



# Annual Report

May 2016



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# 1. At a Glance

**Vision** We will facilitate a positive, healthy, secure and resilient future for Blueskin Bay and linked communities and promote sustainable resource use

**Status** Incorporated as a Charitable Trust on 1 October 2008. GST registered. IRD listed 'Donee Organisation'  
Owner of 'Blueskin Energy Ltd', a charitable company

**People** Jeanette Fitzsimons (Patron), Craig Marshall (Chair), Charles Abraham (Treasurer), Nicola Mutch (Secretary) Anna Marsich (Trustee), Jacinta Ruru (Trustee), Ross Johnston (Trustee), Dylan Robertson (Trustee); Scott Willis (Manager); Katharina Achterberg (Projects Co-ordinator), John Kaiser (Volunteer Admin), Alex King, Peter McDonald, Michael Gaffney, Beverley Ohline (HPA Contractors); Neville Auton, Tom Clark (Associates); Erika Szymanski (Volunteer), Jenna Packer (Volunteer), Antony Deaker (Volunteer), Jen Rodgers (Volunteer), Gerry Thompson (Volunteer), Hilary Rowley (Cuppa Tea Editor), Sue Hensley (Cuppa Tea Secretary)

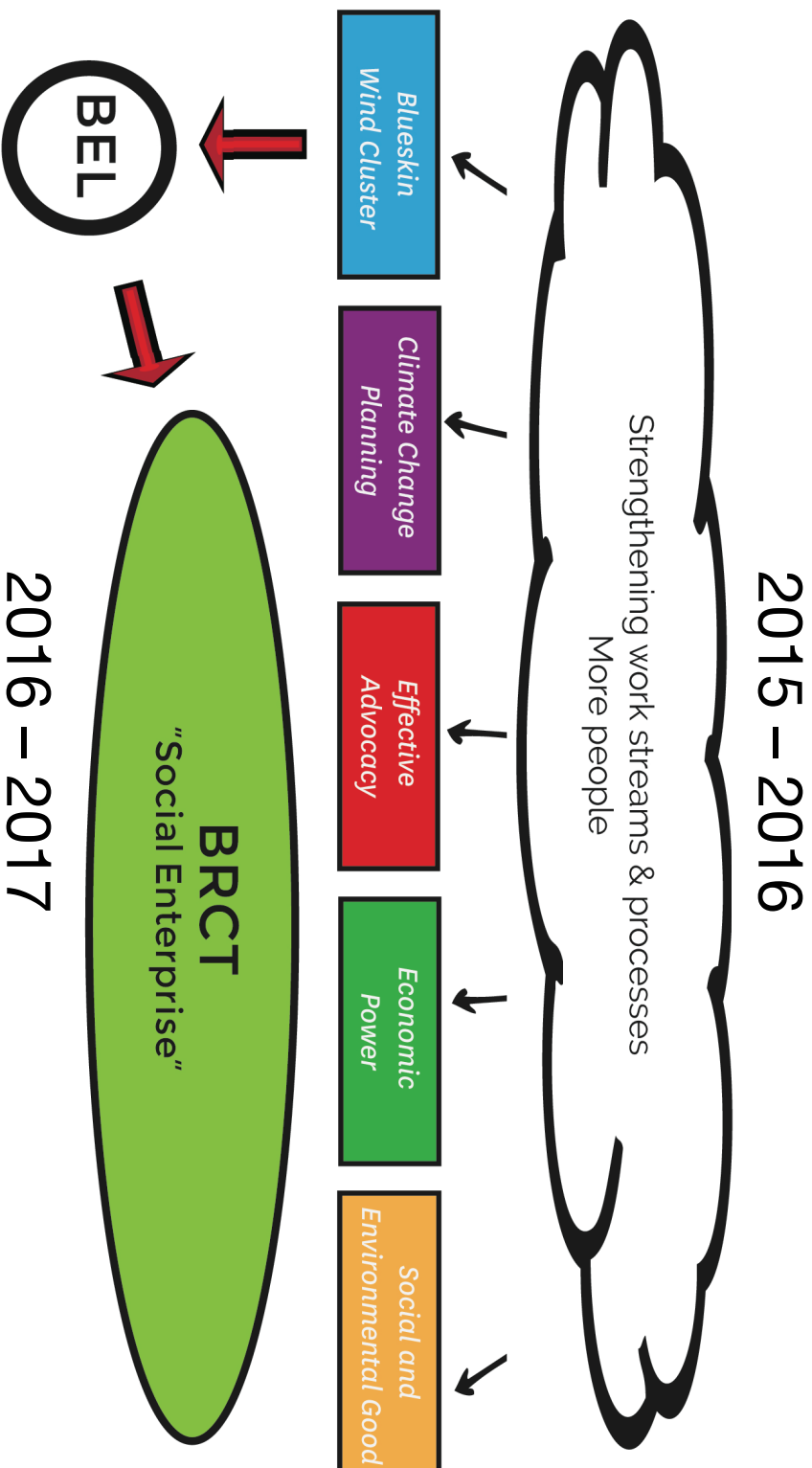
**Location** The BRCCT office is located on Waitati School grounds, 1121 Mt Cargill Rd, RD2 Waitati, Blueskin Bay. Blueskin Bay is on Otago's East Coast, and encompasses the settlements of Purakaunui, Osborne, Long Beach, Waitati, Evansdale, Warrington, Seaciff and often including Karitane. Blueskin Bay is 20km north of Dunedin and is the southern half of Puketeraki Runaka's rohe.

