

Hamilton City Council Submission

WEL Energy Trust Draft Annual Plan 2026–2027

WEL Energy Trust

18 March 2026

Strategic Context for this Submission

Council has endorsed [The Mayor's Plan 2025 - 2028](#) to inform the projects and services it will deliver to ensure Hamilton has what it needs now and for the future – efficiently, responsibly, and sustainably. The seven guiding themes of The Mayor's Plan are:

- **Sensible, cost-effective infrastructure**
- **Grow with balance**
- **A central city to be proud of**
- **City places and services that work for people**
- **Open for business**
- **A transparent and efficient organisation**
- **Financial responsibility**

Council Approval and Reference

This submission was approved by Hamilton City Council at its meeting held on 12 March 2026.

Submission # 830

Key Messages/Recommendations

1. **Support for overall intent** – Hamilton City Council supports the overall direction and intent of the WEL Energy Trust Draft Annual Plan 2026–2027 and the Trust’s commitment to delivering community benefit through both grants and electricity discounts.
2. **Largest Capital Beneficiary – expectations of scale and partnership** – As the Trust’s largest Capital Beneficiary (Hamilton City Council’s shareholding being 63%), Council seeks the opportunity to discuss a level of engagement, planning alignment, and investment contribution that reflects this share and the intergenerational nature of Council-led citywide projects.
3. **Capital Beneficiaries Project Fund – strengthen as a collaborative mechanism** – We support the continuation of the **Capital Beneficiaries Project Fund (\$1.5m)** and encourage the Trust to further refine how the Fund operates (criteria, timing, and strategic multi-year grants), so it better enables priority long-term projects delivering intergenerational outcomes.
4. **Early and structured engagement** – We support the Trust’s intention to engage Capital Beneficiaries early, and recommend this becomes standard practice, particularly **engagement “before the Capital Beneficiaries Project Fund opens”** and aligned with Council planning and decision cycles.
5. **Early and structured engagement – Long Term Plan alignment**
Early and proactive engagement between WEL Energy Trust and Councils during Long Term Plan (LTP) preparation years is critical to enabling genuine long-term investment alignment. The months leading up to November represent the most influential period for shaping Council long-term budgets and priorities, after which opportunities for fundamental change are significantly constrained.
6. **Balance between discounts and grants** – While recognising the value of the discount programme, Council continues to advocate for a shift towards more **targeted** support through grant mechanisms, noting the Plan’s emphasis on “balancing” distribution and monitoring the dividend/discount policy for fitness of purpose.
7. **Acknowledgement of 2026–27 funding movements** – We note increases in some grant allocations (e.g., Community Support and Whare Ora), and the increase in total electricity discounts to \$18.74m (including GST) as set out in the Draft Annual Plan.
8. **Focus areas for shared outcomes (climate, energy hardship, wellbeing)** – We see continued alignment and partnership opportunities in climate action, energy efficiency initiatives, and reducing energy hardship, consistent with the Trust’s questions and action priorities.
9. **Transparency and reporting** – We encourage clear reporting on capital growth, performance, and how Capital Beneficiary engagement informs decisions, consistent with the Plan’s stated intention to report through the Annual Report and other channels.
10. Hamilton City Council recommend that the Trust:
 - A. Develop an all-year-round **engagement schedule** with Capital Beneficiaries, including engagement aligned with Council planning processes and **before the Capital Beneficiaries Project Fund opens**.
 - B. **Progress refinement of the Capital Beneficiaries Project Fund** as a collaborative (not contestable) mechanism – clarifying criteria and timing, and exploring options for multi-year or strategic investment pathways for significant intergenerational projects.

Introduction

11. Hamilton City Council welcomes the opportunity to make a submission to the **WEL Energy Trust Draft Annual Plan 2026–2027**.
12. We support the overall direction and intent of the Draft Annual Plan, including the Trust’s role as steward of community assets and its efforts to deliver community benefit now and for future generations.
13. We note that the Trust’s **Community Investment Strategy 2025–2028** is not under review this year, and therefore our comments focus on the **2026–2027 Annual Plan**.
14. We also acknowledge advice that the 2026–27 Draft Plan includes only minor textual changes alongside several funding adjustments (notably Community Support, Impact Grants, Whare Ora, and electricity discounts) and removal of Waikato Wellbeing Project references.

Working with Capital Beneficiaries – Scale, Partnership and Intergenerational Outcomes

15. Council recognises and appreciates the Trust’s commitment to working with Capital Beneficiaries and the Draft Plan’s stated objective that the Trust and Capital Beneficiary councils operate in a culture of mutual trust, respect and understanding – acknowledging the distribution shares (Hamilton City Council circa 63%, Waikato District Council 35%, and Waipa District Council 2%).
16. As the largest Capital Beneficiary, Council would welcome a discussion with the Trust on levels of engagement and investment contribution that are representative of Hamilton’s share and the scale of citywide projects Council delivers for residents, visitors, and the wider region.
17. We support the Plan’s ongoing focus on engaging on long-term capital growth expectations and intergenerational benefit and encourage the Trust to continue building clarity about how capital growth, income distribution, and community benefit are balanced across generations while addressing current community needs. We strongly advocate for the consideration of financial distribution **now** to enable current benefit for generational equity.
18. We encourage the Trust to maintain strong reporting on these matters (including disclosure of capital growth and the annual review of investments) and ensure Capital Beneficiary input is visibly reflected through reporting and decision-making processes.

