

# TECT | ANNUAL REPORT | 2009

INVESTING IN GROWING YOUR COMMUNITIES



## CONTENTS

INVESTING IN YOUR COMMUNITIES NOW AND IN THE FUTURE	Page 3
CHAIRPERSON'S REPORT	Page 4
ALLOCATIONS TO TECT'S DISTRIBUTION SCHEMES	Page 6
COMMUNITY GRANTS APPROVED FOR YEAR	Page 14
STATEMENT OF SERVICE PERFORMANCE	Page 16
SUMMARISED FINANCIAL STATEMENTS	Page 18
TRUST GOVERNANCE AND DIRECTORY	Page 22

## ALLOCATIONS TO TECT'S DISTRIBUTION SCHEMES

*For year ended 31 March 2009*

*The amounts represent distributions made to each fund.*

**\$21,045,000**

DIRECT CHEQUE DISTRIBUTIONS TO CONSUMERS

Page 6

**\$1,500,000**

MAJOR AMENITIES FUND

Page 7

**\$800,000**

COMMUNITY ORGANISATION SUBSIDY SCHEME

Page 8

**\$100,000**

COMMUNITY EVENTS/SPECIAL PROJECTS FUND

Page 10

**\$800,000**

COMMUNITY AMENITIES FUND

Page 12

**\$5,000**

TECT SCHOLARSHIPS

Page 13

**\$24,250,000**

TOTAL DISTRIBUTIONS

*The distribution to each fund is not necessarily spent in any one year.*

### OUR VISION

*"To be the best Consumer  
Trust by significantly  
benefiting Consumers  
and their Communities"*





# INVESTING IN YOUR COMMUNITIES NOW AND IN THE FUTURE

**Your Trustees:** BACK: Ken Collings, Ron Scott, Bruce Cronin (Deputy Chair) FRONT: Mark Groos, Frances Denz, Michael Cooney (Chairperson)

*Whether we're serving Consumers individually or via Consumer Organisations, sponsoring an event or supporting the local hospice, TECT Trustees take their responsibilities to TECT's Consumers seriously. We're committed to making an active and positive contribution to the lives of our Consumers and their communities.*

TECT (Tauranga Energy Consumer Trust) was formed in 1993. The purpose of TECT is to manage the assets of the Trust for the benefit of qualifying Consumers during the term of the Trust. "Consumers" are TrustPower account holders in Tauranga City and the Western Bay of Plenty District. The Deed of Trust provides Trustees with a number of ways to deliver benefits to Consumers. Today, TECT is one of New Zealand's largest Energy Trusts. TECT's policy is to distribute approximately 80 percent of its net earnings direct to Consumers by way of cheque and the balance indirectly to Consumer benefit via Consumer Community Organisations.

For the 60,000 Consumers, TECT is probably best known for the cheques it provides annually to them with over \$21 million distributed in September 2008. Other high profile fund allocations to Consumer Organisations this year have been to the Waipuna Hospice, Bay Health Foundation Cancer Centre, Tauranga Jazz Festival, Kids Can Charitable Trust and continuing support of the TrustPower/TECT Rescue Helicopter. Since the Trust was formed, it has been a strong local advocate for helping Consumer Organisations. TECT's Consumer Community Organisation Subsidy Scheme provides a key funding avenue for not-for-profit organisations based in our region who are investing their efforts in many worthwhile community projects. As a Consumer Trust, we fully embrace and support Consumer Organisations in developing more vibrant communities.

The year under review has been another hugely challenging, successful and rewarding one for TECT. During the year, TECT undertook to consult with its Consumers on their preference for future distributions. Consumers were asked whether they wanted to retain the status quo (approximately 80% Consumer Cheques and 20% Community Grants) or have the total available surplus distributed as cheques to Consumers with no grants to Community Organisations. The majority (78.55%) of those Consumers who voted in the Poll voted to remain with the status quo.

Our Annual Report highlights TECT's results and achievements this year and re-emphasises our commitment to significantly benefiting TECT's Consumers and their communities. We believe our progress towards realising our vision is well established. The support given to us by Consumers and Consumer Organisations is significant and greatly appreciated. Throughout the pages of this Report, you will gain a glimpse of the exciting work taking place in Tauranga and Western Bay of Plenty - we trust you will find the contents enlightening and encouraging.



"TECT HAS ESTABLISHED ITSELF AS A KEY CONTRIBUTOR TO GROWING OUR COMMUNITIES WITH RECORD FUNDING DISTRIBUTIONS BENEFITING CONSUMERS, CONSUMER ORGANISATIONS AND LOCAL COMMUNITIES. I AM PLEASED TO GIVE THE FOLLOWING REPORT ON BEHALF OF THE TECT TRUSTEES." MICHAEL COONEY, CHAIRPERSON

## Chairperson's Report

## The year in review 2009



### **Dear Consumers,**

*Times of financial stress can challenge all forms of investments. This Annual Report details how TECT is responding to those challenges in a manner that advances the interests of Consumers and the community in which we live.*

### **A bit about the history of TECT**

With many new Consumers joining our ranks it's useful to recount some of the history of TECT. In 1991 following a power crisis (another one) the Government decided to reform the electricity industry by (inter alia) abolishing local Power Boards. TrustPower was established to acquire the assets of the Tauranga Electric Power Board and TECT (then known as the Tauranga Power Trust) was formed to be a cornerstone shareholder in TrustPower. TrustPower listed on the NZX in April 1994 with 87.5 million shares. 40.8 million shares were distributed to 40,900 Tauranga Electric Power Board customers with each Consumer (customer) receiving 1,000 shares. 43.7 million shares or 49.94% of TrustPower was vested in TECT for the benefit of existing and future generations of Consumers.

Immediately upon listing, TrustPower issued 11 million shares to Infratil and, with the money from the issue, set about acquiring electricity interests in Rotorua and Taupo and then the Tauranga City Council's electricity interests. These purchases were financed through a mixture of cash and share issues which saw TECT's shareholding in the Company diminish over time to a 24.9% shareholding. Subsequent Company buy-backs and share purchases by TECT have resulted in TECT now holding a 33% shareholding in TrustPower. This TrustPower shareholding is TECT's most significant investment and the dividends that flow from that shareholding enable TECT to make the distributions described in this Report

### **TrustPower**

The value of TECT's shareholding in TrustPower fell this year by 46.7 million (6%) from \$779 million to \$732 million as share markets throughout the world were affected by the world financial crisis.

There are risks associated with holding investments undiversified but, in the case of TECT's shareholding in TrustPower, the loss in value was far less than the loss in value of most other companies listed on NZX. In fact, at the time of writing this Report, the value of TECT's shareholding has increased to a figure which wipes out the loss and exceeds the prior year's value.

Because TECT's shareholding in TrustPower is its major asset, Consumers may be interested in knowing that TrustPower is now New Zealand's fifth largest retailer generator servicing 227,000 customers throughout New Zealand. At the 31st of March this year, the Company had assets of \$2,527 million and a profit of \$105 million. Approximately 80% of TrustPower's revenues come from outside this region and it's great to have part of those revenues now flowing in from Australia where TrustPower has a wind farm. During the year, TrustPower paid a special dividend of \$0.10 per share increasing TECT's dividends from TrustPower from \$30.3 million last year to \$42.8 million this year. This represents an outstanding performance in difficult financial times for which Keith Tempest and his management team at TrustPower



# You're Invited

This will be an opportunity to meet Trustees and hear about all of the activities of the Trust over the past year and of course, what's in store for the coming year!

Please join us at our  
AGM being held:

Wednesday 29 July 2009  
5.30pm  
Totara Room  
Bureta Park Motor Inn  
Vale Street, Tauranga

are to be congratulated. Keith is to "hang up" his TrustPower boots in December after 23 years with TrustPower. Keith has been a strong supporter of TECT since its formation. We hope you will join us at our AGM to pay tribute to Keith. Keith has established a world class management team at TrustPower and it operates right here in Tauranga contributing significant benefits to the District.

## Financial results

Key financial results for the year are as follows:

- Trust equity decreased by \$24 million to \$658 million. A decrease of 3.5%.
- Short term money market deposits were \$39.6 million including \$9 million committed to TECT's funding reserves and distribution provisions.
- TECT's investment in the Russell World Strategies Fund was realised in February 2009 at a loss of \$975,875.
- TECT's investments in the Russell World Bond Fund increased by \$156,466.
- Total TECT income increased by \$11.3 million to \$44.5 million. An increase of 34%.
- Total expenses (including the dividend to Arawata Finance on funds raised to purchase further TrustPower shares) increased by \$257,053. This increase is largely attributable to election expenses and an accounting adjustment to share purchase expenses.

TECT's redeemable preference share issue to Arawata Finance Limited of \$85 million falls due for repayment in December this year. Trustees have decided that in the uncertain financial climate that exists, a better return for Consumers can be gained by using cash resources to pay down debt. It was for this reason Trustees sold TECT's units in the Russell World Strategy Fund. Trustees have decided to repay \$25 million of the Arawata advance when it falls due in December. Trustees have received preliminary indications from TECT's bankers that give Trustees confidence that the balance of the loan can be renewed when it falls due.

## Consumer Consultation

A Consumer Poll was conducted in April this year.

Consumers were asked whether they supported either a continuation of TECT's current policy for distribution of income (approximately 80% Consumer cheques and 20% Consumer Community Grants) or a change to a return of 100% of funds available direct to Consumers with no grants to Consumer Community Organisations.

