



PROMETHEUS PROFILE

Issue No. 25, April 2002

Earthsong: an Eco-Neighbourhood

An exciting and ground-breaking urban co-housing development in Ranui, Waitakere City, is nearing completion of its first stage. It combines a number of elements in ways that have not been seen in New Zealand before. The project is based on a co-housing philosophy employing eco-housing principles and permaculture design in a medium-density urban environment.

To get this far has been no small achievement for the group of individuals that started this journey together seven years ago. That process has required development of a broad range of skills and abilities within the group, including communication and community-building, planning and budgeting, building application and consent processes, as well as legal and financial negotiation and project management.

A major factor in their success appears to have been the effort put into establishing solid communication and community foundations early on in the process. This enabled a healthy resolution of differences and gave the group the cohesion and commitment needed to overcome the many hurdles faced on the way to their ultimate goal.

Establishing an appropriate legal form to carry the project through was also a key factor. The group formed a limited company, Co-Housing NZ Ltd (CNZL), as a vehicle to commission, plan, negotiate, contract and oversee the development work. While CNZL was seen as an appropriate name for the development company the community still needed to develop its own identity and find a name for the completed project with which it could resonate. Thus, 'Earthsong Eco-Neighbourhood' was born, reflecting as much as possible the origins and intentions of this project.

CNZL's core development plan was based around two stages, with 17 homes being built in the first stage, which would freehold all the unit titles, and a further 15 homes in the second stage along with a large community house. This latter will provide facilities for community activities, recreational space, workshop and guest accommodation.

The site chosen was a long-standing organic orchard entirely built out by surrounding residential development. The permaculture design includes retention of some of the old orchard and as many other trees as possible, incorporation of green space and features to allow rainwater use and absorption in reflection of Auckland's critical water problems. These latter included the use of vegetated 'swales' to direct, treat and absorb excess stormwater runoff, the creation of a pond and the use of porous paving which soaks up rainwater from carparks and removes pollutants. Rainwater collection tanks have also been incorporated in the development to both buffer stormwater flows and allow water reuse.



The houses have been built using rammed-earth walls for thermal mass and temperature smoothing on the ground floor, with upper storeys of untreated chemical-free plantation Poplar, Macrocarpa and Lawson Cypress. The homes all have solar water heating. Parking is restricted to one corner of the site with walkways throughout the remainder to both make the space safe for children and to create a more relaxed neighbourhood.

The pond, nearly a lake, after heavy rain.

With building work starting in late 2000 Prometheus was invited to a meeting in early 2001 to discuss both community and individual financing requirements at different stages of the project. As a result of that meeting several community members applied for loans with Prometheus to complete the purchase of their homes when they were finished.

Unfortunately, the development experienced significant difficulties when well advanced in the building process, with time delays and cost overruns contributing to the liquidation of the contracted building company. Another building partner was sought to complete the project though their quote for finishing was significantly higher than the original contractor. The major bank that had financed the development to this point was unwilling to extend the additional finance required.

Consequently, CNZL approached Prometheus for the completion finance and through the support of not only the members of this community but also a wide circle of family, friends and well-wishers, this was made possible.



As a result of this short-term loan the project is now nearing completion, with many of the 17 homes finished and occupied and the remainder due for completion by the end of April. BRANZ awarded the first completed house an 'Excellent' Environmental Performance grade under their Green Home Scheme. Titles are expected to be issued shortly and when they change hands the completion loan will be repaid.

Evening sunshine after a dramatic storm

Prometheus will remain closely involved with this project by providing the finance for several households to complete the purchase of their eco-homes within this community. We wish all members of Earthsong Eco-Neighbourhood a smooth and comfortable transition into their new living situation and hope they thoroughly enjoy the fruits of their combined efforts.

For further information (and pictures) see www.ecohousing.pl.net To go on a monthly site tour ph Geraldine, 09 832 5558

Pacific Coast Eco-Ventures

Chris Bone and partner Julia Alabaster are building steadily towards their goal of operating an eco-tourism business in the Bay of Islands. The first phase of this project has been to re-vamp their organic café, The Soul Food Centre, in Whangarei and to undertake alterations to their property at Mamaki Eco-Village to be able to offer farmstay and backpacker accommodation for prospective eco-tourists.

