



DEVELOPMENT
WEST COAST

Te Ohu Whakawhanake o Te Tai Poutini



GROWING BUSINESS TO GROW THE COAST

DEVELOPMENT WEST COAST
ANNUAL REPORT 2020

The presentation of DWC's 2020 Group Annual Report was significantly delayed due to the impact of pandemic COVID-19 and its effect on Audit New Zealand as it responded to the large volume of queries, increased requirements and clearances to review. Audit New Zealand worked closely with DWC over this period to ensure minimal impact on DWC, and we thank them for their open communication and collaboration throughout that unprecedented time.

Cover photo by Jase Blair.

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TĒNĀ KOUTOU KATOĀ

We are pleased to present
Development West Coast's
Annual Report for the 2020
financial year.



Te Ohu Whakawhanake o Te Tai Poutini

ABOUT US



DWC COVID-19 strategy session on 16 March 2020.

DIRECTORY

Trustees

Rooney, Renee	Chair	Elected – Grey District
Mulligan, Patrick	Deputy Chair & Chair Investment Committee	Independent - New Zealand Law Society
Christie, Julie DNZM		Appointed Trustee
Oldham, Brent	Chair Finance & Audit Committee	Elected – Buller District
Rea, Chris		Elected – Westland District (from 1 November 2020)
Tumahai, Francois		Tangata Whenua Trustee
Vacant		Independent – Chartered Accountants Australia & NZ
Past Trustees	Lockington, Mark	to 10 January 2020
	Little, Hugh	to 31 October 2019

Executive

Milne, Heath	Chief Executive
Brown, Stuart	Chief Financial Officer
Lunn, Belinda	Executive Manager
Birnie, Jo	Economic Development Manager
Rees, Aaron	Marketing & Communications Manager

Advisory Body

Bestwick, Jenn	Chair
Steele, David	
Milne, Chris	Appointed 1 May 2020
Rushbrook, Keith	Retired 30 June 2020

Registered Office

1st Floor, Brunner House, 54 Tainui Street, Greymouth
PO Box 451, Greymouth

Advisors

Investment	Bancorp Treasury Services Ltd JBWere (NZ) Ltd
Legal	Buddle Findlay Duncan Cotterill
Tax	KPMG
Bankers	Westpac
Auditors	Audit New Zealand, on behalf of the Controller and Auditor-General

STRATEGY 2020-2025

Development West Coast (DWC) was established as a Charitable Trust in 2001 with a settlement of \$92m received from the Government as an economic adjustment package for the loss of indigenous forestry and the privatisation of much infrastructure on the West Coast in the late 1990s.

DWC manages its funds to enable the investment and distribution of income back into the region to meet its core objectives of promoting sustainable employment opportunities and generating sustainable economic benefits for the West Coast region. These objectives are met through the provision of a range of business and economic development interventions, including business finance, business support and advisory services, industry and sector support and research and innovation projects.

DWC is governed by a board of 7 Trustees. An Advisory Body assists with the commercial finance function, and investment advisors assist with the management of DWC's Investment Fund. A team of 17 staff carry out the day-to-day functions of the organisation.

VISION

Unleashing the full business potential of the West Coast

MISSION

To grow business to grow the Coast
Ki tē tupu pakihi, ki tē tupu Te Tai Poutini

OUR FOUNDATION DEED OF TRUST

Promoting sustainable economic benefit and employment opportunities for the West Coast Region

DWC PRIORITIES

Manaakitanga - Valuing our people

To encourage diversity, prioritise professional development, keep our people safe

Hei whakatenatena i nga rereketanga, me whakahou i te whakawhanaketanga ngaio, kia ora to tatou iwi

Managing the fund for current and future generations

- Protect DWC's charitable status
- Ensure DWC has a perpetual fund to invest by maintaining the real value of DWC's equity

Growing our revenue

- Leverage DWC resources to attract further funding
- Maximise the potential of central government funding
- Pursue all possible external forms of revenue

Attracting regional investment

- Pursue investors and investment opportunities for the benefit of the region
- Identify and enable public and private investment in West Coast ventures



Te Ohu Whakawhanake o Te Tai Poutini

Enabling/accelerating the development of our business

- Develop the capability and knowledge of local businesses to improve productivity and performance
- Foster relationships with successful business people
- Learn from the experiences and success of others
- Support start-up business
- Identify opportunities to diversify our businesses and sectors
- Develop and promote digital utilisation
- Target businesses that demonstrate:
 - Real potential to employ more people in skilled jobs
 - Strong medium to long term prospects of success
 - Ability to stimulate or strengthen a supply chain or commercial eco-system
 - Potential to export
- Facilitate sector development strategies to promote jobs and attract investment
- Assist in rationalising resources and efforts across the region.

Enhancing the profile and visibility of our region

- Be the identifiable voice for regional development
- Be a key influencer and partner in the development of our region
- Develop strong central government relationships for the benefit of the region
- Develop strong working relationships with key stakeholders
- Be proactive and responsive to the economic climate and external factors affecting the region
- Maintain a regional profile which showcases the region as an attractive place to live, work, invest, do business and visit, while identifying opportunities and risks, and potential strategies to address these



CORE VALUES



Exceed expectations



Be problem solvers



Collaborate



Act with Integrity



Develop our People



Challenge Ourselves and Others

CHAIR'S REPORT

A more customer-centric organisation, a better communicator of the work we do, and better at telling the story behind our numbers. This is the commitment DWC has made in recent years to our West Coast community. It gives me great pleasure to present our Annual Report for the year ended 31 March 2020.

Change is constant and disruption frequent, so it is vital to keep steady and focused on a chosen path. DWC has refreshed its internal strategic plan to ensure we as an organisation are aligned, committed and disciplined in our mission of 'Growing Business to Grow the Coast', of maintaining the real value of the Investment Fund, and being open-minded to opportunities to distribute funds on projects that will strengthen and support our economy.

DWC'S DIRECT INVESTMENT INTO THE WEST COAST ECONOMY HAS NOW REACHED \$158.8M WHILE STILL MAINTAINING THE FUND AT \$127.7M. THIS HAS ALL BEEN ACHIEVED FROM AN INITIAL FUND OF \$92M.

It is important that we maintain the real value of the Fund to ensure future generations on the Coast can benefit from continued distributions into the economy, and to ensure resources are available to assist in times of crisis, such as we have experienced with the COVID-19 pandemic.

The true value of DWC to the region goes far beyond direct investment into the economy. DWC staff are working with more local businesses than ever before to build capability, as well as helping them access other capital and business opportunities.

We are continuing to leverage the Fund to attract investment into the region. Over the last 4 years DWC has contributed around \$250k towards feasibility studies, business cases and funding applications which have helped secure over \$50m in central government funding for projects that will create jobs and strengthen resilience on the West Coast.



Regional development is a massive task and a team effort. Working collaboratively and strengthening regional relationships is key to succeeding. DWC would like to thank all businesses and organisations that have partnered with us during the year.

Thanks also to our West Coast Councils and Iwi for another productive year of collaboration. The West Coast has secured over \$244m in government funding for projects through the Provincial Growth Fund and other recent funding streams, only made possible through working together. We greatly appreciate central government for this investment and their optimism in the West Coast Region.

A review of the operations of DWC and the Trust Deed was undertaken in 2019. These reviews are undertaken intermittently ensuring the Deed is fit for purpose, and the governance and operations are appropriate and aligned to give the best effect to DWC's objects. It is an extensive process and we thank all those stakeholders who contributed, including our Settlor, the Minister of Finance Hon Grant Robertson who has signed off the review.

This financial year saw a significant changing of the guard at DWC. In September 2019, Chris Mackenzie finished his tenure as Chief Executive after more than three years in the role. I sincerely thank Chris for the substantial contribution he made to DWC and to the West Coast.

Trustees were delighted to announce the appointment of Heath Milne, a Coaster, and former General Manager of ANZCO Foods UK. Heath has brought with him extensive commercial skills and leadership acumen, which have been on full display during the COVID-19 crisis that unfolded shortly after his arrival.

Although Heath did not commence his tenure until January 2020, DWC was fortunate to have a solid and committed team in place to ensure business as usual under the watch of interim Chief Executive, Mark Dawson.

Original Equity
of the Fund 2001 **\$92m**



Current
Equity 2020 **\$127.7m**

In January we also bid farewell to Mark after 16 years with DWC. I acknowledge the long service and commitment Mark gave to DWC in his role as Chief Financial Officer.

Trustees farewelled Westland Trustee Hugh Little. Hugh contributed enormously to DWC for six years but chose to not re-stand in the 2019 local body elections held in October. The elections saw the re-election of Buller District Trustee Brent Oldham, myself for Grey District and newly elected Westland Trustee Chris Rea.

Long-serving Independent Trustee Mark Lockington finished his tenure in January 2020 after 14 years' service. The Institute of Chartered Accountants New Zealand appointee, Mark was an incredibly valuable member of the board and also the Finance and Audit Committee which he chaired for the past 12 years.

The financial year ended with New Zealand going into lockdown on 26 March in response to the COVID-19 pandemic. This unprecedented event has presented a major shock to our economy, businesses and wider community, and the region's recovery will remain a focus of DWC for some time to come.

I would really like to acknowledge how Heath and the DWC team came together, reacted quickly, put a plan in place and worked with key stakeholders to execute it when COVID-19 struck. The efforts the team has gone to in supporting businesses and the economic recovery is a testament to their hard work and commitment to the West Coast.

I thank and acknowledge the Advisory Body for their ongoing sound, professional and independent advice.

Sincere thanks to my fellow Trustees for their continued support, and for their contribution and dedication to DWC and the West Coast Region.

Renee Rooney, Chair

What our clients are saying:

"DWC has been an amazing helping hand in our development."

Jed Findlay, Punakaiki Beach Camp

"We highly recommend other Coast businesses tap into the many forms of assistance available through DWC."

George Field, Logic Street Scene

"Over the three years of planning this project we have faced countless challenges and obstacles and through it all DWC has been unwaveringly supportive."

Angelo Ioanides, Hoki Dental

"DWC has been nothing short of fantastic by way of support, regular contact, advice and mentorship."

Dave Jellie, Wild Outdoorsman Outfitting

"We feel we've been pretty fortunate to have DWC here on the Coast."

Ronnie Buckman, The Future Dough Company | Broadway Tearooms & Bakery

"We are so grateful to the team at DWC for providing us with access to resources and ideas which have helped us evolve."

Anat Edwy, It's All Good

TRUSTEES



Renee Rooney - Chair

Elected - Grey District

Renee was elected to DWC in 2016 for the Grey District. Renee is a West Coaster by birth, a mum to three teenagers, and a dairy farm business owner with her husband.

Renee is actively involved in her community, and currently holds a variety of roles at a regional level including: director of Tai Poutini Polytechnic; executive member of Federated Farmers West Coast; committee member of OSPRI/TBFree West Coast, and Lake Brunner Community Catchment Care Group. Renee was a long serving member and immediate past Chair of Lake Brunner School Board of Trustees, and also served on the Federated Farmers National Dairy Industry Executive from 2017-2019.

Renee is a graduate of the 2014/15 DWC Leadership and Governance Programme.

Francois Tumahai

Tangata Whenua Appointee

Francois Tumahai is the Tangata Whenua Appointee. He is a proud West Coaster with whakapapa links to Ngāi Tahu and Ngāti Whatua, and has served as the Chair of Ngāti Waewae since 2008.

Francois has been instrumental in the project management of the Ngāti Waewae Arahura Marae development. He is currently the Chief Executive Officer of Arahura Holding Limited, the commercial arm of the Papatipu Rūnanga, which encompasses property, environmental, forestry, business, and pounamu portfolio management.

In addition to this, Francois is involved in many boards including West Coast Conservation Board, West Coast District Health Board, New Zealand Institute for Minerals to Materials Research and Executive Director Ngāi Tahu Pounamu. He is part of the Mayors and Chairs Forum and most recently Westland, Grey and Buller District Councils.

Julie Christie, DNZM

Appointed Trustee

Dame Julie Christie was appointed in 2017. Born and educated in Greymouth, she now resides in Auckland.

A former international television producer, Dame Julie has extensive governance and industry experience in media, IP, business development, hospitality, and sport. She has served on the Board of New Zealand Trade & Enterprise, Rugby World Cup NZ 2011 and Mediaworks. Dame Julie currently sits on the Advisory Board of The New Zealand Story and on the New Zealand Steering Group for World Expo Dubai 2020, as well as chairing the board of the new tourism venture, The All Blacks Experience, and chairing the Rugby World Cup 2021 organising committee.

Julie was made a Dame Companion of the New Zealand Order of Merit for Services to Governance and the Television Industry in 2017.

Patrick Mulligan - Deputy Chair

Independent - New Zealand Law Society

Patrick was appointed to DWC in 2016.

Patrick is a lawyer specialising in resource management and environmental issues. He is a partner in the Auckland office of the national law firm, Buddle Findlay, and heads its litigation team. He has over 25 years' legal experience relating to a wide range of commercial and public law issues.

Although Patrick and his family now reside in Auckland, he was born and educated on the West Coast, coming from a well-known Reefton mining family.

Brent Oldham

Elected - Buller District

Brent was elected as the Buller District Trustee in October 2016. Born and raised in Westport, Brent has been involved in the IT industry for over 30 years, the last 20 years of which he has been self-employed running his own IT company, IT@work.

Brent has skills and experience across the IT, management, retail, and service sectors. He chairs the regional lobby group, GO West Coast, is a committee member of the Buller Gorge Marathon, and has contributed as a member of the Buller District Council Economic Advisory Group.

Brent is married to Buller district councillor Sharon Roche and has two adult daughters.

Chris Rea

Elected - Westland District

Chris was elected as the Westland District Trustee in October 2019. Born and raised in Ross, South of Hokitika, Chris is the father of three school aged boys, and a small business owner employing ten people at Hokitika Automotive. His new 2015 start-up venture, ChatR Communications, is now a West Coast wide digital radio network that sees Chris actively involved in the New Zealand radio communications industry.

Currently Chris is a Director of Westland Holdings Limited and Destination Westland (CCO). Past directorships include Tai Poutini Polytechnic, and the West Coast Rural Fire Authority. Chris's community involvement includes over 20 years' service with the Hokitika volunteer fire brigade, and past Board of Trustee positions with Kaniere Primary School and immediate past Chair of Westland High School.

Chris is a member of the New Zealand Institute of Directors, and a graduate of the 2012/13 DWC Leadership & Governance Programme.

CHIEF EXECUTIVE'S REPORT



Stepping into the role of Chief Executive just two months before the end of the financial year offers the chance to freshly reflect on the performance of Development West Coast, what the organisation has achieved during the year and the change in direction it is taking.

The year saw a great deal of change at DWC, including the departure of Chief Executive, Chris Mackenzie, in October 2019 and Chief Financial Officer, Mark Dawson, in January 2020. Mark ably filled the role of acting Chief Executive prior to my arrival and I thank him for his valuable insights and assistance before his departure.

