

# Hamilton City Council – Staff Submission

## **WEL Energy Trust Draft Annual Plan 2025–2026**

## **WEL Energy Trust Draft Community Investment Strategy 2025–2028**

**WEL Energy Trust**

**19 March 2025**

# Improving the Wellbeing of Hamiltonians

Hamilton City Council is focused on improving the wellbeing of Hamiltonians through delivering to our five priorities of shaping:

- **A city that's easy to live in**
- **A city where our people thrive**
- **A central city where our people love to be**
- **A fun city with lots to do**
- **A green city**

The topic of this staff submission is aligned with all of Hamilton City Council's five priorities.

## Council Approval and Reference

This staff submission was approved by Hamilton City Council's Chief Executive on 19 March 2025.

Submission # 793

**It should be noted that the following submission is from staff at Hamilton City Council and does not therefore necessarily represent the views of the Council itself.**

## Key Messages and Recommendations

1. As one of the three Capital Beneficiaries of the WEL Energy Trust (the Trust), staff from Hamilton City Council welcome the opportunity to make a submission to the WEL Energy Trust 2024-2025 Draft Annual Plan and Draft Community Investment Strategy 2025-2028.
2. Hamilton City Council staff commend the Trust on the establishment of the Capital Beneficiaries Project Fund and thank the Trust for their support these past 12 months.
3. Staff acknowledge the Trust's continued intention that it will work more closely with the Capital Beneficiaries, and look forward to:
  - Seeing the Trust work closely with Capital Beneficiaries on a new consultation timetable that is mutually beneficial and supports the Trust's key performance measures.
  - Working with the Trust on how to best optimise the Capital Beneficiaries Project Fund (the Fund) investment through increased and proactive collaboration with Capital Beneficiaries noting our aspiration to work with the Trust on refining the Fund's criteria to better support priority projects in the region.
  - Working with the Trust on how we can assist with community needs engagement through Council's existing community development consulting mechanisms, which can be an asset to the Trust.
4. We acknowledge the value of the discount programme to all electricity consumers as an avenue to support the community and continue to advocate for a shift in the ratio of discounts to community grants, with the portion allocated to grants increased to be of at least equal value.

## Introduction

5. As the major capital beneficiary of the WEL Energy Trust (the Trust), Hamilton City Council (Council) staff welcome the opportunity to make a submission to the WEL Energy Trust Draft Annual Plan 2025-2026 and Draft Community Investment Strategy 2025-2028.
6. We support the overall direction and intent of this 2025-2026 Draft Annual Plan and the Draft Community Investment Strategy 2025-2028.
7. Hamilton City Council staff:
  - Thank the Trust for their support over the past 12 months with the creation of the Capital Beneficiaries Project Fund. We are supportive of the continuation of this Fund, as well as the Vital Impact Collaborative Energy Fund.
  - Support the Trust's direction to embrace engagement and partnership opportunities and work closely with Council on how strategic city-wide, and sub-regional projects are funded, and how Council may be an asset for the Trust.

- Reinforce the importance of the Trust to provide Capital Beneficiaries with the opportunity to engage in the annual planning process within reasonable timeframes.
- Continue to advocate for increased community grants funding for community groups and a more targeted and equitable mechanism for discount distribution.
- Query whether the Trust could provide information on key changes made to any future Annual Plans and Community Investment Strategies, and the rationale behind them when they release a new draft Annual Plan and/or Strategy.

## Working with Capital Beneficiaries

8. Hamilton City Council staff commend the Trust for their ownership and stewardship of WEL Networks that has seen the Trust Fund continue to grow.
9. We commend the newly created Capital Beneficiaries Project Fund and value the funding awarded through this mechanism to Hamilton City Council of \$900,000 to support Waiwhakareke Natural Heritage Park and the Hamilton Gardens, both key priority projects for Hamilton City Council.
10. In supporting this significant step by the Trust towards aligning with the Trust's Deed and recognising the significance of the inter-generational projects Council undertakes, we query the removal of intentions, namely *"to maximise long-term impact by being strategic"*, noting that this was a key intention that provided alignment with the work Council undertakes.
11. We welcome the opportunity for Council and the Trust to strengthen their partnership with the Trust with particular reference to the Trust's question *"How can we increase engagement and partnerships with our Capital Beneficiaries?"*
12. In particular, we would welcome the opportunity, in the next 12 months, to work with other Capital Beneficiaries and the Trust on refining the distribution mechanism and criteria for the Capital Beneficiary funding to better support strategic, planning and intergenerational outcomes.
13. We are supportive of the Trust's intention to engage with Capital Beneficiaries. The following key performance measure remains the same as last year: *"Capital Beneficiaries are engaged early in the annual planning process"*.
14. This year, we note the change in the timeframes for Capital Beneficiary consultation of this Annual Plan. We wonder if the past timeline could be reintroduced to allow an earlier engagement opportunity. We would welcome the opportunity to work with the Trust and other Capital Beneficiaries on a timeframe that is mutually beneficial.
15. We support overall the Action Priorities in the action area on working with Capital Beneficiaries and note the key performance measures outlined on page 11.
16. We query the removal of two key performance measures from the section on working with Capital Beneficiaries on page 11, that seem counter to the collaborative approach signalled in the Plan, namely:
  - *"Capital Beneficiary councils are supported in their application to Trust grants rounds"*.
  - *"Opportunities to invest to achieve shared goals are investigated"*.
17. As one of the Capital Beneficiaries, we look forward to seeing the Trust report back through the Annual Report on the key performance measures on page 11.