The Poll attracted a lot of interest and there was a high return for this sort of poll of 58.43% of Consumers. Consumers voted 78.55% for the status quo. A clear endorsement of TECT's longstanding distribution policies.

## TECT Distributions

During the year, \$24.3 million of distributions were allocated to TECT's Consumer Distribution Schemes. \$21 million was distributed directly to Consumers through the Annual Cheque Distribution Scheme. This represented an average payout of \$350 per Consumer. TECT has now distributed over \$119 million direct to Consumers and the base amount has grown from \$20 per Consumer in 1994 to \$305 in 2008. Trustees are focused on maintaining that growth and this year have resolved to increase the base amount from \$305 to \$350 per Consumer.

\$3.3 million was allocated to TECT's other Consumer Community Organisation Schemes and details of the grants made from these Schemes are set out elsewhere in this Report. I believe the benefits these distributions bring to Consumers clearly justifies the support given by Consumers in the Consumer Poll.

## Secretariat

Mr Fraser Lellman, TECT's Secretary, leads an enthusiastic team who work hard on behalf of Consumers. Their efforts throughout the year are to be commended.

## Trustees

It has been an interesting year in which Trustees have worked to accommodate their diverse views. This Report is testimony to their endeavours. Consumers can be assured that Trustees are taking into account the results of the recent Consumer Consultation.

## Conclusion

I believe this Report shows TECT to be in good heart and well positioned to continue to make significant returns to Consumers and Consumer Organisations to the benefit of our community. I hope you enjoy reading this Report. We look forward to your presence at the AGM.



Michael Cooney

TECT Chairperson

"TECT HAS DISTRIBUTED OVER \$119 MILLION  
DIRECT TO CONSUMERS AND THE BASE  
AMOUNT HAS GROWN FROM \$20 PER  
CONSUMER IN 1994 TO \$305 IN 2008"

## Direct distributions to Consumers

**\$21,045,000**

DISTRIBUTIONS MADE TO FUND, YEAR ENDED 31 MARCH 2009

*"I received my cheque today and  
was delighted! Thank you indeed,  
it is much appreciated". Fiona.*



Bruce Cronin  
(Deputy Chair)

TECT's financial result this year allowed for a record distribution of \$21 million to be paid to TECT's 60,000 Consumers in September 2008. From the many calls that the Trust received, there were no doubts that the cheques were well appreciated.

TECT distributes the majority of its annual income directly to Consumers by way of cheques. This year's distribution, once again TECT's largest ever cheque payout to Consumers, was made possible by the dividends received from the Trust's shareholding in TrustPower and other investments.

TECT earns most of its income from a 33% shareholding in TrustPower. To be eligible to receive the cheque from TECT, Consumers must be TrustPower customers in the Tauranga City or Western Bay of Plenty District at the cut-off date.

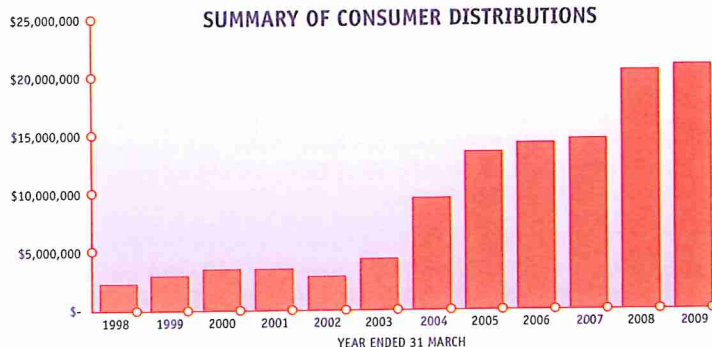
The amount of each cheque issued in September 2008 included a fixed sum of \$305 plus a percentage based on power consumption used in the six months to the cut-off date.

TECT further assists Consumers by negotiating discounts to various TECT sponsored events and amenities on presentation of the Consumer Concession Card. This year a discount was offered on presentation of the Card to the Baywave TECT Aquatic & Leisure Centre, the iconic Tauranga Arts Festival and the Bay of Plenty Kart Street Race.

During the last year\*, 33,653 Consumers had used their Concession Cards to take advantage of the 20% discount off entry prices to Baywave TECT Aquatic & Leisure Centre – a total savings to Consumers of \$43,793! TECT user visits to Baywave made up 36% of total user visits which is encouraging. That's a lot of the community participating in aquatic and health activities on a regular basis! Total aquatic users for the year were 283,136. User numbers continue to climb and are well in excess of budget expectations. It's also pleasing to note the increase in the senior uptake of the TECT discount.

TECT was a major sponsor of the Bay of Plenty Kart Club Street Race. 2,200 Consumers entered the circuit free of charge with their TECT Concession Card, an approximate value of \$28,000. The circuit provided a variety of challenges for the competitors thus spectators were treated to plenty of action! (\* Based on 12 month period June 2007 – June 2008)

### SUMMARY OF CONSUMER DISTRIBUTIONS







## Major Amenities Fund

**\$1,500,000**

DISTRIBUTIONS MADE TO FUND, YEAR ENDED 31 MARCH 2009

### About this fund

*This fund is for the benefit of the whole TECT area, or a major part of it. Applications from this funding source are considered on a monthly basis as they are received during the year. Funding is focused towards major upgrades to existing amenities, or directed towards a permanent new facility. Discounts for TECT Consumers (if applicable) are part of the consideration under this funding scheme.*

### Investing in the future with the TECT All Terrain Park

TECT's Annual Report usually reflects on grants made during the year under review, but it can often take a few years before the results of a grant are apparent. TECT first contributed \$2.5 million to the Western Bay of Plenty District Council to assist with the purchase and development of the TECT All Terrain Park back in 2004. A further \$1 million was approved in 2007 towards the development of an underpass to allow safe access from the highway to both sides of the park.

There has been progress during the year with the completion of the underpass and construction of the ranger's house. It's the start of a long, but exciting journey for all involved and of course, the park users themselves, but it will be some years before the park is fully developed and infrastructure in place. It's envisaged that the park will be open to the public towards the end of 2009.

Located on State Highway 36 between Tauranga and Rotorua, the park is a unique recreational venue comprising 1638 hectares of uninhabited wilderness that is a major asset for the District and has the potential to position the Bay of Plenty as the country's premier venue for active and passive outdoor recreation. Because of its size, TECT All Terrain Park has the ability to host events such as motocross, rallying, and will also cater for trial and trail bikes, mountain biking, target shooting, 4x4 quad bikes, drag racing, burn-out pad, firearm sports, remote-control cars, archery, tramping, orienteering, equestrian events and much, much more!

But the park is not just for sporting activities, it's also open to conservation groups keen to see the area preserved and enhanced through clearing and planting native plants. The Tawari plants with beautiful creamy-white flowers are slow growing at the park and the bees absolutely love them. Local conservationists are working on ways to

protect and enhance existing strands of the Tawari plant, affectionately dubbed the "Princess of the Park" in the regenerating bush that makes up about 20 percent of the TECT All Terrain Park.

The TECT All Terrain Park is a fantastic example of how local Councils, in partnership with TECT, can join to invest in one of the region's greatest assets – the environment, which is centre-stage as an adventure playground and conservationist jewel for current and future generations to come.

### Mountain bikers on course to develop trails

Local mountainbikers are eager to get their wheels spinning and the TECT All Terrain Park offers the perfect opportunity to set up one of the most diverse and exciting mountain bike trails in New Zealand. Mountainbike Tauranga was one of the first clubs to sign up to be part of the park and has already cut its first tracks. The club envisages creating a mix of trails to cater for a range of experience levels including beginners, families, cross-country, pleasure riders and serious downhill competitors. It also intends staging major events. The benefits are far reaching and the Club is excited at the potential the park offers.



### Other TECT projects

TECT has invested over \$10.5 million in the community through the Major Amenities Funding Scheme. Projects have included \$4 million to Baywave TECT Aquatic & Leisure Centre, a \$1 million contribution to The Elms Foundation comprising a cash grant of \$200,000 and a transfer of the Trust's interests in two properties adjoining the Elms, \$250,000 for construction of the Mount Surf Reef, \$1.1 million towards Mount and Otumoetai Action Centres, \$300,000 towards development of an 880 seat auditorium at Holy Trinity Church and \$600,000 to the Tauranga Art Gallery.





# "TECT HAD ANOTHER BUSY YEAR HAVING APPROVED \$841,473 TO 90 ORGANISATIONS".

THE FULL LIST OF SUCCESSFUL APPLICANTS IS PRESENTED ON PAGE 14 OF THIS REPORT.

## Community Organisation Subsidy Scheme

### About this fund

The Subsidy Scheme makes available to Community Groups which are TECT Consumers, funds to enable them to further their work on behalf of our Communities. TECT puts the funds into the purchase of equipment that uses electricity, electrical installation costs for new or existing community facilities, or other applications associated with electricity use. Subsidies are generally 50% of the electrical costs with a maximum of \$60,000. Applications are considered quarterly with close-off dates being 10 February, 10 May, 10 August and 10 November.

### TECT's funding to Merivale Whanau Aroha Centre benefits whole community

Merivale Whanau Aroha Centre is a free day care centre that caters for children under five who qualify for twenty hours of free weekly care or whose parents are receiving financial assistance. The centre relies



heavily on grants and donations for resources, so they were thrilled to receive \$2,799 from TECT to help them purchase a DVD player, a desktop computer and three laptops.