A review of the operations and Trust Deed undertaken in 2019 by PricewaterhouseCoopers (PwC) concluded that the Trust Deed was permissive in terms of how DWC might give effect to its purpose - to promote sustainable employment opportunities and generate sustainable economic benefits for the West Coast. While no substantive changes were recommended, it did recommend some operational changes as a result of DWC taking on the responsibility of being the West Coast's regional economic development agency and functions of the regional tourism organisation (RTO) - formerly Tourism West Coast.

I joined the DWC team in January 2020 and was given the mandate from Trustees to implement the necessary changes for DWC to become a more effective organisation. The PwC review was very useful in assessing where we were at. To complement this, I spent time engaging with internal and external stakeholders across the region. A survey of West Coast businesses and other stakeholders was also commissioned to gauge the perception of DWC. Valuable feedback from the survey contributed in part to internal changes to meet the needs of businesses, industry, and stakeholders.

Key changes occurred within the business development team with roles being refocused and replaced with Capability & Growth Advisors. Key staff have also started to spend more time across the region. These changes led to several team members departing DWC and I want to

thank them for their service.

The 2019/2020 financial year sees DWC parent with total assets of \$135.3m and total income for the year of \$8.4m (excluding unrealised revenue). Our total operating expenses were \$3.0m and DWC also invested \$2.6m in community distributions and projects. The year ended with a net profit of \$1.4m – ensuring DWC's ability to continue investing in the region.

We have a diversified portfolio of investments from New Zealand and International markets that hold cash or cash equivalents (Min 45%) and equities (Max 55%). While the financial markets remain volatile, DWC's growth (or equity investments) returned 2.38 percent for the year. The direct investments portfolio as at 31 March 2020 held a value of \$76.3m. We have recovered well from the impact of COVID-19 on the economy with the investment portfolio recording a positive recovery of \$6.9m by 30 June 2020, returning the portfolio close to pre-COVID levels with further strong growth since June.

The 2020 financial year saw an increase in operating expenses of \$1.0m. This was largely related to the merging of the former Tourism West Coast with DWC, recruitment costs for key roles and additional external consulting expenses, such as conducting the PwC Trust Deed review.

DWC invested \$2.37m into regional development during the year - an increase of \$856k. This increase was linked to delivering the tourism marketing function for the region, and for the wider economic development role we have taken in the region. This was part funded with income of \$765k from central government and local council funding contributions.

DWC succeeded in securing funding for several projects through the Provincial Growth Fund during the year. These included \$800k for digital hubs in the Grey and Westland districts and \$2.1m for the PGF Te Ara Mahi West Coast Employment Scheme. Both projects are very relevant in the current climate and will be true enablers for economic development in coming years.

Along with the rest of the country, DWC went into

lockdown on 26 March. Through some excellent preparatory work the previous week, we had a seamless transition to remote working. This meant we were able to immediately focus on assisting West Coast businesses through that tumultuous time. I congratulate and thank everyone in the DWC team for making this happen.

Through lockdown and through to the end of June 2020, DWC had direct business support contact with over 380 businesses. This support included facilitating expert advisory funding totalling \$160,000 through the Regional Business Partner programme. 11 new West Coast businesses were also signed up as service providers, thereby keeping both the advice and revenue on the Coast.

In collaboration with a number of other organisations, DWC established the West Coast COVID-19 Recovery Group in April 2020. Chaired by Rob Caldwell and secretariat services provided by the West Coast Regional Council, the Group was tasked with ensuring all options were considered and opportunities taken, at pace, during the crisis. As a vehicle for communication, the Group proved invaluable, particularly in the early stages as the situation evolved and various government support opportunities were announced on an almost daily basis. I acknowledge and thank the Group for their constructive and positive contribution throughout this recovery period.

A separate Tourism Recovery Group was also commissioned in response to the severe impact of the lockdown and border closures on the tourism industry. This Group consists of representatives from the various tourism industry groups from across the region and has input into both business recovery and promotional activity. It is a great example of collaboration in a time of crisis.

DWC's Tourism Advisory Group, established in 2019 when the RTO functions of former Tourism West Coast were merged with DWC, was reviewed. Comprising the former board members of Tourism West Coast, this separate tourism governance structure was deemed unnecessary in light of the establishment of the Tourism Recovery Group and was disbanded in May 2020. I want to thank the former members for their guidance and contribution to the industry.

Over the past year, DWC approved over 85 percent of commercial finance applications received, seeing over \$3.5m allocated to businesses across the region.

Trustees approved a temporary change to expedite DWC's commercial finance process to enable financing of businesses experiencing cashflow issues as a result of COVID-19. Targeting businesses suffering in the short term but with a viable future, over \$500,000 was distributed during April and May 2020, with further applications valued at over \$460,000 in progress at 31 July 2020.

The impact of COVID-19 on many businesses and individuals has been acute but it is heartening to also see much resilience and positivity. Opportunities are out there to improve the situation and the DWC team is well placed to facilitate taking the West Coast towards a positive future.

I must acknowledge the support and guidance of Trustees from the time of my arrival and throughout the COVID-19 crisis, and the Advisory Body members who have been extremely proactive in their support of DWC.

Lastly, I want to thank the DWC operational team for their professionalism and dedication since my arrival.



Heath Milne
Chief Executive

DWC YEAR COMPARISONS

Actively managed clients

2019/2020:

270+ ▲ 93%

2018/2019: circa 140+

Commercial loans approved

2019/2020:

\$3.6M ▲ 61%

2018/2019: \$2.23m

Attendees at DWC business events, trainings and workshops

2019/2020:

1,181 -

2018/2019: 1,179

Regional development spending

2019/2020:

\$2.37M ▲ 57%

2018/2019: \$1.51m

COVID-19 RESPONSE



IT IS GREAT TO KNOW THAT THERE IS AN ORGANISATION OUT THERE THAT HAS OUR BACK. THE COVID-19 BUSINESS ADVISORY FUNDING THROUGH DWC HAS GIVEN US THE OPPORTUNITY TO SOURCE MUCH-NEEDED SERVICES WE WOULD HAVE OTHERWISE STRUGGLED TO PAY FOR. I HOPE ALL BUSINESS ON THE COAST THAT ARE CURRENTLY FINDING IT TOUGH ARE ABLE TO MAKE THE MOST OF THIS FANTASTIC RESOURCE.

Oscar Morgan, Rainforest Retreat
Franz Josef



DWC DURING COVID-19

The COVID-19 pandemic has presented a global crisis with far reaching implications. As the West Coast’s regional economic development agency, DWC has been focused on helping local businesses manage the impacts of COVID-19, as well as looking ahead at the economic recovery.

On 11 March 2020, the World Health Organisation declared the outbreak of COVID-19 a pandemic. Two weeks later the New Zealand Government declared a State of National Emergency. The country was in lockdown at Alert Level 4 from 26 March to 27 April, and then remained in lockdown at Alert Level 3 until 13 May.

DWC closed all office sites and staff worked remotely from home during this period. Video conferencing may have replaced face-to-face interaction, but clients and businesses remained well supported with regular communication on available assistance and advice. After 13 May, staff returned to the office under more ‘normal’ operations.

COVID-19 triggered a significant economic shock to the West Coast. DWC’s focus is on supporting the region as effectively as possible under its Deed and working with industries and businesses around sustaining the current workforce with a ‘hope’ to grow in the future, or where new opportunities arise. From lockdown until 1 July 2020, DWC directly engaged with over 380 local businesses.

Although many of the projects featured in the following pages have taken place post balance date, the significance of COVID-19 to our region warrants an overview of the work DWC has undertaken in response to the pandemic.



380+

Businesses directly engaged with



11

New West Coast businesses signed up as RBP service providers

ECONOMIC IMPACT OF COVID-19 ON THE WEST COAST

COVID-19 survey responses

62%

of businesses experienced decreases in sales/revenue by 25% or more

26%

of businesses reduced their staffing levels

Source: DWC survey of 200 businesses between 18 April – 1 June

Tourism spend

March – end May 2020

\$57m ▼60%

March – end May 2019

\$143m

Source: Ministry of Business, Innovation and Employment

Unemployment rate for working age population

July 2020

January 2020

7.6% **6.1%**

Source: Ministry of Social Development

COVID-19 RECOVERY

West Coast COVID-19 Recovery Group

DWC initiated the establishment of the West Coast COVID-19 Recovery Group in collaboration with Iwi, the Department of Conservation, Provincial Development Unit, Tai Poutini Polytechnic, Ministry of Social Development and the West Coast Regional Council.

Chaired by Rob Caldwell, the Group established some key principles around what they were looking to achieve. Those principles included challenging DWC in terms of supporting the region for the recovery, identifying barriers to the West Coast recovery, ensuring like-minded groups collaborated effectively on projects, and utilising members' contacts and influence to get things done.

As a workstream of this Group, a Tourism Recovery Group was also established to work on transforming our tourism industry for a post COVID-19 environment. This group consists of representatives from the various industry groups from across the region with input into both business recovery and promotional activity.

RBP Advisory Funding

The government allocated an initial \$15m into a nationwide COVID-19 business advisory fund for the Regional Business Partners (RBP) network. Through this fund, DWC has connected firms to expert advice at no cost to the business. Advice covers topics like business strategy, finance and cash flow, continuity planning, HR and employment relations, marketing and digital enablement strategies, and health and wellness for owners and staff.

Richard Benton, Director of the Franz Josef Wildlife Centre, utilised the COVID-19 business advisory fund through DWC to access 'exceptional' HR advice from Brannigans. "This has been essential in helping us to navigate through some very choppy and uncharted waters," says Benton.

The government has since allocated a further



Bazil's Hostel.
Photo: Stewart Nimmo

“ WE USED COVID-19 BUSINESS ADVISORY SUPPORT WITH OUR ACCOUNTANT TO COME UP WITH SOME PLANNING STRATEGIES AND A BUDGET. WE MADE URGENT CHANGES TO OUR BUSINESS PLAN IN ORDER TO SURVIVE THIS DIFFICULT TIME. WE ARE VERY GRATEFUL TO DWC FOR THE HELP.

Steve Lunn, Bazil's Hostel in Westport

\$40m to this COVID-19 advisory fund through the RBP programme, as well as \$10m for advisory support specific to tourism businesses.

DWC's Capability and Growth Manager Fiona Hill, who manages the RBP programme for the West Coast, says DWC has been supporting West Coast enterprises at unprecedented levels since Alert Level 4 restrictions were put in place.

Before the initial funding ran out, DWC allocated around \$160,000 in COVID-19 business advisory voucher funding for professional services to 71 West Coast businesses.

COVID-19 Commercial Finance

Changes to DWC's commercial finance process enabled a fast turnaround of emergency funding to support businesses that were experiencing cashflow issues.

Targeting businesses suffering in the short term but that had a viable future, over \$500,000 was distributed under this emergency funding over April and May 2020, with further applications valued at over \$460,000 in progress at 31 July 2020.

Delivery Rebate Scheme

Doing business in Alert Level 3 involved new challenges and costs associated with social distancing requirements. To help businesses adapt to the changing environment, DWC set up a Delivery Rebate Scheme which enabled businesses offering a delivery service the ability to receive a \$5 rebate for each delivery, up to a total of \$250.

During her daily press conference to the nation, Prime Minister Jacinda Ardern commended DWC's Rebate Scheme as "a great initiative."

Jane Knight from Selao Home and Garden Art in Westport said: "The rebate really helped with some of the extra costs we incurred at that time due to the high volume of online orders we had to courier out."

Advocating for the West Coast

DWC advocated with other regional leaders for government support of essential transport services, including Sounds Air, Intercity and the TranzAlpine. This unified front resulted in significant government funding being allocated to the region for a range of projects linked to the COVID-19 recovery that provide connectivity that is vital for the West Coast and its recovery.

TranzAlpine Resumes

The TranzAlpine service between Christchurch and Greymouth was stopped in its tracks on March 22 due to COVID-19. It resumed partial services with heavily discounted tickets on 4 July and was largely sold out during the winter school holiday period.



SNAPSHOT OF DWC DURING COVID-19

NOWOPEN.CO.NZ

website showcasing 260+ businesses 

\$160,000

COVID-19 business advisory voucher funding allocated to 71 businesses

\$500K+

Commercial finance loans approved

\$460K+

Loans under consideration

27 Businesses received delivery rebates

2 Business surveys

4 Business webinars

COVID-19 RECOVERY

Now Open Website

DWC collaborated with EPIC Westport and Tai Poutini Polytechnic to implement an online business directory to assist in promoting businesses that were able to operate when New Zealand shifted into Alert Level 3.

Within a week of entering Alert Level 3, the West Coast 'Now Open' website was live with over 260 businesses listed - many of which had never been involved in e-commerce.

THE WEBSITE ATTRACTED NATIONAL ATTENTION WHEN PRIME MINISTER JACINDA ARDERN FEATURED IT IN HER 'KIWI INGENUITY STORY OF THE DAY', AND PRAISED THE INITIATIVE SAYING, "PEOPLE ARE WORKING TOGETHER TO MAKE SURE THEY ARE SUPPORTING ONE ANOTHER."

TVNZ Breakfast host, John Campbell, described the Now Open website as 'absolutely charming'. "There are shops selling groovy pottery and then there are tractors. It's a lovely representation of the West Coast ... in its wide glory," Campbell said.

Greymouth-based Hopaholics Brewery was one of the many businesses listed on the Now Open website. According to Sarah Johnson, they received a flurry of activity on their website. "We had more enquiries from further afield than we have before. We have now sent our beer as far north as Coromandel and as far south as Mosgiel."

Blue Spur Milk and Honey experienced a spike in sales after the Now Open website was showcased by PM Ardern and TVNZ's Breakfast Show.

“ WE RECEIVED ORDERS FROM ACROSS NEW ZEALAND AS WELL FROM THE US AND AUSTRALIA. BEING LISTED ON NOW OPEN GAVE US A LOT OF EXPOSURE, WHICH WAS MUCH APPRECIATED DURING THIS CHALLENGING TIME.

Miriam Rees, Blue Spur Milk and Honey



Tash Barnes-Dellaca from EPIC Westport.





Marketing Campaigns

To help the region bounce back after lockdown, DWC has run a number of campaigns encouraging Coasters to shop and travel locally. This included the 'Keep it Coastal, Support Local' campaign, and a collaboration with the Greymouth Star through 'Welcome Back' newspaper supplements.

Once the country shifted to Alert Level 2 and inter-region travel was allowed, DWC ran a 'Big Coast, Big Deals' campaign targeting Christchurch, Nelson and Dunedin visitors. The campaign, in combination with great weather, resulted in the West Coast achieving the highest growth in visitor arrivals over Queen's Birthday weekend compared to the average level of domestic travel in Alert Level 2.

In the lead up to the winter school holidays, DWC ran campaigns promoting West Coast packages and deals, and promotions featuring the West Coast Wilderness Trail and Old Ghost Road. These campaigns, in combination with more good weather, contributed to a 51 percent boost in visitor numbers compared to the winter school holidays the previous year. This was the second highest growth rate in the country.