- Action Areas** The Blueskin Wind Farm Development
- 2015-2016 Climate Change Action
- Effective Advocacy
  - Economic Power
  - Social and Environmental Good

**Website** [www.brct.org.nz](http://www.brct.org.nz)

# BRC T

BRC T's five objectives in 2015-16 continued on from those of the previous year, as we consolidated operations, continued to make improvements in systems and processes and maintained resourcing. By the end of the year however, a tighter focus had developed around Projects, Services and Expertise/Advocacy.



## 2. Message from our Patron



*I've been very excited to hear about the new Climate Safe House project. Nothing is closer to people's lives and wellbeing than their house and unhealthy unaffordable housing has become one of the big issues in NZ. So nothing will bring home the reality of climate change better than understanding one's home is threatened. This is no longer a theoretical situation with so many people having been affected by the floods already and by the debate about the hazard zones. People must be feeling powerless and angry at the risks they face and so will be receptive to suggestions there is a different way out of the problem if we work together.*

*This project involves so much – education in the community and schools; research involving students; community debate and decision making; and modeling change with a healthy, energy efficient relocatable house. It could become the template for community response to climate change and local resilience.*

*We cannot rely on governments or large corporations to help us respond to the threats of climate change. They've had almost 20 years since the Kyoto conference and more since we signed the Rio declaration and have done nothing. Nor is there any sign they will. Communities have to take things into their own hands and build local, smaller scale responses.*

*But all communities have differences and divisions, and they are painful to work through. As we wait for the resource consent decision on the wind energy project, I've been reflecting on what a catalyst this has been for drawing out those community disagreements into the open and a forum at the hearing where there can be real debate and real evidence. I have good friends on both "sides" of this debate.*

*I hope this experience will ultimately prove to be a strengthening process for Blueskin Bay where new ways of listening to each other, increasing transparency and resolving disputes are generated. If not, the chances of building a really resilient community are seriously reduced.*

*I continue to admire all you are doing. Go well in the new year.*

*Jeanette Fitzsimons*

## 3. Chair's Report

Each year we reflect on the Trust's activities and note that things take time. The pace this year has quickened markedly and much has been done.

The Trust's major focus has been on the Wind Farm. We now have a signed lease and are almost at the end of a Resource Consent hearing. This has absorbed a great deal of time and energy both from the Trust, from Scott Willis and from an array of experts who have been enormously generous with their time and resources. Putting together a Resource Consent with limited resources is difficult and intriguing. We have learned a great deal about writing reports and the addressing of key points. This has improved our understanding of what is needed to construct the wind farm.