The children will now be able to receive some early education about technology and the adults can use the internet to apply for work courses and gain access to wholesome recipes for the family. Centre Manager Saskia Dean said "In today's technology-driven times, it's easy to get left behind without access to the internet or computer-based learning. We are so excited about this grant from TECT. When people are better educated and supported, the whole community benefits".



### TECT lights the way for Matakana Island community

Matakana Island Primary School is a little different from most other schools around Tauranga because it's on a small island. This means that sports and after-school activities are usually restricted to what's available locally. The school plans to organise twilight events and tournaments between schools, clubs and Marae. However, in order to do this they really needed their own sporting facility. Now they are \$15,000 closer, thanks to TECT providing a grant toward the floodlighting of a multi-use sports facility.

Soon the community will be able to enjoy tennis, netball, bowls, basketball and hockey at the facility, promoting an active, healthy lifestyle and a strong community spirit.

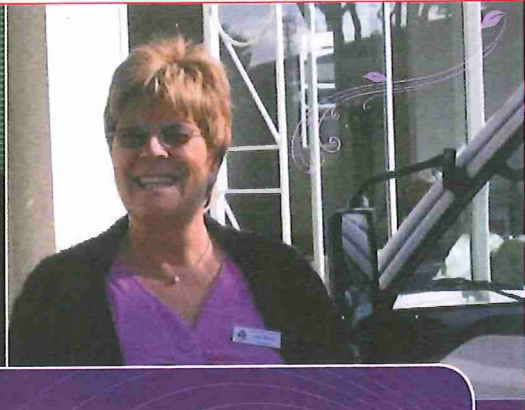
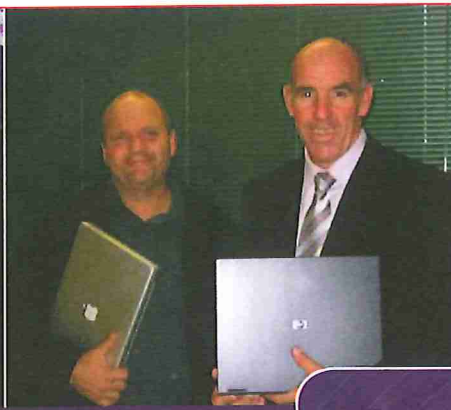
### Tauranga Environment Centre a little bit cooler

The Tauranga Environment Centre provides a base for a number of community groups. The Trust was established to advise people of the Western Bay of Plenty on how to protect and sustainably manage their environment. They run some very popular courses and activities which bring many people to the centre. This started to become a problem when the aging air-conditioner was deemed beyond repair last year and the staff had to struggle through the winter with electric and fan heaters.

To everyone's relief TECT came to the rescue with \$1,730 towards a new air conditioning system. This has now been installed and will allow the staff to work in comfort during the summer and winter months.







**\$800,000**

DISTRIBUTIONS MADE TO FUND, YEAR ENDED 31 MARCH 2009

### Students from Kaka Street Special School get a sense of excitement

Kaka Street Special School caters to the individual learning requirements of special needs students ranging in age from five to twenty one years. Many of the students have severe multiple disabilities such as cerebral palsy, autism and brain injury. They need the school for not only their education but also their social interaction.



The staff were delighted when they received a TECT grant for \$7,013 toward the school's new 'multi-sensory room' which is used both as a learning tool and also for recreation. The room has a variety of features to stimulate the senses; sight, hearing, touch, smell and taste. One of the features of the room is a projector that allows light to beam around the room in different shapes, patterns and at different speeds. This assists in teaching the eye to track movement.

The room will help enhance learning and improve behaviour and because the needs of the students are diverse, the room will be well utilised and appreciated by all.

### BOP GirlGuiding's hot summers a little cooler

Otawa Lodge at Te Puke is maintained entirely by volunteers and is owned by GirlGuiding Bay of Plenty which caters to members from Katikati right through to Whakatane. The lodge is totally surrounded by native bush and the girls learn all about camping and the outdoors, and experience a wide range of activities.

The one downside to the lodge was the very old fridge which over cooled everything and meant waking up to frozen milk for breakfast. Thanks to TECT's grant of \$800 they now have a new fridge. This will be used by several community groups and local schools which also use the facilities, so the TECT grant is much appreciated by everyone.



### Kindy kids think TECT is sew cool!

TECT granted \$638 for the Whakamarama Kindergarten's replacement sewing machine. The sewing projects allow the children to learn on a number of different levels. They can put their work into context by creating something tactile.

The children are also able to make connections about how things are made by using their mathematical, shape-making, cutting and drawing skills to complete tasks. Then the children are taught about machinery and recycling when the staff place the old sewing machine in another area of the kindergarten so the children can pull it apart to see how everything works.



### Katikati College leading E-Learning programmes thanks to TECT

Katikati College educates nearly 1,000 students from years 7-13 and despite being a small rural school, its e-learning programmes make it one of the leading Information & Communication Technology (ICT) schools in New Zealand.

"To encourage the use of our laptops, the school runs a booking system whereby senior students can individually book a laptop on a period by period basis. Needless to say the laptop programme has been adopted with great enthusiasm, so much so that the College plans on purchasing another 120 laptops to complement the 65 already on-site" said the school's Director of E-Learning Kelvin Maine.

It was these plans that led the College to apply for funding from TECT. Trustees were so impressed with the project that they invested \$45,333 in the project. Katikati College also makes the laptops available to the community via its continuing education programmes. Not only do the students benefit from the grant, but the whole community increases its ICT usage and confidence as well.

"TECT acknowledges the outstanding contribution that Consumer Organisations and their volunteers play in our local community. These organisations untiringly give their time and energy to helping make our communities strong, vibrant and engaging places for everyone. At a time when raising money is so difficult for many community groups, TECT's aim is to distribute its funds as effectively as it can for the greatest possible benefit for its Consumers and their Communities. TECT's investment in these organisations is evident from the many worthwhile projects that have been supported over the past year".



*"I think Kiwi Can is a fantastic programme to have at schools because they help us with our problems so they don't get bigger. Kiwi Can is a trustworthy team to me because they show integrity and respect and they listen to us. Kiwi Can shows us new games at school. Each game has a big word and a meaning behind it like trust or being friendly or caring for others".*

*Jackson, Year 4*



## Community Events & Special Projects Fund

### About this fund

*TECT considers applications from community and charitable organisations which are TECT Consumers. Applications are evaluated on their merits and priority is given to those that show local initiative and where the Grant will benefit a significant part of our Community. A discount for TECT Consumers (if applicable) is part of the consideration of applications within this category.*

### Kiwi kids can do anything!

Kiwi Can is a values and life skills programme for 5-12 year olds delivered in 66 primary and intermediate schools across New Zealand, involving over 16,000 children. The programme focuses on building children's self esteem towards a positive future and engages them to develop a 'can do' attitude. It does so by helping them to become more confident, respect themselves and others, and be better prepared to handle the challenges and opportunities that life has to offer them.

While the programme focuses on the needs of the students, the schools have noticed positive signs that are benefiting not only the students but their families and communities. Schools have reported that the atmosphere is more harmonious, teachers are able to relate to the students more positively and vice-versa, students have a greater desire to attend school, increased levels of numeracy and literacy, students are confidently developing a sound range of communication skills, parents are becoming more involved with the school, there's a noticeable reduction in bullying and violence and school truancy, crime has decreased in the community, but most importantly there is respect for each other.

TECT invested \$50,000 in the Bay of Plenty Kiwi Can programme and is proud to help contribute towards the people that will control the future of Tauranga.

### All jazzed up in Tauranga

Tauranga buzzes with excitement during the Tauranga Jazz Festival held each year on Easter Weekend and this year was no exception. This event was anticipated by many, with over 60,000 people converging on the city to enjoy the Festival. TECT was delighted to help by contributing \$100,000 towards what was truly a spectacular and memorable weekend.

The programme boasted over 50 jazz bands with the Blind Boys of Alabama heading the group as well as other high profile entertainers including Hollie Smith and Charmaine Ford amongst others. TECT's grant was instrumental to introducing some new and more exciting, innovative additions to the Festival such as the Jazz Village, Jazz Steam Train and the Jazz Riverboat with resounding success. The Historic Village on 17th Avenue was transformed into the New Orleans French Quarter with stages, stalls and an authentic jazz atmosphere.

TECT Consumers benefited with free family entry to the Jazz Village on presentation of their TECT Consumer Card. Over 20,000 people (75% of them TECT Card holders) took up the opportunity to partake in the celebrations at the Jazz Village where bands entertained all weekend. TECT's grant included free entry to the Jazz Festival Village for the 2010 Festival also. With its 47 year long history, the National Jazz Festival is the longest running and also the largest Festival in the country.

*Jazz Festival photos courtesy of Gate Photography, Tauranga*





*"I would like to thank you so very much for transporting me to hospital after I suffered a burst aneurysm in my brain. Your Air Ambulance service saved my life, and for this I am eternally grateful."*

Wendy



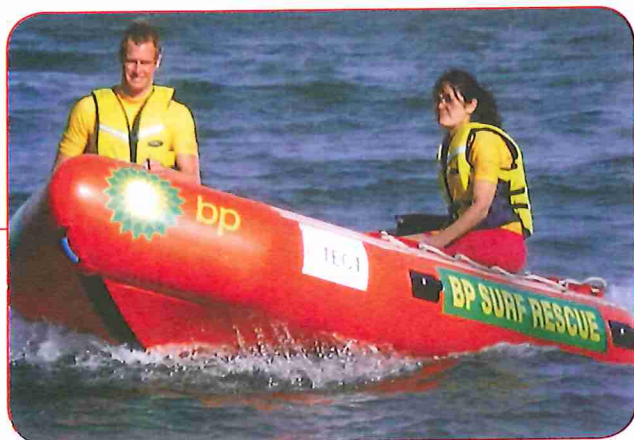
**\$100,000**

DISTRIBUTIONS MADE TO FUND, YEAR ENDED 31 MARCH 2009

### TECT to the rescue

Surf Life Saving Bay of Plenty is a volunteer based organisation committed to the prevention of death by drowning or injury at the beach. It is responsible for supporting 16 Surf Life Saving Clubs in the Bay of Plenty and Coromandel areas.

