

# Annual Report

April 2015



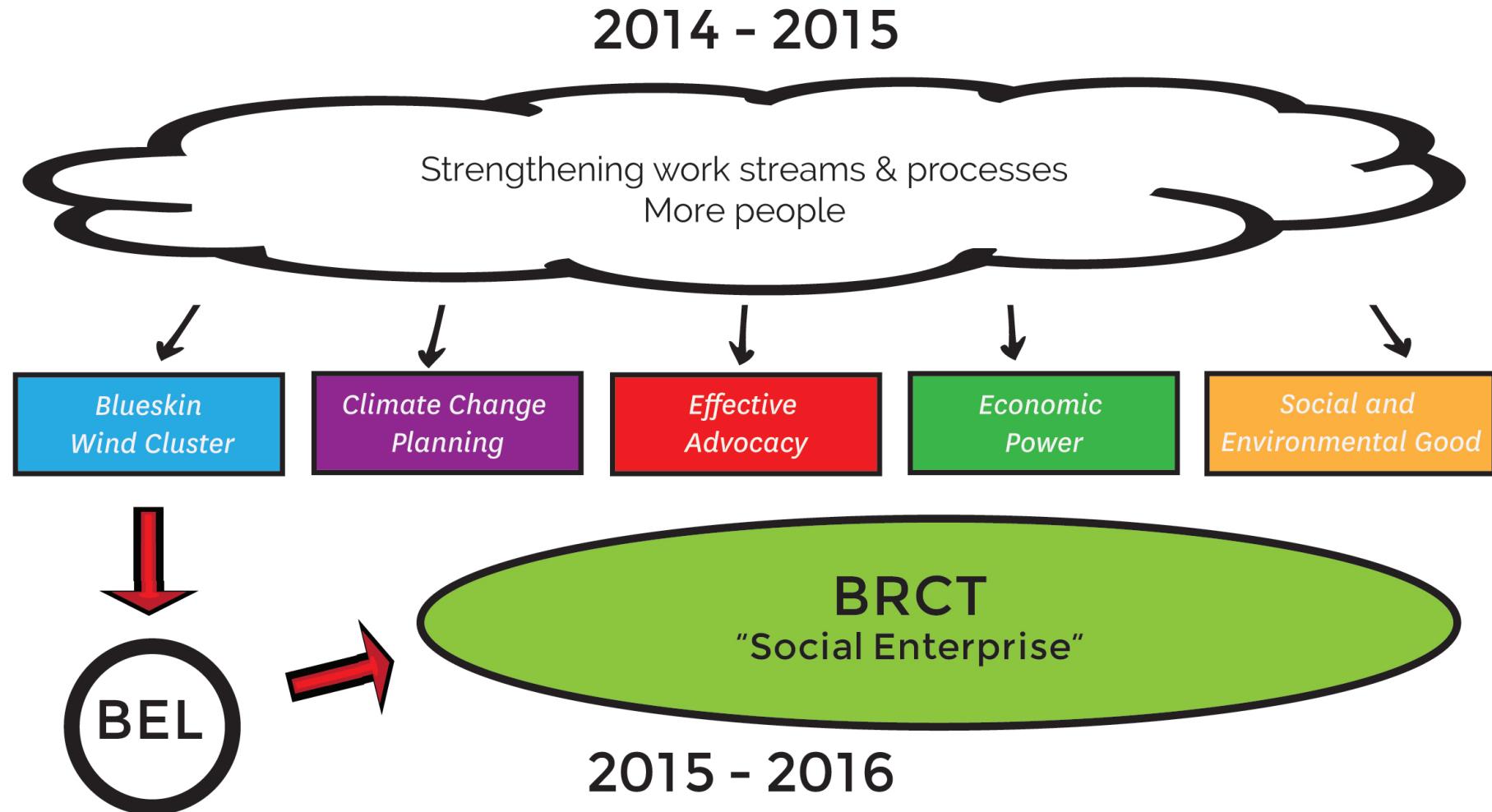
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## 1. At a Glance