It has been intriguing to hear the views of those opposed to the wind farm. My favourite was the claim the Trust acted as "a 'cultish' special-interest group". A number of people have suggested that the Resource Consent process is an unnecessary distraction from what we are trying to do. I disagree. I think it unlikely that any proposal would (or should) be accepted without opposition and that discussion and debate is a natural part of human decision-making. The Resource Consent process is valuable on at least two counts. It requires proponents of a new activity do their homework and make sure they have a clear understanding of what they plan to do. It also provides an opportunity for opponents to air their concerns. The process has considerable room for response and reply and that can help resolve problematic matters.

Our final response is due shortly and the consent decision should be made in the within the next couple of months. If all goes well, we will then be able to raise capital to build the wind farm and the process will be truly under way. A great deal needs to be done to complete the project, but once we have a resource consent, the most difficult 'bootstrap' part of the process will be complete.

Although the Wind Farm has attracted a lot of attention, there are a number of other projects that integral to the Trust's goals. The Climate Safe House is well-advanced and we are part of a consortium currently seeking funding for this project. The House is a low-cost and relocatable response to the problem of sea level rise. Although land subject to inundation cannot be moved, relocatable houses can, and developing a prototype house for use in places that may become uninhabitable is one way we can start planning for increasingly wet feet in the future.

The Trust is also involved in advocacy. In particular, we have submitted to DCC and ORC plans with a particular focus on sustainability and resilience generally and for the Blueskin Bay area particularly. Although much of this work is not very visible at the time, the outcome can be very significant as good policy is an excellent start for good practice.

The Trust's other activities include services such as the provision of low cost bulk firewood, the sale on commission of quality insulation, provision of Home Performance Assessments, and free energy advice.

All of this activity takes a great deal of time and effort. In particular, I thank Scott Willis for his tireless and enthusiastic work for all the Trust's activities. This has been particularly important in developing our Resource Consent application and Scott has been indefatigable in making sure things are done properly, sometimes in the face of much adversity. Kat Achtenberg joined the office at the end of 2015 and has done a wonderful job as Project Coordinator. John Kaiser continues to volunteer his time and maintains and improves our accounting systems. Our four Home Performance Advisors, Alex King, Peter McDonald, Michael Gaffney, and Beverley Ohlne allow us to offer a Dunedin wide service and assist the Cosy Homes Trust in it mission as well. Without this support, the Trust could not do its job.

The Trustees are also due great thanks. They have worked hard to develop an effective strategic plan that recognises the changes that a functional Wind Farm will bring to the way the trust operates. Trust meetings are a pleasure to be part of, and working with intelligent and thoughtful people is deeply satisfying.

The Trust owns a company, BEL, that is charged with developing the wind farm. The directors of BEL, Charles Abraham, Chris Freear and Tony Wilson, have done an excellent job in developing a proposal to attract funding for the Wind Farm. We are very grateful for their enthusiasm and expertise.

Although much has changed in the last year, we are still waiting for things to come to fruition. The Resource Consent is still an unknown but we are confident that we have made an excellent case for our project. Good things take time and patience, and with a little luck, we'll have an excellent vintage on hand next year.