According to Professor David Simmons from Lincoln University, the West Coast has done "a marvellous job of bundling together packages for the domestic market."

Regular Communications

With the situation evolving at such a rapid rate, DWC released regular communications to keep the West Coast business community up to date on changing regulations and restrictions, and the different forms of business support available.

South Westland Salmon Limited

"As the impact of COVID-19 became obvious, even before Level 4 lockdown, we turned to DWC for guidance. They have kept us up to date with every piece of information as it became available, including the financial assistance we could access through various channels.

"We were grateful to receive the DWC delivery rebate offer of \$250, which helped immensely in the fledgling stages of our online shop. We look forward to continuing to work with DWC as we make our way through the COVID-19 crisis and beyond."
 Brenda Monk, South Westland Salmon Limited.

Growth in visitors over Queen's Birthday weekend

West Coast

94.3%

New Zealand

75%

Source: Data Ventures

Visitors to the West Coast during winter school holidays

2020

14,010 ▲ 51%

2019

9,300

Source: Data Ventures



Billboard in Christchurch.

FINANCIAL HIGHLIGHTS



KEY NUMBERS & HIGHLIGHTS 2020

	DWC (Parent)		Group (Consolidated)	
	2019-20	2018-19	2019-20	2018-19
Total Revenue (Including Unrealised Gains)	\$6.9M	\$10.4M	\$13.3M	\$14.5M
Total Operating Expenses	\$3.0M	\$2.5M	\$7.7M	\$6.7M
Profit Before Tax	\$1.4M	\$5.4M	\$2.5M	\$5.4M
Community Distributions and Projects	\$2.5M	\$1.9M	\$2.5M	\$1.9M
Total Assets	\$135.3M	\$137.2M	\$151.0M	\$154.3M
Total Equity	\$127.7M	\$128.4M	\$129.2M	\$128.8M

2001-2020 DWC AT A GLANCE

FINANCIAL OVERVIEW

INCOME 2001-20

\$157M

OPERATING EXPENSES 2001-20

\$43.0M

NET PROFIT 2001-20

\$35.2M

TOTAL ASSETS AS AT 31 MARCH 2020

\$135.3M

TOTAL EQUITY AS AT 31 MARCH 2020

\$127.7M

COMMERCIAL DISTRIBUTIONS* 2001-20

334 APPLICATIONS
RECEIVED
TALLING

\$305.8M

225 DISTRIBUTIONS
APPROVED
TALLING

\$130.5M

167 DISTRIBUTIONS
COMMITTED
TALLING

\$91.5M

* A number of distributions approved are not taken up by the applicants. This represents the difference between the distributions approved and the distributions committed.

COMMUNITY DISTRIBUTIONS & PROJECTS SINCE 2001

EDF EXTRAORDINARY
DISTRIBUTION FUND

\$6M

A one-off distribution of \$2m to each of the three district councils. Spent on community assets

CYCLEWAY FUNDING

\$1.5M

Two grants of \$750k to the Westland Wilderness Trail and the Old Ghost Road

MDI MAJOR DISTRICT
INITIATIVE

\$20.1M

DWC has committed \$6.7m to the three districts to develop significant community assets

DESF DISTRICT ECONOMIC
STIMULUS FUND

\$3M

DWC has committed \$6.7m to the three districts to develop significant community assets

MRI TOURISM MAJOR
REGIONAL INITIATIVE

\$2.3M

DWC's funding leveraged further investment of \$5m in 21 different tourism-related projects

DEF DIGITAL
ENABLEMENT FUND

\$1M

An allocation of \$1m was made to leverage further government funding available to improve telecommunications on the Coast

ONE-OFF GRANT TO COUNCILS

\$1.5M

\$500k was granted to each of the three district councils for investment in community assets

GRANTS AND PROJECTS

\$31.9

A significant number of regional economic and community development projects have been funded by DWC

TOTAL COMMITTED COMMUNITY DISTRIBUTIONS

\$67.3M

INVESTMENT FUND

STATEMENT OF INVESTMENT POLICY AND OBJECTIVES

The broad investment objectives for DWC's Investment Fund remain consistent - to achieve a level of income to meet the distribution requirements of DWC in any one year and to provide for a reasonable element of capital growth.

This is expected to preserve the real value of the Trust Fund thereby enabling increased distribution levels over time. More specifically, the Fund's investment policy aims to earn a rate of return, after investment-related expenses and any taxes, that exceeds CPI increases by at least 3% pa over rolling three-year periods.

The Investment Fund's maximum asset allocation for the reported and ensuing financial year is as follows:

Asset Class	Allocation
Cash	100%
NZ Fixed Interest	90%
Total Cash & Fixed Interest	100%
Australasian Equities	25%
Australasian Property	6%
International Equities	25%
Alternative Investments	12%
Total Equities	55%

DWC's investment portfolio returned 4.04% for the 12 months to 31 March 2020, versus the 1.68% return of the benchmark portfolio, with the Growth (Equities & Alternative Investments) portion of the portfolio returning 5.31% and the Defensive (Fixed Interest & Cash) portion returning 2.92%. This strong performance came despite the large sell off in financial markets during March. Following the March sell off, the portfolio has bounced back strongly returning 5.08% for the June quarter. The table below breaks the return down by asset class.

Asset Class	Benchmark Weight %	Benchmark Return %	DWC Return %	+/- %
Cash	20.0	1.3	1.3	1.9
NZD Denominated Fixed Interest	45.0	4.19	2.34	-1.9
Listed Property	3.0	-3.68	1.36	5.0
NZ Equities	6.50	-0.49	10.19	10.7
AU Equities	6.50	-15.18	1.93	17.1
International Equities	13.0	2.66	6.42	3.8
Alternative Investments	6.0	5.3	-0.1	-5.4
Total	100	1.68	4.04	2.4

During the period, the weighting to Growth Assets shifted from 50.2% as at 31 March 2019 to 48.5% as at 31 March 2020. This reduction is due to both a sell down of NZ Equities and Property in early 2020, and the reduction in the value of equities due to the March sell-off.

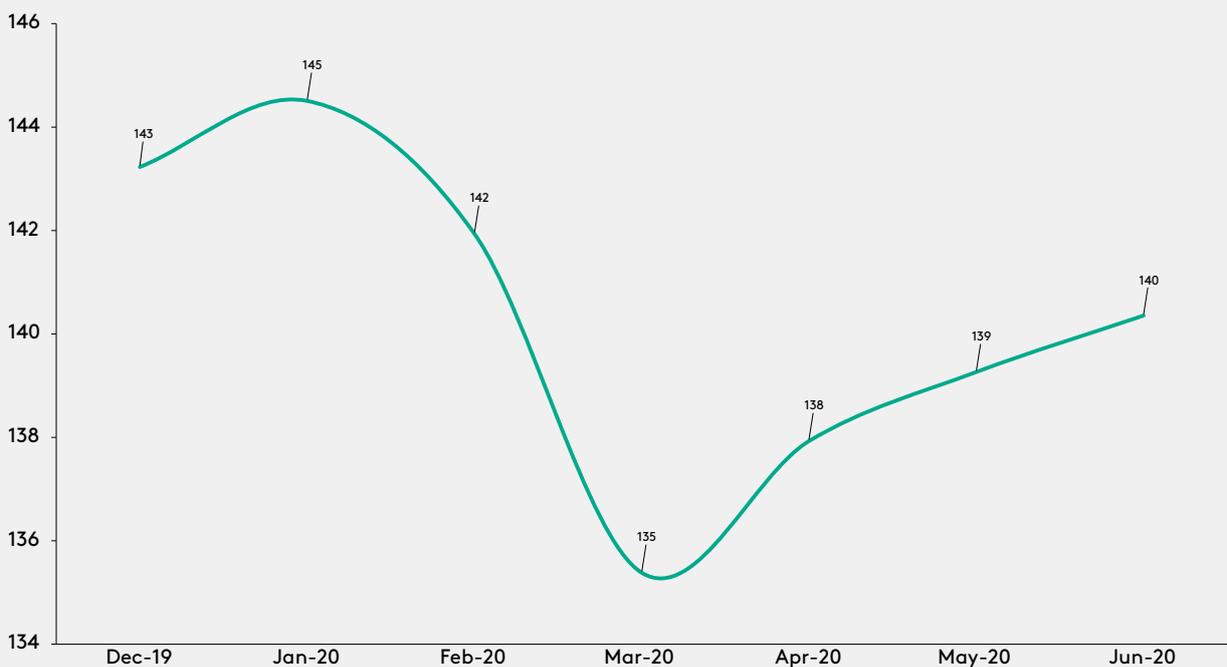
The first quarter of the new Financial Year will go down in the investment almanac as one of the strongest in modern times, despite the implications of COVID-19 being far from resolved. The quarter did follow one of our worst, so recovery was perfectly understandable, although the magnitude, swiftness and how it occurred surprised many.



Heath Milne at a meet the Chief Executive presentation in Hokitika.

TOTAL ASSETS (MILLION) PARENT COMPANY ONLY

Impact of COVID-19 (Dec 2019 - June 2020)



REGIONAL ECONOMIC DEVELOPMENT

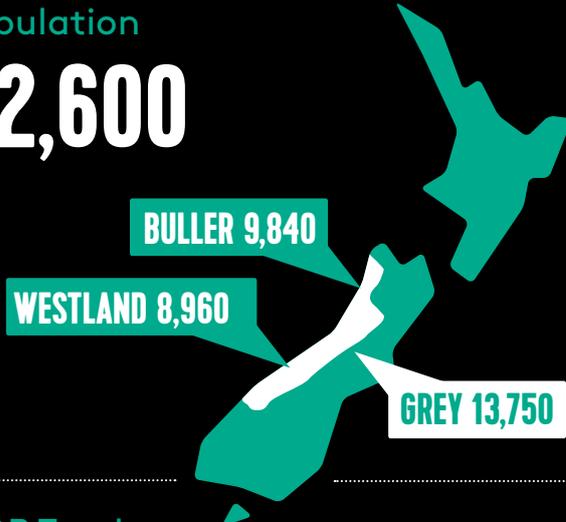


Coastwood Furniture.
Photo: Jase Blair

REGIONAL ECONOMIC OVERVIEW

Population

32,600



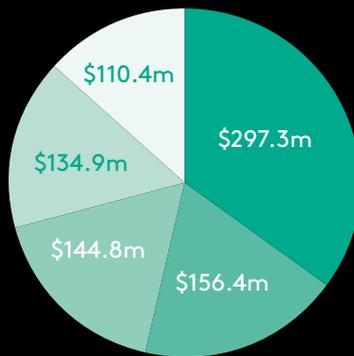
GDP Total

\$1,848M

GDP at 2019 prices

Main economic drivers

- Agriculture, Forestry and Fishing
- Construction
- Manufacturing
- Mining
- Accommodation and Food Services



Current median house price

\$214,866

West Coast

\$687,099

New Zealand

3,711 Businesses

16,263 Jobs filled

Industries that employ the most people

1,854 Accommodation and Food Services

1,806 Agriculture, Forestry and Fishing

1,779 Manufacturing

1,723 Construction

Mean annual earnings

\$53,967



Source: Infometrics (2020). West Coast Region Economic Profile. Accessed from: <https://ecoprofile.infometrics.co.nz/West%20Coast%20Region>

REGIONAL DEVELOPMENT AND INDUSTRY SUPPORT

DWC works alongside stakeholders to assist and identify potential opportunities for the creation, development and innovation of business and industry. DWC’s involvement ranges from desktop research to identifying new and emerging opportunities, supporting industry body initiatives, facilitating research projects, regional promotion, and leveraging funds to attract investment.

DWC contributed to the following Regional Development projects for 2020:

Project	Funding up to:
Co.Starters Programme	\$2,551
PGF Ports Management Study	\$87,429
Pouamu Pathway PGF Application	\$10,000
Regional Promotion	\$65,812
Regional Event Promotion	\$26,000
BP Business Challenge (Youth Enterprise Scheme)	\$3,450
Lake Brunner Wilderness Trail	\$30,700
Feasibility Study Funding	\$23,971



Jennian Homes West Coast

Economic Indicators

Working with Infometrics, DWC continues to provide the region with up-to-date economic indicators. Through the Infometrics dashboard, regional and district indicators along with other key statistics are available for anyone to view and download from www.dwc.org.nz.

REGIONAL DEVELOPMENT PROJECTS

2019/2020:	\$249,913
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TOURISM

For a more coordinated delivery of economic development, the functions of the regional tourism organisation (RTO), formerly Tourism West Coast, migrated into DWC on 1 April 2019. We are pleased to have the tourism team on board and working in the wider economic development context to maximise the full potential of the West Coast.

After experiencing significant growth in the tourism sector in recent times, this financial year brought with it a series of major challenges.

The loss of the Waiho Bridge during an extreme weather event in March caused much disruption to the tourism sector and the wider economy. The Omoto slip in October closed State Highway 7 between Greymouth and Reefton and prevented the TranzAlpine train coming through. In December, a large section of Mt Hercules came down closing State Highway 6, south of Harihari and causing further disruption.

West Coast tourism operators were already hurting from the economic impact of these extreme events, when COVID-19 hit. New Zealand closed all entry ports to non-residents from 20 March and entered a

nationwide lockdown from 26 March until 13 May.

These events have contributed to an extremely difficult time for our tourism sector, which is reflected in the \$22m drop in tourism spend on the West Coast this financial year. Despite these disruptions and challenges, West Coast tourism operators have demonstrated great resilience and innovation.

DWC’s tourism team has had a productive year working with operators and promoting the region through creative campaigns. This work was acknowledged at the 2019 New Zealand Tourism Awards, with DWC taking home the ‘Industry Connections’ award.

WEST COAST TOURISM SPENDING Source: MBIE

2019/2020:	\$480M
2018/2019:	\$502M

WEST COAST TOURISM EMPLOYMENT Source: Infometrics

As at March 2019	3,657
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Destination Management Scoping Day.

TOURISM YEAR IN REVIEW

Challenges during 2019/2020



Major tradeshows attended by DWC



* Several tradeshows were cancelled towards the end of the financial year due to COVID-19.

Marketing campaigns



Awards for DWC

WINNERS

Industry Connections
Award at the 2019 New
Zealand Tourism Awards

Finalists: Mumbrella Tourism Marketing Awards, Sydney

Famils hosted by DWC

201 PAX

Trade and media
famils came through
the West Coast

West Coast collateral distributed

100,000

West Coast **visitor
guides** printed and
distributed nationally

1,000

USB drives with trade
manuals, presentations and
general information about
the Coast presented to
international travel agents

Digital presence

Westcoast.co.nz
website sessions:

2019-2020:

423,826 ▲72%

2018-2019: 246,165

West Coast, New
Zealand Facebook
page likes

2019-2020:

69,367 ▲101%

2018-2019: 34,532

DWC has initiated the development of a destination management plan for the West Coast. This commenced with a scoping day facilitated by Kiri Goulter of MBIE, and was attended by over 30 key stakeholders, including representatives from DOC, KiwiRail, New Zealand Transport Authority, Tourism Industry Aotearoa, Ngāi Tahu Tourism and Christchurch International Airport Ltd. This destination management planning focusses on the future of not only the West Coast tourism sector but also the wider regional economy, and will play an important role in the recovery of region.

