



# Draft Annual Plan



2026 - 2027



# Welcome | Nau mai, haere mai

## Tiro atu ki te pae, mauria atu tō korowai Look forward into the horizon and prepare

WEL Energy Trust (the Trust) is pleased to present this Annual Plan and budget, outlining our intentions, expected outcomes and measures for the 12 months from 1 April 2026 to 31 March 2027.

The Trust is the 100% shareholder of WEL Networks Ltd (the Company that owns and operates the electricity distribution network within our region). The Trust holds/owns the shares in WEL Networks Ltd on behalf of the community. The Trust Deed allows for up to seven Trustees who are elected every three years. Seven Trustees were appointed in the election in June 2023, with elections to again be held in June 2026.

The Trust strives to be an active and responsible asset owner, adopting investment strategies to sustain and grow assets for our community today and for future generations.

The 2025-2028 Community Investment Strategy includes the Trust's community granting programme, as well as the electricity discount programme. These contributions are some of the ways the Trust adds value to our Community.

Thank you for continuing to support our collective endeavours, and for your willingness to engage in the development of our strategies and plans.



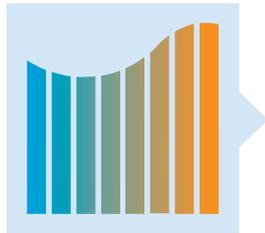
# Annual Plan | Key Areas

This Annual Plan highlights the key areas to be addressed and proposed actions for:



Strategic Intent

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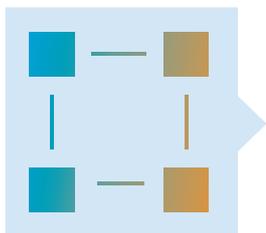
Investments & Finance

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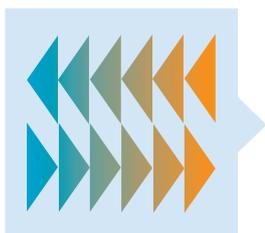
Working with WEL Networks  
to benefit electricity consumers  
and the wider community

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Working with our  
Capital Beneficiaries

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Effective  
Community Investment

# About the Trust



## Our Core Purpose

To ensure that WEL Networks Ltd operates as a successful business for the benefit of the community.



## Our Vision

EmPowering Waikato - thriving, connected and equitable.



## Our Stakeholders

The persons and communities of the WEL Networks Ltd region.

## Trust Structure

WEL Energy Trust Trustees  
(supported by the Operational Team)

Chief Executive Officer

Finance Administrator

Grants  
Manager

Grants  
Advisor

Trust Administrator

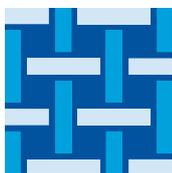
Grants Administrator

# Our Values | Ngaa Uara



## TE TIRITI O WAITANGI

We aim to continue to strengthen the relationship and trust between iwi, hapuu, whaanau and our organisation.



## CONNECTED

We are actively working within the community and are connected to the people and partners to deliver positive outcomes, together.



## PURPOSE DRIVEN

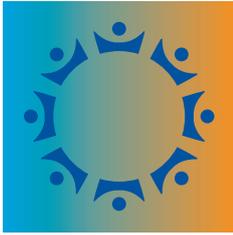
Our actions seek to deliver clear and positive outcomes.



## INTEGRITY

We act in good faith and are prepared to be accountable.

# Our Aims | Ngāa Whāinga

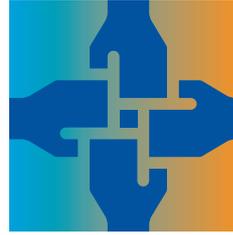
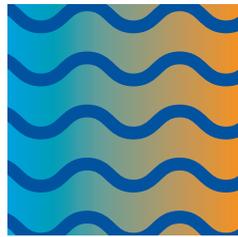


## Thriving Community Hapori Taurikura

Opportunities are supported that bring people together to participate in health and wellbeing, sports and recreation, arts and culture, and to celebrate the diversity of our community.

## Healthy Environment He Taiao Hauora

Our taiao is healthy through prioritising waste minimisation, environmental education and locally-led initiatives.

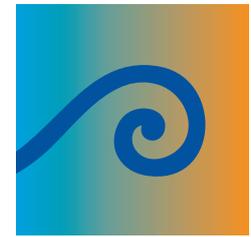


## Equitable Outcomes Ngāa Hua Matatika

Equitable outcomes are enabled with a focus on tamariki, rangatahi, housing, and education.