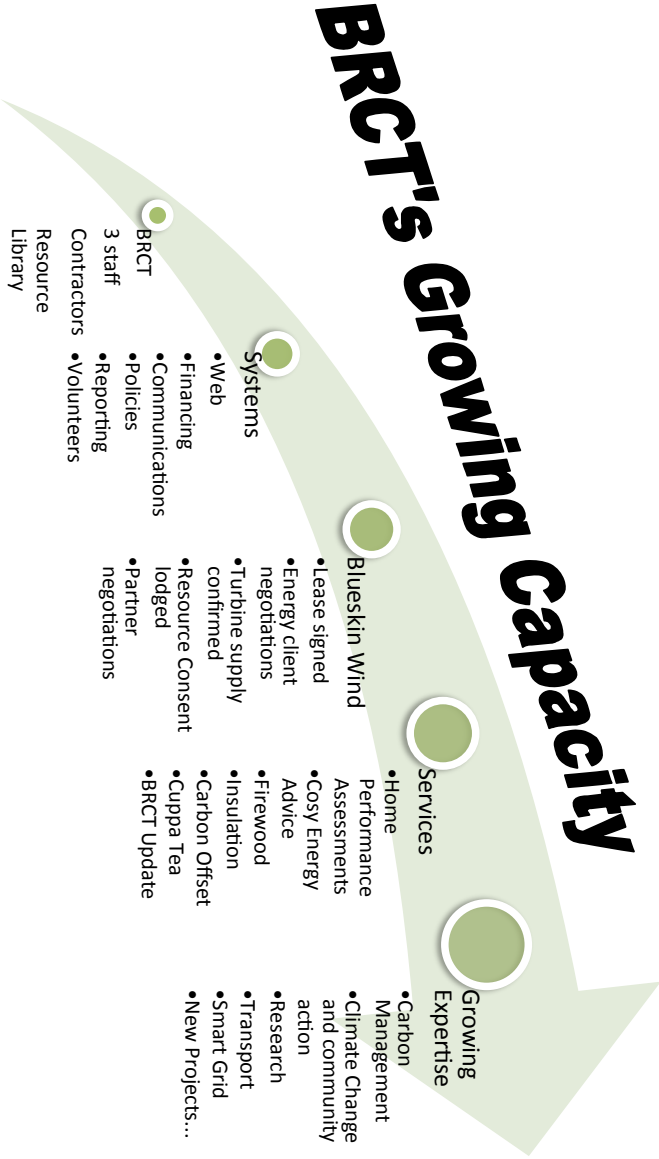
Craig Marshall, Chair

May 2016



## 4. Overview

The *Blueskin Wind Farm Development* through Blueskin Energy Ltd (BEL) is our longest running and most significant project. In 2015 BEL lodged an application for Resource Consent. The project is now in the midst of the Resource Consent process and could move into full development this year if Resource Consent is granted. The Trust's work to work alongside others to establish *Cosy Homes* has paid off, with the *Cosy Homes Trust* now employing a Project Manager. Operationally, the Trust has streamlined administration and established new services through the year. Staff levels have grown, with 2 F/T staff and 1 P/T staff member, along with 4 contractors, and associates and volunteers. As the year came to a close, Trust activity was consolidated into three areas: Projects (*Blueskin Wind Farm*, *Climate Safe Housing*), Services (*Cosy Energy Advice*, *Home Performance Assessments*, *Affordable Firewood* and *Insulation*, *Carbon Offsets*), and Expertise/*Advocacy* (*Carbon Management*, *Events* and *newsletters*, *assistance to groups*, *participation in forums*). We are a charity that invests for the future in creating local climate solutions to inspire national action.





## 4.1. Activity Summary and Progress Against Annual Plan

Activity	Highlights	Progress Since April 2015
<b>Blueskin Wind</b>	Land Access Wind data assessment Energy Client Electricity Market Business Case Resource Consent Sites 'B' & 'C' options	<ul style="list-style-type: none"> <li>• Lease signed</li> <li>• DNV-GL Energy and Enercon providing expert assessments.</li> <li>• Discussions well advanced.</li> <li>• Work with the Electricity Authority and Energy Link</li> <li>• Deloitte review confirming viability</li> <li>• Lodged, hearing held and now in process</li> <li>• Options available</li> </ul>
<b>Climate Change Action</b>	Climate Safe Housing Carbon Offset service	<ul style="list-style-type: none"> <li>• Preliminary meeting in March 2016. Project in early stages.</li> <li>• Carbon Offset service established.</li> </ul>
<b>Effective Advocacy</b>	Cosy Homes Otago Chamber of Commerce Submissions	<ul style="list-style-type: none"> <li>• Scott is a Trustee on the Cosy Homes Trust.</li> <li>• Scott is a director at the Otago Chamber of Commerce and Chair of the Energy Committee.</li> <li>• Submissions made on: DCC Long Term Plan; ORC Long Term Plan; MFE Climate Change Consultation; ORC Regional Policy Statement; DCC Environment Strategy; DCC 2016 Petroleum Block Offer Consultation; DCC</li> </ul>