They will be offering boat trips along the pacific coast and to the Poor Knights Islands as well as guided walks to hear the kiwis on Mamaki and watch the little blue penguins as they come in to roost at night. Chris intends to offer guided kayaking if there is sufficient demand and hopes to be able to provide guided horse-trekking in the near future. This venture is a Green Globe 21 affiliate and will be promoting environmental protection to customers and other local businesses.

For further information contact Chris at Pacific Coast Eco-Ventures, PO Box 1803, Whangarei or email chris@gefreeregister.co.nz

Sustainable Lifestyles in Otago

Dissatisfied with years of renting and wishing to pursue their dreams of a sustainable lifestyle, two friends, Martin Bald and Phillipa Crowsley, approached Prometheus for the additional finance they needed to buy two neighbouring 2 hectare (5 acre) blocks in Waitati, north of Dunedin.

Their key aims were to have the space to plant their own organic gardens and orchard within a peaceful natural setting that would allow them to live self-sufficiently. The land they had found was well-suited to their aims, being in a Landscape Conservation Area with a sizable area of protected regenerating native bush and other restrictions as to landscaping and building design. Both were keen to see that regeneration continue and pleased that the resource consent ensured that.

They also wanted finance for their own solar electric power supply to supplement Martin's existing gas appliances. They plan to live in temporary accommodation on the land (a caravan and housebus) while steadily building modest cottages on each block and getting the gardens underway. We wish them both well in their new roles as landowners and with all the rewarding work that goes with their new lifestyles.

Otamatea Eco-Village



The process that has resulted in the establishment of Otamatea Eco-Village can be seen to have started in many places and as a result of many influences. However, the first concrete step that initiated this development took place in 1995 when Reinhold Huber and Lynne Hindle visited an isolated peninsula in the north-eastern Kaipara Harbour, just 3kms west of Kaiwaka.

Outlook over Otamatea with completed barn in the foreground

With the help of naturalist Edward Goldsmith, who had already bought the 43ha of native bush remaining on the tip of the peninsula, the initial capital needed to purchase the remaining 102 hectares of the peninsula was raised.

The process then became more intensive with an evaluation of the land's potential by a permaculture designer and promotional brochures distributed to attract like-minded shareholders. Final purchase of the land was negotiated, council approvals on land use sought (and gained) and plans for the subdivision of the land into unit titles submitted. Discussions were also held with local Iwi to check whether the land was subject to any outstanding claims and it was decided to covenant the old pa site on the land as a reserve.

The eco-village progressed rapidly over the next 7 years, attracting ten shareholding parties representing a diverse range of people with a wide skill base, including a master electrician, veterinarian, architect, photographer, civil engineer, medical technician, landscape designer, builder, author, administrator and teachers.



Most of those involved have built, or are in the process of building, their own eco-homes on the land. These include straw-bale and light-earth buildings with electricity predominantly supplied by wind power. Each lot in the eco-village has approximately 2 hectares of land with shared rights over the remaining 72 ha of common land.

Daniel's straw bale house in its peaceful setting

One of Otamatea's central aims is to become a learning centre promoting sustainable land-use through permaculture principles. Regular permaculture workshops have been held on site since its inception and over the last few years there has been an extensive permaculture design course.

The Vision Statement on their Prospectus states that the Eco-Village:

Will practise permaculture in a spirit of co-operation, mutual support and respect for one another and the land.

Will preserve and enhance the native ecosystems on the land and in the sea around us.

Will create fertile, holistically integrated agricultural systems and a village culture that abundantly provides our community's needs for a healthy living at all levels: physical, social, emotional, intellectual and spiritual.

Will do this sustainably, ethically and with beauty and creative variety.

Will be a positive part of the wider New Zealand society, especially as a model of sustainability and biodiversity.

Will be part of the wider global cultural evolution, giving and receiving knowledge, wisdom, inspiration and love.

Until recently the whole eco-village had been on a single title. To further develop Otamatea the shareholders decided it was necessary to pursue their initial aim of seeking approval for 15 separate unit titles. It was felt this would make it easier to attract the further five shareholding parties they wanted, as interested parties could much more easily raise finance against separate titles. This would make partnership in Otamatea more accessible and would make house-building finance more straightforward.