## Māori Aspirations Ngāa Wāwata o te Māori

Local Māori culture and knowledge is understood, respected and valued as part of our kaupapa.





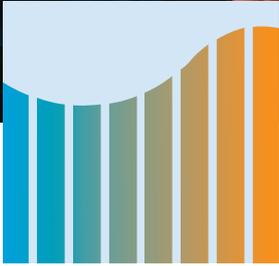
# Strategic Intent

The Trust will be guided by its 2025-2028 Community Investment Strategy.

The Trust will aim to:

- Provide a balanced benefit for the Trust's income and Capital Beneficiaries
- Ensure income streams are sufficient to meet strategic intent
- Support Community Investment Strategy focus areas and work with other funders to deliver the greatest benefit to our community



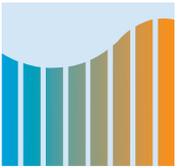


# Investments & Finance

To maximise long term financial returns the Trust will reflect on the following questions:

1. What are the Trust's return needs, and what can realistically be expected from each investment?
2. What is the best mechanism to achieve the above?
3. How can we apply best practice to the implementation of blended finance, including Impact Investment?
4. How can we utilise/maximise our Balance Sheet for the future?





# Investments & Finance

## Action Priorities

**OBJECTIVE:** A portfolio of investments that is aligned with the Trust's purpose and strategic intent, and that is performing well against specified targets, including both financial and socially-oriented goals.

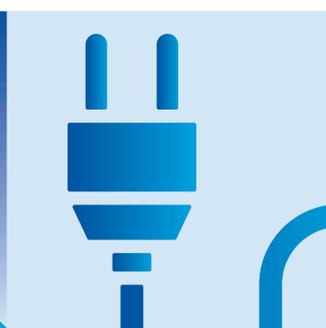
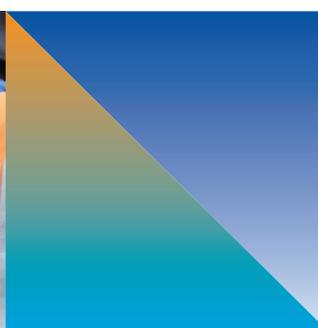
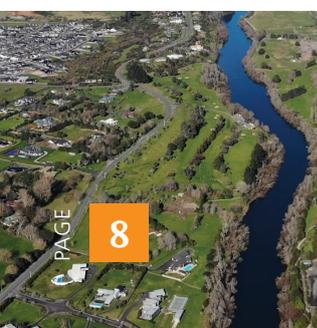
Key Actions	Resources	Key Performance Measures
Identify the best mechanism(s) to ensure WEL Networks Ltd meets the Trust's strategic intent	Independent Financial Advisors/Staff/ WEL Networks Ltd	<ul style="list-style-type: none"><li>• Return on regulated business within the Commerce Commission's expectations, before discounts, and unregulated business of 8-10%</li></ul>
Ensure growth, income and performance expectations are clear and being met	Independent Financial Advisors/Staff/Trustees/ WEL Networks Ltd	<ul style="list-style-type: none"><li>• Investments (including concessionary and non-concessionary investments) are evaluated on a risk/return/impact basis and are made in line with the Trust Statement of Investment Policies and Objectives (SIPO)</li></ul>
Identify investment opportunities where we can work with others to impact on regional priority areas, returning a balance of measured social and financial dividends to the Trust	Investment (as appropriate opportunities are identified/advice is received/due diligence is undertaken)	<ul style="list-style-type: none"><li>• Fiduciary responsible measurement tools are used for all investments</li></ul>



# Working with WEL Networks Ltd

To benefit electricity consumers and the wider community, the Trust will ask the following questions:

- While ensuring WEL Networks Ltd is a successful business, what is the best way to help reduce energy hardship in the region?
- How can we support energy efficiency initiatives?
- How can we support de-carbonisation initiatives and programmes
- What are the Trust's expectations in relation to:
  - Intergenerational benefit?
  - Returns to the Trust?



