 and therefore the remuneration for the 12 months ending 31st March 2025 be an amount of \$119,000, such sum to be divided amongst the six Trustees in such proportion and in such manner as they may agree.”
- To appoint an auditor for the Trust for the year ended 31st March 2025.

“THAT the Controller and Auditor General or his appointee be appointed as auditor for the Trust.”
- Authorise the Trustees to fix the remuneration of the Auditor of the Trust.

“THAT the Trustees be authorised to fix the remuneration of the Auditor of the Trust.”
- To review and discuss the Code of Practice for the Electra Trust.
- Report on the company's compliance with the Statement of Corporate Intent.
- To direct the Trustees as to:
 - adopting the annual report and financial statements of the Company for the year ended 31st March 2024.
 - the recommended payment of a dividend of \$330,000 by Electra Limited for the year ended 31st March 2024 to assist in meeting the expenses of the Trust
 - authorising the Directors of Electra Limited to fix the remuneration of the auditor of the Company.
- Whether or not to adopt the changes to the Trust Deed to update the voting procedures with the intention of saving costs.
- Public forum.

By the order of the Trustees - Anne Robb - Trust Secretary



YOUR ELECTRA TRUSTEES

Sharon Crosbie (Chair) CNZM OBE Manakau - Lindsay Burnell QSM Ohau - Brendan Duffy ONZM, JP Levin - Russell Longuet BE(elec) Otaki - Neil Mackay BCA Paraparaumu - John Yeoman BBS, ACA FCG Paraparaumu

**MINUTES OF THE THIRTIETH ANNUAL
BENEFICIARY MEETING OF ELECTRA
TRUST HELD AT THE COUNCIL
CHAMBERS, HOROWHENUA DISTRICT
COUNCIL, OXFORD STREET, LEVIN ON
FRIDAY 28 JULY 2023 AT 12.12PM**

PRESENT

Trustees: S Crosbie (Chair), L Burnell, R Longuet, N Mackay
Directors: S Mitchell-Jenkins (Chair of Electra Limited),
S Armstrong, J Carmichael, K Sherry, M Underhill
Six other Beneficiaries
In attendance: A Robb (Secretary)
Garry Hughes (Representing Public Trust as Advisory Trustee)
Neil Simmonds (Chief Executive of Electra Ltd)
Members of Senior Management Electra Ltd (10)
The Chair welcomed everyone to the meeting and introduced the
Trustees and Directors.
The Chair advised Beneficiaries that voting papers were available
if they had not already voted by post or on-line.

APOLOGIES

C Dyhrberg, B Duffy, S Houston, J Yeoman

MINUTES

L Burnell, Seconded M Underhill
RESOLVED THAT THE MINUTES OF THE PREVIOUS ANNUAL
BENEFICIARY MEETING HELD ON 29 JULY 2022, AS CIRCULATED
PREVIOUSLY BE TAKEN AS READ, CONFIRMED AS TRUE AND
CORRECT RECORD AND SIGNED BY THE CHAIR. Carried.

TRUST CHAIR PRESENTATION:

The Chair acknowledged that from the Trusts perspective, things
in the energy sector are changing quite rapidly and Beneficiaries
need to be aware of the changes and challenges ahead. This
includes the actual requirements in terms of financial investment
needed in the next 5 years to keep up with regional growth and
technology change. She emphasised that it will be the Company
and Trusts job to keep the Beneficiaries informed during the
demanding times ahead.

S Crosbie's presentation can be viewed on the website:
www.electratrust.co.nz

**ANNUAL REPORT OF ELECTRA TRUST AND FINANCIAL
STATEMENTS**

The Chair presented the 2023 Annual Report.
The Chair put the motion, seconded by R Longuet
RESOLVED THAT THE ANUAL REPORT AND FINANCIAL STATEMENTS
OF THE TRUST FOR THE YEAR ENDED 31 MARCH 2023 BE ADOPTED
The Chair declared that 3,112 votes for the motion and 38 against
caried the motion.

ELECTION OF TRUSTEES

There were no Elections this year, next election 2024.

TRUSTEE REMUNERATION

The Chair put the motion, seconded by N Mackay.
RESOLVED THAT THE REMUNERATION OF THE TRUSTEES BE
INCREASED BY \$4,567.50 AND THEREFORE THE REMUNERATOIN
FOR THE 12 MONTHS ENDING 31st MARCH 2024 BE AN AMOUNT
OF \$95,917.50, SUCH SUM TO BE DIVIDED AMONGST THE SIX
TRUSTEES IN SUCH PROPORTIONS AND IN SUCH MANNER AS THEY
MAY AGREE. The Chair declared that 2,611 votes for the motion and
557 against caried the motion.

