



Co-operatives Act 1996

Directors' Report: Energy Innovation Co-operative Ltd

To the Members,

Your Directors submit their report, together with the audited financial statements of the Co-operative, for the financial year ended 30 June 2012

The Directors of the Co-operative in office at any time during or since the end of the financial year 11-12 and up to the date of this report (AGM 27th Oct 2012) are:

- Bill Banks (retiring as from AGM 27/10/12)
- Susan Davies- Chair
- Gil Freeman- Deputy Chair
- Rob Gray- Secretary
- Bruce Hydon- Treasurer
- Dave Sutton
- Maddy Harford (board appointed Sept 2012)
- Brad Shone (board appointed Sept 2012)

Principal Activities:

The primary activities of the Co-operative in the course of the financial year were:

1. Actively developing the Co-operative as a working organisation by-

- a. Successfully delivering and working towards acquitting the Solar Hub and Climate Communities projects (Sustainability Victoria Funded). These projects included:
 - i. development of a quality database,
 - ii. upgrading the website ,
 - iii. adding social media links (facebook, utube and twitter), plus
 - iv. Purchase of assets to facilitate ongoing Co-op activities including 2 banners, camera, laptop, printer, screen and projector.
- b. Continuing to develop networks with a range of community organisations, councils and others in our region
- c. Employing a range of individuals on part-time, short- term contracts to work on the various projects which have been funded.
- d. Developing further projects and applying for funding for those projects, including:
 - i. Undertaking site assessments for small wind turbine demonstration site (RDV funding unsuccessful, new initiative underway)
 - ii. a Gippsland wide proposal to deliver energy efficiency advice to low income households plus small business. (still underway)
- e. Continuing to develop the capacity of the board to deliver good governance.

2. Informing members and our community about energy efficiency and renewable energy by:

- a. holding solar and energy efficiency information sessions for:

- i. householders potentially interested in adding solar pv or solar hot water systems. These sessions were held in Inverloch, Poowong, Pakenham, Leongatha, Bunyip, KooWeeRup, Mirboo North, Wonthaggi and San Remo in 2011-12.
- ii. Small businesses (farms plus other businesses) with information and encouragement to take up energy efficiency audits and activities to reduce energy consumption. These sessions were held in Wonthaggi and Leongatha.
- b. Attending community meetings, holding Co-op activity days and participating at a range of community festivals within Bass Coast, South Gippsland and Cardinia Shires
- c. Publishing and disseminating a newsletter (3 editions in 11-12 financial year)
- d. Disseminating the green guide of local businesses which provide goods and services relevant to energy efficiency and renewable energy. The Green Guide also contains information about the Co-op, handy hints for energy efficiency, useful web links and links to relevant community organisations. This Green Guide is provided to all members, at various information centres, and at all events attended by the Co-op

3. Facilitating the establishment of renewable energy systems by:

- a. Continuing the roll-out of the Southern Solar Hub (supported by Sustainability Victoria). The primary project objective was to facilitate the installation of a minimum of 500Kw of solar pv on homes, businesses and community buildings in Bass Coast, South Gippsland and Cardinia Shires.
 - i. In practice the Co-op's activities facilitated the installation of at least 620 kW of solar pv. Final figures will be available when the database entries are fully checked and verified.
 - ii. The Energy Innovation Co-operative's initial partnership with Solar Shop Australia ceased when Solar Shop went into receivership in Sept 2011. Customers with deposits paid were serviced through the efforts of local installers working despite their own unpaid debts from Solar Shop.
 - iii. New partners were sought by tender in early 2012, with Energy Eco Korumburra and Solar Corp being selected to deliver solar PV, and The Solar Hot Water Experts (Inverloch) delivering solar hot water. Energy Eco Korumburra has since also gone into receivership (August 2012). Again customers with deposits paid were serviced through the efforts of our local installers, who have now cut links with their previous funding Director and formed a new company (NRG Innovators Gippsland)
 - iv. With the change in the premium feed-in tariff at end Sept 2012, new arrangements and a renewed round of information sessions is being developed.
- b. Planning, researching and seeking funding for a range of other potential projects including establishing trial renewable energy generation and energy efficiency promoting infrastructure or businesses (work is ongoing).

**Significant Changes:**

(Significant changes in the nature of those primary activities or the Co-operative's state of affairs during the year)

The Climate Communities project was completed and acquitted (meeting all requirements on time and on budget) prior to the end of the 2011-2012 financial year.

The Solar Hub project was completed and acquitted by Sept 2012, again meeting all requirements on time and on budget.

The staff contracts established to deliver the Solar Hub and Climate Communities projects, Wendy Davis and Helen Page have now ended. Donna Pearce left the book-keeping position.

Current staff include a part-time (contracted) book-keeper Michelle Tenace, and part-time (contracted) Admin support, Deb Lopez-Freeman. Both will continue to be funded from Co-op business activities. Other contracted services will be taken on as funding or projects permit.

Review and result for the year:

A review of the operation of the Co-operative and the net amount of its profit for the financial year was \$9,816 (cf \$ 5,160 in 2010-11)

Dividends:

No dividends were paid during the year and none are recommended.

Matters subsequent to the end of the financial year:

No matters or circumstances have arisen since the end of the financial year which may significantly affect the operations of the Co-operative, the results of those operations or the state of affairs of the Co-operative in the subsequent financial year.

Future Developments and Results:

The likely developments in the operations of the Co-operative in future financial years and the expected results of these developments are:

The Southern Solar Hub's Sustainability Victoria funding has now ceased. However as the current major project of the Co-operative, activities are continuing, funded by commissions paid to the Co-op by our solar pv and solar hot water provider partners, plus some additional sponsorships and payments by companies or other organisations (eg Gippsland Climate Change Network provided some funding for 2 business information sessions).

Environmental Regulation:

The operations of the Co-operative are not currently subject to environmental regulation.

Share options:

The Co-operative has not during the course of the year or since the end thereof granted a person a formal option to have issued to him/ her shares in the Co-operative.

Each paid up member of the Co-operative has one voting share.

Directors and executives benefits and contracts:



During or since the end of the previous financial year, Directors of the Co-operative **received** a small travel/ meeting expenses payment, funded through the Sustainability Victoria Solar Hub budget .

The Chair of the Co-operative stepped down as Chair for approximately 2 months to take over the role of Project Manager Southern Solar Hub when the employed Project Manager left before the finalising of the contract. This was an emergency measure to ensure the completion of the contract requirements, as there was insufficient time to properly brief anyone else. She was paid (at less than commercial rates) for the completion of this contract. This decision was agreed to by the full board.

At this AGM 27th October, a rule change is proposed to formally allow Directors to be paid for services rendered to the Co-op if circumstances warrant. Any payment will be expected to be at equal to or less than commercial rates, and the option selected only as a last resort.

Indemnification and insurance of officers/auditor:

Insurance premiums have been paid for Director's liability insurance and public liability insurance during or since the end of the financial year.

This report is made in accordance with a resolution of the Board and is signed for and on behalf of the Directors

Signed at Korumburra on the 27th day of October, 2012

A handwritten signature in blue ink that reads "Susan Davies".

Director (full name) **Susan Margaret Davies**

A handwritten signature in black ink that reads "Bruce Thomas Hydon".

Director (full name) **Bruce Thomas Hydon**