18. We commend the Trust for continuing to ask the following questions with a view to answering them in their following year's Annual Report:
  - *“How can we engage on long-term capital growth expectations for the core investment in WEL Networks Ltd in terms of intergenerational benefit?”*
  - *“How can we better contribute to Capital Beneficiary priority areas?”*
  - *“How can we ensure we are engaging in intergenerational ‘impactful’ investing/granting that aligns with Capital Beneficiary strategy?”*
  - *“How can we increase engagement and partnerships with our Capital Beneficiaries?”*
19. Hamilton City Council, and particularly the work of the Council Community Development Unit, allows Council to work across communities, creating and growing community connections. This work includes support for community-led projects as well as developing Council-led projects where appropriate. Through Council's existing mechanisms, we are uniquely placed to gauge needs and consult with the public on emerging and developed community aspirations. Council can be a resource for the Trust when determining how better to maximise community impact and outcomes.

## Community Grants and Electricity Discounts

20. We acknowledge the value of the discount programme to all electricity consumers as another avenue to support the community. Alongside that, we remain of the view that a shift in the ratio of discounts to community grants, with the portion allocated to grants increased to be of at least equal value, would enhance community outcomes.
21. The non-targeted nature of the discount programme means it cannot provide direct support to those people or communities who need it most, whereas community grants allow for a more strategic and needs-based assessment in the allocation of funding, leading to more equitable outcomes in line with the Trust's aims on page 4, and the Trust's intentions laid out on page 12.
22. We support the Trust's key performance measure as outlined on page 9, *“The dividend/discount policy is continually monitored to ensure it is fit for purpose and providing the expected returns”* and suggest this measure could provide an opportunity to explore a more targeted mechanism for the delivery of this scheme that allows for more equitable outcomes and ensures that the Trust continues to operate for the benefit of the community most in need.
23. We note the funding allocated for the Waikato Wellbeing Project. Council participated in the Waikato Wellbeing Project: Deliverables and Funding Review and commend the Trust on its prudency to ensure value for the community and the Waikato Wellbeing Project on its thoroughness. We note the review findings and the steps being taken to address those.

## Draft Community Investment Strategy 2025-2028

24. Hamilton City Council staff support the overall direction and intention of the Draft Community Investment Strategy 2025-2028.
25. We understand that in recent years the Trust has not offered multi-year grants. We commend the Trust on the reintroduction of this mechanism that provides certainty for our community organisations, enabling them to plan more strategically in the long term.
26. We note key changes from the Trust's current 2022-2025 Community Investment Strategy (Including the removal of the UN Sustainable Development Goals (SDGs) framework and the

removal of Social and Impact Investments). We requested clarity on these matters and acknowledge the rationale provided in response from the Trust. Our understanding based on this is as follows:

- The Trust had identified that most community organisations found the inclusion of the SDGs in applications confusing and had difficulty understanding the use and relevance of them. The Trust aims and pou outlined in the Draft Community Investment Strategy 2025-2028 are seen as the better framework for assessment by the Trust.
- The Trust has moved away from actual definitions for Social and Impact Investment found in the current Community Investment Strategy 2022-2025 in order to remain dynamic. Whare Ora, Vital Impact Grants, Convening and Organisational Grants and the introduction of Multi-Year Grants are considered Impact Investments.
- Community loans are no longer offered due to the small amount of lending done, when compared with the high compliance requirements of a Financial Services Provider.

27. We thank the Trust for providing further information on these key areas and acknowledge the new direction taken with regard to the above.

## Further Information and Hearing

28. Should the WEL Energy Trust require clarification of the submission from Hamilton City Council staff, or additional information, please contact **Ségalène de Fontenay** (City Investment Director) on **07 838 6528**, or email [Segolene.Defontenay@hcc.govt.nz](mailto:Segolene.Defontenay@hcc.govt.nz) in the first instance.
29. Hamilton City Council representatives **do wish to speak at** the WEL Energy Trust's hearing scheduled for 25 March 2025.
30. In addition, we welcome the opportunity to discuss the content of this submission in more detail with the WEL Energy Trust.

Yours faithfully



Lance Vervoort  
CHIEF EXECUTIVE

#### **FURTHER INFORMATION**

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