



PROMETHEUS PROFILE

Issue No. 22, October 2000

Heartwood Community

Prometheus was approached earlier this year by a newly formed Christchurch housing community, Heartwood Community Te Ngakau o te Rakau Inc, for a loan to enable them to complete the transfer of assets of a longstanding community housing charity that was about to be liquidated. These assets included three properties, one of which was the historic "Chippenham" Lodge in Merivale.

The properties had been owned and operated by community housing charity Community Assistance Inc. (CAI) since the early 1970s. CAI had been formed in 1972 following an inspirational public speech by poet James K Baxter in Christchurch that year about his commune at Jerusalem. Their first significant act was to raise funds to purchase the once grand but somewhat neglected "Chippenham". Rapidly growing interest and involvement in this community soon saw the purchase of a nearby property and a 30 acre farm at Oxford.

Following its establishment the community became a centre of considerable activity and an initiating force for alternative social and political activity that would have impacts not only in Christchurch but throughout NZ. The establishment of a co-operatively owned wholegrain bread company, Vital Foods, soon followed in 1973 and members of the community were significantly involved in the anti-Vietnam war movement, anti-apartheid campaign and environmental and education issues. It was a meeting at Chippenham that led to the establishment of Greenpeace in NZ.

In something of a reflection of the times, members saw an erosion of the sense of community and progressive alternative culture through the eighties and early nineties. This contributed to a loss of energy and commitment, a fading of community ideals and a failure to ensure the necessary maintenance of these properties. This decline reached a crisis by the mid 90's which culminated in the decision to liquidate CAI. With the involvement of earlier members of the community and a consequent rebirth of a sense of purpose and activism, Heartwood was formed to continue the co-operative management and operation of these properties.

There are now 30 people, covering a wide range of ages, residing on the three properties. The community extends out to a wider membership of non-residents who benefit from and are involved in this initiative. Heartwood aims to create a community where members are valued for their abilities and contribution, supported and encouraged to develop their skills and enjoy the social benefits and warmth that can come from a healthy community. In the new constitution Heartwood's goals also include supporting the development of further communal housing, co-operative enterprises and social facilities.

Prometheus was happy to approve this loan as not only did it enable the continuation of a long-established community housing venture in Christchurch, but also provided for the much needed restoration and refurbishment of these properties.

Eco-friendly home building



Reinhard Busch, master cabinet maker, joiner and builder with over 30 years experience, emigrated to NZ from Germany in 1995. While in Germany, Reinhard had designed and developed a house building system of interlocking pre-fabricated panels that could be constructed from eco-friendly building materials, was easy and fast to assemble and would provide an affordable foundation for an energy-efficient home.

Now in New Zealand, and with the aid of finance from Prometheus, Reinhard has brought his design into reality, building himself a home and showcase for his building technology in the picturesque Maraetotara valley in the Hawkes Bay.

The materials used are almost entirely chemical-free, using untreated framing timber, untreated plywood and recycled natural wool for insulation, which not only holds heat and blocks noise but acts as a fire retardant. The panel system not only gives ease of assembly but their ability to be joined in endless combinations gives the flexibility to build almost any design.

The house is self-sufficient with regard to its water and waste systems. The energy supply is currently a mix of bottled gas, woodburning stove and diesel generator until the final stage of incorporating a solar electric system. Reinhard is aiming to offer home-builders a complete package of these appropriate technologies along with his building system in order to make it as simple as possible for them to choose the eco-friendly option.



In addition to being light in its environmental impact, Reinhard believes that his system makes homes faster to build, cheaper than conventional construction and even stronger. Others who have seen his show-home appear to agree and he has already received several orders for homes constructed using his system. Reinhard has patented his design and formed a company, RIB Building Systems, and has started work on the first of these homes.

For further information contact Reinhard on: Ph: 874 7782, mobile: 025 203 3984 or write to: R.I.B. Building Systems, PO Box 8693, Havelock North.

Ceres Organics

Ceres Enterprises Ltd is a flourishing natural foods store in Auckland and New Zealand's largest distributor of biodynamic and organic foods. It has come a considerable distance from its beginnings in the early 1980's as a biodynamic food co-op in an Auckland garage.

To effectively manage the large volumes it now handles, Ceres operates five separate divisions. Three wholesale divisions operate from the company's warehouse in Penrose; fresh produce, grocery and dry goods and a pharmaceutical division, which distributes Weleda medicines and Dr Hauschka skin care products. Steinerbooks, a book and art materials supplier, and Ceres retail activities both operate from their store in Ellerslie.

Prometheus has supported the establishment and growth of Ceres since our first loan to them in 1984. We were approached again earlier this year for a loan to finance Ceres' continuing growth. In that application director Noel Josephson reported that concerns over genetically modified food had resulted in a sharp jump in their

sales of organic food over the first half of last year. That increased demand had been sustained since and in order to maintain the stock levels necessary to service that demand, Ceres needed more working capital.