Activity	Highlights	Progress Since April 2015
Presentations		<ul style="list-style-type: none"> <li>Energy Plan; Residential Tenancies Amendment Bill; Evolving electricity technologies generation; Further submission on the proposed Second Generation District Plan.</li> <li>Presentations to: Public Health Climate Change Summer School; Otago Energy Research Symposium; University of the Third Age Dunedin.</li> </ul>
<b>BRCCT Update</b>  <b>Social Media</b>	386 subscribers  Facebook  Twitter	<ul style="list-style-type: none"> <li>Reduction in updates sent out.</li> <li>356 'Likes'.</li> <li>268 'Followers'.</li> </ul>
<b>Transport</b>	EV Infrastructure  EV 'normalisation'	<ul style="list-style-type: none"> <li>Support given to ChargeNet.</li> <li>Support to the Dunedin EV Owners group and the BetterNZ Trust for the "Leading the Charge" roadtrip.</li> </ul>
<b>Supporting Community Initiatives</b>	Supporting volunteers.	<ul style="list-style-type: none"> <li>Donations to support volunteers: Purakauuni School; Seniors for Climate Action; Climate Safe House volunteers; Long Beach Hall; BRCCT volunteers.</li> </ul>
<b>Blueskin Cuppa Tea</b>	Publications.	<ul style="list-style-type: none"> <li>Cuppa Tea team continues to meet monthly with few exceptions.</li> <li>An additional 5 articles published since last year.</li> </ul>
<b>Services</b>	Affordable Firewood  Quality Insulation  Cosy Energy Advice  Carbon Management Service	<ul style="list-style-type: none"> <li>4 truck and trailer unit loads of logs for firewood delivered to Dunedin residents and groups</li> <li>280 square metres of insulation provided to members of the community</li> <li>Increase in numbers seeking energy advice, but irregular recording</li> <li>Contract with the Public Health Association to provided Carbon Management services completed..</li> </ul>

<p><b>Consolidation of trust operations and staff numbers</b></p>	<p>Financial administration rationalised.</p> <p>Staffing confirmed.</p> <p>Improved business systems</p>	<ul style="list-style-type: none"> <li>• Accurate financial records processed through Xero, reviewed monthly and with external (KPMG) oversight.</li> <li>• The Trust now has two full-time salaried staff and one part-time volunteer staff member in addition to four contractors and additional volunteers and pro bono support.</li> <li>• Invoicing system developed.</li> </ul>
<p><b>Rich community presence</b></p>	<p>Monthly BEP Updates; monthly articles to Blueskin News and Rothersey News.</p> <p>Increase in Community visitors.</p> <p>A&amp;P Show Day.</p> <p>BRCCT website.</p> <p>Memberships.</p>	<ul style="list-style-type: none"> <li>• 12 BRCCT Updates</li> <li>• 11 local newsletter articles</li> <li>• 'Drop in' visitor numbers increasing and recorded.</li> <li>• Very successful stall held at the 2015 &amp; 2016 A&amp;P Show days.</li> <li>• BRCCT website regularly updated.</li> <li>• Member of the Otago Chamber of Commerce, the Community Energy Network and the Sustainable Business Network.</li> </ul>

## 5. BRCT: Social Enterprise

The 2015-16 Annual Plan's *five objectives* were:

- Blueskin wind cluster
- Climate Change Action
- Effective Advocacy
- Economic Power
- Social and Environmental Good.

The evolution of our organisation explicitly creating and providing local climate solutions, in partnerships and collaboration with others has been successful this past year. It has meant a shift in *objectives* from the five above to a focus on *three platforms*:

1. Projects (such as the Blueskin wind farm and the Climate Safe House projects);
2. Services, ensuring Dunedin is a more resilient place to live and building a thriving community through such services as Energy Advice, Home Performance Assessments, and Provision of firewood and insulation, carbon offsets, and;
3. Expertise and Advocacy, through our contribution to local and national plans, regulations and policy; our engagement in research that involves community, improves public participation and leads to community benefit, with expertise in carbon management, and our analysis of reports, policy and regulations to give our community greater access and to enrich the democratic process.