Capital Beneficiaries Project Fund – Strengthen as a Collaborative Mechanism

19. Council supports the continuation of the **Capital Beneficiaries Project Fund (\$1.5m)** and the shared understanding that the Fund is intended as a collaborative mechanism rather than a traditional contestable process.
20. We welcome the Trust’s previous commitment to better align the Fund’s timing with Council planning (including opening in August/September to support alignment).
21. Over the coming year, we recommend the Trust work with Capital Beneficiaries to further refine the Fund’s settings to better support strategic and intergenerational outcomes, including:
 - Greater consideration of citywide/sub-regional impact and intergenerational benefit;
 - A predictable annual engagement and decision timetable; and

- Exploration of multi-year or staged investment pathways for significant projects where this would deliver better outcomes than one-off rounds, including consideration of regional projects that would benefit all capital beneficiary catchments.

Early Engagement and Planning Alignment

22. Council supports the Plan’s intention that **Capital Beneficiaries are consulted early** in the annual planning process and that Trustees and staff engage with Capital Beneficiary planning processes where appropriate.
23. We note the additional wording in the Draft Plan to engage with Capital Beneficiaries “**at least one month before the submission closing date, before the Capital Beneficiaries Project Fund opens**” and strongly support embedding this as standard practice.
24. An all-year-round engagement schedule would support better alignment with Council governance and budget cycles and help ensure that shared priorities can be identified early and progressed in a coordinated way.
25. **Importance of early engagement during Long Term Plan preparation**
26. Council strongly emphasises the importance of early and proactive engagement between WEL Energy Trust and councils during Long Term Plan (LTP) preparation years, as part of Councils’ three-yearly LTP review processes.
27. The eight months prior to November represent the most critical period in a council’s investment planning and prioritisation cycle, when long-term capital programmes, funding assumptions, and strategic trade-offs are actively developed and tested. This period provides the most meaningful opportunity for alignment between council long-term investment planning and WEL Energy Trust priorities, in contrast to Annual Plan processes, which are necessarily more constrained and short-term in nature.
28. Once draft LTP budgets are substantially developed (typically after November), it becomes significantly more difficult to make fundamental changes to investment assumptions or programme direction. Early engagement in LTP years, therefore, enables genuine joint planning over the long term, rather than retrofitting alignment within a 12-month planning horizon.
29. Council encourages the Trust to explicitly recognise LTP preparation years as a priority engagement period with Capital Beneficiaries, and to structure engagement accordingly.

Community Grants and Electricity Discounts – Equity and Effectiveness

30. Council acknowledges the value of the electricity discount programme as a mechanism that returns benefit broadly across the Trust’s region, and we note the Draft Plan’s key performance measures relating to reviewing the discount programme against inflation, line price increases, and customer connection growth.
31. At the same time, Council continues to advocate for a shift over time towards **more targeted community benefit** through grants and other mechanisms that can be assessed on need and impact, noting our prior submissions’ concern that non-targeted discounts are less able to reach households and communities most in need.
32. We note that the Draft Annual Plan frames this as “**balancing**” the level of grant distribution, and we support ongoing work to get the balance right, particularly where this can improve equity outcomes and deliver measurable impact.

Noting Key 2026-27 Funding Movements

- 33.** Council acknowledges the funding adjustments outlined for 2026–27, including (as stated in the Draft Plan and accompanying change summary):
- Quick Response Grants (\$2.0m) and Community Support Grants (\$4.5m) within core granting;
 - Impact Grants (\$1.1m);
 - Whare Ora Programme (\$1.2m);
 - Total distributions through grants (\$10.5m); and
 - Total electricity discounts increased to \$18.74m (inc GST).
- 34.** We also note the removal of references to the Waikato Wellbeing Project in this year’s Draft Annual Plan material.

Climate, Energy Hardship and Community Wellbeing – Opportunities to Partner

- 35.** Council continues to see strong alignment with the Trust’s questions and action priorities related to reducing energy hardship, supporting energy efficiency, and enabling decarbonisation initiatives and programmes, positioning WEL Energy as a key national provider.
- 36.** We encourage the Trust to continue developing partnership approaches in these areas, including leveraging the Trust’s funding tools and convening role to support collaborative initiatives that deliver measurable outcomes for households and communities across the region.

Transparency and Reporting

- 37.** Council supports transparent reporting on the Trust’s progress against stated measures, particularly those relating to Capital Beneficiary engagement, capital growth disclosures, and investment performance review.
- 38.** We also reiterate the value of the Trust providing clear summaries of key changes between Annual Plans (and the rationale) to support efficient and focused engagement, particularly when changes are mostly incremental.

Further Information and Opportunity to Discuss our Submission

39. Should the WEL Energy Trust require clarification of the submission from Hamilton City Council, or additional information, please contact **Ségolène de Fontenay** (City Investment Director) on **07 838 6528**, or email Segolene.Defontenay@hcc.govt.nz in the first instance.
40. As already noted to the Trust, Hamilton City Council representatives **do wish to speak** at the WEL Energy Trust's hearing scheduled for 24 March 2026.
41. In addition, we welcome further opportunities 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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