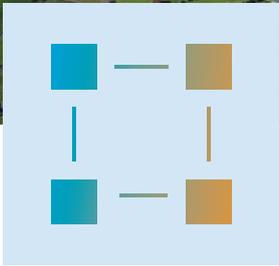
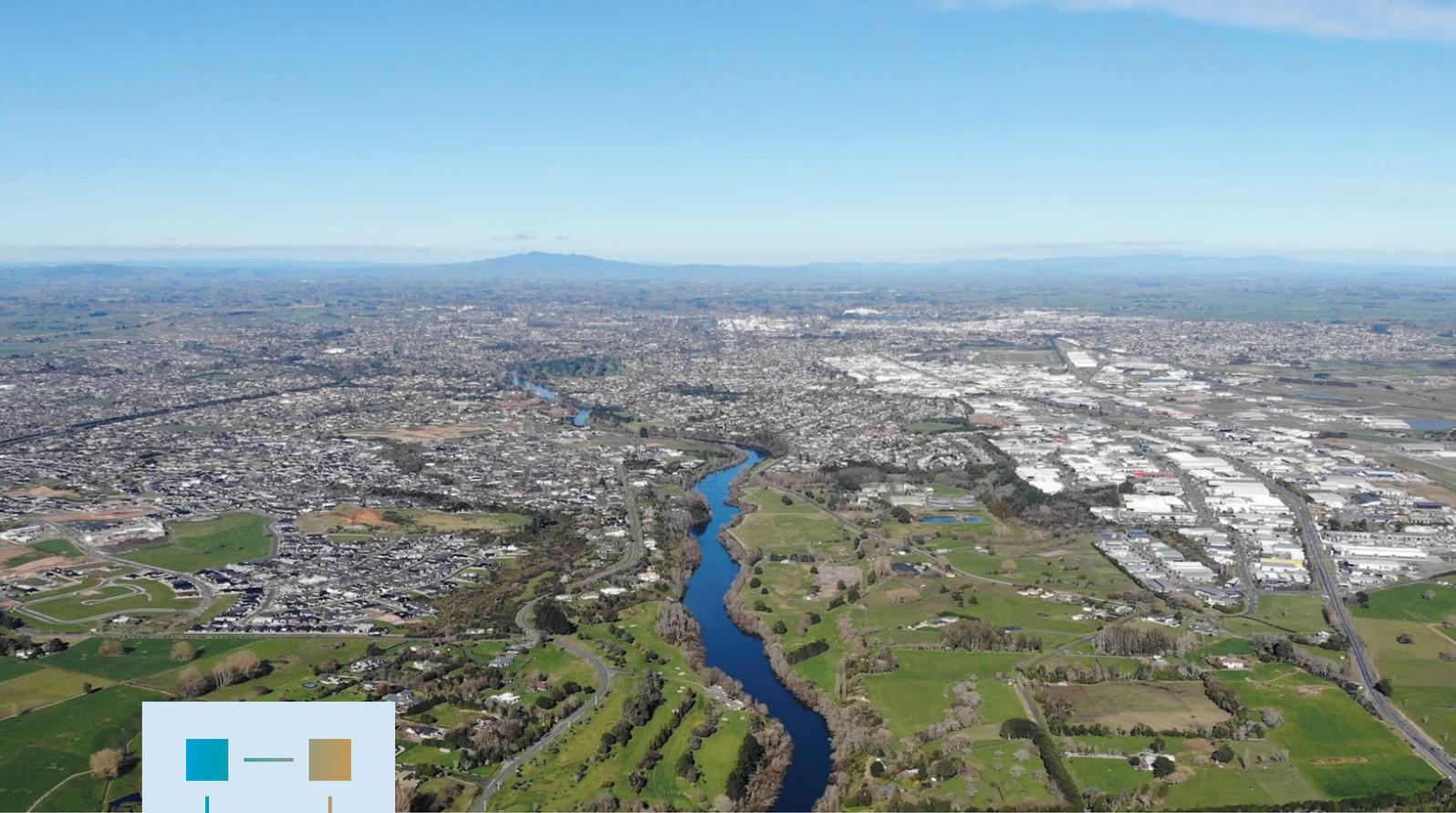


# Working with WEL Networks Ltd

## Action Priorities

**OBJECTIVE:** WEL Networks Ltd operates as a reliable, safe, economic and efficient Electricity Distribution Business (EDB) and delivers competitive returns to the Trust, thereby adding value to consumers and the wider community

