



# Annual Report

June 2017



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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); Scott Willis (Manager); Katharina Achterberg (Projects Co-ordinator), Rachael Laurie (Volunteer Admin), Alex King, Peter McDonald, Michael Gaffney, Beverley Ohline (HPA Contractors); Neville Auton, Tom Clark, Martin Kean, Chris Fersterer (Associates); Will Baker (Volunteer), Sandy Gorman (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 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 including Karitane. Blueskin Bay is 20km north of Dunedin and is the southern half of Puketeraki Runaka's <i>rohe</i> .
Action Areas	Projects (such as Our Blueskin Turbine and the Climate Safe House project)
2016-2017	Services (Cosy Energy Advice, Cosy Homes Assessments, Provision of firewood and insulation, local food support) Expertise and Advocacy (submissions, presentations, participation in forums, Trusts and committees)
Our Goal	We create local climate solutions together
Website	<a href="http://www.brct.org.nz">www.brct.org.nz</a>

BRCT's three *platforms* in 2015-16 were replaced late in 2016 with a long term strategy that focussed on five *work streams* which we implemented as the year progressed. They are:

Projects

Resources

Services

Advocacy

Support

## 2. Message from our Patron



Kia ora Blueskiners. Another year already!

I have just taken part in the launch of “Our Climate Declaration” - simultaneously in Dunedin, Christchurch, Wellington and Auckland, video linked and live streamed so people in more remote places could watch it online. A deliberate message that you don’t have to fly these days to connect with people all over the country.

The Declaration is a short narrative that describes the kind of Aotearoa we need to create to address climate change. People are invited to sign up their support for it at [www.ourclimatedeclaration.org.nz](http://www.ourclimatedeclaration.org.nz)

This is the opposite of a petition – sick and tired of waiting for government to do something, we decided to take things into our own hands and create our own community climate change plans, gradually changing the climate footprint of our country, and building awareness and resilience. Exactly what Blueskin Bay has been doing for years now!

The Declaration recognises that building more renewable energy does nothing for the climate if the coal and oil keeps coming out of the ground anyway. So it calls on us to “stop the bad stuff” and to “bring on the good”. Likewise, stopping fossil fuels without building their replacement leads to a rather bleak future.

Some people feel more excited by stopping deep-sea oil drilling and new coal mines, putting their bodies on the line, defying the system. Others are inspired by innovation - building solar and wind systems, insulating buildings, dusting off that old bicycle and electrifying their transport. Both are needed until we have got rid of fossil fuels altogether and built their replacements.

It’s important that we value both kinds of work, as part of the same campaign. As for me, I have never been able to do one for very long without also doing the other. Blockading coal mines and building a solar house. But wherever you are on that spectrum, all of it is vital work and we need more of it, faster, to prevent the climate crisis.

I am always inspired by what is happening at Blueskin Bay on buildings, vehicles and energy generation. The Declaration makes it possible to link with communities around the country who are working for the same future and posting their climate plans on the website. Keep it up, despite the obstacles. Good luck for another year.

Jeanette Fitzsimons

### 3. Chair's Report

The Trust's community services such as Cosy Energy Advice, Cosy Homes Assessments, Healthy Rental Certification, and our provision of bulk firewood and discounted insulation continue to be valued by the community and supports the work of the new umbrella organisation to improve housing, the Cosy Homes Trust. Our aim is to eliminate fuel poverty in Dunedin and Otago.

Community-led development takes the form of projects as well as services. Our Blueskin Turbine proposal changed from our original application to build three 800kW turbines to a single 3MW turbine, which can deliver over 7GW hours into the local grid annually. This reflects our desire to reduce the impact of the turbine along with technical improvements that allow a single turbine to do the work of three, while reducing greenhouse gas emissions and providing a community dividend.

Getting to this stage has involved a great deal of work, and the Trust has been extraordinarily fortunate in the number of people who've donated time and resources to allow us to proceed with the appeal. These include our wonderful legal team led by Bridget Irving, a partner at Gallaway Cook Allan, and Nick Bowmar of IQEnergy. Many others have helped in so many ways and we look forward to the next stage of this exciting journey.

Our other projects have seen significant progress this year as well. The Climate Safe House project has grown from a simple idea to a resourced highly collaborative project in the last 12 months. This work is aimed at identifying the issues with houses and property located in flood prone areas and how these might be mitigated. A house that can be moved is one solution but there remains the problem of equity in what may become a wetland. Once again, the collaborative effort involving organisations such as the Otago Polytechnic, the Dunedin City Council and Cosy Homes, along with individuals Martin Kean, Chris Fersterer, Tom Clark, and the Climate Safe Advisory Board, along with the support of the Otago Community Trust is what makes this project special.