Realising this aim involved additional expenses for surveying the sites and paying the GST that would become liable with the change in legal structure and ownership. The directors approached Prometheus for a loan to enable these changes and also to finance further development of both the educational and commercial aspects of their organic nursery and gardens. We were more than happy to be able to facilitate these changes and to support this adventurous project.

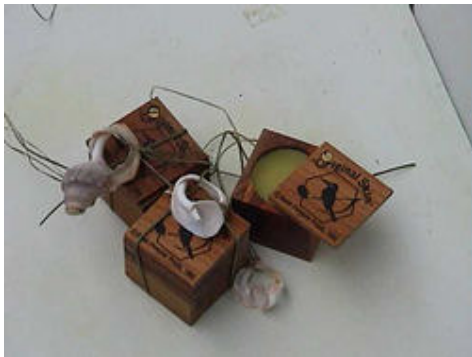
Reinhold and Lynne outside their home at Otamatea

Bush Penguin Regeneration



In 1989 Kate McDonald and Herman Addens, along with two other partners, bought a 700 acre block of land inland from Gisborne with a large area of bush remnant. This block was included in a survey report in 1995 for the Protected Natural Areas Programme as the largest remnant of bush (excluding Gray's Bush) between Gisborne and Tolaga Bay.

Over their first ten years of ownership they focused their efforts on controlling the goats, possums and honeysuckle to protect that remnant bush and on establishing a bird rescue and rehabilitation operation under authorisation from the Department of Conservation. The latter is now known as the 'Bush Penguin' rescue service in honour of their first patient, a NZ Kingfisher, whose antics when confronted with his own reflection reminded Kate and Herman of nothing so much as a strutting penguin. To fund this service they have developed a range of natural skin-care products from the bush which they sell by mail order.



More recently, ownership changes contributed to a growing conflict over land usage, with the majority owner wishing to farm livestock on the regenerating bush while Kate and Herman wanted to encourage that regeneration and investigate further sustainable bush crops. In order to better protect their 200 acre share of this block they approached Prometheus for finance to cover the costs of title separation, QE II Covenanted and fire box renewal. We were pleased to be able to support them in their ongoing restoration and preservation aims.

Natural skin balm in beautiful wooden boxes

For further information about their range of natural products please contact Kate at Bush Penguin Products, PO Box 764, Gisborne or email healthpax@hotmail.com

Waiohiki Community Trust

The Waiohiki Community Charitable Trust has been in operation for 12 years. It is a bi-cultural organisation representing both tangata whenua and tangata tiriti from the same geographic community just south of Taradale in the Hawkes Bay. Its aims are to promote education, employment, enterprise, good housing and recreation in pursuit of a healthy community.

The Trust originally approached Prometheus to secure funding for the purchase of land on the banks of the Tutaekuri river, adjacent to the Waiohiki Marae, which was the site of an old shingle works. The community wished to gain ownership and control of this site as, over the years, its operation as a shingle yard has presented significant problems for the marae, with machinery operating during tangi and the impact on the marae of dust and the presence of heavy vehicle traffic.

As the Waiohiki Marae had insufficient funds to purchase this land the Trust undertook to buy it to enable landscaping, culturally appropriate land usage and the development of community-based tourism and micro enterprises. In the process of discussing this venture and the Trust's plans with regard to its other properties, the trustees concluded that a better long-term relationship could be established with Prometheus than with their existing lender.

Consequently, they refinanced their existing loan which had been used to purchase and renovate the old Dairy Factory and several cottages on land adjacent to the Napier Golf Course. These properties now bring in steady rental income for the Trust which more than covers their borrowing costs for these properties and the old shingle works site. We look forward to seeing the Trust's continuing development of these properties in pursuit of their broader aims and wish them all the best in their goal of further developing the Waiohiki community.