Some of their responsibilities include lifeguard training, public education, club development and support and lifesaving support services to the community. There is no doubt that what they do is a very important service to the community which is why, when Surf Life Saving Bay of Plenty applied to TECT for a grant of \$18,000 for 2 new Inflatable Rescue Boats, TECT was very happy to help.



The Inflatable Rescue Boat is a type of rescue craft that is suitable for rescues in both flat water and also heavy surf conditions. Surf Life Saving New Zealand is now the world leader in the field of Inflatable Rescue Boat Operations and Inflatable Rescue Boats account for more than 50 percent of all rescues in New Zealand each year.

### Fast and furious on the streets of Tauranga

The Tauranga Kart Street Race is the only kart street race in New Zealand and its uniqueness is a huge draw card for drivers, supporters and spectators alike. It's a fast 1.2km circuit around the city central streets of Tauranga with the faster karts achieving speeds in excess of 140kph leading into the 90 degree corners.

Over 5000 spectators stood up to five deep around the city course in November 2008 to watch some of the country's best kart-sport racers in action. They were not disappointed either with action coming thick and fast with plenty of thrills and spills. Local drivers featured well at the spectacular Bay of Plenty Kart Club-organised event which attracted 135 drivers from all over the country

TECT granted \$51,200 to the BOP Kart Club for the event. TECT Consumers also benefited from free admission to the event on presentation of the TECT Concession Card.

### TrustPower TECT Rescue Helicopter literally saving lives

TECT has just completed its sixth year of sponsorship for the TrustPower TECT Rescue Helicopter – a project that the Trust is extremely proud to be associated with. The Tauranga-based Rescue Helicopter is a dedicated 24 hour, 7 day a week air ambulance in the air up to three times a week, and this is predicted to increase with the fast growth of the area.

Based at Tauranga Hospital, the service provides inter-hospital transport of critically ill or injured patients for specialist medical care. The majority of calls to the Tauranga base are for accidents involving motor vehicles, as well as aviation accidents, incidents on farms, and those related to recreational pursuits. The service also works with the Police on armed offender callouts and responds to both marine and land, air and search rescue.

Pilot Liam Brett Kelly says "a significant number of trauma patients die from treatable causes 1-2 hours after injury. Early resuscitation gives the patient the best chance of survival. With a fully equipped rescue helicopter bringing Paramedical Officers and/or Medical staff to the scene, resuscitation can begin sooner and continue throughout the flight back to hospital".

The benefits of having a locally-based rescue helicopter are significant. This is a service that literally saves lives. TECT in conjunction with TrustPower is a principal sponsor of the Rescue Helicopter. The Trust has allocated \$810,000 over a period of 6 years and has agreed to provide sponsorship for a further three years.







## Community Amenities Fund

# \$800,000

DISTRIBUTIONS MADE TO FUND, YEAR ENDED 31 MARCH 2009

### About this fund

*Funding within this category is to contribute to Community Amenities within the TECT District. An amenity must be of significant benefit to the community with funding directed towards a permanent new amenity or a significant upgrade of an existing amenity. Applications are evaluated on their potential to benefit TECT Consumers. A discount for TECT Consumers (if applicable) is part of the consideration of applications within this category.*

### Community nursing stations get revived

The Waipuna Hospice is a voluntary organisation which provides palliative care services and support to patients and families coping with terminal illness. Since the \$3 million upgrade to the facility in 2006, the general population growth in the region and the increased ageing population have placed greater demand upon hospice services.

With an expanding nursing team, it was evident that significant ambient noise from the nurses talking to patients and families by phone was impacting on the ability of the nursing team to communicate to a patient population that is largely elderly with significant hearing difficulties. These factors necessitated the redesign of the community nursing office. The Hospice applied to TECT for funding towards the redevelopment of the community nursing stations and laundry additions. TECT's \$53,400 to the Waipuna Hospice is another way the Trust has demonstrated its commitment to helping the community in a positive way.

The redevelopment has greatly enhanced the systems and working environment for Waipuna Hospice staff. It has also increased the ability of Waipuna Hospice to care for more patients. Last year over 600 patients were cared for by Waipuna Hospice with over 10,880 nurse visits to patients in the community.



### Seeing stars at Otumoetai Sport & Recreation Club

The Otumoetai Sport and Recreation Club is based at Fergusson Park, Matua. With a membership of over 1100 and rapidly growing, an upgrade of the sports pavilion was definitely needed. The Club is host to many local community user groups including Tauranga Astronomy, Albion Cricket, Matua Scouts and Cubs, Matua Guides and Brownies and Otumoetai Football which with over 78 teams, is the base of soccer in the west of the City. The Park also hosts the annual women's duathlon series, marching competitions and numerous school sports tournaments.

TECT was pleased to grant \$150,000 towards the upgrade and expansion of the sports pavilion. There are also exciting plans to develop an observatory which will include a state-of-the-art telescope and incorporate a deck area that can be used for viewing sport and also as a stage for community events. New community groups are arriving to take advantage of the redeveloped facility with its outstanding location and fields.

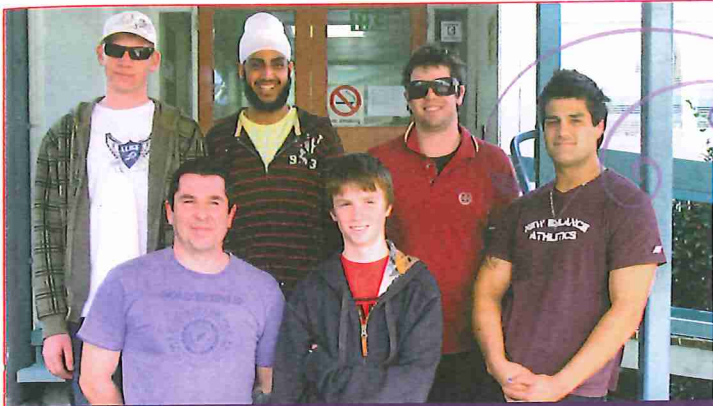
### Vincent House encourages independent living

Vincent House Trust has been in operation for 20 years. Based in Te Puke, the Trust provides a safe home focusing on rehabilitation for Drug, Alcohol and Mental Health clientele. The Trust approached TECT for funding towards the purchase of a 25 bed residential property in Te Puke and to relocate their factory training facility. TECT contributed \$200,000 towards this venture in September 2007 and we are pleased to report that the project has been completed during this financial year.



Vincent House provides specialist support in a safe environment encouraging independent living for its clients. Structure, life skills, longer term goals and work ethics are all part of the service. The new training centre provides further opportunities for residents to be engaged in training and employment to help towards recovery into full and active participation within the community. The TECT Trustees are supportive of Vincent House Trust's vision and acknowledge the tremendous support the Trust provides to its clients.





*TECT Scholarship recipients for the 2008 academic year.  
Back Row: Aaron Spiers, Darshan Singh, Hayden Whitley  
Front Row: Gary Jackson, Matthew Cooper, Michael Hata*

## TECT Scholarships

# \$5,000

DISTRIBUTIONS MADE TO FUND, YEAR ENDED 31 MARCH 2009

### About this fund

*TECT recognises the need to attract local people into the electricity-related industry. The Scholarship Programme offers up to six Scholarships of \$2,000 each studying in the fields of Electrical Engineering and Electronics Technology. TECT's Energy Efficiency Scholarship Award (\$10,000) offers an eligible graduate student the opportunity to study and/or research in the field of Energy Efficiency.*

### Ash Neilson [TECT Electronics Scholarship 2007]

A motivated and enthusiastic young man, Ash Neilson is already circuits ahead in his role as Automation Programmer, Software Developer and Website Manager at Conway & Carpenter Electrical Ltd, Te Puke. Ash graduated from the Bay of Plenty Polytechnic with a Certificate in Electrical Engineering Level 2 and Certificate in Electronic Engineering Level 3.

"I love my job. I'm doing things like programming which I'm very passionate about. I really enjoy being asked by my boss if something is possible and then challenging myself to invent or make it happen."

Two years after graduating, Ash is well on his way to living his dream and has many more exciting plans for the future. "I want to keep dreaming up new projects and making them happen. I look forward to coming up with new software and automated products within our company."

"An important highlight of the course for me was learning all the technical words in the industry and actually learning what they meant! I have taken all the skills I was taught at Polytech into the work place and it has helped a lot." Ash attributes his success to the hard work he put in during his studies and being awarded a TECT Electronics Scholarship was recognition of his efforts and obvious talent. "The Scholarship also meant I didn't have a huge debt to be paid off when I entered the workforce – a great bonus."



Ash is thrilled with his new career path which is the actualisation of his childhood dream. "I have had a passion for computers and electronics since I was young. I wanted to pursue a career in this line of work and now I'm here!"

### Gary Jackson [TECT Electrical Scholarship 2008]

After many years in the army and time spent as a software designer in the UK, Gary decided he needed a new direction when he made New Zealand home. A long term interest in electrical engineering saw him checking out what was on offer at Bay of Plenty Polytechnic and soon he was on his way to gaining a new qualification.