Hands on Campaign

The Hands On competition was part of an overall campaign to increase visitors to the region following the Mt Hercules road slip in December 2019. The campaign was funded by MBIE.

HANDS ON CAMPAIGN	
Entries received	13,400
Website page views	151,433

“ IT WAS GREAT TO RECEIVE SUCH A LARGE NUMBER OF ENTRIES TO THE COMPETITION HIGHLIGHTING THE PAID ACTIVITIES ON THE WEST COAST. ENCOURAGING VISITOR GROWTH FOLLOWING THE MT HERCULES SLIP WAS OUR OVERALL OBJECTIVE. IT WAS A GREAT RESULT FOR THE COAST

DWC Regional Tourism Manager Jim Little

Photos:

- 1 Te Radar marketing campaign
- 2 Hands On campaign billboard at Auckland Airport
- 3 Singapore Tourism Trade Show
- 4 Alicia Ulrich, Samantha Beneke and Renee Rooney pictured at the New Zealand Tourism Awards



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Photo: Stephen Roberts

REGIONAL PROMOTION

Journalists have long been impressed by the West Coast's natural beauty, writing many articles about the region being a great tourist destination – such as the New York Times declaring: 'On New Zealand's Stunning West Coast, the Beauty Doesn't Stop'.

The media are now paying closer attention to the Coast, not just as a great place to visit, but also as an amazing place to live, work and do business.

To raise the profile and visibility of our region, DWC has been working closely with the media to share stories of West Coast business success. This has resulted in significant positive coverage of the region with national headlines including:

- 'Life on the Coast hard to beat'
- 'Boomtown Revival: The metamorphosis of a mining community'
- 'The little region that can'.

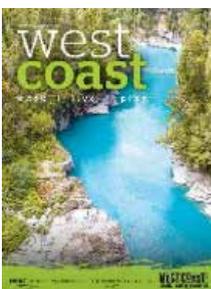


Explore West Coast Compendiums

The Greymouth Star produces unique in-room compendiums for accommodation providers on the West Coast. These compendiums show visitors what activities are available in each district as well as providing information on where to eat, drink and shop.

Greymouth Star Sales and Marketing Manager Brett Kokshoorn says with DWC support this year they were able to further expand the reach of the Explore West Coast visitor compendiums.

"By increasing the distribution, we can encourage visitors to stay longer and spend more when they are visiting the region."



West Coast Work Live Play

DWC teamed up with NZME to run another 'West Coast Work Live Play' campaign. A comprehensive newspaper supplement was distributed via the New Zealand Herald showcasing the advantages of living, working, and doing business on the West Coast.

NZME Media Specialist Tracey Anderson says: "We were thrilled to collaborate with DWC again on the 'Work Live Play' series. DWC enabled the publication to happen, giving a broad range of businesses on the West Coast the opportunity to showcase themselves to a wider New Zealand audience. Our team from the Herald highly regard this publication as it always has great content which is interesting for our readers."



Anat Edwy from 'It's All Good'.
Photo: Jules Anderson

DWC SUPPORTED US BY PUBLISHING A BEAUTIFUL ARTICLE ABOUT OUR COMPANY'S STORY, OUR JOURNEY FROM ISRAEL TO THE WEST COAST, AND WHAT WE OFFER THE COMMUNITY. THE ARTICLE WAS PUBLISHED IN THE LOCAL NEWSPAPER AND NZBUSINESS MAGAZINE BRINGING US A LOT OF NEW CUSTOMERS.

Anat Edwy, It's All Good

REGIONAL EVENTS

Events play an important role in our communities. Not only do they attract visitors whose spending contributes to our economy, they promote the region as an attractive place to live, work and play. Over the past year DWC has contributed to a variety of West Coast events.

Haast's Whitebait Festival ¹

"Without DWC's sponsorship we would not have been able to promote the festival."

[Tracey Dinan, Haast's Whitebait Festival.](#)

Gold Trail and Ride the Wilderness Events ²

DWC was a key sponsor for the Gold Trail and Ride the Wilderness race events run by CJM's Events Ltd.

"We're proud to bring our events to the West Coast and help the economy. So many people around the country don't realise what the Coast has to offer, and we're rapt to be able to help the businesses that benefit from the events we hold."

[John Moore, Events Coordinator for CJM's Events Ltd.](#)

Wildfoods Festival ³

"DWC's contribution towards Hokitika's 2020 Wildfoods Festival was truly invaluable and greatly appreciated. The festival prides itself on uplifting the community, and it was certainly evident in the way the DWC team assisted us. They compiled a digital and radio marketing package which elevated our festival numbers."

[Melanie Anderson, Chief Executive Destination Westland.](#)

Greymouth Motorcycle Street Race ⁴

"The financial support of DWC meant we were able to deliver a safe and well run event for riders and spectators alike. DWC's marketing support has aided us in raising the profile of the event and bringing more people to town, providing a valued boost to the local economy. We were also able to return approximately \$10,000 to the local clubs and charities who volunteered their time on race day."

[Anita Hyde, Greymouth Motorcycle Street Race.](#)



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Photo: Stephen Roberts

RECENT GOVERNMENT FUNDING

The West Coast has been identified by Central Government as a 'surge-region' for early investment. Through working together, the West Coast has secured over \$244m in government funding for projects through the Provincial Growth Fund (PGF) and other government funding streams.

PGF Projects (as at 1 July 2020)	Funding up to:
Feasibility Study for Upgrade of Westport and Greymouth Ports	\$125,000
Development Plan for Governance Structure for West Coast Ports	\$100,000
New Dredge – Greymouth Port	\$800,000
Port Jackson Wharf Repairs	\$500,000
Greymouth Lagoon Dredging	\$750,000
West Coast Wilderness Trail	\$500,000
Kawatiri Coastal Trail	\$9,360,000
Old Ghost Road Cycle Trail	\$500,000
West Coast Strategy Development for Regional Cycle Trails	\$37,500
Croesus Road	\$3,500,000
Oparara Arches	\$5,700,000
Punakaiki Master Plan	\$130,000
Punakaiki Redevelopment (Dolomite Point)	\$26,600,000
Hokitika to Westport Rail Feasibility	\$250,000
Marsden Aged Care Facility – Business Case	\$40,000
Greymouth Master Plan	\$200,000
Runanga Miners' Hall	\$408,120
Digital Connectivity	\$28,000,000
Westport Airport	\$2,074,000
South Island Regional Driver Hub	\$1,086,094
Blackwater Gold Mine at Waiuta	\$15,000,000
Regional Digital Hubs	\$1,200,000
West Coast Employment Scheme	\$2,080,040
Westport Waterfront – District Revitalisation	\$1,860,000
Te Ara Pounamu – The Pounamu Pathway	\$17,873,625

Other Government Funding	
TranzAlpine Service Upgrade (Multi Region PGF)	\$12,000,000
Tourism Infrastructure Improvements	\$4,083,992
Punakaiki Coastal Restoration Project	\$1,209,000
West Coast Ports Infrastructure	\$8,000,000
West Coast Roads Upgrade	\$1,500,000
Granity Seawall Protection	\$3,600,000
Planting Projects	\$900,000
Greymouth Reservoir Replacement Project	\$1,000,000
Mt Te Kinga – Predator Free 2050	\$4,400,000
West Coast Ports Package	\$7,000,000
'Shovel-Ready' Projects	\$90,000,000
Total Funding	\$244,194,246

“ THIS GOVERNMENT IS COMMITTED TO FUNDING REGIONAL GROWTH BECAUSE LOCAL JOBS AND BUSINESSES DRIVE RESILIENT, THRIVING COMMUNITIES AND THE WEST COAST HAS SO MUCH POTENTIAL

Prime Minister Jacinda Ardern

RECENT GOVERNMENT FUNDING

Allocated to the West Coast as at 1 July 2020

\$244.2M

ATTRACTING INVESTMENT

As the regional economic development agency, DWC is leveraging its funds to attract investment into the West Coast. DWC has worked with key stakeholders on business cases, feasibility studies and funding applications for projects that have helped attract significant investment into the region.

Digital hubs

Applications to the PGF from DWC and EPIC Westport have secured \$1.2m in funding for digital hubs on the West Coast.

Government has allocated \$800,000 through the PGF to DWC for a Grey District digital hub and a mobile hub in Westland, and \$400,000 to EPIC Westport for a Buller District digital hub.

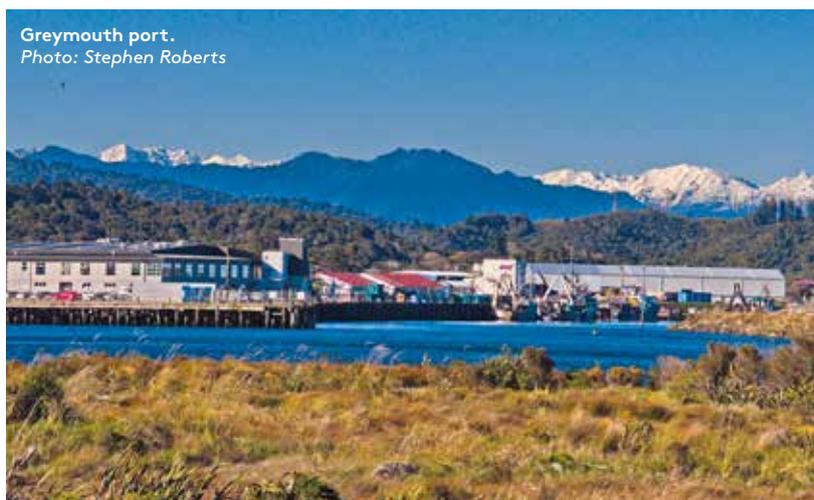
These hubs will provide access to digital services for businesses in Westport, Greymouth, and the Westland District, including meeting space with the latest video conference facilities and programmes to increase ICT capability of small businesses.

West Coast Ports

PGF funding of \$125,000 enabled a feasibility study for the upgrade of the Westport and Greymouth ports. An additional \$100,000 was then funded to create a development plan for the governance structure of the West Coast ports, leading into a DWC-funded project to develop a PGF application with the goal of securing the future of the ports. This application resulted in funding of \$8m being invested in West Coast ports and laid the foundation for further government funding. Over \$17m has now been invested in port projects in the region, ensuring the creation of jobs and strengthening the resilience of the Coast.

WEST COAST PORTS	
DWC contribution (towards business case)	\$87K
Government investment	\$17M+

DIGITAL HUBS	
DWC contribution	\$375K
Government investment	\$1.2M



ATTRACTING INVESTMENT

Ōpārara Arches ¹

The Regional Growth Study identified the development of the Ōpārara Arches into an iconic attraction as a major opportunity to stimulate development of the local and regional visitor economy and deliver social and economic benefits to the local area and its communities.

DWC contributed \$60,000 towards a business case on improving tourism infrastructure at the Ōpārara Arches to protect the unique environment and enhance visitor safety. Based on this business case, an application to the PGF was successful in securing funding of \$5.7m.

The first stage of the project has commenced, which includes track surface and toilet upgrades. The project is expected to employ 35 to 40 people over two stages.

Upskill West Coast, Te Ara Mahi Regional Employment Scheme



Upskill is a DWC-led initiative focused on supporting people to attain recognised qualifications and creating sustainable employment opportunities to keep both people and businesses on the West Coast.

Government has invested \$2.1m in the programme through the PGF Skills and Employment (Te Ara Mahi) Fund for 24 months and is also supported by the Ministry of Social Development who will work alongside DWC to complement each other's services.

The Upskill programme provides an employment pathway scheme, matching available people to employment opportunities. Supporting sustainable positions which are either new or vacant and are for at least 30 hours per week, the programme can assist people to achieve a recognised qualification to gain employment, or support existing employees to undertake new training or education to move up or transition into a new role.

OPARARA ARCHES

DWC contribution - business case	\$60K
Government investment	\$5.7M

UPSKILL WEST COAST

DWC contribution - programme coordination and management	IN KIND
Government investment	\$2.1M

POUNAMU PATHWAY

DWC contribution - PGF application	\$10K
Government investment	\$17.9M

KAWATIRI COASTAL TRAIL

DWC contribution - business case	\$50K
Government investment	\$9.4M

ACCESS TO THE PAPAROA TRACK

DWC contribution - business case	\$40K
Government investment	\$3.5M

Pounamu Pathway ²

DWC contributed \$10k towards the PGF application for the Pounamu Pathway project – a region-wide collaboration led by Te Rūnanga o Ngāti Waewae seeking to develop four new visitor attractions in Haast, Hokitika, Greymouth and Westport.

The application was successful, securing \$17.9m to develop state-of-the-art hubs, which will use innovative digital technology to bring alive the Coast's culture and history with an emphasis on pounamu and early Māori connections. The Pounamu Pathway project will be run by Te Ara Pounamu Ltd - a new company owned by Te Rūnanga o Ngāti Waewae, Te Rūnanga o Maakawhio and DWC.

Parliamentary Under-Secretary Fletcher Tabuteau believes “over 50 jobs will be created through the construction, management and operation of the hubs”.

Kawatiri Coastal Trail ³

The PGF has allocated \$9.4m to develop the Kawatiri Coastal Trail. The 55km, family-friendly cycling and walking trail will wind its way through gold rush heritage sites and areas of high significance to Ngāti Waewae to highlight the region’s rich history.

The idea for the trail began in 2015 when a group of Charleston residents built a shingle track between Rotten Row and Nile Bridge. In late 2016, the Kawatiri Coastal Trail was included in the Government’s Regional Growth Study and led to DWC and MBIE co-funding a business case and feasibility study for the project. The Charleston–Westport Coastal Trail Trust prepared a PGF application aligned with the business case which secured the PGF funding in November 2018.

Construction on a section of the Trail from Westport to Carters Beach commenced this year and is scheduled to be open before Christmas 2020. The overall project is expected to employ over 30 people in construction, project management, design, engineering, ecology, and archaeology, providing much-needed economic stimulus.

“ THANKS TO DWC WHO HELPED PROGRESS THIS INITIATIVE BY CONTRIBUTING \$50,000 TOWARDS THE BUSINESS CASE, WHICH HELPED SECURE THE \$9.4 MILLION FUNDING FROM THE PGF FOR THIS PROJECT.

Siobhan Neill, Secretary, Charleston–Westport Coastal Trail.

Access to the Paparoa Track (Croesus Road upgrade) ⁴

As part of the Regional Growth Study, DWC contributed \$40,000 towards a business case on upgrading the Croesus Road at Blackball to improve access to the Paparoa Track and Pike29 Memorial Trail. The Grey District Council subsequently secured \$3.5m from the PGF to upgrade the Croesus Road.