Mountain Valley Festival 2002

The Mountain Valley School in the Graham Valley near Motueka is established as a community-based charitable trust which aims to provide an educational facility promoting and reflecting a co-operative, sustainable, productive and holistic integration of plants, animals, people and structures. Every year the Trust holds a week-long festival to promote its philosophy, educate the public, develop the community and fund-raise for the school. In the past the Trust has always had sufficient own funds for seeding the establishment costs of this festival, reserved from the profits of previous festivals.

In the past year school building requirements absorbed these funds resulting in the school's trustees approaching Prometheus for the necessary short-term seed funding. Given the aims and aspirations of the Trust and the environment theme of this year's festival, with its title 'Our Planet - Our Future', we were more than happy to approve this loan. Each day of the festival was based on a different aspect of the environment theme, with workshops over the week focussing on our relationship with Land, Water, Energy, Waste, Eco-building and each other.

Unfortunately for those that have had their interest piqued by this article, the festival was held from January 4th - 12th and proved to be very popular despite somewhat unreliable weather.

If you would like to take part in next year's festival you can write to the Trust c/o Mountain Valley School Founder's Trust, Graham Valley, RD 1, Motueka and ask to be put on their mailing list.

Prometheus News

It is remarkable how much can happen in one year. This time last year Prometheus was experiencing an increasing imbalance between deposit and loan growth, was facing an increase in operating costs (due to legislative changes) at just the time when increased surpluses for reserve purposes were being called for and was still needing to find a Trustee company to act as Statutory Supervisor.

We are pleased to report that these challenges have been met positively and successfully over the year. Prometheus has experienced a marked improvement in its loan to deposit ratio, is on track for another good financial result and is particularly well placed with regard to its key relationship with its Statutory Supervisor, Perpetual Trust.

Financial Results

Interest in ethical finance and a desire to support ethical loan projects continues to grow as evidenced by continuing strong deposit growth over the past year. Consolidated deposit growth for both the Prometheus Credit Union and The Prometheus Foundation over the financial year to date suggests that total deposits will be around \$7.5 million by the end of the March 2002 year. That compares to total deposits of \$6.1 million a year ago and translates into deposit growth of nearly 25% over the year, the third successive year of such strong growth.

Over this same period we have targeted our advertising towards likely borrowers and built on existing networks to attract more loan applications. This has resulted in very strong loan growth and a marked improvement in Prometheus' loan/deposit ratio. Growth in consolidated loans over the financial year to date suggests that total loans will be in excess of \$4.5 million by the end of this financial year, up from \$3.0 million a year ago. That translates into expected loan growth of 50% over the year and has contributed to an increase in the loan/deposit ratio from 50% to over 60%.

The growth in both loans and deposits has been stronger than forecast over the year to date. As a result Prometheus appears likely to show a larger than forecast operating surplus for the March 2002 year. On current projections that could be over \$60,000 which would be a very good result given the overall increase in operating costs of around \$25,000 this year. These cost increases have been largely due to the new Trust Deed and Prospectus requirements imposed by last year's changes to the legislation governing Prometheus Credit Union.

Outlook

Prometheus is well-positioned in terms of the new legislative environment, its own balance sheet relationships and the income-expenditure projections that derive from that. Even if recent strong growth rates in deposits and loans are not maintained Prometheus is still well-placed to continue growing steadily and extending its services to the ethical business and activity sector in New Zealand.

Nevertheless, our view is that reasonably strong balance sheet growth will be maintained in the near future. This will put Prometheus in a good position to explore options for significantly broadening its reach and offering other services complementary to its core savings and loan activity. These possibilities are currently being researched and we hope to be able to report further in the next newsletter.

Kanuka-Wairewa Partnership

In early 1994 four friends joined forces to form the Kanuka-Wairewa Partnership and purchase a 13 hectare block of land near Little River on Banks Peninsula. This partnership was formed with a key goal of fostering regeneration of the remnants of native forest on that land and with a broader vision of:

'Creating and restoring a place of peace, richness and ecological integrity, while fostering land stewardship, sustainable livelihoods, healthy family and community living and respectful relationships'.

The partners noted on taking stewardship that the land had suffered from decades of poor management beginning with the logging and burning of the original forest, followed by years of conventional farming practices on land poorly suited to that. Since 1994 they have organically planted over 3,500 trees, livestock has been excluded and pests and weeds controlled. The partners report that the recovery of the ecosystems during this first phase has been astounding, with healthy Kereru populations and a smaller population of Tomtits becoming resident more recently.