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), Ross Johnston (Secretary) Anna Marsich (Trustee), Jacinta Ruru (Trustee), Nicola Mutch (Trustee), Dylan Robertson (Trustee); Scott Willis (Manager); Niki Bould (Projects Co-ordinator), Peter Goodin (Contractor); Anne McLean (Volunteer), Erika Szymanski (Volunteer), Jess Brines (Volunteer), Tom Clark (Volunteer), Jenna Packer (Volunteer), Antony Deaker (Volunteer), Jen Rodgers (Volunteer), Gerry Thompson (Volunteer), Alex King (Volunteer).
Location	The BRCT 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, Seacliff and often including Karitane. Blueskin Bay is 20km north of Dunedin and is the southern half of Puketeraki Runaka's <i>rohe</i> .
Action Areas	The Blueskin Wind Cluster Development
2014-2015	Climate Change Planning Effective Advocacy Economic Power Social and Environmental Good
Website	<a href="http://www.brct.org.nz">www.brct.org.nz</a>

BRCT's five *objectives* in 2014-15 continued on from those of the previous year, as we consolidated operations, continued to make improvements in systems and processes and again boosted resourcing.



## 2. Message from our Patron

*We may have reached the tipping point. Change is happening fast.*



*Two of the four coal-fired units at the Huntly power station have closed. Now the gas-fired Southdown power station is closing – pushed out by the growth in renewables. Electricity demand has not been growing for the last few years.*

*Germany now gets 25% of its power from renewables, and half of these are individually or community owned – solar and wind owned by groups like the Blueskin Resilient Communities Trust.*

*China has disconnected its GDP growth, which is still rising, though more slowly, from its emissions growth, which fell 2% in the last year. All four of Beijing's coal fired power stations have been closed and replaced with gas, and nationally it is in the process of closing 2,000 smaller coalmines.*

*In the US 22 coal mining companies have collapsed because of the coal price. There is doubt whether Solid Energy can keep going, given the crash in prices. Their CEO thinks not, and has resigned. Investors beware stranded assets.*

*In Auckland the local food movement has taken off and it is fashionable to grow your own vegies. The local food box scheme Ooooby which takes some of our chestnuts in the season has doubled its customers since last year.*

*Cycle tracks are being built – there is a plan for one around the Wellington coast which will be a commuter route, not just a recreational route.*

*Blueskin Bay has been a pioneer in this local sustainability. The Blueskin Local Food System Report documents just how much of this sustainable food production is going on and must be a source of inspiration and satisfaction to you all.*

*But even when you turn the rudder on the Queen Mary it takes a huge turning circle and a lot of time before it heads definitively in a new direction. Worse, there are steps in the wrong direction that have to be resisted. The current proposal to de-electrify the North Island main trunk rail defies belief in an age of climate change and renewable electricity. New petroleum block offers have opened 425,000 square km of our ocean to deep sea oil drilling.*

*Time is what we don't have. Climate change and ecological breakdown is accelerating too and the race is on – can we do it fast enough?*

*I'm enormously proud to be associated with the Blueskin pioneers. We need resistance to the bad ideas and demonstration of the good. The Blueskin demonstration provides inspiration to many who want to follow this path. Well done, and keep going!*

*Well done everyone and I look forward to another year of Blueskin leading the world in sustainability!*

*Jeanette Fitzsimons*

## 3. Chair's Report

In last year's report, Ross commented that good things take time (and patience). We must be very good.

Our long-awaited wind cluster is now a few major steps closer and the lease is very near to signing now that the complications surrounding the land on Porteous Hill have been resolved. BEL, the company owned by BRCT and set up to develop the wind cluster, is considering investment strategies and where the power generated will go. That brings us closer to time that BRCT can think about an income from wind power.



Being short of resources is difficult and challenging but having an income may well turn out to be more difficult to manage. To prepare ourselves for this, the Trust ran a series of planning sessions to consider what needs to be done to cope with a functioning wind cluster. We are clear we want to use these resources for the benefit of the wider Blueskin Bay, but knowing how to do that is not entirely straightforward. Sam Elder from Akina helped us with a very useful planning session in March and details of that will be presented at the AGM.

This is a very important time for the Trust to think carefully about how things are likely to change and to consider how to respond in a thoughtful way. Although Donald Rumsfeld is not one of my favourite people, his analysis of known unknowns and unknown unknowns is helpful and we're doing our best to convert the latter to the former.