Prometheus was happy to approve this loan and continue its long and productive business relationship with Ceres, providing finance which has supported them in their provision and distribution of organic and healthfood supplies throughout New Zealand.

If you would like further information about Ceres their contact details are: Ceres Enterprises Ltd, 181 Ladies Mile, Ellerslie, Auckland. Ph: 09 579 7126

Ceres supports GE-Free Communities



Ceres has become a Foundation Sponsor of the new GE-Free Communities project, an initiative promoting the establishment of GE-Free communities throughout New Zealand. The project seeks to direct and focus the considerable momentum of the thousands of people already expressing concern about the impact of genetic biotechnology on our health, our environment and our economic future.

As Noel and fellow director Rodney Heath explain: "This is a crucial point in the history of our food supply. The outcome will rest on education - through presenting a balanced picture of what genetic engineering means - and the number of people who become aware of what this potential catastrophe means for humanity and the environment. Will we be blinded by "fantastic science" or will we see more to life on Earth than the unsustainable exploitation of the physical world?"

If you would like to know more about this project please contact Roseanne Bush: Ph 09 426 2699, fax: 09 415 6946. Or write to GE Free Communities project, PO Box 300-232, Albany.

Permaculture and Eco-friendly building in Golden Bay

Lisa Roberts and David Lewis had a dream of building their own eco-friendly home on land developed for sustainable use. They purchased nearly 16 hectares of land in Takaka, designed their home incorporating passive solar design principles, milled timber from the family farm and started building in 1999. They have used recycled building materials and fittings where possible and have set the house within a permaculture design incorporating native regeneration, sustainable forestry and a biodynamic orchard and gardens.

By the beginning of this year Lisa and David had completed the exterior of the house, had moved in and were underway with lining and finishing the interior. On the land they had already planted chestnuts, black boy peaches, avocado and shelter belts. Their vision is to aim for self-sufficiency on this land, supply the local organic fruit and vegetable market in Golden Bay, and when all this is established, seek to build a healing/retreat centre for themselves and the community to use. Both David and Lisa are qualified natural therapists.



The original land purchase and first stages of development were financed largely by a short-term loan from their family. David and Lisa approached Prometheus early this year to both refinance the initial loan and further advance their goals. As they had developed sufficient equity in their property they were able to refinance within the usual security terms. We were happy to grant their application and wish them every success in building their dream.

Biodynamic Organic Education

Earlier this year a number of members of the Hawkes Bay Branch of the Bio Dynamic Association took the initiative to establish a broad-based education group to promote both biodynamic and organic agriculture. Along with growers and supporters of both organics and biodynamics they have formed the Biodynamic Organic Education Trust. The Trust's first objective is to raise awareness and knowledge about these approaches to sustainable agriculture and the first act in this regard is the establishment of a feature pavilion at this year's Hawke's Bay A & P Show.

That pavilion will contain stands offering educational information, appropriate technologies, support and advisory services, and a range of organic and biodynamic produce. It is hoped that this presence at the A & P Show will encourage and promote interest in these soil healing approaches to food production and will provide opportunities for networking and support amongst both educators, producers, retailers and consumers.

The initial financing for this project was provided by Prometheus after an approach from the Trust. We are pleased to support ventures which promote sustainable land management and encourage the adoption of organic and biodynamic growing practices in New Zealand.

Slow-growing trees



In 1992, Dagmar Gobat borrowed from Prometheus to purchase a block of bare land in the Hawkes Bay. The initial development involved building an access road, moving a cottage onto the land, and planting shelter belt and natives using organic and biodynamic growing methods.

Since moving onto the land Dagmar has worked steadily to establish a broad range of fruit and nut trees on what was once a bare wind-swept hillside.

She reports that her experience has been that newly planted trees do very little in their first four years on this land, appearing to take that long to adjust to conditions, though after that time they then grow quite robustly. Understandably this had caused her some concern in the early years.

Dagmar approached us recently for further finance to complete the establishment of her Almond and Sour Cherry orchard, to build accommodation for an orchard helper, and to expand the accommodation space she uses for the children who come to stay during school holidays. We were pleased to be able to further support her project.



Clean Green NZ dot com

A recently formed company, Clean Green New Zealand Ltd, is about to launch an innovative web site aimed at providing a marketing umbrella to promote green products, services, brands and technologies in New Zealand.

The site www.cleangreenNZ.com is due to launch in early October and in addition to providing information on green products and services will also offer an online education forum on environmental issues.