APPOINTMENT OF AUDITOR

The Chair put the motion, seconded by L Burnell.
RESOLVED THAT THE CONTROLER AND AUDTIOR GENERAL, OR HIS
APPOINTEE, BE APPOINTED AS AUDTIOR FOR THE TRUST. The Chair
declared that 3,104 votes for the motion and 60 against carried the
motion.

REMUNERATION OF AUDITOR

The Chair put the motion, seconded by N Mackay.
RESOLVED THAT THE TRUSTEES BE AUTHORISED TO FIX THE
REMUNERATION OF THE AUDITOR OF THE TRUST. The Chair
declared that 3,026 votes for the motion and 145 against carried
the motion.

CODE OF PRACTICE

The Chair asked the Advisory Trustee representative, Garry
Hughes, to read the Public Trust's Annual Report to the
Beneficiaries. This report confirmed that to the best of the
Public Trust's knowledge, the Trustees had complied with their
obligations under the Trust Deed and the Code of Practice in all
significant respects during the year ended 31st March 2023.

STATEMENT OF CORPORATE INTENT

The Chair reported that the Trustees had reviewed and monitored
the Statement of Corporate Intent of the Company and that
Trustees believed the Company had adhered to the document.

**DIRECTION TO THE TRUSTEES AS TO ADOPTION OF THE ANNUAL
REPORT AND FINANCIAL STATEMENTS OF ELECTRA LIMITED**

The Trust Chair invited Electra Chair Mrs Shelly Mitchell-Jenkins,
and CE of Electra Limited Mr Neil Simmonds, to present the Annual
Report of the Company.

Mrs Mitchell-Jenkins thanked the Trust for inviting her and Neil
Simmonds to present the Annual Report.

She emphasised that this was an opportunity to reflect on and
record the activities and performance of the Group over the
preceding twelve months, acknowledging the achievements and
progress made. She encouraged people to read the full report that
was provided at the meeting.

Mrs Mitchell-Jenkins made reference to the Annual Report which
showed; a price discount of over \$5m to all eligible consumers, a
Group after tax profit of \$5.3m for the year and an uplift of around
\$43m added to the asset value and equity of the Group.

She emphasised the Company's focus to achieve high standards of
customer service which was evidenced in the outstanding results
of the annual company survey.

She made mention of the continued mission to enhance the
Horowhenua/Kapiti Coast community with regional development
through 21st century infrastructure and new technologies.

She spoke about the electricity distribution businesses playing a
critical role in enabling the decarbonisation ambitions of NZ. With
the increase of transport and industry electrification, the spread of
solar generation and battery storage, Electra's electricity load on
the network is forecast to double by 2041.

Electra's asset management plan will focus on ensuring that the
network is fit for purpose and ready for what is coming.

Mrs Mitchell-Jenkins acknowledged her and Chris Dyhrberg last
day as Directors of Electra having both joined the Board together
nine years ago. She thanked the Directors, Trustees and Senior
Management for their support as Chair for the past four years
with a special thanks to Neil Simmonds for his deep industry
knowledge, expertise and tireless efforts for the Company.

Her presentation can be viewed on the Trust website:
www.electratrust.co.nz

Mr Simmonds presented a slide display highlighting the Company core business activities and achievements for the last 12 months.

Slide presentation is available to view on trust website: www.electratrust.co.nz

The Chair thanked Mrs Mitchell-Jenkins and Mr Simmonds for their presentations.

The Chair put the motion, seconded by L Burnell.
RESOLVED THAT THE MEETING DIRECTS THE TRUSTEES TO ADOPT THE ANNUAL REPORT AND FINANCIAL STATEMENTS OF THE COMPANY FOR THE YEAR ENDED 31st MARCH 2023.

The Chair declared that 3,120 votes for the motion and 36 against carried the motion.

DIRECTION TO THE TRUSTEES AS TO AUTHORISING THE PAYMENT OF A DIVIDEND

The Chair put the motion, seconded by R Longuet.
This dividend covered the expenses of Electra Trust.
RESOLVED THAT A DIVIDEND OF \$300,000 BE APPROVED.
The Chair declared that 3,054 votes for the motion and 117 against carried the motion.