A new project, the Blueskin Smart Grid Marketplace prepared through 2016-17, has just begun. At present, it is difficult for those producing domestic-scale power (from solar PV, for example) to do more than sell power at a minimum price to an energy supplier. New technology makes it possible to track power generation and consumption on a much finer scale. It will soon become possible for a small-scale power generator to sell their surplus to a neighbour or donate it to a school. The Trust is working with research and industry partners to make it practicable. This is especially exciting and reflects the high density of domestic generation in Blueskin Bay along with the track record of the Trust in coordinating and enabling community initiatives, as we've done with home insulation. This project is another New Zealand first and one we hope will help put Dunedin at the forefront of the smart grid revolution.

Scott Willis has been invited to Wellington on several occasions to consult with other groups interested in the provision of community services and to work on climate change issues. This reflects the Trust and Scott's expertise and credibility in this sector and the increasing national profile of the Trust.

The Trust remains involved in significant advocacy including submissions to DCC and ORC plans, work within the Otago Chamber of Commerce, and on government policy from the perspective of local and community sustainability and resilience. Although less visible than some of our other work, effective advocacy is about investing for the future and assisting the transition to a zero carbon economy, and as such is valuable long-term work.

Kat Achterberg and Scott Willis continue to do excellent work for the Trust, supported by associates Neville Auton, Tom Clark, Daniel Webber, Martin Kean, Chris Fersterer, the Home Performance Advisor team and volunteers including Rachael Laurie, Sandy Gorman, John Kaiser, Will Baker, Jen Rodgers, Antony Deaker, Gerry Thompson, Hilary Rowley, Sue Hensley and Jenna Packer. Without this support, the Trust could not do its job.

The Trust has made good progress on developing the wind turbine project and in continuing with a range of projects. We are proud to be working collaboratively on creating local climate solutions and very pleased that our efforts have attracted considerable attention from other parts of New Zealand. We are very grateful for the assistance and support the Trust receives without which we could not do this work.

Finally, I would like to thank the Trustees; Charles Abraham, Ross Johnston, Anna Marsich and Jacinta Ruru. They have worked extremely hard through an intense year developing the wind turbine, and our 2016 – 2025 strategy as well as assisting in the many Trust forums, and Trust events.

Craig Marshall, Chair

June 2017

## 4. Overview

Our Blueskin Turbine remains our core focus in 2017 and dominated work throughout the 2016-17 year. However two additional projects, the Climate Safe House project and the Smart Grid project were initiated in the 2016-17 year and are growing in importance. We have strengthened our provision of services as we work to create local climate solutions together with partners. In particular our services are aimed at eliminating fuel poverty in Dunedin and we work in close partnership with the Cosy Homes Trust.

We have been an active advocate of sound policy, planning and regulation using experience from our activities to inform the debate. We have supported other groups and initiatives, through our participation in forums such as the Otago Chamber of Commerce or directly with advice or resourcing, such as donating to such groups as the Seniors for Climate Action Network. Resourcing is critical to all we do and our work to build a robust social enterprise model continues into the 2017-2018 year.

We have developed a longer term strategy that allows us to plan, knowing clearly where we are heading. We have understood the critical nature of our work in creating local climate solutions together and have increasingly concentrated our efforts on diversifying our resource base and working as a social enterprise, which will be our big focus in the 2017-2018 year. Action on climate change is the responsibility of community and we can do this by working together to build community solutions and local resilience. Purposeful community action will enable us to thrive together.

### 4.1. Activity Summary and Progress Against Annual Plan

Activity	Highlights	Progress Since April 2016
<b>Projects</b>	Our Blueskin Turbine	<ul style="list-style-type: none"> <li>• Resource Consent hearing held</li> <li>• Appeal lodged, expert assessments complete</li> <li>• Appeal in process through the Environment Court</li> </ul>
	Smart Grid Market Trial	<ul style="list-style-type: none"> <li>• Preliminary agreements with Our Energy Ltd and the University of Otago</li> <li>• Scoping trial funding support confirmed</li> </ul>