In the meantime, there are other things we can be proud of in this past year. For example, after years of working to build a city wide solution to fuel poverty, the Trust is pleased to have assisted the development of a new umbrella organisation – the Cosy Homes Trust – and we will continue to contribute to its growth and assist deliver objectives. One way we are already working on finding solutions to cold unhealthy homes is as the Community Energy Network's Otago representative, where we offer energy advice and Home Performance Assessments.





Work to increase renewable generation through facilitating solar uptake has also yielded results. Not only has the Trust office become energy positive thanks to community support to install solar panels, but the whole Blueskin area now has an intensity of home solar installations that is exceptional. While the Blueskin community represents 6% of household grid connections in the wider OtagoNet network, at September 2014 Blueskin represented 70% of the renewable generation capacity at household level (84 kW) of the whole OtagoNet area. This all contributes to building energy resilience in our community.

We continue to advocate strongly for solutions to the challenges we face, and this past year completed a research project on the Blueskin and Karitane Food System, held an E-Bike workshop, and continue to promote low carbon transport options.

There have been a number of changes in the people at the Trust. Ross Johnston stepped down as Chair at the end of 2014 and Jenny McDonald, Katie Parker stepped down as Trustees, and Tony Wilson stepped down to become a director of BEL. New Trust members are Dylan Robertson, Nicola Mutch, and Jacinta Ruru. Thank you to those who've left for all you've done and to those who joined us for all that you will do. Projects Coordinator Niki Bould left the Trust at the end of April and we thank her very much for all her enthusiasm and hard work and wish her well for the future.

Scott Willis continues to do an excellent job in running BRCT along with committed and skilled staff and volunteers. Trust systems have improved thanks to Anne McLean's keen work on administrative systems and processes, while Alex King has worked hard to expertly expand and upgrade our energy advice service. We appreciate their commitment to the Trust and their flair for getting done what needs doing. As always, those who volunteer time and energy have enabled the Trust to punch above its weight. The Trust will particularly miss Laurence Hay who has been volunteering for the Trust for many years. We wish Laurence and Margaret all the best for their move to Wellington. Our grateful thanks to the rest of our volunteers, and in particular to Tom Clark, Jenn Rodgers and Jenna Packer this past year. Finally, mention must be made of the generosity of the pro bono support the Trust has received – without it we would still be in the starting blocks.

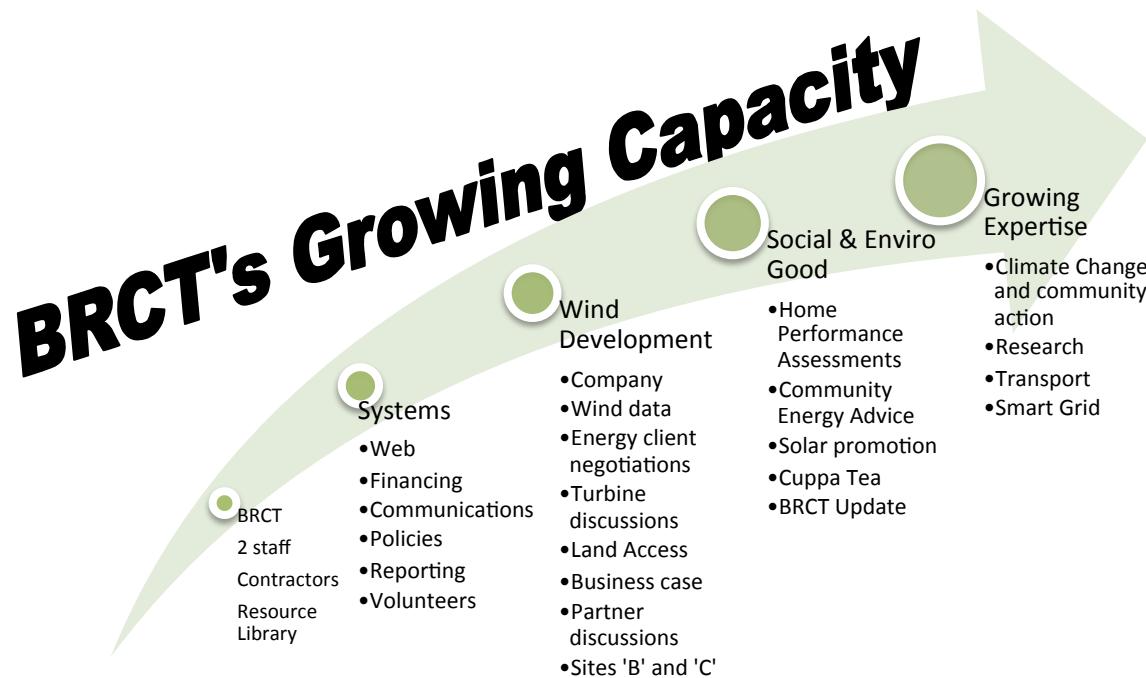
It is probable that the next year or two will bring big changes to BRCT. The wind cluster will bring us interesting problems as we find the best way to deploy our resources. I hope we are a different organisation by next year but working towards the same goal of a resilient Blueskin community. Living in interesting times should be fun.



