



SOUTHLAND WARM HOMES TRUST

**ANNUAL PERFORMANCE REPORT
FOR THE YEAR ENDED
30 JUNE 2024**

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CHAIRPERSON'S REPORT

FOR THE YEAR ENDED 30 JUNE 2023

It is with great pleasure and satisfaction on behalf of fellow Trustees Carl Findlater, Keith Hovell and Stephen Canny that I have the opportunity to report on the achievements of the Southland Warm Homes Trust (SWHT) in its sixteenth year.

The SWHT was established in June 2008 by Electricity Invercargill Limited (EIL) and the Southland Power Trust (SEPSCT) to provide an umbrella to facilitate a warm homes project after a meeting of community groups was arranged in 2006.

With the encouragement of the Energy Efficiency and Conservation Authority (EECA) and support from the respective EIL and SEPSCT board members, they decided to support energy efficiency initiatives for the benefit of Southland through the establishment of the SWHT.

The SWHT provides subsidised insulation and heating products to homes across Southland and West Otago. The vision of the SWHT is to ensure "Southlanders" have:

- a more energy efficient home
- an improved living environment
- improved well-being
- better health
- greater energy efficiency awareness

Measures Installed

In the year to 30 June 2024, 938 homes received insulation and 493 homes received a new efficient heating appliance, subsidised through funding support from the SWHT and the EECA Warmer Kiwi Homes Programme (2023: 457 homes insulated and 559 with a heating appliance). The Trust received income from community grants totalling \$709,000 (2023: EECA, Home Owner contributions and community grants \$367,000), and \$779,000 (2023: \$614,000) was utilised in delivering these services. The change in EECA income received in 2024 reflects the change in the WKH contract holder status of the Trust in 2022/23.

Project Team and Community Support

The achievement of the SWHT objectives would not have been possible without the considerable investment of time and effort of the SWHT Project Team and financial support of various community funders throughout the region that include:

Community Funders	2024	2023	Project Team Representatives
The Power Company Limited	\$230,000	\$62,500	
Electricity Invercargill Limited	\$230,000	\$62,500	
Community Trust South	\$40,000	\$30,000	
Gore District Council	\$15,000	\$15,000	
Southland District Council	\$35,000	\$35,000	Matt Russell
Invercargill City Council	\$30,000	\$30,000	Lesley Soper, Gemma Crawford
Environment Southland	\$50,000	\$50,000	Lucy Hicks, Anke Habgood
Rio Tinto Murihiku Community Trust	\$50,000	-	
Aotearoa Gaming Trust	\$29,000	-	
Southland Power Trust	kind support	kind support	Carl Findlater and Stephen Canny
Primary Health South	kind support	kind support	Tom Scott and Laura Pope
Well South	kind support	Kind support	Katrina Braxton
Work and Income	kind support	kind support	

The Southland community owes a great deal to these people and the organisations that have been behind this project and made it work. Our first grant of \$2,000 was received from the Southland Energy Efficiency Trust and over the years grants have ranged up to \$250,000 from The Power Company Limited.

EECA have been incredibly supportive to the project over the last fifteen years contributing over \$18.0 million of the SWHT's total income of \$34.2 million.

Fifteen years of successful home energy efficiency programmes

In August 2023 the Trust celebrated fifteen years offering home energy efficiency initiatives to the people of Southland, with the partnership of EECA co-ordinated programme programmes and local community funding:

- 2009 *Warm Up New Zealand Heat Smart Package* – following the initial start-up year, a four year home energy efficient heating programme was introduced by the Government in July 2009, successfully insulating more than 241,000 across New Zealand. After five years the SWHT had insulated over 4,500 homes with EECA and community funding support.
- 2013 *Warm Up New Zealand Healthy Homes Programme* – the 2013 Healthy Homes insulation scheme aimed to fund the insulation of around 46,000 low income homes nationally over three years to June 2016, targeting low income households or those with high health needs, which include families with children and the elderly. Landlords with eligible tenants were also included. The SWHT subsidised the insulation of a further 1,270 homes in this period.
- 2016 *Warm Up New Zealand Healthy Homes Rental Programme* – the SWHT was awarded EECA funding to deliver 1,100 rental property retrofits from September 2016 to June 2018. EECA funded 25% of the total insulation cost, with the SWHT contribution covering a further 25% of the cost, and the Landlord contribution providing the remaining 50%. In June 2017, EECA extended the eligibility criteria to again include Home Owners on low incomes, under the same funding scenario applicable for Landlords.
- 2018 *Warmer Kiwi Homes Programme* – a new EECA initiative was introduced in July 2018 as a four year \$142million programme focusing on insulation for low income homes or those located in a low social-economic area, with the addition from year two of a new heating subsidy (heat pump or wood burner installation).
- 2022 The *Warmer Kiwi Homes Programme* has been extended to 30 June 2027, due to the successful uptake in the first four years, with the eligibility criteria extended to provide greater coverage for the benefits of the programme.