Activity	Highlights	Progress Since April 2016
	Climate Safe House	<ul style="list-style-type: none"> <li>• Establishment of collaborative team and advisory board</li> <li>• Research funding secured and website developed</li> <li>• Research element complete</li> </ul>
<b>Services</b>	<p>Cosy Energy Advice</p> <p>Cosy Homes Assessments</p> <p>Healthy Rental Certification</p> <p>Affordable Firewood &amp; Quality Insulation</p> <p>Carbon Offset service</p>	<ul style="list-style-type: none"> <li>• DCC \$12000 dedicated funding secured to develop and deliver service</li> <li>• Average 7 engagements per week over 12 months</li> <li>• Contract team expanded to four advisors. More than 20 CHA complete.</li> <li>• Surge in interest at end of 2016-17</li> <li>• New service initiated with DCC seed funding of \$2,500.</li> <li>• 20 scheduled already for new financial year</li> <li>• Sales to a value of \$11,500.00 through the year</li> <li>• Minor but valued community service</li> <li>• Cosy Homes Assessment+ is a new product supplied to the community from carbon offset funding. It is proving effective.</li> </ul>

Activity	Highlights	Progress Since April 2016
	Local Food Directory	<ul style="list-style-type: none"> <li>• Online Local Food Directory established to promote local food producers and retail outlets. More work required to give it greater profile.</li> </ul>
<b>Expertise and Advocacy</b>	Submissions	<ul style="list-style-type: none"> <li>• We made submissions on: the Residential Tenancies Act, Evolving Electricity Technologies Generation, the 2GP, the DCC Annual Plan, the Healthy Homes Guarantee bill (2), replacing the Energy Efficiency and Conservation Authority Strategy 2011 – 2016.</li> </ul>
	Presentations	<ul style="list-style-type: none"> <li>• We gave numerous presentations including presentations at the annual Otago Energy Research Centre symposium (two), Otago Boys High School, Valley Project workshops (several)</li> </ul>
	Otago Chamber of Commerce	<ul style="list-style-type: none"> <li>• We continue to be a member of the Otago Chamber and Scott is chair of the Energy Committee at the Chamber.</li> </ul>
	Cosy Homes Trust	<ul style="list-style-type: none"> <li>• Cosy Homes was born at BRCT and we continue to be be involved, with Scott serving as a Trustee on the Cosy Homes Trust and through the provision of front-line services such as Cosy Energy Advice, Cosy Homes Assessments and Healthy Rental Certification</li> <li>•</li> </ul>

## 5. BRCT: Social Enterprise

Our mission extends beyond any one project and is about investing for the future to build community resilience. We are now on a solid footing as we enter the 2017 – 2018 year. In 2016-17 the Annual Plan's *three platforms* were:

1. Projects (such as our Blueskin Turbine project and the Climate Safe House project);
2. Services, ensuring Dunedin is a more resilient place to live and building a thriving community through such services as Cosy Energy Advice, Cosy Homes Assessments, and Provision of firewood and insulation, carbon offsets, support for local food 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.

The evolution that took place through the 2016 – 17 year was a direct result of the development of a clear strategy, with the development of five work streams that recognised the importance of resourcing if we are to realise our ambitions. Increasingly we have developed capacity in our operations to operate as a social enterprise, with good business protocols. We ran a very lean operation in 2016 – 17 on a tight budget which helped us

understand what was essential to our operations and guided us in our efforts to build a more robust resourcing base.

Much of this understanding gained through 2016 - 17 is only being developed in the new financial year. We've recognised the value we've created and that by trading our knowledge, skills and expertise while achieving our goal of creating local climate solutions, we can create profit that is social, environmental and economic. This gives us the ability reinvest any surplus in the fulfillment of our vision, and gives us greater autonomy to pursue community led development.

Community support is critical to our work and while we have experienced contestation of our Blueskin Turbine project, community support has grown significantly in the 2016 – 17 year through strong donations and a significant success in social media (our Facebook 'likes' are up 151 from 356 to 507 and our Twitter is up from 268 to 331), along with additional and very valuable pro bono support. We will be working further on communication in the 2017 – 2018 year.

Our Blueskin Turbine project has excited the passions of our community. It has also drawn all the settlements into the Blueskin identity and stimulated debate and engagement, while also revealing some discord at the heart of our community. Like the Climate Safe House project, our Blueskin Turbine is a long term project that we hope will eventually come to signify all that is good and respected in our community – the ability to get things done even when the going gets tough.

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

### 6.1. Funders and Donations

Through our projects (Our Blueskin Turbine and the Climate Safe House project) and community services (Cosy Energy Advice, Cosy Homes Assessments, Affordable insulation and firewood, Carbon management, workshops, etc) we aim to build community resilience. BRCT's activity through the financial year April 2016 – March 2017 has been generously supported in the following ways:

- a. Gifts & Donations (\$4,399). In support of BRCT office;
- b. Consulting and contracts (\$12,330). In support of BRCT office;
- c. Lottery Grants Board: Department of Internal Affairs (\$90,000). In support of wages, transport and volunteer costs;
- d. DCC grants (\$13,152). In support of the Cosy Energy Advice service and the Healthy Rental Certification service;
- e. Otago Community Trust (\$14,375). In support of the Climate Safe House research project.