"I wanted to get a new trade and electrical engineering had always looked interesting to me. As a kid I was keen to find out how things worked, the source of power was fascinating. There seemed to be more opportunities in the industry and it's challenging."

Whilst completing his Level 3 studies in Electrical Engineering in 2008, Gary was offered a sought after apprenticeship with Fruit Sorting Systems. Under the guidance of manager Tony Ford, Gary is thriving in his role building fully automated electronic machinery such as tippers used in the kiwifruit and avocado packhouses.



"It's exciting work but we take very seriously the safety aspects required with our work. Building the componentry for the kiwifruit tippers means that everything is automated, a digital computer controls the machinery on the packhouse assembly lines and provides reports to the companies eliminating a lot of manual labour that was involved before. The technology is very complex."

As well as working full time, Gary is studying part time and aims to become a fully qualified electrician by the end of the year. "TECT's Scholarship last year took away some of the financial burden and stress of studying full time. There was lots of theory involved with the course and the hands-on experience was invaluable. It's a challenging and rewarding career, and I love that I'm constantly learning new things all the time."

Outside of work, Gary volunteers for the Red Cross Natural Disaster Unit. Should an event happen in the Bay of Plenty, Gary is equipped to provide training on how to use the radio systems.

*TECT has allocated \$68,000 to the Scholarship Scheme since 2004. Over 25 Scholarships have been awarded to students studying in the fields of Electrical Engineering and Electronics Technology and TECT is delighted to hear of the success of these students in the local industry.*



# Investing in Your Communities

# 2009

CONSUMER COMMUNITY GRANTS APPROVED YEAR ENDED 31 MARCH 2009

*TECT's grants are given to a wide range of worthy projects in communities across Tauranga City and the Western Bay of Plenty for the benefit of Consumers and their Communities. The recent Consumer Consultation reiterated the Trust's commitment to the continuance of allocating funds through these Schemes. The Trust remains dedicated to ensuring that fair, sensible and responsible funding decisions are made, and in doing this we have reached a diverse cross-section of the local community through Consumer grants made this year.*

*We are appreciative of the projects, activities and excellent work organisations are undertaking, not only investing money in their causes but their time and energy to ensure that many benefit. Congratulations to all the grant recipients listed here. TECT is delighted to have helped you make a difference.*

## Community Organisation Subsidy Scheme

ORGANISATION NAME	PROJECT/ITEMS	APPROVED
Age Concern Tauranga Inc.	Heatpump/Cooling System	\$2,260
Alzheimers Society Tauranga	Air-conditioning Units, Coffee Maker, Dishwasher, Ovens, Security System, Telephones, Tele-video, Vacuum Cleaner, Water Heater	\$11,269
Aquinas College	Catering Equipment, Chiller, Food Processor, Ovens	\$24,526
Arataki Primary School	Computer Equipment, Computers, Data Projector, Wiring & Installation Costs	\$30,000
ARGOS Gymsport	Telephone	\$1,291
Baden Powell Centre	Electrical Upgrade	\$1,908
Bellevue Primary School	Computer Equipment, Computers, Data Projector	\$19,303
Bethlehem College	Amplifier, Data Projector, Lighting, Sound System, Wiring & Installation Costs	\$40,000
Bethlehem Community Church	Air-conditioning Unit, Coffee Maker, Fridge, Ovens, Pie Warmer, Sound System, Telephone	\$11,500
Bethlehem Pottery Club	Kiln	\$2,610
Bowls Tauranga South Inc.	Electric Mower	\$3,750
Brookfield Free Kindergarten	Computers, Digital Camera	\$1,274
Brookfield Primary School	Computers, Data Projector, Interwrite boards, Wiring & Installation Costs	\$8,000
Drug-Arm Tauranga	Security System	\$883
Fairhaven School	Cabling & networking, Computer Equipment, Computers, Data Projector, Wiring & Installation Costs	\$50,527
Gate Pa School	Data Projector, Fire Alarm, Security System, Wiring & Installation Costs	\$9,661
Gate Pa Tennis Club Inc.	Fridge, Ovens, Wiring & Installation Costs	\$1,538
Girl Guiding BOP Region	Fridge	\$800
Greenpark Playcentre	Computers, Digital Camera, Laminator, Telephone, Water Heater, Wiring & Installation Costs	\$1,245
Greenpark School	Computer Equipment, Computers	\$15,160
Greerton Free Kindergarten	Computers, Data Projector, Digital Camera, Ovens, Sound System, Vacuum Cleaner	\$3,802
Greerton Village School	Air-conditioning Unit, Computers	\$8,040
Gwen Rogers Free Kindergarten	Ovens, Wiring & Installation Costs	\$881
Habitat for Humanity (Tauranga) Ltd	Cabling & networking, Heatpump/Cooling System, Hot Water Cylinder, Lighting, Meter Box, Ovens, Wiring & Installation Costs	\$12,808
Hanmer BOP Charitable Trust	Computer Equipment	\$5,200
Homes of Hope Charitable Trust	Computer Equipment, Computers, Digital Camera, Electrical Appliances, Food Processor, Heatpump/Cooling System, Lighting, Musical Equipment, Ovens, Printer, Telephone	\$12,980
Homewood Park Tennis Club	Lighting, Wiring & Installation Costs	\$467
Horaparakeke Trust	Cabling & networking, Transformers, Wiring & Installation Costs	\$19,375
Kaimai Outdoor Centre Inc.	Electrical Upgrade, Wiring & Installation Costs	\$574
Kaimai School	Computers	\$8,795
Kaka Street Special School	Data Projector, Electrical Items, Wiring & Installation Costs	\$7,013
Katikati Christian Centre	Air-conditioning Unit, Amplifier, Computers, Data Projector, Musical Equipment, Printer, Rangehood, Sound System, Telephone, Vacuum Cleaner, Video Camera, Water Heater	\$5,000
Katikati College	Computer Equipment, Computers	\$45,333
Katikati Croquet Club Inc.	Irrigation System, Pumps	\$2,154
Katikati Rugby & Sports Club Inc.	Electrical Upgrade, Lighting, Wiring & Installation Costs	\$43,000
Kids Campus Tauranga Public Service Childcare	Cook-top, Fridge, Ovens, Rangehood, Wiring & Installation Costs	\$2,580
Matahū Road School Charitable Trust	Cabling & networking, Computer Equipment, Computers	\$8,933
Maungatapu School	Computers	\$4,356
Merivale School	Computer Equipment, Interwrite boards	\$23,710
Merivale Whanau Aroha Centre	CD, DVD, Computers, Dryer, Video	\$2,799
Mount Coastal District GGANZ	Computers	\$800
Mt Maunganui Anglican Parish	Computers, Fans, Sound System	\$2,064
Mt Maunganui College	Computer Equipment, Computer Upgrade, Computers	\$31,112
Mt Maunganui Intermediate School	Interwrite Boards, Sound System, Wiring & Installation Costs	\$30,158
Mt Maunganui Tennis Club Inc.	Lighting, Wiring & Installation Costs	\$1,750
New Zeal Foundation	Computers	\$736
Ngati Pukenga Iwi ki Tauranga	Photocopier, Vacuum Cleaner	\$4,698



Omanu Primary School	Data Projector, Interwrite Boards, Wiring & Installation Costs	\$6,000
Omokoroa No.1 School	Data Projector, Electrical Items, Wiring & Installation Costs	\$6,000
Otamarakau School	Computers	\$7,800
Otumoetai Baptist Church	Computer Equipment, Computer Upgrade, Computers	\$2,500
Otumoetai Plunket Childcare "Opeys"	Air-conditioning Unit	\$1,845
Paengaroa Free Kindergarten	Heatpump/Cooling System, Lighting, Security System, Wiring & Installation Costs	\$4,300
Papamoa Baptist Church	Data Projector, Heatpump/Cooling System, Sound System, Tele-video, Wiring & Installation Costs	\$18,770
Papamoa Community Support Centre	Washing Machine	\$220
Papamoa Free Kindergarten	Digital Camera, Fridge, Sound System	\$3,218
Papamoa Primary School	Data Projector, Interwrite Boards, Sound System, Wiring & Installation Costs	\$27,315
Papamoa Surf Life Saving Club	Computers	\$1,378
Parent to Parent Coastal Bay of Plenty	Security System	\$478
Pyes Pa Playcentre	Ovens	\$85
Pyes Pa School	Cabling & networking, CD, DVD, Computer Equipment, Computers, Data Projector, Dishwasher, Fridge, Lighting, TV	\$7,000
St Andrews Presbyterian Church	Computer Equipment, Computers, Data Projector, Printer	\$5,000
St Enoch's Presbyterian Church	Water Heater/Zip System	\$1,540
St John Resource Centre Inc.	Photocopier, Printer, Vacuum Cleaner	\$3,523
St Peter's Anglican Church	Sound System	\$11,535
St Peters Presbyterian Church	Computer Upgrade, Computers, Data Projector, Digital Piano, Microphones, Sound System, TV	\$13,218
St Stephen's Methodist Church	Air-conditioning Unit, Wiring & Installation Costs	\$25,546
Tauranga City Elim Church Trust	Heatpump/Cooling System, Wiring & Installation Costs	\$17,000
Tauranga Environment Centre Charitable Trust	Air-conditioning Unit, Wiring & Installation Costs	\$1,730
Tauranga Hockey Association Inc.	Computers, Lighting, Wiring & Installation Costs	\$2,900
Tauranga Rudolph Steiner School Initiative	Heatpump/Cooling System, Wiring & Installation Costs	\$5,475
Tauriko School	Computer Equipment, Computers, Data Projector, Sound System, Wiring & Installation Costs	\$16,738
Te Akau Ki Papamoa School	Computers	\$23,548
Te Hunga Manaaki o Te Puke	Air-conditioning Unit, Computers	\$2,920
Te Hunga Manaaki Services Charitable Trust	Computers, Heaters, Printer	\$1,541
Te Kohanga Reo o Opopoti	Computers, Heatpump/Cooling System, Photocopier	\$8,917
Te Kura O Matapihi	Air-conditioning Unit	\$3,370
Te Kura o te Moutere o Matakana	Lighting	\$15,000
Te Puke Community Care Trust	Cabling & networking, Computers	\$1,172
Te Puke Masonic Lodge	Dishwasher, Hot Water Cylinder, Ovens, Water Heater, Wiring & Installation Costs	\$4,886
Te Puna School	Computer Equipment, Computers, Data Projector, Sound System, Wiring & Installation Costs	\$18,000
Te Ranga School	Computers, Hand Driers, Electronic Whiteboards, Wiring & Installation Costs	\$16,000
Te Whare Hauora o Ngati Kahu 2000 (ki Tauranga)	Dryer, Heatpump/Cooling System, Security System, Washing Machine, Wiring & Installation Costs	\$4,062
Turning Point Trust	Computer Equipment	\$2,031
Tutarawananga Te Kohanga Reo	Cook-top, Heatpump/Cooling System, Ovens, Rangehood, Wiring & Installation Costs	\$4,003
Volunteer Western Bay of Plenty	Computers, Data Projector	\$2,175
Welcome Bay Baptist Church	Computers	\$896
Wesley Methodist Church	Heatpump/Cooling System	\$10,755
Whakamarama & Districts Kindergarten	Listening Posts, Headphones, Sewing Machines	\$638
Whakamarama School	Computers	\$3,822
<b>TOTAL APPROVED GRANTS FOR YEAR ENDED 31 MARCH 2009</b>		<b>\$841,473</b>