DIRECTION TO THE TRUSTEES AS TO AUTHORISING DIRECTORS TO FIX THE REMUNERATION OF THE AUDITOR OF THE COMPANY

The Chair put the motion, seconded by N McKay
RESOLVED THAT THE DIRECTORS BE AUTHORISED TO FIX THE REMUNERATION OF THE AUDITOR OF THE COMPANY.
The Chair declared that 3,031 votes for the motion and 137 against carried the motion.

THANK-YOU

The Chair thanked retiring CE Mr Neil Simmonds on behalf of the Trust for his excellent work in maintaining the Beneficiaries assets and preparing for a different and challenging energy future. The Trust wishes him well.

The Chair also thanked both Shelly Mitchell-Jenkins (Electra Chair) and Chris Dhyrberg (Director) on behalf of the Trust for their nine year's service on the Electra board. She acknowledged their hard work and dedication to the Company over that time.

PUBLIC FORUM

The Chair invited questions and comments from the floor.

Question: Does the Trust own any assets other than its investment in the Company (Electra) and does the Trust have any staff?

Response S Crosbie: The Chair answered that the Trust does not have any assets and that the only equivalent to a staff member is the Secretary who plays a vital role and the 6 Trustees who are elected every two years from anyone in the region who expresses an interest.

Question: Does the Company provide any management services to the Trust?

Response S Crosbie: The Chair clarified that the Company does not provide management services for the Trust and that the Trustees are not paid the same as the Directors. Further clarification was given of what the \$300,000 voted on by the Beneficiaries to run the Trust is actually used for.

Question: Would the Trust be better served if it was a charitable trust. It could attract better sponsorship and benefits for taxation on investments?

Response S Crosbie: The Chair stated that the Trust Deed set up in 1992 is very restrictive in what it allows. Two or three years ago the Trust came up with ideas to modify the Trust Deed. Legal services were engaged and the only idea that was allowed to go ahead was changing the electoral cycle to every two years to save \$40,000 of the Companies money. It was clarified that the Trust has no assets. The only money they have is the money voted on to run the Trust and that money is supplied by the Company. The Trusts only power is to appoint the Directors of the Company.

Question: You could instruct the Directors of the Company?

Response S Crosbie: The Chair confirmed that the Trust can only advise and consent. The Directors have the prerogative to decide on any action. She said that the toxic atmospheres of the past have gone thanks to the work Shelly, and Neil Mackay beforehand, have done with the Trustees. This has resulted in a much more open exchange between the Directors and Trustees. The Trust is only the caretaker of the Beneficiaries' interests.
A comment was made by one of the Beneficiaries mistaking the Trust as a Community Trust. The Electra Chair responded with clarification that the Trust is a Consumer Trust governed by the Trust Deed.

Question: A Beneficiary referred to the Trustees report stating that Trustees act as guardians for the Beneficiaries, then referred to an earlier comment by the Trust Chair that said changes were coming whether the Beneficiaries like it or not. It raises questions of whether the Trust is acting as guardians of the Beneficiaries.

Response S Crosbie: The Chair advised that the changes that are coming are from external sources, not the Trust.
A comment was made by a Beneficiary concerned that increasing investment meant increased power charges passed on to the consumer.

The Electra Chair made the distinction that Electra supports growth but is not driving the growth. The growth is a result of increased use of electricity coming from the decarbonisation activities in NZ.

Question: A Beneficiary asked for an explanation as to why the rebate is getting less each year.

Response S Mitchell-Jenkins: The Electra Chair responded that a couple of years ago the Company made the decision to reduce the prices and offset that through lower discounts to the Beneficiaries.

Question: A Beneficiary asked for an explanation as to why the Company's investment into a country club retirement village looked like a good investment for the Company.

Response S Mitchell-Jenkins: The Electra Chair said that at the time there was a general move across many parts of the industry to diversify investments to provide protection of discounts and ongoing revenue. The Company entered into a growth strategy / strategy to diversify in response to that. The retirement sector was considered a growth sector at the time and the Company saw that as an opportunity to enter that sector. She confirmed that the decision was made internally by the Company and was not influenced by any organisation or persons externally. She reiterated that things have changed since then, so the Company is refocussing back onto core business

There being no further questions the Chair declared the meeting closed and thanked everyone for their attendance.

CLOSURE

The meeting closed at 1.16pm.