

# TECT Special Distribution Proposal

## Consumer Feedback – May 2019

### Background

TECT received a special dividend of \$21M from its investments. In addition to TECT's regular annual rebate, the TECT Trustees agreed to distribute this. The current distribution policy is that approximately 80% of distributions are to go direct to eligible consumers, with the balance distributed through the grants programme. However, the special distribution offered a unique opportunity to consult with the Trust's beneficiaries on different ways utilise the funds in order to make the greatest impact in our community.

In April/May 2019 consumers were asked for their feedback on three options.

These were:

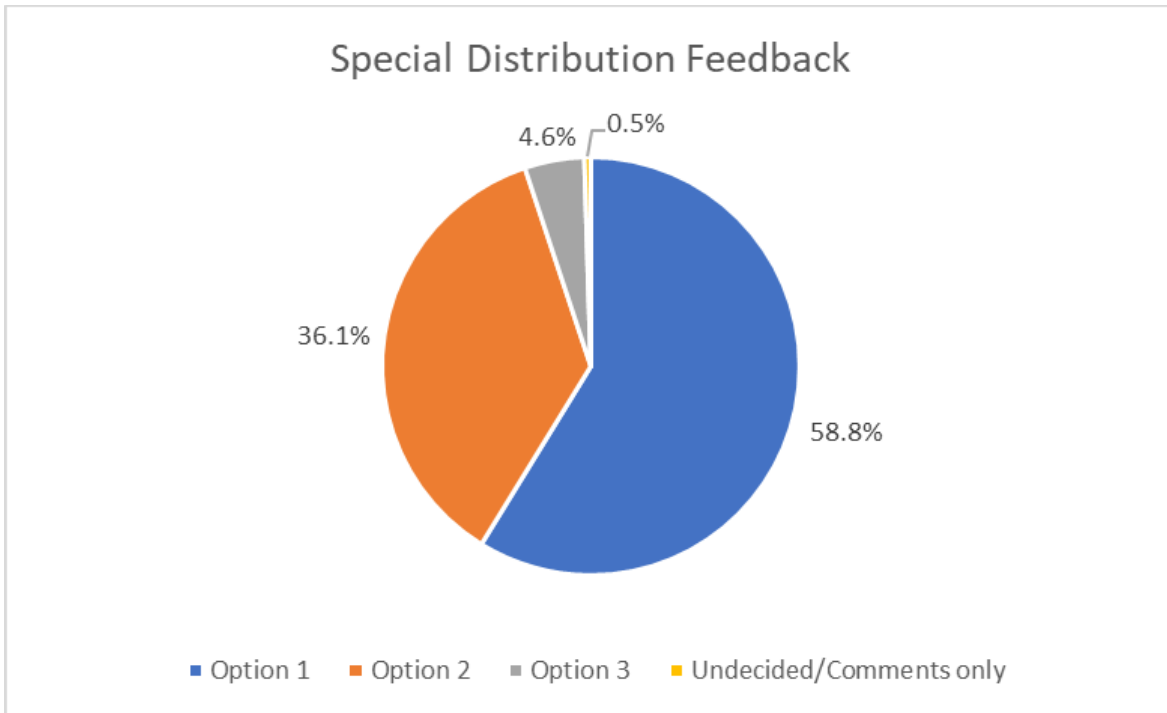
Option	Consumer Rebate	Transformational Grants	Top Up Current Grant Funds
One	\$16,800,000 \$295 per consumer	\$0	\$4,200,000
Two	\$13,650,000 \$240 per consumer	\$7,350,000	\$0
Three	\$0	\$7,350,000	\$13,650,000

### Summary of Feedback

The TECT Trustees were pleased that the TECT proposal generated considerable feedback from consumers and appreciate that consumers have taken the time to have their say. The proposal was mailed to TECT beneficiaries and was also publicised via social media, and several direct emails. There were also several news articles published.