### Community Amenities Fund

ORGANISATION NAME	PROJECT/ITEMS	APPROVED
Bay Health Foundation	Dedicated Cancer Centre	\$24,169
Otumoetai Sport & Recreation Club	Clubhouse upgrade	\$150,000
Paengaroa School	Indoor poolhouse development	\$65,000
Papamoa Surf Lifesaving Club	Roller doors	\$9,543
Waipuna Hospice	Upgrade to laundry facilities and community nursing station	\$53,400
<b>TOTAL APPROVED GRANTS FOR YEAR ENDED 31 MARCH 2009</b>		<b>\$302,112</b>

### Community Events & Special Projects Fund

ORGANISATION NAME	PROJECT/ITEMS	APPROVED
BOP Kart Club	Tauranga Kart Street Race	\$51,200
BOP Kids Can Charitable Trust	Life Skills Programme for year 1-8 students	\$50,000
Priority One	Instep Programme	\$10,000
Surf Lifesaving BOP	Inflatable Rescue Boats	\$18,000
Tauranga Arts Festival	Arts Festival 2009	\$120,000
Tauranga Jazz Festival Trust	Jazz Festival	\$100,000
TrustPower TECT Rescue Helicopter	2008/2009 Sponsorship	\$20,633
<b>TOTAL APPROVED GRANTS FOR YEAR ENDED 31 MARCH 2009</b>		<b>\$369,833</b>

### Scholarship Fund

ORGANISATION NAME	PROJECT/ITEMS	APPROVED
Bay of Plenty Polytechnic	Electrical-related scholarships	\$12,000
<b>TOTAL APPROVED GRANTS FOR YEAR ENDED 31 MARCH 2009</b>		<b>\$12,000</b>

**TOTAL APPROVED CONSUMER ORGANISATION GRANTS FOR YEAR ENDED 31 MARCH 2009**

**\$1,525,418**





# Statement of Service Performance 2009

AN EXPLANATION OF ACHIEVEMENTS AGAINST SPECIFIC OBJECTIVE STATEMENTS IN THE TRUST'S 2008-2009 ANNUAL WORK PLAN.

## ANNUAL PLANNING AND REPORTING

### 1. To make the Annual Distribution Plan available for Consumer inspection and comment.

#### What we did:

- The Annual Distribution Plan was published in local media 19-23 May 2008.
- Six submissions were received. After consideration, Trustees adopted the Annual Distribution Plan.

### 2. To prepare Annual Report 2008.

#### What we did:

- Prepared and printed 62,000 copies of TECT's Annual Report for the year ended 31 March 2008.
- Circulated 60,000 Annual Reports in the Weekend Sun publication.
- Distributed Annual Reports to community organisations and interested parties.

### 3. To conduct Consumer Election of Trustees.

#### What we did:

- Appointed W.Lampp, Electionz.com to conduct Trustee Election 2008.
- An Election was held in June 2008. B.Cronin, K.Collings and M.Groos were elected for 4-year terms.

### 4. To conduct Consumer Consultation.

#### What we did:

- Appointed W.Lampp, Electionz.com to conduct Consumer Consultation 2009.
- Consulted with Consumers on preference for distribution of TECT's surpluses.
- 58.43% of Consumers voted. 78.55% supported TECT in its current distribution policy of approximately 80% consumer cheques and 20% consumer community grants.

## INCOME AND INVESTMENTS

### 5. To review performance of investment in TrustPower.

#### What we did:

- Reviewed NZSE listed stock prices on a monthly basis.
- Considered independent commentaries on performance of TrustPower.
- Reviewed interim and yearly Financial Reports from TrustPower.
- Took advice on a number of commercial issues relating to the Trust's shareholding in TrustPower.
- During the year Trustees met with TrustPower management and Directors.

### 6. To investigate diversification opportunities (including infrastructural investment opportunities) and the current mix of investments.

#### What we did:

- Reviewed the performance of the Russell Investment Group Portfolio and resolved to sell down the Russell World Equity Strategy Fund – Class B and consider alternative investments.
- Considered a number of investment opportunities and consulted with experts.
- Attended Russell Australasian Investment Summit.

### 7. To prepare Statement of Investment Policies and Objectives (SIPO).

#### What we did:

- Considered independent opinion and advice on draft SIPO.
- Finalised SIPO setting out objectives and policies governing decisions about investments in relation to the Trust's Group assets.

### 8. To manage Redeemable Preference Share (RPS) issue by TECT Finance Ltd to Arawata Finance Ltd relating to TrustPower Share Purchase Transaction

#### What we did:

- Carried out our RPS process and requirements at the specified test dates.
- Obtained a binding ruling from IRD on the RPS structure.
- Met with financial experts and considered a report on the refinance of the RPS.

### 9. To complete IFRS Accounting.

#### What we did:

- Completed Financial Accounts to comply with NZ International Financial Reporting Standards.

## STATEMENT OF FINANCIAL PERFORMANCE

### 10. To undertake the Consumer Cheque Distribution.

#### What we did:

- Paid total of \$21,045,000 direct to approximately 60,000 TECT Consumers.

### 11. To consider applications for electrical-related items from Consumer Community Organisation Subsidy Scheme.

#### What we did:

- Made an allocation of \$800,000 to the Community Organisation Subsidy Scheme for the year as previously set out in the Report.
- Trustees reviewed applications in June, September, December 2008 and March 2009.
- Subsidy grants totalling \$841,473 were approved to 90 organisations.





Jazz Festival photos courtesy of Gate Photography, Tauranga



# 2009

STATEMENT OF SERVICE PERFORMANCE YEAR ENDED 31 MARCH 2009

## 12. To consider applications for major amenities that benefit the whole of TECT's district or a significant part of the district, and to ensure that TECT is responsive to new opportunities.

### What we did:

- Made an allocation of \$1.5 million to the Major Amenities Scheme for the year as previously set out in the Report.
- Paid \$1 million balance of grant to Western Bay of Plenty District Council for the development of an underpass to allow safe access to both sides of the TECT All Terrain Park.
- Paid cash contribution of \$200,000 to the Elms Foundation.

## 13. To consider applications for community amenities within TECT's District that significantly benefit the community.

### What we did:

- Made an allocation of \$800,000 to the Community Amenities Fund for the year as previously set out in the Report.
- Paid \$174,169 balance of grant to Bay Health Foundation towards dedicated cancer centre.
- Paid \$300,000 to Tauranga City Council to assist with development of an all-weather athletics track at Wharepai Domain.
- Paid \$34,014 to Greerton Amateur Athletics Club towards the upgrade of the Clubhouse and ablutions block.
- Paid \$60,000 to Te Puna Community Centre towards all-weather artificial grass courts and lighting.
- Paid \$200,000 to Vincent House Trust towards upgrade of health and training facilities.
- Paid \$30,000 to Otumoetai Eels Rugby League Club towards the upgrade of the Clubhouse.
- Approved an interest-free loan of up to \$250,000 to Tauranga YMCA Inc towards the purchase and fitout of new office premises.

## 14. To consider applications for community events and special projects within TECT's district that benefit consumers.

### What we did:

- Made an allocation of \$100,000 to the Community Events and Special Projects Fund for the year as previously set out in the Report.
- Continued sponsorship of the TrustPower/TECT Rescue Helicopter. Paid \$135,000.
- Paid \$40,000 to Tourism BOP for inaugural Kiwifest Festival.