The Department of Conservation’s \$12m Paparoa Track was fully opened to the public on 1 March 2020 and has received significant international attention, making number 17 on the New York Times list of ‘52 Places to Go’.



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Carters Beach along to Cape Foulwind. Photo: Daimon Schwalger



4

Photo: Stewart Nimmo

INDUSTRY SUPPORT

Minerals West Coast

Minerals West Coast is a charitable trust established to promote and assist the region's mining industry. It advocates for the collective interests of the sector within the region and across the country.

DWC approved a grant of \$95,000 to Minerals West Coast for work that has spanned the last two financial years. This work included preparation of an industry factbook outlining the social, economic, and environmental benefits of the region's mining sector, and organisation of the annual Minerals West Coast forum.

DWC also provides an office space for Minerals West Coast's manager within DWC's premises.

"THE MINING INDUSTRY HAS A LOT TO OFFER FOR THE WEST COAST ECONOMY AND COMMUNITY. IT'S BEEN AN HONOUR TO SHARE AN OFFICE WITH THOSE COMMITTED TO HELPING THE REGION PUSH AHEAD."
PATRICK PHELPS, MANAGER, MINERALS WEST COAST.

New Zealand Institute of Minerals to Materials Research

DWC has provided financial support for the New Zealand Institute of Minerals to Materials Research's (NZIMMR) work. Based in Greymouth, NZIMMR has been bringing on staff and developing research projects to add value to the country's mineral resources since 2018.

NZIMMR is constructing a minerals processing laboratory and a minerals-to-materials laboratory

near Spring Creek, north of Greymouth. NZIMMR has had a strong focus on building in-house research capability and capacity.

Key research projects include extracting tungsten from tailings; proving up resources such as rare earth elements and titanium; enhancing gold recovery from alluvial mining; developing slow-release fertiliser; recycling and reusing pounamu shavings from carving; and developing advanced carbon-based materials.

NZIMMR is also exploring the concept of a centralised mineral processing facility to improve the economics of extracting and commercialising the West Coast's heavy mineral sands resources.



Photo: Stephen Roberts

West Coast Farming Roadshows

Property Brokers, with support from DWC, presented interactive seminars promoting living and farming on the West Coast.

"We approached DWC with a new concept to promote farming on the West Coast to the next generation of farmers throughout the country. DWC's support has been instrumental in getting this new initiative off the ground with roadshows held in February 2020 in both the North and South Island," says Gareth Cox from Property Brokers.

"From these events we're now actively working with a number of young farmers who are looking to relocate their families and business to the Coast to buy their first farm."

Photo: Stewart Nimmo



Moss Industry group

DWC has been actively working with West Coast moss farmers and growers to facilitate the establishment of a formal moss industry group.

Following legislation coming through at local and central government level on the use of land, the need for a collective voice for the moss industry was identified that could effectively advocate for it and keep the industry informed on critical industry matters and potential external factors that could negatively impact on it.

The proposed moss industry group will enable representation and advocacy of its members, promotion of good practice in moss resource management across the region, and collaboration of moss farm owners and associated businesses.

Support for Cycle Trails

DWC has been a significant financial contributor to the West Coast’s popular cycle trails. Over the years, DWC has contributed over \$1.5m to the Old Ghost Trail and \$3.25m to the West Coast Wilderness Trail.

DWC, with PGF co-funding, conducted a review looking at the current status and strategic direction for cycle trails on the West Coast. Given the rapid rise in the number of high-quality cycle ways on the Coast and their increasing popularity, this review was timely to ensure opportunities are maximised.



The West Coast Cycle Trail Review was released this year and is available on www.dwc.org.nz.

INVESTMENT IN CYCLE TRAILS	
DWC	\$4.75M+



Coastpak Besgrow.
Photo: Jase Blair



Old Ghost Road.
Photo: HagePhoto

SUPPORTING BUSINESS



BUILDING CAPABILITY

DWC is engaging with a record number of local business people. We are listening to what they need to maximise their skill sets and develop their capabilities. We believe that growing the skills of our people will grow businesses to grow the Coast.

DWC engages with businesses of all sizes and at all stages of development, helping them gain knowledge, connect with the right people, and grow.

DWC has worked with over 270 business people this year, including Sonya Matthews and Andrew Lyes who took over Hokitika’s iconic Porky’s Takeaways business in September 2019.

“After a manic six and a half months working in the business, a near vertical learning curve, the borders closed and the country went into lockdown due to COVID-19,” Sonya says. “It was almost heart attack material. Having caught up on sleep, talked with our

team and taken stock we hit the phone and with one of the first calls struck gold! We rang Fiona at DWC and asked her about business coaching options.”

Through the Regional Business Partner (RBP) network, Sonya accessed one-on-one business coaching sessions with James O’Connell from the Hospitality Company.

“We are blown away with how far we’ve come and what we’ve navigated; we are totally inspired with where we are headed; we are excited to have started building that best practice business we’re striving for and we will be eternally grateful for the incredible opportunity and support DWC has enabled for us via the RBP network,” says Sonya.

ACTIVELY MANAGED CLIENTS

2019/2020:

270+



I AM SO GRATEFUL FOR THE SUPPORT OF DWC. THEY HELPED ME OUT FOR THE FIRST TIME WHEN I PARTICIPATED IN THE CO.STARTERS PROGRAM. THIS HELPED ME REFINE MY BUSINESS IDEA AND CREATED VALUABLE CONNECTIONS, STRUCTURE AND SUPPORT THAT I STILL USE. FURTHERMORE, DWC HAS CONNECTED ME WITH CLIENTS THROUGH THE RBP NETWORK WHICH HAS ENABLED ME TO GROW MY SKILLSET AND BRING NEW TRAINING AVAILABILITY TO THE WEST COAST. I BELIEVE IN THE VALUES OF DWC AND AM PROUD TO WORK ALONGSIDE THEM IN MY OWN BUSINESS.

Hannah Fitzgibbon.

REGIONAL BUSINESS PARTNER NETWORK

DWC continues as the Regional Business Partner (RBP) for the West Coast. The RBP network is a collaboration between New Zealand Trade and Enterprise (NZTE), Callaghan Innovation, Business Mentors New Zealand and thirteen other Regional Business Partners across New Zealand.

The network delivers support services to businesses with an aim to improve management capability and increase research and development activity in SMEs. Regional Business Partners work with SMEs to identify development needs and provide information, advice, services, and funding that will address those needs and help SMEs with the aspiration, commitment and potential to innovate and grow.

The Business Mentors New Zealand service connects business owners and entrepreneurs with a mentor for one-on-one advice. Utilising their knowledge and experience to aid the success and growth of a business, mentors provide an independent and impartial review of a business, assistance with implementation of any necessary improvements and personal support at a level not generally available through standard courses or workshops.



“ WE CAN BE SOMEWHAT DISADVANTAGED GEOGRAPHICALLY WITH TRAVEL EXPENSES TO MAIN CENTRES FOR TRAINING, HOWEVER, TO BE ABLE TO SOURCE RBP FUNDING THROUGH DWC ENABLES US TO BRING THE TRAINER TO THE WEST COAST AND RUN THE COURSES ONSITE.

Josh Gordon, Brightprint

Regional Business Partner Network

Capability Vouchers

Over the year, NZTE Capability Development voucher assistance was provided for businesses to assess capability training in the following areas:

- Governance
- Business Systems
- Managing Resources
- Business Planning
- Marketing
- Business Sustainability
- Finance
- Lean Manufacturing

REGIONAL BUSINESS PARTNER NETWORK

34

NZTE Capability Development vouchers awarded to West Coast businesses, valued at \$55,373

13

West Coast businesses matched with mentors through the Business Mentors New Zealand programme

52

New RBP business registrations

1

Business accessed West Coast Accelerator Programme funding

1

Business participated in Lean Innovation Programme

CASE STUDY**Logic Street Scene**

Logic Street Scene is one of the many West Coast businesses who have benefited from NZTE Capability Development vouchers through DWC.

The Westport-based family business specialises in the design, manufacture and installation of high-quality Urban Street Furniture, specialising in bespoke and custom projects. Logic Street Scene's urban furniture is popping up in public spaces across New Zealand - from unique parklets in Dunedin, a 65-metre curved timber bench at Jellie Park in Christchurch to bespoke park benches in Auckland.

One of the keys to Logic Street Scene's success, in addition to their innovative products, has been their willingness to invest in their staff. Over the years, Logic Street Scene has utilised the RBP network through DWC to help build capabilities within their organisation.

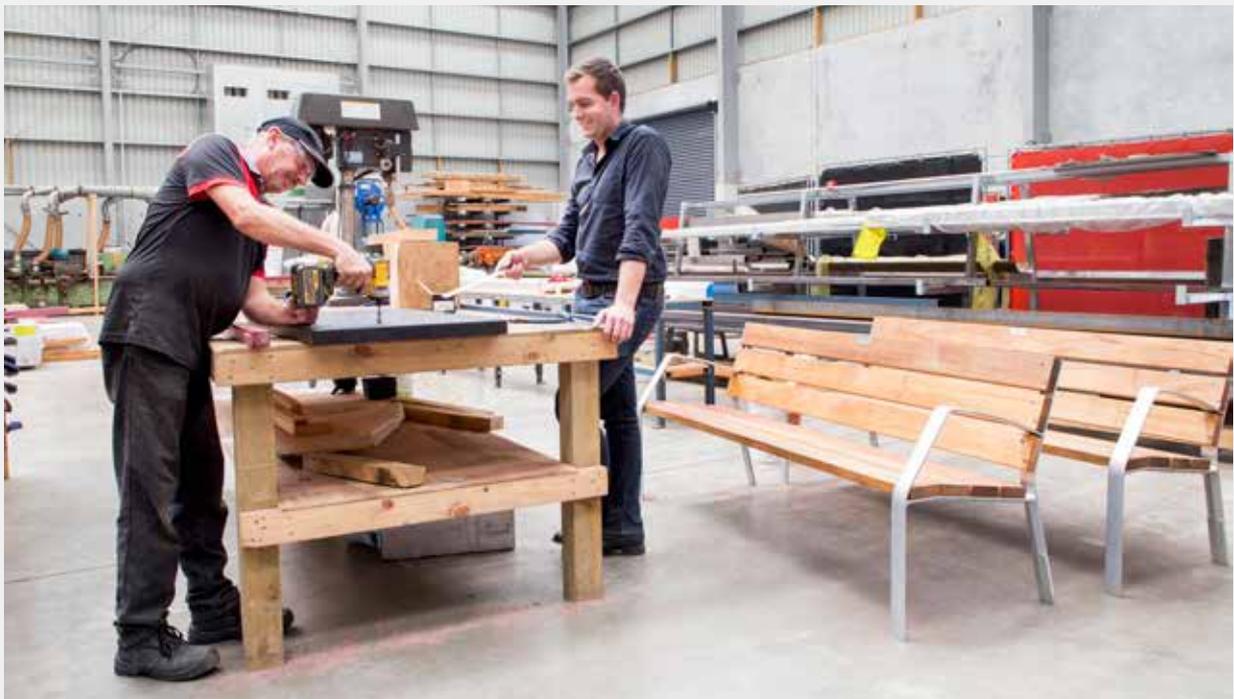
This financial year they received a NZTE Capability Development voucher to help put a staff member through a 12-month advanced business management programme delivered by the Universal Business Team.

Logic Street Scene's Managing Director George Field says many people are unaware of the business support services available on the West Coast.

"Fiona (DWC Capability & Growth Manager) has been excellent to work with, providing us with access to resources to assist our growth and innovation," says George.

“ WE HIGHLY RECOMMEND OTHER COAST BUSINESSES TAP INTO THE MANY FORMS OF ASSISTANCE AVAILABLE THROUGH DWC.

George Field, Logic Street Scene



CO.STARTERS PROGRAMME

The 2019/2020 year saw DWC continue its popular Co.Starters business start-up and development programme.

Co.Starters is a programme targeting budding entrepreneurs who have the ideas but are unsure how to turn those ideas into successful business models. The programme is geared towards providing practical skills to help attendees develop new endeavours or strengthen existing businesses.

The nine-week programme ends on a high note with participants pitching their business ideas to an audience. These pitches have showcased a diverse range of inspiring new businesses and business ideas.

DWC Events Coordinator Rachel Doolan says the success of Co.Starters is built on collaboration and support from the local business community.

"THE PROGRAMME WOULD NOT BE AS SUCCESSFUL AS IT IS WITHOUT THE BUSINESS COMMUNITY GETTING RIGHT BEHIND IT, SHARING THEIR TIME AND KNOWLEDGE WITH THE PARTICIPANTS."

CASE STUDY

A Little Blue

Jeanette Goode wrote a children's picture book in 2008 for her Diploma in Children's Literature. At the time her tutors felt it worthy of publication. Jeanette presented it to publishers but being an unknown writer and illustrator, they were not interested. Self-publishing was considered but the task was daunting.

Jeanette attended the Co.Starters programme in Westport run by BullerREAP. The course was just what she needed to create a business plan with achievable goals.

With experts to help understand a breakeven worksheet, the project felt viable and achievable.

"Being able to share ideas and have the support of tutors and other participants really helped me gain confidence. The pitch night was a success and an anonymous benefactor put up the \$6,000 needed to cover the cost of printing," says Jeanette.

"In 2020 there have been a few hold ups with the print factory in China closed due to COVID-19. Things are back on track and 'A Little Blue' will be ready for a book launch in October 2020."



Graduates of the Greymouth Co.Starters programme run by WestREAP.



Jeanette Goode with help from a friend reading 'A Little Blue' at the Westport Co.Starters celebration night.

PREVIOUS CO.STARTERS GRADUATES INCLUDE:



Wash Rite West Coast



Grounded Garden Services



Hopaholics Brewery



West Coast Scenic
Waterways Retreat



Logic Street Scene



Wave Wise

“ THIS WAS A GREAT COURSE FOR ME AND AT THE RIGHT TIME. I HAD THE IDEAS FOR MY BUSINESS BUT DIDN'T KNOW HOW TO DEVELOP IT. CO.STARTERS RAN ME THROUGH THE WHOLE PROCESS FROM MARKET RESEARCH TO THE LEGAL STUFF. I LEFT FEELING CONFIDENT WITH AN 'I CAN DO THIS' ATTITUDE.”

Jan Fraser, Lomah Felt

CO STARTERS

West Coast Co.Starters graduates since 2016:

118

WEST COAST LEADERSHIP PROGRAMME

DWC's Leadership Programme was delivered this year by the New Zealand Institute of Management and Leadership (NZIML). The seven-month programme was held across the Coast with workshops on the core facets of leadership and management.

Since its launch in 2011, the content of the Leadership Programme has been evolving to meet the needs of the region. 87 Coasters have now graduated from the programme.

Past graduates include Buller Mayor, Jamie Cleine, and local government officials. Graduates have gone on to join boards of West Coast and New Zealand businesses, not-for-profit organisations, and community groups.

