**Media release**

**Hawke’s Bay Power Consumers Trust announces Unison ownership review decision**

*Trust ownership model continues*

**17 November 2023**

This afternoon at a public meeting,Hawke’s Bay Power Consumers Trust announced its decision in the five yearly Unison ownership review.

The decision, unanimously supported by all Trustees, is for the Trust ownership of Unison to continue.

HBPCT Chair, Diana Kirton says the meeting was for Unison directors to hear the final deliberations of Trustees, as part of reaching a decision on the current ownership review of Unison.

“The Trust Deed outlines the process that must be followed for the review, and that process has been followed.

* PwC produced a report of their assessment of Unison’s performance and together with a report from Unison’s Directors, was made available to the public on 15 September.
* Following a month-long submission process, 198 submitters offered their views to Trustees.
* 11 submitters chose to present their submission to Trustees at a public meeting on 10 November.

“We are delighted with the level of awareness and response to this ownership review. This was substantially more than for any previous review, and submissions were almost equally split between keeping the current ownership model, and changing it.”

During the meeting each Trustee presented their thoughts following consideration of the Unison directors’ report, as well as the views of the public. As follows:

**Trustee Jeff Farnworth:**

* Cautioned about the difference between private and Trust owned companies. Private shareholders – they require a profit.
* Electricity Distribution Businesses have to supply yearly information disclosures, and my conclusion is that Unison compares extremely well with all companies private and Trust owned, and in fact most times come out above average in most metrics.
* I’ve read all the (nearly 200) submissions, split about 50/50 between status quo and sell.
* However I’m assuming over 60,000 consumers who we haven’t heard from are comfortable with the status quo, therefore I couldn’t recommend selling.
* Highlighted that Free the Funds claims to have nearly 400 members. That represents only 0.6% of power consumers in Hawke’s Bay
* I’ve read the PWC report and Directors’ recommendations and following these reports, I cannot recommend selling.
* From the comparisons in the information disclosure compendium there’s nothing that suggests private ownership is any better than Trust ownership. Again I cannot recommend selling.
* The Trust model is fulfilling its duty *and therefore my recommendation is that the company continue in trust ownership for the next five years.*

**Trustee Barbara Arnott:**

* Taking into account the PWC report (which clearly sets out pros and cons) the Unison Directors’ recommendation, and the submissions it is not hard to come to a view on the big picture
* It was clear that for many of both advocates of distribute the shares and those who advocated retain, the ownership review process as set out in the Deed was oblique. For a few very invested distribute submitters there was a conundrum in that the Trust was following the process as set out in the Deed, but although that was what was wanted by the submitters, they weren’t comfortable with it. Others talked about “review” more generally including changing from a consumer trust to a community trust and that has merit.
* Indeed a five year ownership review is a construct that might be more appropriate to occur when the need is there, rather than by dates and the Deed provides for this. Regardless, I believe a review is desirable.
* Much has been made of the Trust’s fiduciary responsibilities, but the Trust has a wider responsibility in terms of ensuring that Unison performs to the best ability for consumers in terms of service, health and safety, and supply.
* Trust ownership in turn, allows the company to focus on operating excellence initiatives, rather than primarily stakeholder returns.
* Submitters followed up on this with examples of private equity ownership and the negative consequences for consumers.
* I can see that some people are thinking about ready and needed money and that is fair, but as Trustee I have to consider all consumers as a collective whole and in giving proper consideration to the merits of the submissions and based on reasonable evidence *I hold the opinion that the shares should be retained by the Trust.*

**Trustee Kirsten Westwood:**

* I have considered the Unison Directors’ report and the PWC report. Unison Directors are unanimous in support of the current model.
* I am cognisant that alternative forms of ownership may need to be considered if circumstances change.
* HBPCT is open to alternative forms of ownership or triggers should the need arise, but it is clear that this is not needed currently.
* I have considered all written submissions and those spoken to last Friday.
* I acknowledge that some consumers have a different view to the reports and that all views are taken seriously.
* There is no clear majority view from public submissions.
* From the information received, *it is my view that Unison is an essential service, efficient and productive, and therefore ownership should remain as the status quo. HBPCT should continue to hold 100% of shares for the benefit of consumers.*

**Trustee David Pearson:**

* I have considered the recommendations from the Unison Directors , the PwC report, and all the submissions received – 198 in total, roughly split 50:50 in favour of and against the current ownership model.
* Those submitters who spoke to their submissions were heard, and good points were made, particularly around some of our processes. I thank all submitters for taking the time to do so.
* I believe Unison to be a well-managed and governed company who perform favourably in industry benchmarking surveys and are achieving good capital growth. Trustees receive monthly information and sometimes more regularly if there is a need.
* The Trustees regularly discuss with Unison Directors the adequacy of the dividend in context of the current trading conditions and Unison’s capital requirements.
* The importance of the intergenerational retention of ownership featured strongly in the submissions for the status quo to remain, with emphasis on the public good and regional economic benefits. This was also reinforced by the PwC assessment of company ownership and performance.
* Consequently, *I fully support the unanimous recommendation from the Unison directors for the ownership to remain with the Hawke’s Bay Power Consumers Trust.*

**Chair Diana Kirton:**

* I have read the PwC report, the Unison Directors’ report and all submissions from the public numerous times. I am impressed with the level of consideration given by many of the submitters.
* I have now heard the views of Trustees which I fully endorse
* I also note the suggestion from a supporter of trust ownership that comprehensive research into the social value that trust ownership brings be carried out in the future. This could compare the value of alternate trust models.
* For these reasons, I also support the recommendation from *Unison directors for the ownership to remain with the Hawke’s Bay Power Consumers Trust.*

**ENDS**