Craig Marshall, Chair

## 4. Projects Overview

The *Blueskin Wind Development* through Blueskin Energy Ltd (BEL) is our major project and as the year comes to a close, work is gathering pace. In 2014-15, our work on *Cosy Homes* has contributed to the establishment of a new charitable trust (the Cosy Homes Trust), which will broaden the action on tackling fuel poverty in the city. Our *Home Performance Assessment service* and free *Energy Advice* aligns with Cosy Homes objectives, and is an area of work where we want to focus greater resources. *Climate Change work* in the 2014-15 year has taken the form of a research project on the *Blueskin and Karitane Food System* throughout this year (report outputs will flow through into the new year), and we continued to advocate on climate change issues (i.e. submitting on 'Managing Natural Hazards'). *Transport* emerged as a project area (with great potential) after a very successful E-Bike event. *Staffing* briefly grew to 4 staff in the year, before dropping back to our more 'normal' level of 1 F/T and 1 P/T. At the conclusion of 2014-15 we are managing a staffing change. We continue to enable the transition to a low carbon economy and function as a *catalyst* to unleash potential and opportunity.



## 4.1. Project Summary and Progress Against Annual Plan

Projects	Highlights	Progress Since May 2014
<b>Blueskin Wind</b>	<p>Company achieves Charitable status</p> <p>Land Access</p> <p>Wind data assessment</p> <p>Energy Client</p> <p>Electricity Market</p> <p>Business Case</p> <p>Resource Consent progress</p> <p>Sites 'B' &amp; 'C' options</p>	<ul style="list-style-type: none"> <li>Blueskin Energy Ltd (BEL) charitable constitution adopted and approved.</li> <li>Ownership of the Porteous site changed and a new title created. Lease discussions restarted</li> <li>DNV-GL Energy completed a 12 month assessment; 3 turbine manufacturers have undertaken assessments. Meridian donated a 40 metre tower to BEL.</li> <li>Discussions held/initiated with 3 potential large electricity consumers/energy clients.</li> <li>More thorough appraisal of the electricity market accomplished</li> <li>Pro bono business advisor secured, up-to-date valuation complete</li> <li>Landscape Assessment report outstanding</li> <li>Two more sites for community wind are under negotiation, either as replacement sites or further development options</li> </ul>
<b>Climate Change Planning</b>	<p>Climate Change Adaption Plan for Waitati report to DCC</p> <p>Blueskin Food System Assessment research project</p>	<ul style="list-style-type: none"> <li>Published in June 2014.</li> <li>Blueskin Food System research undertaken. 'Blueskin and Karitane Food System' report completed in April 2015 and ready to publish.</li> </ul>
<b>Effective Advocacy</b>	Cosy Homes	<ul style="list-style-type: none"> <li>Cosy Homes Charitable Trust established Feb '15.</li> </ul>