## 15. To consider applications for energy efficiency projects in TECT's district.

### What we did:

- Paid \$125,000 to EECA being final instalment for Tauranga Healthy Homes Project.

## 16. To support the TECT Scholarship Scheme in conjunction with the Tertiary Education Organisations.

### What we did:

- Made an allocation of \$5,000 to TECT's Scholarship Scheme for the year as previously set out in the Report.
- Assisted Bay of Plenty Polytechnic with selecting six students to receive TECT Scholarships for the 2008 academic year.
- Paid \$12,000 to Bay of Plenty Polytechnic for six scholarships to students.

## RESPONSIBILITIES TOWARDS CONSUMERS

## 17. To ensure continuing contact with and to build on relationships with Consumers.

### What we did:

- Negotiated discounts for Consumers for admittance to TECT-funded amenities and events.
- Published Funding Scheme criteria and closely evaluated all applications received.
- Ensured compliance with our Trust Deed and Code of Practice.
- Obtained an unqualified audit of our financial statements.
- Held Annual General Meeting of Consumers.
- Consulted with Consumers on preference for TECT's distribution policies.
- Promoted Distribution Cheque mailout.
- Promoted Consumer Concession Cards (CCC) issued to Consumers with September 2008 Distribution Cheques. CCC benefited Consumers through discounts to Baywave TECT Aquatic & Leisure Centre, BOP Kart Club Street Race and Tauranga Jazz Festival.

## PROMOTION AND PUBLICITY

## 18. To increase Consumer knowledge and understanding of TECT and its operations.

### What we did:

- Met quarterly with recipients of TECT's grants.
- Profiled various recipients of TECT Funding through local media.
- Updated TECT's website with various material.



# TECT Group Financial Statements

## SUMMARISED CONSOLIDATED FINANCIAL STATEMENTS

### FULL CONSOLIDATED FINANCIAL STATEMENTS AVAILABLE

The Summarised Consolidated Financial Statements on pages 18-21 have been extracted from the full audited Consolidated Financial Statements of the Trust for the year to 31 March 2009.

They may not contain sufficient detailed information for a full understanding of the financial affairs of the Trust but copies of the full Consolidated Financial Statements and the unqualified auditors' opinion dated 8 July 2009 can be obtained from:

The Secretary, Tauranga Energy Consumer Trust, PO Box 356, Tauranga.

### INCOME STATEMENT

For the year ended 31 March 2009

	TECT Group		Tauranga Energy Consumer Trust	
	2009	2008	2009	2008
<b>Operating Income</b>				
Dividend Income	42,818,681	30,351,970	33,175,066	22,479,303
Fair Value Adjustment of RPS	-	-	19,416,284	17,792,181
Interest Income	2,481,387	2,241,693	1,508,143	1,236,801
Loss/Impairment Russell Investments	(1,062,111)	-	(1,062,111)	-
Miscellaneous Operating Income	280,201	634,696	280,201	634,696
<b>TOTAL INCOME</b>	<b>44,518,158</b>	<b>33,228,359</b>	<b>53,317,583</b>	<b>42,142,981</b>
<b>Expenses</b>				
Impairment of Intangible Asset	-	233,045	-	-
Legal and Advisory Fees	158,802	123,600	107,017	115,949
RPS Payments - Arawata Finance Ltd	5,492,322	5,195,463	-	-
Secretarial Costs	263,263	263,598	251,678	252,135
Trustee Expenses	135,811	132,884	135,811	132,884
Other Operating Expenses	453,948	298,503	801,011	448,262
<b>TOTAL EXPENSES</b>	<b>6,504,146</b>	<b>6,247,093</b>	<b>1,295,517</b>	<b>949,230</b>
<b>TOTAL SURPLUS FOR YEAR BEFORE TAXATION</b>	<b>38,014,012</b>	<b>26,981,266</b>	<b>52,022,066</b>	<b>41,193,751</b>
Deferred Tax Adjustment	582,489	533,766	6,407,374	5,871,420
Tax Charge	6,651,543	629,116	927,976	331,087
<b>TOTAL SURPLUS AFTER TAXATION</b>	<b>\$30,779,980</b>	<b>\$25,818,384</b>	<b>\$44,686,716</b>	<b>\$34,991,244</b>

### STATEMENT OF CHANGES IN TRUST EQUITY

For the year ended 31 March 2009

	TECT Group		Tauranga Energy Consumer Trust	
	2009	2008	2009	2008
<b>Total Recognised Revenues and Expenses</b>				
Net Surplus for the Year	30,779,980	25,818,384	44,686,716	34,991,244
Consumer Distributions Written Back	578,893	-	578,893	-
Deferred Tax on Revaluations	14,302,603	22,767,311	278,960	329,482
Increase/(Decrease) in Fair Value Reserve	(47,590,811)	(75,791,192)	(845,334)	(998,429)
	(1,929,335)	(27,205,497)	44,699,235	34,322,297
Distributions	(22,083,543)	(24,802,921)	(22,495,083)	(25,405,462)
	(24,012,878)	(52,008,418)	22,204,152	8,916,835
Trust Equity at start of the year	682,429,917	734,438,335	527,744,618	518,827,783
<b>TRUST EQUITY AT END OF THE YEAR</b>	<b>\$658,417,039</b>	<b>\$682,429,917</b>	<b>\$549,948,770</b>	<b>\$527,744,618</b>



# 2009

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2009

## BALANCE SHEET

As at 31 March 2009

	TECT Group		Tauranga Energy Consumer Trust	
	2009	2008	2009	2008
<b>Total Trust Equity (Including Reserves)</b>	<b>\$658,417,039</b>	<b>\$682,429,917</b>	<b>\$549,948,770</b>	<b>\$527,744,618</b>
<i>Represented by:</i>				
<b>Investments</b>				
Shares in TrustPower Ltd	732,345,808	779,091,285	-	-
Russell World Bond & Share Funds	3,823,348	8,992,748	3,823,348	8,992,748
TECT Charitable Trust	-	-	100	100
TECT Holdings Ltd	-	-	1,000	1,000
TECT Finance Ltd	-	-	1,000	1,000
TECT Finance No. 2 Ltd	-	-	1,000	1,000
YMCA Loan	250,000	-	250,000	-
ANZ Senior Bonds	3,048,517	-	3,048,517	-
RPS - TECT Holdings Ltd	-	-	505,311,153	485,894,869
RPS - Tauranga City Aquatics Ltd	4,000,000	4,000,000	4,000,000	4,000,000
<b>Total Investments</b>	<b>743,467,673</b>	<b>792,084,033</b>	<b>516,436,118</b>	<b>498,890,717</b>
<b>Current Assets</b>				
Cash & Cash Equivalents	8,095,348	16,392,265	8,090,111	13,407,593
Short Term Deposits	31,507,577	12,670,091	25,075,069	10,067,968
Sundry Accounts Receivable & Prepayments	7,194	19,617	7,194	19,617
Advances - TECT Holdings Ltd	-	-	440,858	-
Advances - TECT Finance No. 2 Ltd	-	-	2,628	2,408
Taxation Refund Due	-	94,261	-	-
<b>Total Current Assets</b>	<b>39,610,119</b>	<b>29,176,234</b>	<b>33,615,860</b>	<b>23,497,586</b>
<b>Non Current Assets</b>				
Deferred Taxation	-	-	8,309,549	14,523,309
<b>TOTAL ASSETS</b>	<b>\$783,077,792</b>	<b>821,260,267</b>	<b>\$558,361,527</b>	<b>\$536,911,612</b>
<b>Less Current Liabilities</b>				
Sundry Accounts Payable	139,115	93,188	119,966	683,318
Advances - TECT Holdings Ltd	-	-	-	81,810
Advances - TECT Finance Ltd	-	-	5,549,410	3,866,766
Redeemable Preference Shares	85,243,730	-	-	-
Taxation Payable	2,020,205	-	579,592	21,722
Provision for Distributions	2,323,789	5,173,378	2,163,789	4,513,378
<b>Total Current Liabilities &amp; Distribution Provisions</b>	<b>89,726,839</b>	<b>5,266,566</b>	<b>8,412,757</b>	<b>9,166,994</b>
<b>Non Current Liabilities</b>				
Deferred Taxation	34,933,914	48,568,682	-	-
Redeemable Preference Shares	-	84,995,102	-	-
<b>Total Non Current Liabilities</b>	<b>34,933,914</b>	<b>133,563,784</b>	<b>-</b>	<b>-</b>
<b>TOTAL LIABILITIES</b>	<b>\$124,660,753</b>	<b>\$138,830,350</b>	<b>\$8,412,757</b>	<b>\$9,166,994</b>
<b>NET ASSETS</b>	<b>\$658,417,039</b>	<b>\$682,429,917</b>	<b>\$549,948,770</b>	<b>\$527,744,618</b>

TRUSTEE

TRUSTEE

These Statements are to be read in conjunction with the Notes to the Financial Report on Page 20 and 21.

DATE: 8 JULY 2009





# TECT Group Financial Statements

NOTES TO THE SUMMARISED CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2009

## 1. STATEMENT OF ACCOUNTING POLICIES

### A. BACKGROUND

These are the Summarised Financial Statements for TECT Group comprising Tauranga Energy Consumer Trust ("TECT"), TECT Charitable Trust, TECT Holdings Limited, TECT Finance Limited and TECT Finance No. 2 Limited.

The Tauranga Energy Consumer Trust was established under a Trust Deed on 21 December 1993 as a consequence of the Tauranga Electric Power Board's Establishment Plan. TECT is a reporting entity as defined by the Financial Reporting Act 1993 and this financial report is prepared in accordance with that Act.

