

HAMILTON CITY COUNCIL – STAFF SUBMISSION

WEL Energy Trust 2024 – 2025 Draft Annual Plan

WEL Energy Trust



20 March 2024



**Hamilton
City Council**
Te kaunihera o Kirikiriroa

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 to 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 20 March 2024.

Submission # 758.

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 Submission Points

1. As one of the three capital beneficiaries of the WEL Energy Trust, staff from Hamilton City Council welcome the opportunity to make a submission to the **WEL Energy Trust 2024 – 2025 Draft Annual Plan**.
2. We commend the Trust on the establishment of the Distribution Fund and acknowledge that this - alongside the Impact Fund - provides a significant opportunity for Capital Beneficiaries to deliver, with the Trust, major projects in the years ahead.
3. We acknowledge the Trust's expectation that it will work more closely with the Capital Beneficiaries, and we look forward to that opportunity to explore areas of development, including:
 - How Capital Beneficiaries are funded and to what levels in the current environment.
 - How best to optimise investment through increased and proactive collaboration with Capital Beneficiaries.
 - The opportunity to collaborate to support Hamilton City Council's Climate Change Strategy – **Our Climate Future: Te Pae Tawhiti o Kirikiriroa** ([refer here](#)) and the Climate Change Partnership Programme.

Introduction

4. Hamilton City Council staff welcome the opportunity to make a submission to the **WEL Energy Trust 2024 – 2025 Draft Annual Plan**.
5. We note two key additions from the Trust’s current 2023 – 2024 Annual Plan. A new Distribution Fund and intention to increase engagement and partnerships with Capital Beneficiaries, which we welcome.
6. We support the overall direction and intent of this 2024 – 2025 Draft Annual Plan.
7. As the largest (63% share) capital beneficiary of the WEL Energy Trust, Hamilton City Council staff:
 - Intend to discuss and highlight an appropriate level and mechanism of collaborative funding for Council-led projects are in the current environment.
 - Strongly encourages the Trust to embrace engagement and partnership opportunities available, and work closely with Council on how strategic city-wide projects are funded, how Council may be an asset for the Trust, and how we can deliver on a shared climate vision for the city.
 - Advocate for increased community grants funding for community groups.

Collaborative Funding for Priority Programmes

8. We acknowledge the time taken by WEL Energy Trust representatives to meet with Elected Members and staff in November 2023. We consider this to be the first of many meetings that will take place over the coming year to establish and agree on how the priorities of our community are funded through taking a more strategic and collaborative approach.
9. Council is now navigating one of our most challenging Long Term Plans, and for that reason there have been significant proposed reductions in funding for community infrastructure. Several key community programmes that are important for our community and would deliver wide-reaching and intergenerational benefits for our community, are impacted. These include but not limited to; parks, recreation, and visitor destination provision and these all significantly contribute to social, economic, environmental, and cultural wellbeing outcomes which enable Hamilton to be a great place to live, work and thrive.
10. In the current environment, with our city being the fastest growing in the country, and the needs of its residents growing as well, we are unable to fully meet critical outcomes as stated above alone. This has implications for how our city can support its existing residents, as well as future residents.
11. Noting that in the past five years, Council has received \$790,000 from WEL Energy Trust. Although grateful for the Trusts support, this investment is not proportional to the significance and high priority nature of the projects it has supported. At present, to continue to deliver benefits for our communities now and in the future, a higher level of investment - that is more proportionate to being the largest Capital Beneficiary of WEL Energy Trust and that better reflects the significance of the projects delivered for our local and visiting community - is required.
12. We acknowledge the addition of a new Distribution Fund, and that the outcomes are yet to be determined. We would like clarification as to whether this fund can support and enable these priority projects that our community need, to go ahead.

Engagement and Partnership Opportunities for Capital Beneficiaries

13. We see an opportunity for Council and the Trust to develop a more collaborative relationship, acknowledging the Trust’s following intentions that remain unchanged:
 - *To maximise long-term impact by being strategic.*

- *To leverage grants through partnerships and collaboration, expanding support beyond grantmaking.*
14. We also acknowledge the addition to the Annual Plan of a new intention to increase engagement and partnerships with Capital Beneficiaries.
 15. We consider there to be three key areas for the Trust to increase engagement and partnerships with Council, as a Capital Beneficiary:
 - Exploring the way Council is funded - Noting that we currently apply for funding through the contestable application process each year, as we previously signaled, there is an opportunity to explore with the Trust what might be the best mechanism to access funding for Capital Beneficiaries. This would involve finding a more sustainable and strategic means of funding, like significant upfront funding to city-wide priorities that deliver long-term outcomes for the community.
 - Utilising Council as an asset for the Trust - Hamilton City Council, and particularly the work of the Council Community and Social 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 need 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.
 - Hamilton City Council's Climate Change Strategy – **Our Climate Future: Te Pae Tawhiti o Kirikiriroa**.
 1. We consider there to be close alignment and opportunity to collaborate with the WEL Energy Trust to support implementation of Hamilton City Council's Climate Change Strategy – **Our Climate Future: Te Pae Tawhiti o Kirikiriroa** – [refer here](#)
 2. Hamilton City Council has formed a Climate Change Partnerships programme to enable partnership with businesses and community organisations; empower and support businesses and our community to be a part of Hamilton's climate change response; and to support our businesses and community organisations to reduce their emissions. We welcome the Trust becoming a strategic partner in the Climate Change Partnerships programme.
 3. We encourage the "Healthy Environment He Taiao Hauora" aim to consider emissions reduction and climate change adaptation, alongside the existing priorities of waste minimisation, environmental education and locally led initiatives. This would provide more direction and greater commitment to towards low-carbon transition and preparing for the changing climate, which is currently missing from the aims.

Community Grants

16. Hamilton City Council staff also acknowledge the value of the discount programme to all electricity consumers as another avenue to support the community. We previously indicated that we would like to see a shift in the ratio of discounts to community grants, with the portion allocated to grants increased to be of at least equal value and welcome the addition of the new \$3m Distribution Fund.
17. As previously indicated, Councils, and by extension their ratepayers and communities across the country, are facing challenging times ahead. Hamilton City Council's capacity to support community organisations who are working with our most vulnerable and at-risk communities will be impacted. Capital projects with potential to create meaningful change will also be affected.
18. Now more than ever, communities need intentional and targeted support to improve social, economic, environmental, and cultural wellbeing outcomes. We know that a blanket or one-size-fits-all approach to tackling these wellbeing outcomes exacerbates existing inequalities, widening the gap between our most well-off and least well-off further.

19. We continue to question whether the non-targeted nature of the discount programme delivers proportionate support to vulnerable people and communities, where it is most needed. 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.
20. We continue to strongly advocate for an increase in funding for community grants to ensure that the Trust continues to operate for the benefit of the community most in need.

Further Information and Hearing

21. Should the WEL Energy Trust require clarification of the submission from Hamilton City Council staff, or additional information, please contact **Lisa Topcsov** (Acting City Investment Director - Partnerships, Communication and Maaori Group) on **07 929 2715** or email lisa.topcsov@hcc.govt.nz in the first instance.
22. Hamilton City Council staff welcome the opportunity to discuss the content of this submission in more detail with the WEL Energy Trust.
23. Hamilton City Council representatives **do wish to speak at** the hearing scheduled for 25 March 2024.

Yours faithfully



Lance Vervoort
CHIEF EXECUTIVE

Hamilton City Council
Garden Place, Private Bag 3010, Hamilton

 /HamiltonCityCouncil

 @hamiltoncitycouncil

 07 838 6699

hamilton.govt.nz