Warmer Kiwi Homes Programme

The Trust was awarded a Warmer Kiwi Homes (WKH) four year Insulation Service Provider contract for the Southland region in June 2018. The EECA managed WKH programme provided an 80% contribution towards insulation and/or efficient heating unit installation costs for eligible low income owner-occupied homes, or those based in a low income area. In addition, the SWHT provided funding for 15% of the cost, resulting in eligible low incomes homes only required to contribute 5% of the insulation cost, helping to make the offer more affordable for those who are vulnerable and are likely to benefit the most.

In 2022 EECA introduced new WKH service provider contracts directly with programme installers Awarua Synergy, Southland Home Ventilation Ltd, Hotspot Installations Ltd and PIL Group Ltd (trading as Premier Insulation), in the Southland region. The Trust works closely with these service providers to provide the additional 5-15% funding to their eligible WKH customers for the installation of home insulation or a new heat pump or wood burner.

The WKH programme makes a commitment to quality health & safety practices, with all service providers required to achieve a health & safety qualification standard.

The current Warmer Kiwi Homes Programme eligibility is based on the following criteria:

Funding for:	Insulation Subsidy		
Residential dwelling built prior to 1 January 2008, and:			
2023/24-figures as at 30 June 2024	EECA	SWHT	Home Owner
Home Owners with a CSC card.	90%	5%	5%
Owner-occupied homes located within a low social-economic area (zone 9 or 10 Deprivation Index).	90%	5%	5%
Owner-occupied homes located within a low social-economic area (zone 7, or 8 Deprivation Index).	80%	5%	15%
<i>Note: SWHT's contribution has a funding cap of \$562.50 incl GST.</i>			

Funding for:	Heating Contribution (Heat Pump & Wood Burner installation)	
Residential dwelling built prior to 1 January 2008, and:		
2023/24-figures as at 30 June 2024	SWHT	
Home Owners with a CSC card.	15%	- EECA provide 80% of funding, up to \$3,000 (incl. GST);
Owner-occupied homes located within a low social-economic area (zone 8, 9 or 10 Deprivation Index).	15%	- SWHT 15% contribution in addition to EECA funding, increases to 95% up to \$3,562 install cost (incl GST). - Home Owner cost is 5% up to \$3,562 install cost (incl GST), and 100% thereafter.

NB: The Warmer Kiwi Homes Programme **Heating Contribution** started from 1 July 2020.

General Income Subsidy

During the year the Southland Warm Homes Trust together with Awarua Synergy offered a summertime subsidy of up to \$1,500 for qualifying middle income families to undertake insulation.

Health Subsidy Initiatives

The Trust together with Awarua Synergy and Public Health South introduced a new SWHT Health subsidy during the year, to recognise those who may not qualify for the WKH programme, but have a high health need and would benefit significantly from a warmer drier home. A grant of up to \$2,500 may be available for eligible home owners based on a health referral process.

The Trust also provided financial support for the introduction of the Ministry of Health Healthy Homes Initiative (HHI) expansion to the Southland area during 2023. This initiative involves a hospital referral system and aims to target families with repeat health issues caused by cold, damp living environments. Funding is available for eligible families who undertake the HHI process to make the home and living environment warmer and healthier. A joint agreement for the Otago/Southland region between Public Health South, Aukaha, Awarua Synergy, and SWHT offers an assessment and funding of up to \$2,500 per home intervention for those in Southland.

Financial Hardship Grant

The Trust may contribute funding in situations of significant financial hardship, where a home owner may apply to the Trust to cover the remaining 5% 'Home Owner' portion of the WKH insulation or WKH Heating Unit install cost, at the discretion of the Trustees.

Financial Performance

The SWHT recorded a net operating deficit for the year of \$110,000 (2023: deficit \$292,000). The result was \$23,000 favourable to the budgeted deficit of \$134,000. This reflects strong demand for subsidised Warmer Kiwi Homes insulation and heating units during the year, and the introduction of the Healthy Homes Initiative (HHI) expansion programme.

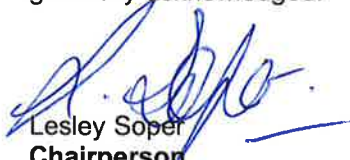
The 2024 financial deficit utilises funds carried forward from the previous years, and additional funding from several community funding providers.