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

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

### 6.2. Pro Bono Support

Bridget Irving and Campbell Hodgson (Galloway Cook Allan) and Dr Royen Somerville and Will Anglin (Barristers Chambers) have provided invaluable support over the past year and we couldn't have achieved anything so much without their critical support. 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 support);
2. DNV-GL Energy (Wind Resource Analysis and Technical evaluation);
3. PowerNet Ltd (Technical evaluation);
4. Galloway Cook Allan Lawyers (Legal work and Resource Consent);
5. Barristers Chambers (Legal work and Resource Consent);
6. Foot Law Limited (Legal work);
7. EnergyLink (Electricity Market analysis);
8. Ethical Power Consulting (Business evaluation);
9. IQ Energy (technical, financial and contracting expertise)
10. NZ Wind Energy Association (Industry advocacy)
11. Meridian Energy (Industry support);
12. Otago Polytechnic (Climate Safe House);
13. Martin Kean (Climate Safe House);
14. Chris Fersterer (Climate Safe House);
15. Brand Aid Design (Design);
16. Jenna Packer (Design);
17. Tom Clark (Information Technology);
18. KPMG (Financial Reporting)
19. Frank Stent (Auditing).

## 7. Accounts

### 7.1. Treasurer's Report, Financial Year ending 31 March 2017.

I would like to present the BRCT accounts for the financial year ending 31<sup>st</sup> march 2017.

These accounts audited by Frank Stent are included with the managers' report.

Against of backdrop of a difficult year where new funds were scarce I am pleased to report through the careful control of costs by our manager Scott Willis, the Trust has ended the year on a positive note with surplus funds to carry through for the new year.

Our income for the year of just under \$150,000 came mostly from the Lottery Grants Board, Otago community Trust and the DCC. The trust is appreciative of these organizations continued support for the work we do.

Expenditure for the year of \$125,000 was primarily on staffing costs relating to salaries, travel and consulting amounting to \$98,000.

While we ended the year in a strong position with funds to carry us over into the new financial year, as always, we need look ahead for the next 12 months as income from grants is never certain and there continue to be challenges to secure funding.

Charles Abraham  
Treasurer

## 7.2. Statement of Financial Position

### Balance Sheet 31 March 2017

#### Blueskin Resilient Communities Trust As at 31 March 2017

	31 Mar 2017	31 Mar 2016
<b>Assets</b>		
<b>Bank</b>		
BRCT - Savings	51,164	34,129
BRCT - Active	6,786	2,821
Carbon Offset/BRCT	1,955	1,955
<b>Total Bank</b>	<b>59,906</b>	<b>38,906</b>
<b>Current Assets</b>		
Accounts Receivable	1,541	-
<b>Total Current Assets</b>	<b>1,541</b>	<b>-</b>
<b>Fixed Assets</b>		
Energy Generation	51,500	51,500
Office Equipment	2,569	2,569
Less Accumulated Depreciation on Office Equipment	(2,126)	(1,806)
Less Accumulated Depreciation on Plant & Equipment	(883)	-
Plant and Equipment	3,785	-
<b>Total Fixed Assets</b>	<b>54,844</b>	<b>52,262</b>
<b>Total Assets</b>	<b>116,291</b>	<b>91,168</b>
<b>Liabilities</b>		
<b>Current Liabilities</b>		
Accounts Payable	-	920
GST	2,969	225
<b>Total Current Liabilities</b>	<b>2,969</b>	<b>1,145</b>
<b>Total Liabilities</b>	<b>2,969</b>	<b>1,145</b>
<b>Net Assets</b>	<b>113,322</b>	<b>90,023</b>
<b>Equity</b>		
Capital Revaluation	50,000	50,000
Current Year Earnings	23,299	5,660
Retained Earnings	40,023	34,363
<b>Total Equity</b>	<b>113,322</b>	<b>90,023</b>

### 7.3. Audit Report for year ended 31 March 2017

#### **Blueskin Resilient Communities Trust** **Audit Report for the Financial Year ended 31 March 2017**

**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 2017.

**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 2017 and the results of the operations of the Trust for the period ended 31 March 2017.

**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 2017 and the results of its operations for the year ended on that date.

My audit was completed on 8 Jun 2017 and my unqualified opinion is expressed as at that date.

  
**Frank Stent AANZIIF (Hon Life)**