Projects	Highlights	Progress Since May 2014
	Solar PV Submissions Presentations	<ul style="list-style-type: none"> <li>Solar PV installed at BRCT office and significant growth in solar installations in the Blueskin area.</li> <li>Submission made on: DCC Annual Plan; ORC Annual Plan; ORC Draft Regional Transport Plan; Second Generation District Plan – Managing Natural Hazards; Petroleum Block Offer 2015, and; ORC Regional Policy Statement.</li> <li>Presentations to: Public Health Climate Change Summer School; Otago Energy Research Symposium; Envi 311 guest lecture; Purakaunui School</li> </ul>
<b>BRCT Update</b>	380 subscribers	<ul style="list-style-type: none"> <li>12 Updates.</li> <li>Growth in subscribers to E-list (44 new in 12 months).</li> <li>New BRCT E-Bike Update (35 subscribers).</li> </ul>
<b>Transport</b>	E-Bike workshop	<ul style="list-style-type: none"> <li>Workshop held in October 2014.</li> <li>Two E-Bike suppliers offer community deals through BRCT.</li> <li>One E-Bike sale facilitated.</li> </ul>
<b>Supporting Community Initiatives</b>	Supporting volunteers.	<ul style="list-style-type: none"> <li>Donations to support volunteers: Blueskin Boutique/Free Shop; Apple Presser; Purakaunui School; Waitati School; Warrington School; Karitane School; Purakaunui Amenities Society; Long Beach Hall; Pioneer Hall; BRCT volunteers.</li> </ul>
<b>Blueskin Cuppa Tea</b>	Publications.	<ul style="list-style-type: none"> <li>Cuppa Tea team met monthly with few exceptions through 2014-15.</li> <li>9 articles published.</li> </ul>
<b>Climate Change Action</b>	Carbon Offset service	<ul style="list-style-type: none"> <li>Preparatory work on Carbon Offset completed; Carbon Management service in development.</li> </ul>
<b>Consolidation of</b>	Financial administration rationalised.	<ul style="list-style-type: none"> <li>Accurate financial records now processed through Xero, reviewed monthly and</li> </ul>

Projects	Highlights	Progress Since May 2014
<b>trust operations and growth in staff numbers</b>	Staff peaked briefly at 4 during the 2014-15 year.	<p>with external (KPMG) oversight.</p> <ul style="list-style-type: none"> <li>Improved management of Trust activities, increased output and evaluation of future needs undertaken.</li> </ul>
<b>Rich community presence</b>	<p>Monthly BEP Updates; monthly articles to Blueskin News and Rothesay News.</p> <p>Increase in Community visitors.</p> <p>A&amp;P Show Day.</p> <p>Oxfam Biggest Coffee Break.</p> <p>BRCT website.</p> <p>Chamber of Commerce membership.</p>	<ul style="list-style-type: none"> <li>12 BRCT Updates</li> <li>11 local newsletter articles</li> <li>'Drop in' visitor numbers steady.</li> <li>Very successful stall held at the 2014 A&amp;P Show day.</li> <li>BRCT did not hold an Oxfam Coffee Break in 2014.</li> <li>BRCT website launched and populated and regularly updated.</li> <li>In 2013 BRCT became a member of the Otago Chamber of Commerce.</li> </ul>

## 5. BRCT: Social Enterprise

The 2014-15 Annual Plan's *five objectives* were:

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

To develop a more robust resourcing base, BRCT has been evaluating different trading activities that align with BRCT values over the past year. Blueskin Energy Ltd, is our own charitable company created to develop the wind cluster. Our Home Performance Advice service is still in its infancy and is more self-funding than able to generate income to return benefit for the community. BRCT's values (*Thriving together well and equitably; Distributing surplus to enrich social & environmental health; Encountering others in ways that support their wellbeing as well as ours; Living and consuming sustainably in recognition that all human life and activity occurs within the limitations of planet Earth; Caring for - maintaining, replenishing, and growing - our natural and cultural commons; Investing our wealth in future generations so that they can live well*) are at the forefront as we appraise trading potential. A number of opportunities in addition to Home Performance Assessments have been evaluated for Trust consideration, with a Carbon Management service currently in development.

As a member of the Community Energy Network, BRCT has joined the CEN 'Buyers Group', giving access to bulk insulation

pricing and pricing for a growing range of energy related products. The provision of appropriate energy products and services more generally is a way for the Trust to usefully employ expertise to deliver community benefit and develop a small income stream to support our charitable work.

Trustees and Staff have remained committed to ensuring the Trust develops greater economic autonomy in order to pursue clear community objectives and initiatives effectively. The foundational work to grow social enterprise activity has been established throughout this past year and we anticipate this work delivering good social, environmental and economic results in the coming year.