Operational Support

Awarua Synergy performs the installation service provider function on behalf of the SWHT and employs up to 25 staff at seasonal peak times.

PowerNet Limited provides administrative and secretarial support to the Trustees and SWHT Project Team.

The support from the staff of these organisations towards the successful delivery of the project is gratefully acknowledged.



Lesley Soper
Chairperson
Southland Warm Homes Trust

ENTITY INFORMATION

FOR THE YEAR ENDED 30 JUNE 2024

NATURE OF BUSINESS	Charitable Trust
CORE PURPOSE	To provide energy assessments, insulation, and energy efficient heating appliances to Southland households.
VISION	The Southland Warm Homes Trust and the Project Team in conjunction with Awarua Synergy will ensure Southlanders have - a more energy efficient home, an improved living environment, improved well-being, better health, and greater energy efficiency awareness.
GOVERNANCE	The Trust is governed by a Board of Trustees comprising of four members, and supported by a Project Team representing local stakeholder organisations.
TRUSTEES	Lesley Soper (Chairperson) Carl Findlater Stephen Canny Keith Hovell
BUSINESS ADDRESS	251 Racecourse Road Invercargill
POSTAL ADDRESS	c/- PO Box 1642 Invercargill 9840
FREE PHONE	0800-WARMSOUTH 0800-92-76-76
AUDITOR	Crowe New Zealand Audit Partnership 173 Spey Street Invercargill
BANK	ANZ Bank New Zealand Limited
ADMINISTERED BY	PowerNet Limited 251 Racecourse Road Invercargill
PROJECT DELIVERY BY	Awarua Synergy c/- 117 Eye Street Invercargill 03-214-2927
FUNDING PROVIDED BY	Combination of Government agency funding through EECA based on number of eligible households insulated, and community funding provided through Corporate and Local Government donations and grants.
ACKNOWLEDGEMENT	The Trust greatly appreciates the support and volunteered time of the Trustees and the Project Team members, which is vital to the ongoing success of the project.

STATEMENT OF SERVICE PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2024

Outcomes

The objectives of the Southland Warm Homes Trust for this financial year as specified in the 2023/24 Business Plan are:

- providing all Southlanders with the opportunity to have an individual assessment and receive advice on how to improve energy efficiency in their home;
- creating awareness of the benefits of home insulation and energy efficiency
- improving the living environment, well-being and health of Southland people.

Key performance targets and measures identified in the Business Plan, along with the performance achieved during the financial year, are detailed below.

Outputs

Year Ended 30 June:	2024 Achieved	2024 Target	2023 Achieved
<i>Warmer Kiwi Homes Programme: Insulation Installs</i> (No. of houses receiving subsidised insulation)			
- Low Income Households – Owned	939	505	457
 <i>Warmer Kiwi Homes Programme: Heating Contribution</i> (No. of houses receiving funding towards new heat pump or wood burner)			
- Low Income Households – Owned	493	515	559
 <i>Healthy Homes Initiative: Home Contribution</i> (No. of houses receiving funding towards home assessment and intervention assistance)			
- Low Income Households – Owned	116	40	-

The Southland Warm Homes Trust continues to provide subsidised insulation and heating units to households across the wider Southland and West Otago area.

Subsidised Programme Regional Breakdown:

INSULATION	Clutha	Gore	Southland	Invercargill	Total
2023/24	9	146	171	613	939
2022/23	6	84	63	304	457

HEATING	Clutha	Gore	Southland	Invercargill	Total
2023/24	4	78	73	338	493
2022/23	2	63	84	410	559

STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2024

	Note	2024 \$	2023 \$
Revenue			
Revenue from Grants & Donations received	2, 10	709,000	362,806
Revenue from providing goods or services	2, 10	200	3,714
Interest received		2,549	3,576
Total Revenue		711,749	370,096
Expenses			
Costs related to providing goods or services	3	779,082	613,665
Other expenses	3	42,920	48,053
Total Expenses		822,002	661,718
(Deficit) / Surplus for the year		(110,253)	(291,622)

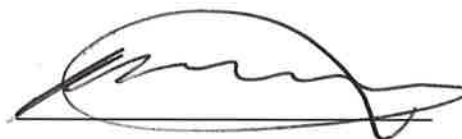
The accompanying notes and audit report on pages 12-19 form part of and should be read in conjunction with this performance report.

STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2024

	Note	2024 \$	2023 \$
<u>Assets</u>			
Current Assets			
Current Account		101,092	10,964
Call Account		46,852	160,852
Customer Deposits		-	-
Accounts Receivable		-	-
GST		15,546	23,803
Prepayments		2,646	2,646
Total Current Assets		166,136	198,265
Non-Current Assets			
Capital Work in Progress - Website		4,938	4,938
Total Assets		171,074	203,203
<u>Liabilities</u>			
Current Liabilities			
Accounts Payable		115,666	37,542
Total Current Liabilities		115,666	37,542
Total Liabilities		115,666	37,542
Net Assets		55,408	165,661
<u>Accumulated Funds</u>			
Accumulated surpluses - Net	4	55,408	165,661
Total Accumulated Funds		55,408	165,661



Lesley Soper
Chairperson



Stephen Canny
Trustee

The accompanying notes and audit report on pages 12-19 form part of and should be read in conjunction with this performance report.

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2024

	2024	2023
	\$	\$
Cash Flows from Operating Activities		
<i>Cash was received from:</i>		
Receipts from Grants & Donations	709,000	666,127
Receipts from providing goods or services	200	3,714
Interest received	2,549	3,576
Net GST	8,257	253
	720,006	673,670
<i>Cash was applied to:</i>		
Payments to suppliers for goods & services	743,878	1,000,759
	743,878	1,000,759
Net Cash Flows from Operating Activities	(23,872)	(327,089)
Net Cash Flows from Investing & Financing Activities	-	-
Net Increase in Cash	(23,872)	(327,089)
Opening Cash	171,816	498,905
Closing Cash	147,944	171,816
This is represented by:		
Bank Accounts and Cash		
Current Account	101,092	10,964
Call Account & Customer Deposits	46,852	160,852
	147,944	171,816

The accompanying notes and audit report on pages 12-19 form part of and should be read in conjunction with this performance report.

NOTES TO AND FORMING PART OF THE PERFORMANCE REPORT FOR THE YEAR ENDED 30 JUNE 2024

1. STATEMENT OF ACCOUNTING POLICIES

Reporting Entity

The Southland Warm Homes Trust is a Charitable Trust that was established by a trust deed dated 27 June 2008, and was registered with Charities Services on 23 September 2008. The Trust was established by Electricity Invercargill Limited and the Southland Electric Power Supply Consumer Trust for the purpose of providing energy assessments, insulation and energy efficient heating appliances to Southland and West Otago households.

The beneficiaries of the Trust are those persons or organisations connected to the Electricity Invercargill Limited distribution network in Invercargill and Bluff and The Power Company Limited distribution network in Southland and West Otago at a particular time.

The financial performance report was approved by the Board of Trustees on 25 November 2024.

Basis of Preparation

Southland Warm Homes Trust has elected to apply PBE SFR-A (NFP) Public Benefit Entity Simple Format Reporting - Accrual (Not-For-Profit) on the basis that it does not have public accountability and has total annual expenses of equal to or less than \$2,000,000. All transactions in the Performance Report are reported using the accrual basis of accounting. The Performance Report is prepared under the assumption that the entity will continue to operate in the foreseeable future.

Basis of Measurement

The financial statements are presented in New Zealand dollars and rounded to the nearest dollar.

Good and Services Tax (GST)

The Southland Warm Homes Trust is registered for GST. The financial performance report has been prepared exclusive of Goods and Services Tax, with the exception of receivables and payables which are shown inclusive of Goods and Services Tax.

Income Tax

Southland Warm Homes Trust is wholly exempt from New Zealand income tax having fully complied with all statutory conditions for these exemptions.

Bank Accounts and Cash

Bank accounts and cash in the Statement of Cash Flows comprise cash balances and bank balances (including short term deposits at call).

Revenue

Grants and Donations

Grants and donations are recorded as revenue on receipt unless there is a 'use or return' condition attached. Grants or donations with use or return conditions are recorded as a liability until the conditions have been satisfied and are recorded as a liability until the conditions have been satisfied and are recorded as revenue.

Household Contributions

Revenue from this source is measured at the fair value of the consideration given for the sale of goods and services.

Investments

Investments are stated at cost.

Loans and Receivables

Loans and receivables are stated at their estimated realisable value. All known losses are written off in the period in which it becomes apparent the debts are not collectable.

Changes in Accounting Policies

There have been no changes to accounting policies. All accounting policies are consistent with those applied in the previous year.