Over 7,000 submissions were received from consumers and Trustees also monitored feedback through social media and other public forums. The total number of formal submissions received by consumers was 7,028 and the breakdown was as follows:

<b>Option One</b>	4,132	58.8%
<b>Option Two</b>	2,536	36.1%
<b>Option Three</b>	325	4.6%
<b>Undecided/Comments Only</b>	35	0.5%



The feedback shows that the majority of consumers supported option one.

## What You Told Us

### Option One – comments from those that did not support more funds going to community initiatives:

- The payment will help with higher household costs and winter bills.
- Consumers face higher electricity pricing through Trustpower and therefore require the rebate to offset this.
- There is already enough money that goes to charities and community initiatives.
- Many people already donate to charity and they would like the option to make their own choices on what charities they give to.
- A further option should have been added where consumers receive 100% of the distribution. This was suggested by approximately 80 out of 7000 responses.
- Trustees have no right to prepare and implement such options – “You are giving away our money”. Many consumers were unclear on the relationship between TECT and Trustpower, and also the income distribution options available to TECT Trustees.
- Safe and healthy homes is the responsibility of the property owner. Emergency services, supporting the first 100 days of life, and environmental sustainability are all government responsibilities and TECT should not be supporting these initiatives.

**Option Two – comments from those that supported \$7,350,000 being distributed to the community through transformational grants:**

- They like the balance of giving to community initiatives and to individual consumers.
- There was a lack of information around what would be funded through the Iconic Projects Fund and Catalyst for Change fund.
- Would like to know more about the specific organisations to be funded.
- Concern over consumers facing higher electricity pricing through Trustpower.
- There was a theme of support for initiatives that assist emergency services and environmental sustainability.

**Option Three – comments from those who preferred all the funds going to the community:**

- The funding would be better utilised going to one significant project to have more impact.
- As the rebate was not expected, individuals would not be disadvantaged by not receiving the special rebate.
- This would create a longer lasting and greater impact—money will go further than in consumers' back pockets.
- The consumers benefit indirectly—it is a win-win for all.
- TECT shouldn't be masking the high prices of Trustpower.
- TECT funding does great things in our community—this is a chance to do more.
- The funds could be reinvested and the income used to provide higher distributions in the future.

**The following themes emerged across all feedback:**

	<b>Common themes from consumer feedback</b>	<b>Key points raised by consumers</b>	<b>TECT Trustee Response</b>
1.	A balance of indirect and direct benefit is supported.	A strong majority of consumers supported a mix of direct (rebates) and indirect benefit (community grants). There was differences of opinion in the proportions.	Continue to provide opportunities that benefit consumers both directly and indirectly
2.	Insufficient information on community grants.	There was a lack of information on where the money would go through the transformational grants and Iconic Projects and Catalysts for Change funds.	Improve communications and provide more information on community initiatives and opportunities that TECT supports.
3.	I already support lots of charities.	Many consumers noted that they already donate to charities.	Trustees are appreciative of the donations that individual consumers make to charities.
4.	Electricity pricing is too high.	Trustpower pricing considered to be high in comparison to other providers but TECT rebate provides an incentive to stay.	Continue to monitor pricing and engage with Trustpower on this.
5.	Funds are generated by and therefore belong to the consumer.	Perception that funds are generated by consumers and should therefore only be available to consumers.	Improve communications and provide more information on the background of TECT, the purpose of the Trust, and the Trust's income sources.
6.	Confusion regarding the relationship between TECT and Trustpower.	There was some confusion about the roles and responsibilities of each organisation and how they work together. Many stated that they would leave Trustpower if the rebate was changed (see comments on electricity pricing) and that this would have a subsequent impact on Trustpower business.	Acknowledge need for improved communication to consumers regarding the role/purpose of TECT, TECT's other investments and on Trustpower's business model.
7.	Why is there no option for consumers to be paid 100% of the distribution?	Approximately 1% of consumers noted that they wanted an option to receive all of the distribution directly.	Trustees note that a referendum was held in 2009 which overwhelmingly rejected this as an option.