A search for additional partners was prompted when one of the original partners indicated he wanted to pass on his share. The new prospective partnership that developed from this search then approached Prometheus for finance, primarily to enable those new partners to buy into the project but also to facilitate some further development steps so that the partnership could move closer to their ultimate aims.

Prometheus was more than happy to facilitate the involvement of these new partners and the planned developments. These developments include repairs to the internal access road, building a bridge to protect the small stream on the property and building some modest accommodation.

The latter will provide better facilities for those who are doing the reforestation, pest control and ecosystem preservation work on the land. It will also provide better quality accommodation for short-stay visitors who simply want a retreat space to enjoy the peaceful nature of this environment. We wish the new partnership all the best in their continuing labour of love and look forward to hearing of further developments at Little River over time.



Eco-Living in Puhoi

Founder of the PlaNet internet provider service, Alan Marston, approached Prometheus last year for completion finance for his eco-home in Puhoi, north of Auckland. Alan's house, carefully sited in a native bush setting, had been built with ecological, social and personal sustainability goals in mind.



Alan's eco home in Puhoi and the stained glass window designed by Prometheus' own Gypsy Bruce-Griffin

The house was built using only non-toxic, sustainable natural materials and incorporated energy self-sufficiency and covenants on the native bush. Social concerns were reflected in the choice of only local suppliers for all materials, fixtures and fittings while personal sustainability goals were met by designing the house to enable compatibility between personal lifestyle and business needs.

The difficulties of borrowing from banks for home-building and constrictions on cash-flow meant that Alan required a more flexible source of finance to complete his dream home. Having had a long association with Alan in other fields, Prometheus was happy to facilitate the completion of this creative project.

Kiwifruit Organics

After 19 years of working in the computer-based world of the information technology (IT) industry, Brian Scafton reached a stage in his life where he decided it was time for a complete change of direction. As a result of this re-assessment process he has now become a kiwifruit farmer in Te Puke.

Brian found a suitable 9.3 hectare property in Te Puke, with 3.3 ha of that being a kiwifruit orchard that had just completed its transition to organic status with BIO-GRO certification. He had a substantial portion of the funds he needed from the sale of a property in the U.K. but was looking for additional finance to complete the purchase and provide the working capital he would need for the initial years of production.

An advertisement in one of the early issues of Eco-Living magazine brought Prometheus to his attention and all the pieces came together. Brian freely admits that this is an area in which he has no experience though he has built relationships with a number of very experienced growers in the area. He reports that they are willing and able to provide him with the ongoing advice he needs to ensure that his new career is a success. Furthermore, he notes that their guidance will be essential in ensuring that he is able to operate the orchard to the standard required to continue to meet the stringent Bio-Gro certification standards.

The purchase was completed in December last year and Brian is now in the process of settling in to his new occupation and lifestyle. He has drawn the first tranche of his working capital facility with Prometheus and is looking forward to his first harvest later this year. He has plans to further develop the orchard and hopes that with sound orchard management he will be able to boost production 10-20% in the near term. With a premium for organic kiwifruit of between \$1-\$3 per tray over conventional fruit the prospects for this venture are good. We wish Brian all the best with his new business and hope that he thoroughly enjoys the change of lifestyle.

A new Hakatere Hutholder

Prometheus was approached recently with a request for finance from a solo mother to enable her to relocate with her daughter from an unsatisfactory situation and purchase her own home close to her parents in a rural setting at Hakatere, outside Ashburton. The support of her parents and the nature of this relatively unspoilt

environment gave her hope that she could provide her daughter with the quality of life she herself enjoyed in this area as a child.

The loan was not a particularly straightforward one as the property had no standard title, situated as it was on leasehold land with the lease held in perpetuity by the Hakatere Hutholder's Society - an organisation formed of all the owners of cottages, baches and huts on this land that was originally owned by the Acclimatisation Society. Nevertheless, with the support of a broad circle of family and friends acting as guarantors, the loan was able to proceed and both mother and daughter are very happy to be settled in a home of their own.