2. REVENUE

	2024 \$	2023 \$
<u>Revenue from Grants or Donations received</u>		
<i>Revenue from grants or contracts for services with government agencies:</i>		
Energy Efficiency and Conservation Authority (EECA)	-	77,606
<i>Revenue from grants or contracts for services with local government:</i>		
Environment Southland	50,000	50,000
Invercargill City Council	30,000	30,000
Southland District Council	35,000	35,000
Gore District Council	15,000	15,000
<i>Revenue from other grants or donations received:</i>		
Electricity Invercargill Limited	230,000	62,500
The Power Company Limited	230,000	62,500
Community Trust South	40,000	30,000
RioTinto Murihiku Community Grant	50,000	-
Aotearoa Gaming Trust (formally Southern Trust)	29,000	-
Sundry Donations Received	200	200
	709,200	362,806
<u>Revenue from providing goods or services:</u>		
Household contributions	-	3,714
	-	3,714

3. EXPENSES

	2024 \$	2023 \$
<u>Costs related to providing goods or services</u>		
Insulation costs	-	72,162
Insulation Contributions	410,195	256,184
Heating Contributions	294,461	285,319
Heathier Homes Incentive Contribution	74,426	-
	779,082	613,665
<u>Other Costs</u>		
Administration Expenses	37,620	42,733
Audit Fees	5,300	5,320
	42,920	48,053

4. ACCUMULATED FUNDS

This Year

	<i>Capital Contributed by Owners or Members</i>	<i>Accumulated Surpluses or Deficits</i>	<i>Reserves</i>	<i>Total</i>
Opening Balance	-	165,661	-	165,661
Surplus	-	(110,253)	-	(110,253)
Closing Balance	-	55,408	-	55,408

Last Year

	<i>Capital Contributed by Owners or Members</i>	<i>Accumulated Surpluses or Deficits</i>	<i>Reserves</i>	<i>Total</i>
Opening Balance	-	457,283	-	457,283
Deficit	-	(291,622)	-	(291,622)
Closing Balance	-	165,661	-	165,661

5. COMMITMENTS

Operating Commitments

During the 2023 period, the Trust also made a commitment to provide a \$60,000 funding contribution to support a new healthy home pilot initiative, subject to certain conditions being met.

There were no Operating Commitments in the year ended 30 June 2024

6. RELATED PARTIES

The Trust received a donation during the year of \$230,000 (2023: \$62,500) from The Power Company Limited. The Power Company Limited is a 100% owned subsidiary of the Southland Power Trust, of which Carl Findlater is Chairman, and he is a representative of the Southland Power Trust. The Southland Power Trust was an original settlor of the Southland Warm Homes Trust (with Electricity Invercargill Limited)

The Trust received a donation during the year of \$230,000 (2023: \$62,500) from Electricity Invercargill Limited. Electricity Invercargill Limited was an original settlor of the Southland Warm Homes Trust (with the Southland Power Trust), and is a 100% owned subsidiary of the Invercargill City Council, of which trustee Lesley Soper is a Councillor.

The Trust received a donation during the year of \$30,000 (2023: \$30,000) from the Invercargill City Council of which trustee Lesley Soper is a Councillor.

The Trust received a donation during the year of \$15,000 (2023: \$15,000) from the Gore District Council, of which trustee Keith Hovell is a Councillor.

The Trust uses PowerNet Limited to provide administration services. Fees for administration services during the year amounted to \$30,000 excluding GST (2022: \$30,000 excluding GST) of which \$2,875 including GST (2023: \$2,875 including GST) is owing at balance date. PowerNet is owned jointly by Electricity Invercargill Limited and The Power Company Limited.

7. NON CASH DONATIONS

The Trust received non-financial in kind support from businesses offering services and time to help with the running of the Trust operations.

8. CONTINGENT LIABILITIES

There were no known contingent liabilities as at 30 June 2024.

9. COMMUNITY SUPPORT

The continuation of the Southland Warm Homes Trust is dependent upon the on-going support from its community funders listed in Note 2, Revenue.

10. WARMER KIWI HOMES CONTRACT CHANGES

On 30 June 2022 the Trust's four year Warmer Kiwi Homes Insulation Service Provider contract with EECA ended. Due to changes to the Service Provider requirements in relation to the sub-contracting of Warmer Kiwi Homes (WKH) installation work, the Trust does not directly hold a contract with EECA following 1 July 2023, however the Trust continues to provide the same third-party funding to eligible Warmer Kiwi Homes insulation customers through those who received a new Warmer Kiwi Homes insulation service provider contract in the Southland region for the 2023 to 2026 period.

The change in EECA contract status reduces the direct insulation installation expenditure with Awarua Synergy, as the WKH insulation service provider contract and associated reporting transfers to Awarua Synergy as a contract holder, however the Trust continues to provide funding contributions (varying from 5-15%) for WKH installation work. No impact is expected on other Trust funding initiatives.

11. SUBSEQUENT EVENTS

There have been no subsequent events since 30 June 2024.