Resource wise we continue to be reliant to a large degree on grants and donations, but increasingly we are seeding activities

and services that pay their way, and receiving contracts that draw on our expertise. The story of social enterprise is about employing sustainable business practice to deliver ever greater environmental and social benefits that are valued but are typically not at all, or simply inadequately resourced in the current environment.

Much of our work continues to be quiet, foundational work that will only yield results years down the track. Yet it is the headline grabbing work that people sit up and take notice of. The Blueskin wind farm development is our largest and longest running project and if we are successful, the Trust will become even more effective. However, we must not lose sight of our mission, which extends beyond any one project and is about investing for the future to build community resilience, and this requires us to continue to build ever more efficient and sustainable processes and maintain reliable funding to allow us to continue to care for, maintain, replenish and grow our natural and cultural commons.

## 6. Our Funders, Donations and Pro Bono Support

### 6.1. Funders and Donations

Through our BIG projects (Blueskin Wind Farm and ClimateSafeHouse) and community services (Cosy Energy Advice, Home Performance Assessments, Affordable Insulation and firewood, Carbon management, workshops, etc) we aim to build community resilience. BRCT's activity through the financial year April 2015 – March 2016 has been generously supported in the following ways:

- a. Gifts & Donations (\$7,411). In support of BRCT office;
- b. Fundraising (\$3,013.91) In support of BRCT office;
- c. COGS (Community Grants Scheme) (\$2,350). In support of BRCT office;
- d. Lottery Grants Board: Department of Internal Affairs (\$68,000). In support of wages, transport and volunteer costs;
- e. Waikouaiti Coast Community Board (\$250). In support of a computer;
- f. Bendigo Valley Sports & Charity Foundation. (\$500) In support of a Food Systems leaflet.

BRCT wishes to thank all our funders and friends for their support which has had such value for our community over the past 12 months.

### 6.2. Pro Bono Support

The Akina Foundation has continued to provide key support throughout this past year, and the scale of our ambition is only matched by the range and talent of all our pro bono supporters. We would like to sincerely thank:

1. Akina Foundation (Social Enterprise Incubation services);
2. DNV-GL Energy (Wind Resource Analysis and Technical evaluation);
3. OtagoNet Ltd (Technical evaluation);
4. Gallaway Cook Allan Lawyers (Legal work and Resource Consent);
5. Russell McVeagh (Legal work);
6. Foot Law Limited (Legal work);
7. Ross Dowling Marquet Griffin (Legal work);
8. EnergyLink (Electricity Market analysis);
9. Ethical Power Consulting (Business evaluation);
10. Angus Napier (Business evaluation);
11. Deloittes (Business evaluation);
12. NZ Wind Energy Association (Industry advocacy)
13. Lucas Associates (Resource Consent);
14. Stephen Chiles (Resource Consent);
15. Fulton Hogan (Resource Consent);
16. Ben Farrell (Resource Consent);
17. Katherine Dixon & Robin Mitchell (Resource Consent);
18. Richard Hemi (Resource Consent);
19. GeoSolve (Resource Consent);
20. Virginia Toy (Resource Consent);



# BRCST

21. Janet Stephenson (Resource Consent);
22. Mike Moore (Resource Consent);
23. John Craig (Resource Consent);
24. Brand Aid Design (Design);
25. Jenna Packer (Design);
26. Tom Clark (Information Technology);
27. KPMG (Financial Reporting)
28. Frank Stent (Auditing)
29. Paul Clements (Climate Safe House).

The skills and passion of our volunteer supporters in the community have also been essential to our progress this past year.

## 7. Accounts

### 7.1. Treasurer's Report, Financial Year ending 31 March 2016.

I am pleased to enclose the Trust's Financial report for the year ended 31 March 2016.

Comments.