As company director Laurence Boomert emphasises, the company aims, through providing access to these environmentally friendly products and services, to promote the power of preferential purchasing to effect positive change and to empower people to think and act for a sustainable future. On the business front he aims to promote environmentally innovative and efficient solutions that meet bottom line goals, and grow a dynamic business web for the benefit of all businesses and consumers that want to be part of a clean green future for New Zealand.

The Royal Commission of Inquiry into Genetic engineering

The promised enquiry into Genetic Engineering finally got under way in Wellington recently with preliminary hearings of submissions for interested person status. Achievement of that status gives individuals and organisations the right to present oral submissions and cross-examine other witnesses. However, the right to make submissions to the Royal Commission is not limited to those with "interested person" status. Anyone can make a written submission to the Commission.

The Commission's terms of reference require it to "seek the views of the public, including ethical, cultural, environmental and scientific perspectives on the use of genetic modification, genetically modified organisms and products in New Zealand". An information pack of guidelines in regard to the procedure and content of submissions can be requested by writing to the Royal Commission at PO Box 3554, Wellington, or telephoning them on 04 495 9151. Alternatively, if you have internet access you can find the guidance you need on www.gmcommission.govt.nz and even more useful information on www.context.co.nz.

The deadline for written submissions is 1 December 2000. The Royal Commission will be touring New Zealand over the next few months to seek wider consultation via a series of public meetings and hui across the country. These meetings are intended to enable the commissioners to form a view on general public perceptions and opinions about genetic modification. This will be most people's only chance to appear in person before the Commission and make their views plainly known. Venues and dates for these meetings should be published in local media and on the websites above.

Prometheus News



It has been another busy six months at Prometheus as we sought to maintain a steady and reliable pace in regard to our operational responsibilities, research the implications and options for Prometheus in the face of forthcoming legislative changes, and meet several key marketing objectives while still giving staff the chance to catch up on their annual leave.

On the marketing front we have completed our web page, www.prometheus.co.nz and the next phase is to register that with appropriate search directories and establish links with other sites which embody compatible philosophies and objectives. We have also started distributing our new postcard stands (which have been recycled from surplus Greenpeace leaflet stands kindly passed on by them). If any clients or supporters of Prometheus know of outlets which would be willing to display these stands (A4 size, desktop or wall-mountable) on our behalf, could they please contact us.

Over the past six months we have been creative in our efforts to build on existing networks and relationships, with both Ton and Terry using planned holidays to visit family in Europe as an opportunity to attend banking conferences and discuss ethical investment and marketing issues with colleagues in both the UK and Holland. Ton has also been to the Business Ethics conference in Auckland where speakers from New Zealand and overseas focussed on businesses achieving a "triple bottom line" where desired environmental and social outcomes are achieved along with financial ones.

Forthcoming Legislative Changes

The securities legislation, which governs all financial organisations in New Zealand, was revised earlier this year and a Trust Deed for the protection of Prometheus' Investors will be required from 30 April 2001. This Trust Deed will contain covenants to further ensure the security of investor's funds. These covenants require

compliance with specific financial ratios in terms of equity, liquidity and large risk exposures and it is a duty of our Statutory Supervisor, New Zealand Tower Trust, to monitor these covenants. This statutory prudential supervision will impose additional administrative tasks and costs on Prometheus and we are currently amending our administration systems, policies and guidelines in preparation for compliance with this Trust Deed. Prometheus will also have to follow a tightly prescribed format for a prospectus that is acceptable to both the Ministry and our Statutory Supervisor. All these procedures will bring benefits in the form of increased credibility since our funds will be secured by this Trust Deed.

Continued Growth for Prometheus

Overall in the 1999/2000 year Prometheus continued to experience a good growth rate in both entrusted funds and lending, which resulted in a good operating profit. Savings, Term and Notice accounts increased strongly by nearly 26% in total over the year, while loans increased by a steady but less spectacular 8.5%. There is, consequently, considerable room for further expansion in our loan portfolio but this is something we pursue with deliberate caution to avoid any reduction in our prudential standards for loan approval simply because we have had strong growth in our deposit base. Our reserves are relatively healthy at just under 11% of risk weighted assets though we will need to build these further given the forthcoming changes to the legislative regime.

Despite the higher expected administration and compliance costs of the Trust Deed regime, recent increases in interest rates along with continued steady growth in both deposit and lending levels lead us to expect that Prometheus can look forward to continued strong performance this year.

Outlook

Events over the past year, including both the marked success of our Solar heating loans and the ongoing debate about Genetic Engineering, underline the continuing concern amongst many New Zealander's over environment issues. These issues, in their different ways, point to people's desire to have the freedom to choose and act in line with their consciousness. Prometheus will continue to pursue its objectives of offering clear choices to investors and helping to increase the awareness that investment decisions do have an impact on our social and natural environment.