TECT is a Consumer Trust, the income and capital of which are to be used to provide benefits to Consumers who are liable to pay TrustPower Limited for electrical energy supplied to premises in the area being supplied by the Tauranga Electric Power Board on 21 December 1993.

On 1 April 2004 Consumers in the Tauranga district previously supplied by Tauranga Electricity Limited (December 1993) were included as Beneficiaries of the Trust following negotiations with Tauranga District Council and compensation agreed upon at \$2,500,000. The Trust Deed was amended on 1 April 2004.

TECT is not a Charitable Trust and accordingly may not continue for more than 80 years. On the winding up of the Trust the assets of the Trust, which remain, will be distributed for the benefit of Consumers (as defined above). TECT was set up to provide a stable local shareholding base for TrustPower Limited as it sought to be a strong successful business in the deregulated energy sector in New Zealand. Currently the TECT Group holds 103,878,838 shares, representing 33% in the capital of TrustPower Limited.

In December 2006, TECT transferred the TrustPower shareholding to TECT Holdings Ltd, a 100% wholly owned subsidiary company.

Also in December 2006, TECT purchased an additional 4.4% of TrustPower to give it a total shareholding of 33%. This purchase was debt funded by the TECT Group.

Every two years, three of the six elected Trustees retire and the Consumers elect three new Trustees. Retiring Trustees are eligible for nomination for re-election.

### B. MEASUREMENT BASE

The accounting principles recognised as appropriate for the measurement and reporting of earnings and financial position on an historical cost basis are followed by the TECT Group, with the exception of certain assets as specified below which have been revalued. The financial statements are required to be audited by section 10.4 of the Trust Deed. The financial statements have been prepared in accordance with New Zealand generally accepted accounting practice and therefore also comply with International Financial Reporting Standards. The TECT Group has designated itself as 'profit-oriented'.

### C. CHANGES IN ACCOUNTING POLICY

There have been no changes in accounting policies. All policies have been applied on bases consistent with those used in previous years.

## 2. TAXATION

The tax charge debit of \$6,651,543 relates to current group tax charges of \$15,882,849 less dividend Imputation Tax Credits of \$9,231,306.

## 3. DEFERRED TAX

Deferred Tax shown in the Balance Sheet arises mainly from revaluation of financial instruments to fair value.

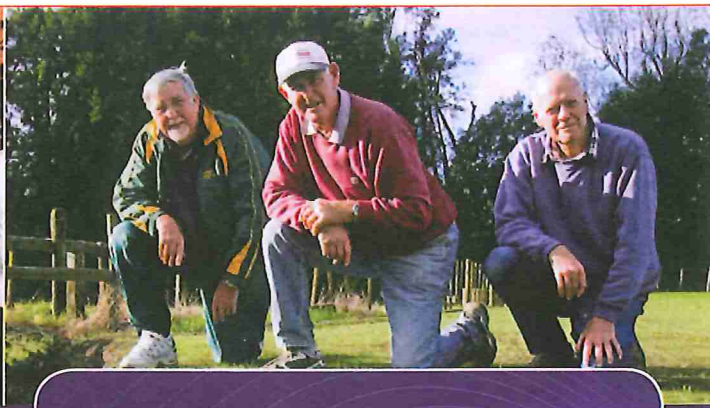
## 4. INVESTMENTS

The following table sets out the basis of valuation of investments:

Asset	Classification	Measurement Base
ANZ Senior Bonds	Held to Maturity	Amortised Cost using EIR
Redeemable Preference Shares		
• Tauranga City Aquatics Ltd	Loans & Receivables	Amortised Cost using EIR
• TECT Holdings Ltd	Loans & Receivables	Amortised Cost using EIR
Russell World Bond Fund	Fair Value through Equity	Fair Value
TrustPower	Fair Value through Equity	Fair Value
YMCA Loan	Loans & Receivables	Amortised Cost using EIR

[EIR = Effective Interest Rate method]





2009

## 5. IMPUTATION CREDITS

As TECT is not a company it does not have an Imputation Credit account. TECT Holdings Limited, TECT Finance Limited and TECT Finance No. 2 Limited are registered as an Imputation Group. As at 31 March 2009 the Group had Imputation Credits available of \$437 (2008: \$2,751,204).

## 6. COMMITMENTS AND CONTINGENCIES

TECT Group had no commitments or contingencies at the end of the financial year other than those disclosed in the Statement of Financial Position. (2008 Nil)

## 7. RELATED PARTY TRANSACTIONS

Mr Michael Cooney is Chairperson of Tauranga Energy Consumer Trust and TECT Charitable Trust. He is a Director of TECT Holdings Ltd, TECT Finance Ltd and TECT Finance No. 2 Ltd and is also a director of TrustPower Ltd. Net dividends received by TECT Group from TrustPower Ltd during the year ended 31 March 2009 totalled \$42,590,324. At 31 March 2009 the TECT Group shareholding in TrustPower Ltd was 103,878,838 shares valued at \$7.05 per share or a total value of \$732,345,808.

Ms Frances Denz is a Trustee of Tauranga Energy Consumer Trust and TECT Charitable Trust. She is a Director of TECT Holdings Ltd, TECT Finance Ltd and TECT Finance No. 2 Ltd and is also a Director of Tauranga City Aquatics Ltd. Net dividends received by TECT Group from Tauranga City Aquatics Ltd during the year ended 31 March 2009 totalled \$228,357. At 31 March 2009 the TECT Group Redeemable Preference shareholding in Tauranga City Aquatics Ltd was valued at \$4 million.

All transactions with related parties are undertaken in the normal course of business on normal commercial terms.

## 8. AUDITOR'S REPORT

To the readers of the Summarised Consolidated Financial Statements of Tauranga Energy Consumer Trust Group:

We have audited the Financial Statements from which the accompanying summarised financial statements for the year ended 31 March 2009 have been extracted. In our full report dated 8 July 2009 we expressed an opinion that the Financial Statements:

- Comply with generally accepted accounting practice;
- Comply with International Financial Reporting Standards; and
- Give a true and fair view of the financial position of the Trust and group as at 31 March 2009 and the results of operations and cash flows for the year ended on that date.

In our opinion, the accompanying summarised Financial Statements are correctly extracted from the Financial Statements.

*Ingham Mora*

**INGHAM MORA**  
CHARTERED ACCOUNTANTS





## Trust Governance

2009

*TECT and its subsidiary TECT Charitable Trust operate under Deeds of Trust respectively dated 21 December 1993 and 27 March 2002. Provisions in the Electricity Amendment Act 2001 also impact upon Trust Governance.*

### Board of Trustees

TECT is governed by 6 Trustees who are elected by Consumers for 4-year terms. The terms of appointment of Trustees are staggered so that 3 Trustees retire every 2 years. An Election for Trustees was held in June 2008.

### Responsibilities

Trustees are responsible for managing TECT's assets for the benefit of qualifying Consumers.

### Conduct

- Trustees meet monthly and as required.
- Trustee conduct is governed by a Code of Practice which is published on TECT's website.
- TECT publishes its Annual Distribution Plan and considers submissions made in respect of the Plan.
- Applications to TECT's Community Organisation Subsidy Scheme are considered quarterly. Other applications are considered as required.
- The day to day management and operation of TECT business is delegated to TECT's Secretary, BDO Spicers Tauranga Ltd, Chartered Accountants and Business Advisors.

### Remuneration

Remuneration of Trustees is set at an Annual General Meeting of Consumers.

### Trustee Insurance

TECT maintains Trustee Liability Insurance cover.

### Audit

The accounts are audited annually by an auditor appointed by Consumers at an Annual General Meeting.



## **DIRECTORY**

AS AT 31 MARCH 2009

### **TRUSTEES**

MJ Cooney, Chairperson  
BW Cronin, Deputy Chairperson (Elected 30 July 2008)  
K Collings (Elected 30 July 2008)  
F Denz  
M Groos (Elected 30 July 2008)  
RJC Scott  
IR Harris (Retired 30 April 2008)  
MH Cameron (Retired 30 June 2008)

### **SECRETARY**

KF Lellman  
BDO Spicers Tauranga Ltd  
Chartered Accountants  
273 Devonport Road  
PO Box 800, Tauranga  
info@tect.org.nz

### **AUDITOR**

Ingham Mora - Tauranga

### **SOLICITORS**

Holland Beckett - Tauranga  
Quigg Partners - Wellington

### **FINANCIAL ADVISORS**

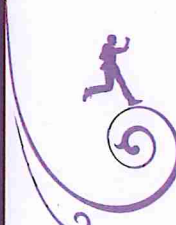
Triumph Capital Ltd - Auckland  
KPMG - Tauranga  
KPMG - Wellington

### **BANKERS**

Westpac Bank, National Bank, ANZ Bank,  
Bank of New Zealand, Kiwibank

### **DATE OF COMMENCEMENT**

Tauranga Energy Consumer Trust (TECT) - 21 December 1993  
TECT Charitable Trust - 27 March 2002  
TECT Holdings Ltd - 15 December 2006  
TECT Finance Ltd - 15 December 2006  
TECT Finance No. 2 Ltd - 25 January 2007







BENEFITING CONSUMERS AND THEIR COMMUNITIES



273 Devonport Road  
PO Box 356  
Tauranga  
Tel. 07 578 5095  
Fax. 07 578 9050  
info@tect.org.nz

[www.tect.org.nz](http://www.tect.org.nz)