Key Actions	Resources	Key Performance Measures
<p>Ensure WEL Networks Ltd is a successful business, delivering reliable, affordable, sustainable energy, and monitor this with relevant reporting</p>	<p>Staff/Trustees/WEL Networks Ltd</p>	<ul style="list-style-type: none"> <li>• Electricity prices (taking account of any discount) in the region are monitored</li> <li>• Company initiatives to deliver affordable sustainable energy are monitored and supported</li> </ul>
<p>Reduce energy hardship and improve energy efficiency initiatives, while supporting a return of value to all electricity consumers through the discount programme</p>	<p>Discount programme/Whare Ora (formerly Affordable Energy For All) programme/ Whare Ora Navigators/Staff/ Vital Impact Collaborative Energy Fund</p>	<ul style="list-style-type: none"> <li>• Whare Ora programme implemented, outputs and outcomes measured and reported</li> <li>• The discount programme grows in-line with the increase in customer connections</li> <li>• Discount programme reviewed against inflation and line price increases</li> </ul>
<p>Ensure expectations are established and agreed in relation to:</p> <ul style="list-style-type: none"> <li>• Intergenerational benefit</li> <li>• Returns to the Trust</li> </ul>	<p>Staff/Trustees/WEL Networks Ltd/Independent Advisors</p>	<ul style="list-style-type: none"> <li>• The dividend/discount policy is continually monitored to ensure it is fit for purpose and providing the expected returns</li> </ul>

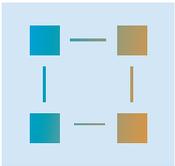


# Working with our Capital Beneficiaries

The Trust will continue to ask the following questions:

- 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?



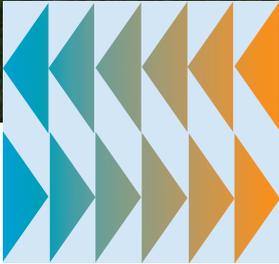


# Working with our Capital Beneficiaries

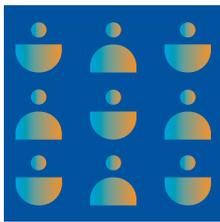
## Action Priorities

**OBJECTIVE:** WEL Energy Trust and its respective Capital Beneficiary Councils (HCC 63%, Waikato DC 35%, and Waipa DC 2%) operate in a culture of mutual trust, respect and understanding

Key Actions	Resources	Key Performance Measures
<p>Conduct reviews of investment, capital growth and other performance measures and report on these through the Annual Report and/or other appropriate avenues</p>	<p>Advisors/Finance Audit and Risk Committee</p>	<ul style="list-style-type: none"> <li>Trust's Annual Report discloses the Trust's capital growth</li> <li>Annual Review of the Trust's investment in the Company</li> <li>Analysis of the balance between Capital and Income Beneficiaries</li> <li>Other, as required</li> </ul>
<p>Consult on the development of the Trust's draft Annual Plan and budget and engage on Community Support grants rounds</p>	<p>Staff/Grants/Impact Investments</p>	<ul style="list-style-type: none"> <li>Capital Beneficiaries are consulted early in the annual planning process</li> </ul>
<p>Engage with Capital Beneficiaries, at least annually and before the Capital Beneficiaries Project Fund opens, to understand their strategic intentions</p>	<p>Staff/Trustees</p>	<ul style="list-style-type: none"> <li>Trustees and staff engage with Capital Beneficiary planning processes where appropriate</li> </ul>



# Effective Community Investment



## COMMUNITY GRANTS

What's the balance required?



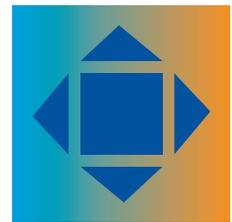
## MAAORI STRATEGY

How can we improve partnership and engagement?



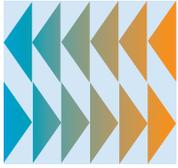
## SYSTEMS CHANGE

How can we support this, and the network of collaboration?



## GRANTS DISTRIBUTION

Balancing the level of grant distribution, leveraging off increased returns from the Company's unregulated business activities.



# Effective Community Investment Action Priorities

**OBJECTIVE:** Community Investment processes ensure the most effective use of resources and maximise the benefit to the community with a good balance between short and long-term outcomes.

