



TECT 2024/2025 Community Consultation Feedback: Individual Responses



Submission From David Riley

From the distribution plan ;

"Our purpose is to make a significant impact on shaping the quality of life and wellbeing of current and future generations in the Western Bay of Plenty"

Impact

TECT does make a significant impact, on balance I suggest the impact is negative. The current rebate policy of the TECT Consumer Trust disrupts the retail electricity market in the WBOP, the result is market failure which places a barrier to entry for new retailers or new service initiatives and the highest electricity energy cost in NZ. None of this is new and has been noted by the Commerce Commission and Consumer NZ and Electricity Price Review among others. Affordable electricity is vital for health and wellbeing and participation in our society, it is not a luxury. This issue is too important to ignore.

Quarterly Survey of Domestic Electricity Price QSDEP

The price we pay to the retailers for the electricity energy component (excluding lines charges) now seems to be cemented in as the highest in NZ according to the MBIE QSDEP Feb2024 report calculated using the typical NZ household use model. From this report it can be calculated that in WBOP we pay \$320 more per household than the NZ average. There are currently 152132 ICP electricity accounts in the WBOP, using the MBIE model this models as \$49M in overcharges per year, the actual overcharge we pay is unknown but will be less, perhaps \$30M - \$40M every year but still very significant.

Trustees responsibility

The distribution plan we discuss today is for \$16.4M. There is also the rebate but this is only paid to select legacy Trustpower consumers. The TECT Trustees have responsibility for both TECT Community Trust and TECT Consumer Trust, it is not acceptable to only consider the impact of the Community Trust in isolation.

TECT rebate

TECT Consumer Trust beneficiaries are able to offset some of the retail overcharges with the \$500 TECT rebate however even low use electricity accounts are likely to be paying more than \$600 in overcharges to the TECT anointed retailer Mercury according to the Powerswitch website. The current policy is not in the best interest of Consumer Trust beneficiaries given that the total value of the rebate is likely to be less than the Mercury overcharges. This puts the Consumer Trust at risk of legal challenge.

Electricity Retailers

Mercury and most other retailers charge more in WBOP than in other regions. This is as a consequence of the market failure directly caused by the TECT Consumer Trust rebate policy.

Submission From David Riley Continued

We have the most concentrated electricity market in NZ as measured by Electricity Authority EMI reports (HHI index and Concentration Ratios). The Switching Rates away from Mercury remain low, with such a concentrated market the Trader Switches rate should be high if we are ever to catch up with the rest on NZ.

New Initiative from Electricity Authority

An energy sharing trial on selected Kāinga Ora homes in Wellington has recently been authorised by the Electricity Authority. This will enable alternatives to the single buyer and seller model, for example Solar energy generated on Kāinga Ora homes will be able to be shared for the benefit of residents in other Kāinga Ora homes particularly those experiencing energy hardship. Residents will still be able to shop around for the best retail deal from any retailer. Such a trial does not fit the TECT Consumer Trust model and the innovative retailers are not currently present in WBOP.

Iwi Electricity Retailer

Iwi retailer Nau Mai Rā does not operate here. Nau Mai Rā uses their profits to fund initiatives that help Māori, Kōhanga Reo, Kura Kaupapa and other projects for the betterment of Māori. TECT rebate policy acts as a barrier to new retailers entering the local electricity market. Local Māori are being denied this option.

Energy Hardship Report

The Energy Hardship Expert Panel released their report late last year "Te Kore, Te Pō, Te Ao Mārama - Energy Hardship: The challenges and a way forward."

I challenge the TECT Trustees to study this report and become part of the solution rather than part of the problem.

Submission From Murray Stewart

You should revisit the yearly payments to those contributing to the trust. Since you decided on \$500 per year payments things have changed for the worse. Many people on fixed income are really struggling. So I suggest you cut back on some community grants and take into account the plight of all people in the area. Increase the rebate NOW. Regards Murray Stewart. Power account 92764125.