Overall the Trust revenue for year to 31 March 2016 was behind budget by approximately \$119,000. The contributors to this were the loss of Tindall funding (\$74,000) and the Trusts unsuccessful bid for Community Development Scheme funding (\$80,000). The affect on the overall performance was lessened by a tight control on operating costs and some project costs in relation to the wind project being directed towards BEL.

It is also important to understand that while the Trust budget has a fixed overhead component much of the anticipated spending is conditional on grant funds being received in the first place.

Looking ahead to the next 12 months - The loss of the Tindall and Community Development Scheme funding has had a significant affect on the cash balance brought forward. However we anticipate continued tight control on costs will mean the Trust will be able to maintain its objectives.

Charles Abraham  
Treasurer

## 7.2. Statement of Financial Position

### Balance Sheet Mar 16

#### Blueskin Resilient Communities Trust As at 31 March 2016

	31 Mar 2016	31 Mar 2015
<b>Assets</b>		
<b>Bank</b>		
BRCT - Savings	34,129	22,605
BRCT - Active	2,821	8,201
Carbon Offset/BRCT	1,955	-
<b>Total Bank</b>	<b>38,906</b>	<b>30,805</b>
<b>Current Assets</b>		
Accounts Receivable	-	299
<b>Total Current Assets</b>	<b>-</b>	<b>299</b>
<b>Fixed Assets</b>		
Energy Generation	51,500	51,500
Office Equipment	2,569	1,804
Less Accumulated Depreciation on Office Equipment	(1,806)	(1,503)
<b>Total Fixed Assets</b>	<b>52,262</b>	<b>51,801</b>
<b>Total Assets</b>	<b>91,168</b>	<b>82,905</b>
<b>Liabilities</b>		
<b>Current Liabilities</b>		
Accounts Payable	920	-
GST	225	(1,458)
<b>Total Current Liabilities</b>	<b>1,145</b>	<b>(1,458)</b>
<b>Total Liabilities</b>	<b>1,145</b>	<b>(1,458)</b>
<b>Net Assets</b>	<b>90,023</b>	<b>84,363</b>
<b>Equity</b>		
Capital Revaluation	50,000	50,000
Current Year Earnings	5,660	(4,379)
Retained Earnings	34,363	38,742
<b>Total Equity</b>	<b>90,023</b>	<b>84,363</b>



### 7.3. Audit Report for year ended 31 March 2016

#### **Blueskin Resilient Communities Trust** **Audit Report for the Financial Year ended 31 March 2016**

##### **To the Members of the Trust**

I have audited the financial statements as attached which provide information about the past financial performance of the Trust and its financial position as at 31 March 2016.

##### **Officers' Responsibilities:**

The appointed officers are responsible for the preparation of the Financial Statements which give a true and fair view of the financial position of the Trust as at 31 March 2016 and the results of the operations of the Trust for the period ended 31 March 2016.

##### **Auditors Responsibilities:**

It is my responsibility to express an independent opinion on the financial statements presented by the Trust and report my opinion to you.

##### **Basis of Opinion**

An audit includes examining, on a test basis, evidence relevant to the amounts and disclosures in the financial statements. It also includes assessing:

- The significant estimates and judgements made by the officers in the preparation of the financial statements and;
- Whether the accounting policies are appropriate to the Trust's circumstances, consistently applied and adequately disclosed.

I conducted my audit in accordance with generally accepted auditing standards in New Zealand. I planned my audit so as to obtain all the information and explanations which I considered necessary in order to provide me with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatements, whether caused by fraud or error. In forming my opinion, I have evaluated the overall adequacy of the presentation of information in the financial statements.

Other than in my capacity as auditor I have no relationship with or interests in the Trust.

##### **Unqualified Opinion:**

I have obtained all the information and explanations I have required.

In my opinion:

- Proper accounting records have been kept and the Trust has maintained a satisfactory system of control over its transactions.
- The financial statements have been prepared in accordance with generally accepted accounting practice.
- The financial statements give a true and fair view of the financial position of the Trust as at 31 March 2016 and the results of its operations for the year ended on that date.

My audit was completed on 30 April 2016 and my unqualified opinion is expressed as at that date.

  
**Frank Stent AANZIIF(Hon Life)**