Key Actions	Resources	Key Performance Measures
Maintain core granting activities in Quick Response & Community Support grants	<b>\$6.5M</b> \$2.0M for Quick Response \$4.5M for Community Support (increase in fund allocation)	<ul style="list-style-type: none"> <li>• 5 Quick Response rounds are held (\$2.0M)</li> <li>• 3 Community Support Rounds are held (\$4.5M)</li> <li>• Vital Impact Collaborative Energy grants (\$1.1M)</li> </ul>
WEL Networks Ltd/Trust Vital Impact Collaborative Energy Grants	<b>\$1.1M</b> for Impact Grants	
Provide Convening and Organisational Development support	<b>\$0.20M</b> Convening & Organisational Development Grants	<ul style="list-style-type: none"> <li>• Research and engagement across sector, including initiatives that provide important system change</li> </ul>
Further develop the Whare Ora Programme and monitor results	<b>\$1.2M</b> Whare Ora Programme (increase in fund allocation)	<ul style="list-style-type: none"> <li>• Whare Ora partnerships supported and outcomes monitored</li> </ul>
Capital Beneficiaries Project Fund	<b>\$1.5M</b> Distribution Fund	<ul style="list-style-type: none"> <li>• Fund outcomes for aligned valued Capital Beneficiaries Projects</li> </ul>
<b>Total distributions through grants for 2026-27</b>		<b>\$10.5M</b>
Total electricity discounts for 2026-27	Increased to <b>\$18.74M (Inc GST)</b>	<ul style="list-style-type: none"> <li>• The cost of electricity distribution is reduced by a discount</li> <li>• The discount for the Financial Year ending 31 March 2027 will be returned to consumers April/May 2027</li> </ul>

# Summary

	Previous Budget	Budget
Details	2025/26	2026/27
<b>Income</b>		
Interest earned	\$237,000	\$117,500
Investment Portfolio Return	\$2,821,000	\$2,427,000
Impact Investment Funds	\$234,000	\$234,000
Dividend Received	\$9,500,000	\$10,000,000
Other Income	\$0	\$0
<b>Total Income</b>	<b>\$12,792,000</b>	<b>\$12,778,500</b>
<b>Expenditure</b>		
Staff Costs	\$540,000	\$572,000
Management & Administration	\$269,500	\$266,500
Governance /representation	\$387,000	\$417,500
Election	\$65,000	\$357,000
Communications	\$152,000	\$113,000
WEL Networks shareholding	\$187,000	\$252,000
Distribution related costs	\$32,000	\$28,000
Special Projects	\$40,000	\$40,000
Depreciation	\$31,000	\$12,000
Loss/(Gain) on loan revaluation, interest & credit loss adjustments	-\$26,442	-\$70,799
<b>Total Expenditure</b>	<b>\$1,677,058</b>	<b>\$1,987,201</b>
<b>Net surplus / (deficit) before distributions</b>	<b>\$11,114,942</b>	<b>\$10,791,299</b>
<b>Distributions</b>	<b>\$10,500,000</b>	<b>\$10,500,000</b>
<b>Tax Expense</b>	<b>\$0</b>	<b>\$5,000</b>
<b>Total net surplus / (deficit) after tax</b>	<b>\$614,942</b>	<b>\$291,299</b>
<b>Capital expenditure</b>	<b>\$20,000</b>	<b>\$15,000</b>

# Balance Sheet

	Previous Budget	Budget
Details	2025/2026	2026/27
<b>Income Fund</b>		
Retained Earnings	\$108,139,333	\$118,484,143
<b>Total Income Fund</b>	<b>\$108,139,333</b>	<b>\$118,484,143</b>
<b>Capital Fund</b>		
Vested Capital	\$52,066,788	\$52,066,788
<b>Total Capital Fund</b>	<b>\$52,066,788</b>	<b>\$52,066,788</b>
<b>Total Trust Funds</b>	<b>\$160,206,121</b>	<b>\$170,550,931</b>
<b>Represented by</b>		
Current Assets	\$1,099,317	-\$1,995,937
Investment Portfolio	\$65,492,621	\$78,264,295
Fixed Assets & Intangibles	\$45,758	\$45,758
Long-Term Loan Momentum Foundation	\$378,017	\$432,752
Community Loans	\$249,840	\$249,840
Community Finance Bond	\$2,376,674	\$2,456,305
Impact Investment Funds - Committed	\$4,866,896	\$5,400,920
Impact Investment Funds - Uncalled	\$0	\$0
WEL Networks Convertible Notes Balance	\$0	\$0
Shares in WEL Networks	\$85,796,998	\$85,796,998
Accounts Payable & Accruals	-\$100,000	-\$100,000
Conditional/Committed Grants	\$0	\$0
<b>Total</b>	<b>\$160,206,121</b>	<b>\$170,550,931</b>



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