DWC Chair Renee Rooney graduated from the programme in 2015 and stresses its importance for the West Coast. "This programme provides a fantastic opportunity for growing and supporting our West Coast talent pool. Having more people in our communities with strong leadership capabilities is of immense importance to our region for its growth, success, and sustainability into the future. Holding a programme of this calibre locally ensures participants don't have to travel off the Coast to other cities to attend and, more importantly, it provides a setting for current and future Coast leaders to network amongst each other, build relationships and keep connected," Renee says.

Travis Terry from Ngāi Tahu Forestry participated in the programme saying it gives you a great foundation to grow in a management role.

"I would recommend the DWC Leadership Programme for anyone starting out in a management role or working in a leadership role and wanting to grow their capabilities to further their career," says Terry.



“THE WEST COAST LEADERSHIP PROGRAMME WAS A CONSTRUCTIVE LEARNING EXPERIENCE AND I AM GRATEFUL THAT IT WAS AVAILABLE TO US ON THE COAST. THE PROGRAMME HELPED TO BUILD A FOUNDATION OF KNOWLEDGE AND SKILLS THAT I'LL CONTINUE TO USE AND BUILD ON THROUGHOUT MY CAREER.

Rimu McGrath, Business Manager, Mokihinui-Lyell Backcountry Trust.



Renee Rooney (DWC chair), Pauline Ansley, Frank O'Toole, Abbie Provis, Scott Nelmes, Anna-Marie Thompson, Travis Terry, Joy Comrie, Andrew McCord, Rimu McGrath, Neal Clementson, Anthony Hopkins and Therese La Porte (NZIML); Absent: Ross Thomas, Crystal Koki, Toni Bang and Scott Freeman.

BUSINESS EVENTS

2019/2020 was another busy year for business events on the West Coast. DWC is listening carefully to the needs of our business community and host a range of events targeted to meet those needs.

“The importance of holding business events goes far beyond building capabilities, they also provide invaluable opportunities for our business and community leaders to come together to network and share knowledge,” says DWC Events Coordinator Rachel Doolan.

Business events this year included a succession planning workshop with NZTE, and a business continuity breakfast was held with Runacres in response to the Waiho bridge washout. DWC hosted seminars in Greymouth and Westport on ‘the future of small towns and regional economic development’, featuring Otago University specialist Dr Sean Connelly, Professor Etienne Nel and Alison Floyd. Julia Jones, head of analytics NZX, gave an inspiring talk in Hokitika on ‘capturing value from a unique region’. John Barnes from Business Mentors New Zealand held a business start-up workshop. We have also continued to deliver the nationally syndicated Ambassador programme across the region.

With the migration of the tourism function into DWC, we have also had a busy schedule of events and capability building workshops targeted specifically at tourism operators, including regular Tourism Lighthouse meetings with the region’s tourism promotion groups.

The annual Celebration of Tourism event, with a heavy hitting line-up of speakers which included keynote speaker Christopher Luxon, ex-Air New Zealand Chief Executive, drew around 100 attendees.

The year ended with our new Chief Executive, Heath Milne, holding events across the region to introduce himself and meet members of the local communities.



Emily Miazga (Em’s Power Cookies) at a Women in Business event.



Celebration of Tourism event.



Capturing value from a unique region with Julia Jones (NZX).

Boosting Digital Capabilities

In a DWC survey, 34 percent of West Coast businesses reported a need for digital marketing training. To address this need, DWC partnered with several organisations during the year to bring workshops to the region to equip businesses with the latest digital marketing skills and techniques.

This included two workshops with Stuart Dillon-Roberts from Digital Journey during Techweek held at Tai Poutini Polytechnic. These workshops shed insights on how to grow business through social media and how to boost business productivity with digital tools.

DWC also collaborated with NZME to bring Google Specialist workshops to Greymouth and Westport and hosted a Pakihi digital marketing workshop for Māori businesses facilitated by Crowe Horwath and Te Wānanga o Aotearoa.

Building Financial Capabilities

A variety of DWC-facilitated seminars run this year to help boost financial capabilities included New Zealand Institute of Management and Leadership’s Accounting for Non-Accountants programme; Duncan Cotterill’s debt collection seminar; and Pakihi ‘Show me the Money’ workshop for Māori businesses presented by Crowe Horwath and Te Wānanga o Aotearoa.

Women in Business on the West Coast

DWC Trustee Dame Julie Christie hosted a popular series of Women in Business events with inspirational guest speakers: Emily Miazga (Em’s Power Cookies), Andrea Rogers (The Crafty Chook) and Patsy Bass (Reefton Distilling Co).

Dame Julie said the speakers all showed the importance of a strong and authentic story.

“THESE WOMEN ARE LIVING PROOF THAT THERE IS NO SUCH THING AS GOOD LUCK IN BUSINESS, IT IS IN FACT IMPECCABLE TIMING AND EXCELLENT MANAGEMENT.

DWC Trustee Dame Julie Christie

Lee Harris, from the West Coast Professional Women’s Network, attended the Greymouth event saying it was inspirational for women on the Coast who were considering starting their own businesses. “These three also all mentioned DWC in their speeches - good to hear of practical assistance for our entrepreneurs.”



Host Dame Julie Christie, with presenters Emily Miazga, Andrea Rogers and Patsy Bass at a Women in Business event.

ATTENDEES AT DWC BUSINESS EVENTS	
2019/2020	1,181*
2019/2020	1,179
2019/2020	571

*Note: The COVID-19 pandemic forced the cancellation and postponement of several events towards the end of the financial year.

COMMERCIAL FINANCE

DWC provides a range of commercial financing options for West Coast businesses, including commercial lending, equity investment and guarantees.

Of the 12 applications received this financial year, 10 were approved with the remaining two being in progress at year end. A further two applications carried over from the previous year were also approved, giving a total of 12 approved applications with a value of \$3.61m – providing a much needed boost to grow local businesses.



New riverside cabins being lifted into place at the Punakaiki Beach Camp.

CASE STUDY:

Punakaiki Beach Camp

The Punakaiki Beach Camp, located at the end of the Paparoa Track, is one of the many local businesses expecting to benefit from the country’s newest great walk.

Punakaiki Beach Camp Manager Jed Findlay says, “our focus is on getting people to stay longer and see more of Punakaiki than just the rocks. With the Paparoa Track we expect to see more New Zealanders coming to stay with us.”

The Findlay family has developed Paparoa Track Services and now run a shuttle to Blackball for walkers to start the track. Walkers will stay the night before, park their cars in the campsite and jump in the shuttle to start the walk. After three days they will stay again for a much-needed rest.

“DWC HAS BEEN AN AMAZING HELPING HAND IN OUR DEVELOPMENTS. THEY HAVE WORKED WITH US THROUGH MARKETING COURSES, AN ACCOUNTANCY COURSE AND GENERAL ADVICE.

“All of these were great, but we needed our product to be amazing to match our newly learned marketing skills. We realised that we needed more roofed accommodation to host the excited and finally tired walkers. DWC has also helped us with commercial finance giving us the opportunity to install eight new cabins alongside the beautiful Pororari River. These will be very popular.”

COMMERCIAL DISTRIBUTIONS	
12 applications approved this year	\$3.61M
167 distributions committed since 2001	\$91.5M

CASE STUDIES

CASE STUDY

Wild Outdoorsman Outfitting

Wild Outdoorsman Outfitting caters and specialises in guided free-range hunting, primarily for Alpine Chamois and Himalayan Thar.

The West Coast provides a great opportunity for hunting success due to a unique and favourable environment for the animals and the knowledge and experience of business owner and lead guide, Dave Jellie, who has lived and hunted on the West Coast for years.

Due to concessions held and networking contacts formed with other professional guides, Wild Outdoorsman Outfitting provides a variety of hunt options throughout New Zealand for potential clients. Dave can also cater for and book hunting adventures in the Canadian Yukon.

Wild Outdoorsman Outfitting are in a symbiotic partnership with Wild Outdoorsman, Fishing and Firearms in Hokitika and Greymouth. Both branches are West Coast owned and staffed. Dave was advised by them to seek help from DWC in getting the business off the ground and he says it has proven to be some of the best advice he has received yet.

"DWC has been nothing short of fantastic by way of support, regular contact, advice and mentorship," Dave says. "When COVID-19 hit this country, Wild Outdoorsman Outfitting, like many other Westland businesses, lost almost all of the season's work overnight. DWC has gone above and beyond to make sure this small business has a chance to survive. We are grateful for this and benefitting from the partnership between Wild Outdoorsman Outfitting and DWC."



CASE STUDY

Hoki Dental

Construction of a purpose-built dental surgery in Hokitika is underway with support from DWC.

Established Greymouth dentist Angelo Ioanides says the new clinic should be up and running by early to mid-November 2020. "Like it or not, dentistry is an essential service. Having gone without the services of a local dentist for almost eight years, I'm incredibly excited to not only re-establish this essential service but to also be setting up one of New Zealand's most technologically advanced dental clinics right here in the heart of Hokitika," says Angelo.

"We're looking to secure the services of various visiting dental specialists to provide specialist care locally. Not only will this greatly reduce the need for Coaster's to travel over the hill for care, it will also create more jobs locally. In fact, our plan is to employ nine locals to help us deliver extraordinary dental care to the region.

"Setting up a brand-new dental practice requires significant capital. Taking on this project as an independent solo dentist simply would not have been possible without the remarkable help of DWC. Over the five years of planning this project we faced countless challenges and obstacles and through it all DWC has been unwaveringly supportive," says Angelo.



CASE STUDY

The Future Dough Company | Broadway Tearooms & Bakery

The Broadway Tearooms & Bakery has been part of Reefton since its beginnings. It has served the miners and their families for close to 150 years.

Ronnie Buckman says: “DWC has been alongside us since we purchased the business, initially as part of the Reefton shop front project upgrade where we rebuilt the shop’s facade and gave back its heritage finish – which involved removing aluminium windows reinstating with wooden ones and stained glass and replacing the veranda poles with wooden posts.”

“We have upgraded the majority of the shop, including the roof, floor, piles, wiring and plumbing



Broadway Tearooms before...



...and after.

but were unable to access further funding to install customer toilets and do the much-needed upgrade to the bakery and kitchen area. Fortunately, John Bougen’s team and Retail Solutions assisted us with the toilets and bakery, and we were again fortunate that DWC approved borrowing for the kitchen – enabling us to ‘finish’ the building upgrade.”

Ronnie and the team at Broadway Tearooms & Bakery have utilised a variety of DWC business support services over the years.

“WE’VE USED THE BUSINESS MENTOR PROGRAMME AND CONTINUE TO TAKE TRAINING AND BUSINESS OPPORTUNITIES THAT ARE OFFERED. THE MOST RECENT BEING OUR TWO MANAGERS, TONI BANG AND CRYSTAL KOTI, WHO JOINED THE 2019 DWC LEADERSHIP PROGRAMME.

“RBP vouchers through DWC assisted Toni and Crystal onto the programme and most recently business planning assistance which has helped us look at how we can move forward during and following COVID-19.

“So yes, we feel we’ve been pretty fortunate to have DWC here on the Coast.”

SPOTLIGHT ON OUR COMMUNITY



Greymouth Town Square.

COMMUNITY SUPPORT

DWC has continued its support of the community, providing funding to enhance a range of community facilities and programmes.

In addition to DWC's continued funding of the Major District Initiative (\$400,000 to each district council annually through to 2022) and the Extraordinary Distribution Fund (one-off \$2m to each West Coast district council), DWC provided the following community in 2019-20:

- West Coast Community Trust \$90,000
- Kotuku Surf Life Saving Club Inc \$7,217

Major District Initiative Fund (MDI)

DWC continues to financially support significant assets and facilities throughout the West Coast through the Major District Initiative Fund (MDI). DWC recognises that community facilities are important to support and help build vibrant communities.

Through the MDI funding stream, DWC has supported many community projects and facilities, including the region's major sporting facilities and theatres. These assets promote the wellbeing of our communities and encourage participation in sports, arts, and culture through the many activities utilising these facilities.

Established in 2005, MDI funding will continue through to 2022, being drawn down at a rate of \$400,000 per year by each of the three West Coast councils. The following schedule shows projects receiving MDI funding to date. The unallocated and undrawn amounts are shown as a liability in Note 17.

COMMUNITY DISTRIBUTIONS & PROJECTS

Since 2001

\$67.3M

Major District Initiative Fund (MDI)

Buller District

Pulse Energy Recreation Centre	\$6,000,000
NBS Theatre	\$700,000
Total	\$6,700,000

Grey District

Aquatic Centre	\$6,000,000
Cobden Sports Complex	\$50,000
West Coast Theatre Trust	\$400,000
Grey United Tennis Club	\$20,000
Westurf Recreation Trust	\$100,000
Uncommitted Funds	\$130,000
Total	\$6,700,000

Westland District

Westland i-Site	\$296,952
Hokitika Regent Theatre (Stage I)	\$340,000
Library Relocation	\$489,392
Donovan's Store Refurbishment	\$60,586
Hokitika Gorge Upgrade	\$82,014
Westland Boys' Brigade Hall	\$247,349
Hokitika Regent Theatre (Stage II)	\$570,000
Hari Hari Community Hall	\$455,000
Franz Josef Community Centre	\$100,000
Fox Glacier Community Centre	\$1,000,000
Ross Community Hall	\$90,000
Hokitika Westland RSA	\$400,000
Westland Sports Hub	\$1,500,000
Chinese Miners' Memorial Reserve	\$68,709
Whataroa Community Hall	\$200,000
Haast Community Track	\$50,000
Westland Industrial Heritage Park	\$50,000
Carnegie Library	\$500,000
West Coast Riding for the Disabled	\$200,000
Total	\$6,700,000

COMMUNITY PROJECTS

To help build vibrant communities across the Coast, DWC has supported various community projects.

Major sporting facilities

This year saw a major development in sporting facilities for Westland, with the completion of the DWC Westland Sports Hub. DWC has allocated \$1.5m of MDI funding towards the Sports Hub. The project included covering the outdoor courts, gymnasium improvements, developing a pavilion and upgraded drainage for the playing fields.

Finance Minister Hon. Grant Robertson attended the grand opening of the DWC Westland Sports Hub. Discussing the establishment of DWC in 2001, Robertson said: "Here we are with a whole host of projects across the Coast being funded by DWC including this (the DWC Westland Sports Hub)."

DWC HAS NOW INVESTED IN MAJOR SPORTING FACILITIES IN EACH DISTRICT: THE WESTLAND RECREATION CENTRE IN GREYMOUTH, THE PULSE ENERGY CENTRE IN WESTPORT AND THE DWC WESTLAND SPORTS HUB IN HOKITIKA.