Submission From Tauranga City Council

Thank you for the opportunity to make a submission to TECT's Draft Annual Distribution Plan 2024/2025.

We wholeheartedly commend TECT for the hugely impactful work that you do in providing support for local initiatives, facilities and events that bring vibrancy, connectedness, growth and economic benefits to the region. We'd also like to take this opportunity to thank TECT for the support that has been provided to Tauranga City Council (TCC) for a number of recent projects and initiatives.

We fully endorse the suggested approach that TECT Community Trust has taken with the distribution of funds for the coming financial year, and in particular:

Submission From Tauranga City Council Continued

- We support the proposed plan for the following funds – Facilities of Regional Significance of \$7,543,947; Community Facilities of \$2,421,820 and Community Events of \$966,117.
- TCC looks forward to continuing to work collaboratively with TECT to deliver quality outcomes for our communities.
- We would like to speak to our submission at the meeting of TECT Trustees on Thursday 18 April 2024.

TCC supports the proposed Facilities of Regional Significance Fund of \$7,543,947

In July 2023, TECT confirmed its largest-ever funding investment towards a project of regional significance, approving a \$21.6 million grant for the new Museum and Exhibition Gallery, as part of Tauranga city centre's new civic precinct – Te Manawataki o Te Papa, the heartbeat of Te Papa. The community feedback signalled strong support for funding strategic initiatives, including almost 70 per cent in support of TECT's contribution to the civic precinct development.

Te Manawataki o Te Papa has been defined as a once-in-a-generation opportunity for the future of our important city. It will be a catalyst for growth and is part of a wider private and public sector investment plan for Tauranga's city centre, currently estimated at over \$1.5 billion. This vibrant community precinct will breath new life into what will become a key arts, culture, heritage and economic driver for the city and region.

TECT's grant will play a crucial role in helping Council bring the new museum and exhibition gallery to fruition. Construction is scheduled to start mid-2024 and targeted for completion by the end of 2028.

TCC supports the proposed Community Facilities Fund of \$2,421,820

In October 2022, TECT provided a grant of \$1,023,000 towards the new Destination Skatepark at Mount Maunganui. The project, a collaboration between TCC and the skating community, is on track for completion by April and opening in May. The grant has enabled the stand-out features of the skatepark to be built. This includes a wicked flow bowl, a surf/skate ditch and competition style stairs, and a street skate area.

Other skatepark amenities being built include landscaping, toilets, seating, drinking fountains, shade sails and barbecue. It's a place where young and old, whānau and friends will want to come and stay, as opposed to being purely a technical skatepark for the wheel community.

Council supports the proposed Community Events Fund of \$966,117

TECT's Community Events Fund significantly contributes towards the Tauranga Western Bay Community Event Fund, a fund that was launched in 2022 to provide a streamlined approach to the support of community events. This fund is a partnership between Tauranga City Council, Western Bay of Plenty District Council, Acorn Foundation, Bay Trust and TECT to support events that are community led, deliver positive social outcomes and enrich our community. In 2022/23 the fund supported 74 events within the region, increasing to 79 events in 2023/24. This partnership is leading the way in events funding in New Zealand by allowing community events to reap the benefits of organisational collaboration and a commitment to retain financial assistance for our local grassroots event industry.

Major events and mass participation events also result in strong economic benefits for Tauranga. In addition to social impact and profile, events funded by TECT create a positive impact throughout the region through visitor spend. Evaluation undertaken using the Event Economics tool in 2019

Showed that the Zespri AIMS Games resulted in 74,787 visitor nights and a significant visitor spend of \$6.2 million to Tauranga.

Again, we express our sincere thanks to the TECT team for all that you do in the community, and acknowledge the significant contribution and leadership provided by the TECT Trustees and the Chief Executive, Wayne Werder. We look forward to continuing to partner with TECT on other community projects and initiatives in the future.