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

### 6.1. Funders and Donations

Through our BIG projects (Blueskin Wind Cluster, Climate Change Action and Cosy Homes) and community services (Home Performance Assessments, free community energy advice, workshops, etc) we aim to build community resilience. BRCT's activity through the financial year April 2014 – March 2015 has been generously supported in the following ways:

- a. Gifts & Donations (\$1,636). In support of BRCT office;
- b. COGS (Community Grants Scheme) (\$2,100). In support of BRCT office;
- c. Dunedin Casino Charitable Trust (\$1,000). In support of the provision of energy advice;
- d. Lottery Grants Board: Department of Internal Affairs (\$136,000). In support of wages, transport and volunteer costs, and; the Blueskin Food System research;
- e. PledgeMe supporters (\$1,794). Supporting making the BRCT office energy positive with a PV array;
- f. United Way (\$4,500). In support of the provision of energy advice.

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. Russell McVeagh (Legal work);
5. Foot Law Limited (Legal work);
6. Ross Dowling Marquet Griffin (Legal work);
7. EnergyLink (Electricity Market analysis);
8. Ethical Power Consulting (Business evaluation);
9. Angus Napier (Business evaluation);
10. CEO Mentoring (Business evaluation);
11. NZ Wind Energy Association (Industry advocacy)
12. Lucas Associates (Resource Consent);
13. Stephen Chiles (Resource Consent);
14. Fulton Hogan (Resource Consent);
15. Katherine Dixon & Robin Mitchell (Resource Consent);
16. Richard Hemi (Resource Consent);
17. Andrew Stewart Ltd (Resource Consent);
18. Brand Aid Design (Design);
19. Jenna Packer (Design);
20. Tom Clark (Information Technology);
21. Frank Stent (Auditing).

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 2015.

I am pleased to enclose the Trust's Financial report for the year ended 31 March 2015.

#### Comments.

The Trust is showing an operating deficit of \$4,379. This is a result of the way the Trust accounts for income when it is received rather than any overspending by the Trust. The allowance for depreciation which is a non cash expense is also included in that figure.

Cash reserves stand at \$30,805.

The assets of the BRCT apart from office items consist of the wind testing towers and associated equipment. These are referred to as Energy generation.

Last year the Hikurangi Foundation (renamed the Akina foundation) provided Blueskin Energy Limited with a loan facility of \$15,000 for BRCT to draw on if needed... it is pleasing to note these funds have not been required.

As with previous years BRCT relied heavily on grants to continue with its work. Last year the Trust embarked on a programme to diversify its income and this is a continuing initiative.

And finally our thanks again to Niki Bould for her work in maintaining the accounts for the year.

Charles Abraham

Treasurer

# Balance Sheet 31 March 2015

## Blueskin Resilient Communities Trust As at 31 March 2015

	31 Mar 2015	31 Mar 2014
<b>Assets</b>		
Bank	22,605	90,743
BRCT - Savings	8,201	781
BRCT - Active	-	(2)
Waitati Edible Gardens	-	
<b>Total Bank</b>	<b>30,805</b>	<b>91,522</b>
<b>Current Assets</b>		
Accounts Receivable	299	
Withholding tax paid	-	
<b>Total Current Assets</b>	<b>299</b>	<b>391</b>
<b>Fixed Assets</b>		
Energy Generation	51,500	51,500
Office Equipment	1,804	1,804
Less Accumulated Depreciation on Office Equipment	(1,503)	(1,209)
<b>Total Fixed Assets</b>	<b>51,801</b>	<b>52,094</b>
<b>Total Assets</b>	<b>82,905</b>	<b>144,008</b>
<b>Liabilities</b>		
<b>Current Liabilities</b>		
Grants Received in Advance	-	55,200
GST	(1,458)	66
<b>Total Current Liabilities</b>	<b>(1,458)</b>	<b>55,266</b>
<b>Total Liabilities</b>	<b>(1,458)</b>	<b>55,266</b>
<b>Net Assets</b>	<b>84,363</b>	<b>88,742</b>
<b>Equity</b>		
Capital Revaluation	50,000	50,000
Current Year Earnings	(4,379)	18,913
Retained Earnings	38,742	19,339
<b>Total Equity</b>	<b>84,363</b>	<b>88,742</b>

## **Blueskin Resilient Communities Trust Audit Report for the Financial Year ended 31 March 2015**

### **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 2015.

### **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 2015 and the results of the operations of the Trust for the period ended 31 March 2015.

### **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 2015 and the results of its operations for the year ended on that date.

My audit was completed on 8 April 2015 and my unqualified opinion is expressed as at that date.



**Frank Stent AANZIIF(Hon Life)**