The Pulse Energy Centre in Westport



Westland Recreation Centre in Greymouth
Photo: Stephen Roberts



The DWC Westland Sports Hub in Hokitika

DWC INVESTMENT > SPORTING FACILITIES

Pulse Energy Recreation Centre

\$6M

Westland Recreation Centre

\$6.6M

DWC Westland Sports Hub

\$1.5M

Support for Kotuku Surf Life Saving Club

Assistance from DWC has enabled the Kotuku Surf Life Saving Club to replace a damaged motor on their inflatable rescue boat allowing them to continue their vital work across the region.

“ HAVING ORGANISATIONS SUCH AS DWC SEE THE VALUE IN WHAT WE DO GIVES US THE CONFIDENCE THAT THE VOLUNTEER TIME WE GIVE TO PREVENT DROWNING ON WEST COAST BEACHES AND SUPPORTING LOCAL COMMUNITIES WITH WATER SAFETY AND SEARCH AND RESCUE IS HEADED IN THE RIGHT DIRECTION.

Mark Bolland, Chairperson,
Kotuku Surf Life Saving Club



Asher Lambert who has completed his Advanced Lifeguard Award.



COMMUNITY PROJECTS

Hokitika's Regent Theatre

"Assistance from DWC has been a major factor in Hokitika being able to retain and refurbish the Regent Theatre building, and to equip it with state-of-the-art gear, optimising its use for many purposes," says Bruce Watson from the Westland Community Centre Incorporated.

The Regent Theatre is, in effect, Hokitika's town hall. It has an auditorium that can handle large meetings, events, and conferences, and two cinema screens to play movies on. The Regent is also an important heritage building, one of few art deco style small town cinemas still operating for their original purposes.

It is used by over 40 community groups and organisations and has more than 25,000 visitors per year, quite something in a town of only 3,400. When operating 'normally', the Theatre and its tenants provide full and part time jobs for about 14 people, giving priority to local businesses for work and supplies.

MDI funding of \$910,000 has been provided by DWC, in turn acting as seed money for grants from other sources. With the support of Westland District Council, the Theatre was also awarded \$165,000 from DWC's District Economic Stimulus Fund (DESF). About half of this was spent in 2017/18 upgrading the projection equipment in the 17-seat Reynolds Room to D-cinema.

In 2019/2020, DWC repurposed the remaining DESF grant to help future proof the Theatre operation. This involved replacing the aging main auditorium projector and other hardware and software with the most up to date gear.

"WHILE COVID-19 HAD NOT BEEN ANTICIPATED, THE NEW EQUIPMENT WILL BE CRUCIAL IN HELPING THE THEATRE SURVIVE ITS IMPACT," SAYS BRUCE.

"The revitalised projection gear is used not just for cinema but for most community events from school shows, to Anzac Day commemorations, to meetings and conferences. Thanks to DWC, the Theatre is one of the most versatile 'town halls' in the country."



Hokitika's Regent Theatre



Regent Theatre, Greymouth



NBS Theatre, Westport

DWC INVESTMENT > THEATRE FACILITIES

Hokitika Regent Theatre

\$1.08M

Regent Theatre,
Greymouth

\$650K

NBS Theatre, Westport

\$700K

EDUCATION

Since its establishment, DWC has supported a range of educational projects, acknowledging that education is a key component to long-term improvements in our region's economic performance.

Toki Pounamu - Chromebooks in schools

DWC continues to support the Toki Pounamu Education Trust and its initiative to help West Coast children access Chromebook laptops. To date, \$480,000 of loan funding from DWC has been approved to Toki Pounamu and over 2,500 students from 14 schools across the West Coast have gained their own computers through the scheme.

The benefit of having a robust digital infrastructure and platform to deliver the curriculum during COVID-19 was instrumental in the success of 'learning from home'.

"The schools have acknowledged the value of being prepared and the fact that our learners were not disadvantaged because they had their own devices, they had completed the Kawa of Care programme to ensure they were cybersmart," says Mandy O'Sullivan.

"Whanau become aware of the importance this programme plays in our kura and engaged with their children's learning. Our facilitators continue to support schools and teachers to ensure they are abreast of new pedagogies and our tamariki and young people are leading 21st century learners."

TOKI POUNAMU

Chromebooks for students

2,500+



DWC Chair Renee Rooney

Life Education Trust

"We very much appreciate the wonderful support we receive from DWC in being a major sponsor, thus enabling us to deliver the Life Education programme here on the West Coast; a charity that every single child benefits from. Thank you DWC for continuing to see the value in the work that we do for all the children of the West Coast." Suzi Taylor, Fundraising Manager, West Coast Life Education Trust.

West Coast BP Business Challenge

The BP Business Challenge is a unique three-day learning programme, run by the Young Enterprise Trust, which introduces students to the world of business in a fun and engaging way.

The programme was held in November at Tai Poutini Polytechnic in Greymouth. Support from DWC ensured Year 10 and 11 students from secondary schools across the West Coast could participate in the event.

The BP Business Challenge finished on a high note with mixed-school teams coming up with their own concept, developing it, and pitching their business to five judges.



WEST COAST COMMUNITY TRUST



The West Coast Community Trust receives \$90,000 annually from DWC. Since 2012, DWC has contributed \$810,000 to the Trust to be distributed to community groups that promote economic benefit for the region.

"The West Coast Community Trust appreciates the continued support from DWC to fund local not-for-profit organisations and continues to work closely to ensure funds are available in these uncertain times," says West Coast Community Trust's Grants Manager Angela Keenan.

Recipients of DWC Bulk Funding through West Coast Community Trust for year ended 31 March 2020:

Buller Gymnastics Club Incorporated	\$5,492
Greymouth Aero Club Inc.	\$3,000
Greymouth Churches Community Youth Project	\$6,000
Greymouth Motorcycle Street Race Inc.	\$10,000
Hokitika Gold Club Inc.	\$5,528
Hokitika Netball Centre	\$6,562
Love Kawatiri Community Trust	\$4,628
New Coasters Inc.	\$8,750
Northern Buller Communities Society Inc.	\$4,462
The Karamea Events Trust	\$3,437
West Coast Basketball Association 2019 Inc.	\$6,500
West Coast Gem & Mineral Club Inc.	\$3,200
West Coast Riding for the Disabled	\$4,000
West Coast Wilderness Trail Trust	\$7,357
Westland REAP	\$4,875
Westport Performing Arts	\$3,250

CONTRIBUTIONS TO THE WEST COAST COMMUNITY TRUST

Since 2001

\$810K



Chips and Jam event hosted by Love Kawatiri

Love Kawatiri

"Support from DWC, through the West Coast Community Trust, provided Love Kawatiri with an office space based at EPIC Westport. This grant has enabled us to have a presence in our community and equip us with the background resources required to fulfil our aspirations and empower our community,"

[Pete Howard, Trustee, Love Kawatiri.](#)

WestREAP ¹

"The WestREAP Leadership Programme, now in its 12th year, is for Year 6-8 students across the Westland and Grey Districts. As a Not-for-Profit community organisation, we rely on funding to support our programmes. The funding we receive from DWC via the West Coast Community Trust is instrumental in making our leadership camps happen.

“These camps provide a valuable opportunity for students to learn and develop problem solving and teamwork skills. We see the benefits of our leadership camps and the follow-up days as being not just a way for students to learn leadership and team building skills but as a good way to collaborate and connect with each other, especially as many come from rural and geographically isolated communities.”

[WestREAP](#)

Hokitika Golf Club 2

“The Hokitika Golf Club is very proud of the current state of its course, one of the best Links Courses about. DWC, and the West Coast Community Trust, have played a huge part in this. Their funding support has made possible the purchase of a new state of the art fairways/rough mower. Our Trimax mower is a real game changer for us and one of the main reasons we are so proud of our course. Thanks very much for your support.”

[Mike Meuli, Chief Fund Raiser, Hokitika Golf Club.](#)

Buller Gymnastics Club 3

“Buller Gymnastics Club has been operating in Westport for the past five years. We are steadily growing as an Incorporated Society offering classes to the Buller children and young people. We were fortunate to receive funding from DWC. We value the support they offer to clubs and organisations across the West Coast.”

[Buller Gymnastics Club.](#)

New Coasters 4

“Thanks to DWC, New Coasters can support newcomers and our community to connect and thrive. Improving English skills, learning with each other, and sharing cultures - we are a multicultural social network. Supporting vibrant, diverse, inter-connected West Coast Communities - where we all love living!”

[Cassandra Struve, New Coasters.](#)



1



2



3



4

EXTRAORDINARY DISTRIBUTION FUND (EDF)

EXTRAORDINARY DISTRIBUTION FUND \$6M

In 2011, DWC provided each of the three district councils with a one-off \$2 million Extraordinary Distribution Fund (EDF) grant enabling each council to fund community assets and projects that would boost its local economy. The following pages show projects receiving EDF funding to date.



Buller District
**O'CONNOR HOME EXTENSION
& EARTHQUAKE
STRENGTHENING**

\$150,000



Grey District EDF Projects

Total \$2M

Aquatic Centre/Miners Memorial		\$600,000
Cobden Breakwater-Eco Cluster	Develop Cobden breakwater	\$150,000
Southern Breakwater	Develop Southern breakwater	\$268,870
Moana Foreshore	Redevelopment	\$20,000
Cycleway Paroa -Taramakau	Complete GDC section of cycleway	\$215,000
Town Development Strategy	Improvements to CBD	\$60,000
West Coast Theatre Trust	Upgrades to Regent Theatre	\$250,000
Paroa Pony Club	Toilets to serve club & cycleway	\$60,000
Shantytown	Improvements to conference facilities	\$150,000
SPCA	New facility	\$10,000
West Coast Gem and Mineral Club	Minerals display	\$6,500
Netball	Resurface Courts	\$50,000
Greymouth Golf Club	River protection etc	\$19,630
St John	Emergency Power supply	\$22,500
Blackball Community Pool	New pool liner	\$15,000
Nelson Creek Hall	Renovations & picnic facilities	\$5,000
West Coast Football League	Carpark Wingham Park	\$25,000
Westurf Recreation Trust	Lighting Upgrade	\$35,000
Uncommitted Funds		\$37,500

Buller District EDF Projects

Total \$2M

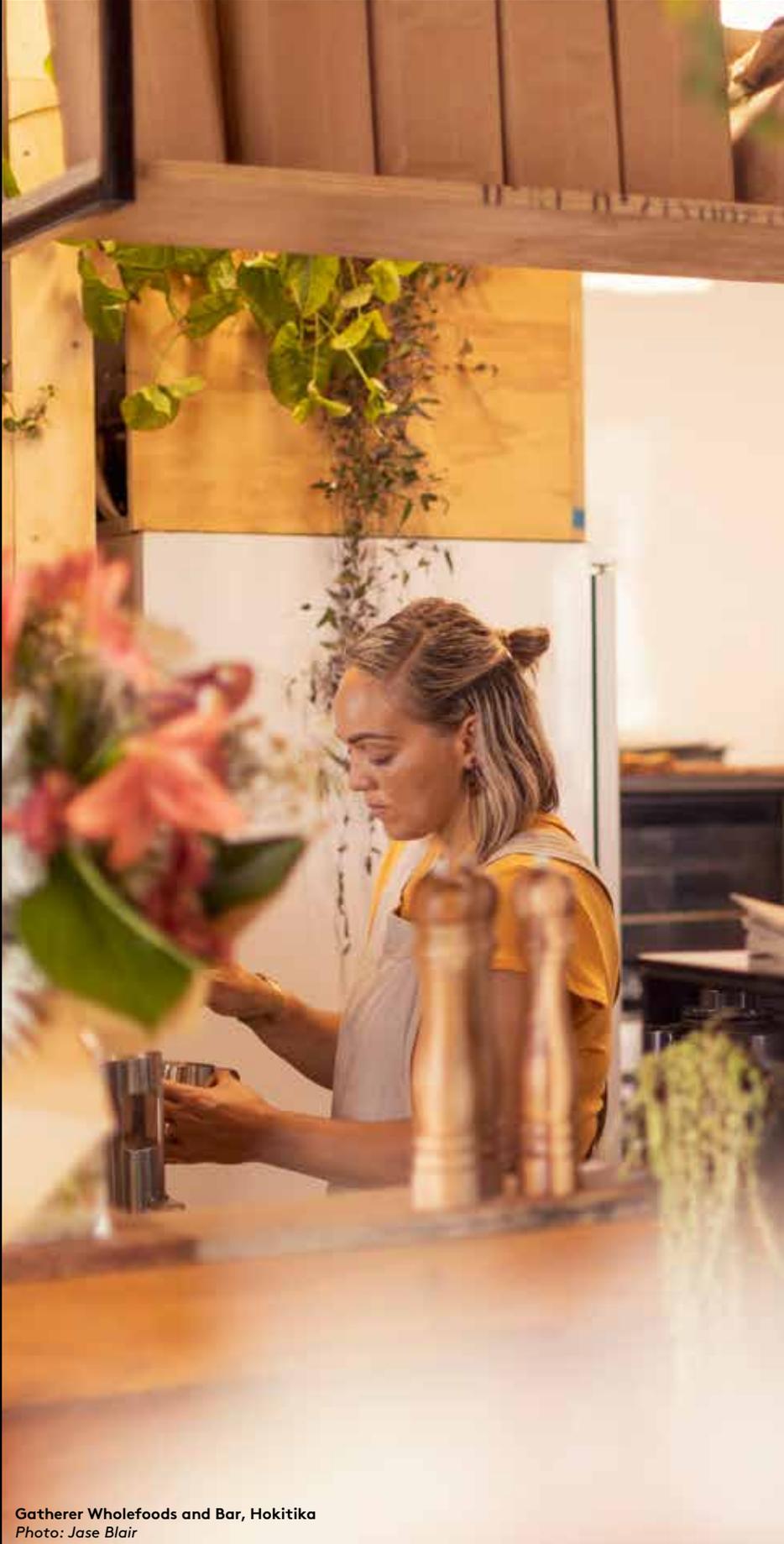
Buller Rugby Football Union	Lights for Craddock Park	\$25,000
Carters Beach Hall Committee	Upgrade Hall	\$50,000
Karamea Medical Assn Trust	New house for medical staff	\$195,000
Salvation Army	Building work for 'The Shed'	\$50,000
Sunset Speedway Club	Replace safety fence	\$25,000
Westport Kindergarten Assn	New facility	\$100,000
Coaltown Trust	Construct cultural Hub	\$500,000
Reefton Powerhouse-ITPS	Reconstruct powerhouse	\$400,000
Mokihinui-Lyell Backcountry Trust	Old Ghost Road Cycle & Tramping Trail	\$250,000
Seddonville Community Assn	Relocate fire station & library	\$35,500
The O'Connor Institute Trust Board	Extension & Earthquake strengthening	\$200,000
Westport Volunteer Fire Brigade	Support vehicle	\$15,000
Reefton Early Learning Centre	New Learning Centre	\$100,000
Tai Poutini Polytechnic	Trades Training Centre	\$54,000
Uncommitted Funds		\$500

Westland District EDF Projects

Total \$2M

Westland Wilderness Trail Trust	Construction of trail	\$2,000,000
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FINANCIAL REPORTING



Gatherer Wholefoods and Bar, Hokitika
Photo: Jase Blair

STATEMENT OF RESPONSIBILITY

Trustees and management of Development West Coast accept responsibility for the preparation of these Financial Statements and the judgements used in them.

