



**Report**            **04.401**  
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**Committee**       **Policy, Finance and Strategy**  
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## **Hutt Mana Energy Trust Payout**

### **1. Purpose**

For the Council to make a decision on whether to claim its entitled payout from the Hutt Mana Energy Trust.

### **2. Background**

The Hutt Mana Energy Trust is winding up and distributing its cash assets to electricity customers within the Hutt Mana Energy Trust district as at 1 November 2003. Customers are entitled to a \$1500 payout for each connection.

Greater Wellington has 60 connections in the Hutt Mana Energy Trust district, entitling it to a payout of \$90,000. Of the 60 connections, 40 are for water supply purposes.

### **3. Options**

Greater Wellington has three options:

- (a) it can claim the full payout
- (b) it can give the money to the Hutt Mana Charitable Trust to be used to promote energy efficiency and general community development
- (c) it can claim a portion of the payout and give the remainder to the Hutt Mana Charitable Trust.

### **4. What have other councils done?**

Wellington City Council and Upper Hutt City Council have decided to claim their full payouts. Hutt City Council and Porirua City Council have yet to make a decision on their payouts.

## **5. Considerations**

The fate of the funds held by the Hutt Mana Energy Trust has been the matter of some debate within the community. Ultimately, the Trust reached a position whereby it will transfer \$20M of its assets to the Hutt Mana Charitable Trust to be used to promote energy efficiency and general community development.

Energy is one of the ten Quality for Life elements in the Council's Long Term Council Community Plan (LTCCP). The overall objective in the LTCCP is the sustainable use of energy, and our approach includes the promotion of ways to conserve energy at home and at work. Similarly, the Regional Policy Statement supports energy efficiency and the moderation in the demand for energy.

As a member of the Energy Efficiency and Conservation Authority's Energywise Councils Partnership, Greater Wellington has agreed to identify mechanisms to address energy efficiency and renewable energy issues in its wider community.

Leaving some or all of its payout with the Hutt Mana Charitable Trust would be one mechanism to support the policy objectives outlined above. However, Greater Wellington would have no control over how the funds were used. As an alternative, the Council could, for example, use the money to promote sustainable energy use within the Region.

Other possible uses of the money include:

- retirement of debt
- using the money to offset rates in the 2005/06 financial year (for example, for the renewable energy project).

Given that \$60,000 of the potential payout results from water supply power connections, preliminary advice was sought about how any money should be allocated within the Council. The advice, which has been given without having searched the origins of the payout, is that there may be a case for the money to be returned to the bulk water account. The power connections resulted from the Council carrying out its functions under the Wellington Regional Water Board Act 1972, and, as expenditure chargeable to the bulk water account, would have been funded through annual levies to the constituent authorities. If the Council chooses to take the payout relating to the water connections, it may be necessary for this money to be returned to the bulk water account. Under current policy the money would be used to retire debt.

Further advice is being sought on this matter prior to the meeting.

## **6. Communication**

The Council's decision will be communicated to the Hutt Mana Energy Trust.

## 7. Recommendation

*That the Committee recommends to Council that it should*

(a) *Either*

(i) ***claim*** *the full payout from the Hutt Mana Energy Trust*

*Or*

(ii) ***donate*** *all of its payout to the Hutt Mana Energy Trust to be used to promote energy efficiency and general community development*

*Or*

(iii) ***donate*** *a specified part of its payout to the Hutt Mana Energy Trust*

(d) ***indicate*** *how it wishes to use any of the money it decides to claim from the payout, and, if necessary, ask officers to report back with a proposal*

(a) ***note*** *that any money claimed as a result of power connections from water supply may need to be returned to the bulk water account.*

Report prepared by:

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