We have been responsible for establishing and maintaining a system of internal control designed to provide reasonable assurance as to the integrity and reliability of financial and non-financial reporting.

We are of the opinion that these Financial Statements fairly reflect the financial position and operations of Development West Coast and Group for the year ended 31 March 2020.

Signed for and on behalf of the Trustees and Management.



RENEE ROONEY
Chair

16 February 2021



HEATH MILNE
Chief Executive

16 February 2021

AUDIT OPINION

AUDIT NEW ZEALAND
Mana Arotake Aotearoa

**Independent Auditor's Report
To the readers of Development West Coast and Group's financial statements
for the year ended 31 March 2020**

The Auditor-General is the auditor of Development West Coast (DWC) and Group. The Auditor-General has appointed me, John Mackey, using the staff and resources of Audit New Zealand, to carry out the audit of the financial statements of the DWC and Group on his behalf.

Opinion

We have audited the financial statements of DWC and Group on pages 63 to 87, that comprise the statement of financial position as at 31 March 2020, the statement of comprehensive revenue and expense, the statement of changes in equity and the statement of cash flows for the year ended on that date and the notes to the financial statements that include accounting policies and other explanatory information.

In our opinion, the financial statements of DWC and Group on pages 63 to 87:

- present fairly, in all material respects:
 - the financial position as at 31 March 2020; and
 - the financial performance and cash flows for the year then ended; and
- comply with generally accepted accounting practice in New Zealand in accordance with Public Benefit Entity Standards Reduced Disclosure Regime.

Our audit was completed on 16 February 2021. This is the date at which our opinion is expressed.

The basis for our opinion is explained below, and we draw attention to the impact of COVID-19 on DWC and Group. In addition, we outline the responsibilities of the Trustees and our responsibilities relating to the financial statements, we comment on other information, and we explain our independence.

Emphasis of matter – Impact of COVID-19

Without modifying our opinion, we draw attention to the disclosures about the impact of COVID-19 on DWC and Group as set out in notes 3.7(d) and 3.18 to the financial statements. We draw specific attention to the following matter due to the significant level of uncertainty caused by COVID-19:

- Investments in unlisted managed funds.

Note 12 on page 79 describes the increased uncertainty in estimating the fair value of DWC's investment in unlisted managed funds.

Basis for opinion

We carried out our audit in accordance with the Auditor-General's Auditing Standards, which incorporate the Professional and Ethical Standards and the International Standards on Auditing (New Zealand) issued by the New Zealand Auditing and Assurance Standards Board. Our responsibilities under those standards are further described in the Responsibilities of the auditor section of our report.

We have fulfilled our responsibilities in accordance with the Auditor-General's Auditing Standards.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of the Trustees for the financial statements

The Trustees are responsible for the preparation and fair presentation of financial statements for DWC and Group that comply with generally accepted accounting practice in New Zealand.

The Trustees are responsible for such internal control as they determine is necessary to enable them to prepare financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Trustees are responsible on behalf of DWC and Group for assessing DWC and Group's ability to continue as a going concern. The Trustees are also responsible for disclosing, as applicable, matters related to going concern and using the going concern basis of accounting, unless the Trustees intend to liquidate DWC and Group or to cease operations, or have no realistic alternative but to do so.

The Trustees' responsibilities arise from clause 22 of the Trust Deed of the Trust.

Responsibilities of the auditor for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements, as a whole, are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

The accompanying notes should be read in conjunction with these financial statements.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit carried out in accordance with the Auditor-General's Auditing Standards will always detect a material misstatement when it exists. Misstatements are differences or omissions of amounts or disclosures, and can arise from fraud or error. Misstatements are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decisions of readers taken on the basis of these financial statements.

We did not evaluate the security and controls over the electronic publication of the financial statements.

As part of an audit in accordance with the Auditor-General's Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. Also:

- We identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- We obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the DWC and Group's internal control.
- We evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Trustees.
- We conclude on the appropriateness of the use of the going concern basis of accounting by the Trustees and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the DWC and Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the DWC and Group to cease to continue as a going concern.
- We evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- We obtain sufficient appropriate audit evidence regarding the financial statements of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible solely for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with the Trustees regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Our responsibilities arise from the Public Audit Act 2001.

Other information

The Trustees are responsible for the other information. The other information comprises the information included on pages 2 to 60, but does not include the financial statements, and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of audit opinion or assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information. In doing so, we consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on our work, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Independence

We are independent of DWC and Group in accordance with the independence requirements of the Auditor-General's Auditing Standards, which incorporate the independence requirements of Professional and Ethical Standard 1: Code of Ethics for Assurance Practitioners issued by the New Zealand Auditing and Assurance Standards Board.

Other than the audit, we have no relationship with, or interests in, DWC or any of its subsidiaries.



John Mackey
Audit New Zealand
On behalf of the Auditor-General, Christchurch, New Zealand

CONSOLIDATED STATEMENT OF COMPREHENSIVE REVENUE & EXPENSE

	Note	Consolidated		Parent	
		2020 \$000	2019 \$000	2020 \$000	2019 \$000
Finance Revenue	4	7,277	5,065	7,187	4,963
Trading Sales	5	4,642	3,934	0	0
Other Revenue and Gains		2,472	493	1,218	451
Share of Profit in Associates		414	0	0	0
Total Revenue		14,805	9,492	8,405	5,414
Operating Expenses	6	7,725	6,697	3,021	2,508
Share of Loss in Associates		0	107	0	0
Surplus before Community Distributions and Projects		7,080	2,688	5,384	2,906
Regional Development	7	2,366	1,510	2,366	1,510
Major District Initiative		121	164	121	164
Community Grants	8	97	231	97	231
Surplus/(Deficit) before Impairment of Assets		4,496	784	2,800	1,002
Impairment of Distribution Assets		277	378	(360)	656
Investment Mark-to-Market (Gain)/Loss		1,456	(5,009)	1,456	(5,009)
Surplus/(Deficit) for the Year before Tax		2,763	5,415	1,703	5,355
Income Tax (Credit)/Expense	9	(66)	656	0	0
Surplus/(Deficit) for the Year		2,829	4,759	1,703	5,355
Other Comprehensive Revenue and Expenses					
Items that may be Reclassified Subsequently to Surplus and Deficit					
Net Fair Value Gain/(Loss) on Available for Sale Investments	20	(2,405)	(991)	(2,405)	(991)
Other Comprehensive Revenue and Expenses for the Year		(2,405)	(991)	(2,405)	(991)
Total Comprehensive Revenue and Expense for the Year		424	3,768	(702)	4,364
Total Comprehensive Revenue and Expense for the Year is attributable to:					
Non-Controlling Interest		201	(162)	0	0
Group		223	3,930	(702)	4,364
		424	3,768	(702)	4,364

The accompanying notes should be read in conjunction with these financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Consolidated		Parent	
	2020 \$000	2019 \$000	2020 \$000	2019 \$000
Balance at 1 April	128,795	125,027	128,415	124,051
Surplus/(Deficit) for the Year	2,829	4,759	1,703	5,355
Other Comprehensive Revenue for the Year	(2,405)	(991)	(2,405)	(991)
Total Comprehensive Revenue and Expense for the Year	424	3,768	(702)	4,364
Balance at 31 March	129,219	128,795	127,713	128,415

The accompanying notes should be read in conjunction with these financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Note	Consolidated		Parent	
		2020 \$000	2019 \$000	2020 \$000	2019 \$000
ASSETS					
Current Assets					
Cash and Cash Equivalents		927	0	910	298
Term Deposits		38,001	30,691	38,001	30,691
Trade and Other Receivables	10	935	1,027	628	764
Biological Assets	11	3,335	3,530	0	0
Investments	12	63,697	64,719	63,697	64,719
Loan Advances	13	594	666	594	666
Loan Advances to Subsidiaries	13	0	0	12,313	11,899
Total Current Assets		107,489	100,633	116,142	109,037
Non-Current Assets					
Term Deposits		0	0	0	0
Property, Plant and Equipment	14	22,688	22,975	2,609	2,207
Investment Properties	15	0	0	0	0
Investments	12	12,910	22,701	12,642	21,479
Loan Advances	13	3,864	4,496	3,864	4,496
Investment in Associates	13	2,792	2,392	0	0
Intangible Assets		1,106	1,090	37	21
Total Non-Current Assets		43,360	53,654	19,152	28,203
TOTAL ASSETS		150,849	154,287	135,294	137,240
LIABILITIES					
Current Liabilities					
Cash and Cash Equivalents		0	186	0	0
Derivative Financial Instruments	16	0	4	0	4
Trade and Other Payables	17	5,761	7,168	5,249	6,648
Interest Bearing Loans and Borrowings	18	7,639	5,000	0	0
Total Current Liabilities		13,400	12,358	5,249	6,652
Non-Current Liabilities					
Derivative Financial Instruments	16	1,162	0	1,162	0
Deferred Tax Liability	9	359	426	0	0
Trade and Other Payables	17	1,209	2,208	1,170	2,173
Interest Bearing Loans and Borrowings	18	5,500	10,500	0	0
Total Non-Current Liabilities		8,230	13,134	2,332	2,173
TOTAL LIABILITIES		21,630	25,492	7,581	8,825
NET ASSETS		129,219	128,795	127,713	128,415
EQUITY					
Restricted Capital	19	79,514	79,514	79,514	79,514
Reserves	20	48,300	48,077	48,199	48,901
Total Equity Attributable to the Group		127,814	127,591	127,713	128,415
Non-Controlling Interests	20	1,405	1,204	0	0
TOTAL EQUITY		129,219	128,795	127,713	128,415

The accompanying notes should be read in conjunction with these financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

	Consolidated		Parent	
	2020 \$000	2019 \$000	2020 \$000	2019 \$000
Cash Flows from Operating Activities				
Cash was provided from:				
Interest Revenue	2,878	1,840	2,878	1,840
Dividend Revenue	1,441	1,624	1,441	1,624
Other Finance Revenue	2,810	0	2,810	0
Other Revenue	6,294	4,868	1,393	579
Cash was disbursed to:				
Payments to Suppliers, Trustees and Employees	(9,008)	(5,583)	(2,288)	(1,571)
Community Distributions and Projects	(5,844)	(4,224)	(5,844)	(4,224)
Net Cash Flows from/(used in) Operating Activities	(1,429)	(1,475)	390	(1,752)
Cash Flows from Investing Activities				
Cash was provided from:				
Proceeds from Sale of PPE & Investment Properties	315	70	39	0
Proceeds on Disposal of Investments	16,545	8,933	14,306	8,933
Term Deposit Maturities	37,800	18,500	37,800	18,500
Distribution Asset Repayments	1,755	1,191	1,902	1,181
Cash was disbursed to:				
Purchase of PPE & Investment Properties and Intangibles	(637)	(401)	(619)	(78)
Purchase of Investments	(7,221)	(4,251)	(7,190)	(4,212)
Investment in Associates	(0)	(50)	0	0
Term Deposit Investments	(45,048)	(20,058)	(45,049)	(20,058)
Distribution Asset Lending	(968)	(2,499)	(968)	(2,665)
Net Cash Flows from/(used in) Investing Activities	2,541	1,435	222	1,601
Net Increase/(Decrease) in Cash and Cash Equivalents	1,113	(40)	612	(151)
Cash and Cash Equivalents at Beginning of Period	(186)	(146)	298	449
Cash and Cash Equivalents at End of Period	927	(186)	910	298

The accompanying notes should be read in conjunction with these financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. OBJECTS

Development West Coast is a Trust for charitable purposes for the benefit of the community of the present and future inhabitants of the West Coast region. The Trust Fund may be applied and used exclusively by the Trustees for the following general purposes within New Zealand, namely:

- a) To promote sustainable employment opportunities in the West Coast region; or
- b) To generate sustainable economic benefits for the West Coast region; or
- c) To support projects which are not the ordinary day-to-day running, maintenance and upgrade of the infrastructure that is normally the responsibility of the local authorities or central government, provided such projects meet paragraphs (a) or (b);

provided that any private benefit conferred to any person (other than a charity) is incidental to these overriding objects.

2. REPORTING ENTITY

The financial statements of Development West Coast (the Parent or DWC) and its subsidiaries (collectively the Group) for the year ended 31 March 2020 were authorised for issue by Trustees on 16 February 2021.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

3.1 Basis of Preparation

The financial statements have been prepared in accordance with the Charities Act 2005 which requires compliance with generally accepted accounting practice in New Zealand.

DWC and Group are public benefit entities (PBE) for the purpose of financial reporting. The financial statements of the Parent and Group comply with PBE Standards Reduced Disclosure Regime (PBE Standards RDR).

The financial statements of DWC and Group have been prepared in accordance with PBE RDR Standards and disclosure concessions have been applied. DWC and Group are eligible to report in accordance with PBE RDR Standards because they do not have public accountability and they are not large.

The financial statements have also been prepared on an historical cost basis, except for derivative financial instruments, held for trading investments, available-for-sale investments, and farm land and buildings which have been measured at fair value.

The financial statements are presented in New Zealand dollars and all values are rounded to the nearest thousand dollars (\$000) unless otherwise stated.

3.2 Basis of Consolidation

The consolidated financial statements comprise the financial statements of DWC and its subsidiaries (the Group) as at 31 March each year.

Subsidiaries are all those entities over which the Group has the power to govern the financial and operating policies so as to obtain benefits from their activities. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity.

The financial statements of the subsidiaries are prepared for the same reporting period as the Parent, with the exception of Cranley Farms Ltd which has a balance date of 31 May.

In preparing the consolidated financial statements, all intercompany balances and transactions, revenue and expenses and profit and losses resulting from intra-group transactions have been eliminated in full.

Subsidiaries are fully consolidated from the date on which control is obtained and cease to be consolidated from the date on which control is transferred out.

Investments in subsidiaries held by the Parent are accounted for at cost less an allowance for impairment in the separate financial statements of DWC.

3.3 Business Combinations

The acquisition method of accounting is used to account for all business combinations. Cost of an acquisition is measured as the aggregate of the consideration transferred (measured at acquisition date fair value) and the amount of any non-controlling interests in the acquiree. For each business combination, the Group measures the non-controlling interest in the acquiree either at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition-related costs are expensed as incurred.

Except for non-current assets or disposal groups classified as held for sale (which are measured at fair value less costs to sell), all identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair value at the acquisition date. The excess of the cost of the business combination over the net fair value of shares of the identifiable net assets acquired is recognised as goodwill.

If the business combination is achieved in stages, any previous held equity interest is remeasured at its acquisition date fair value and any resulting gain or loss is recognised in surplus or deficit. It is then considered in the determination of goodwill.

3.4 Investments in Associates

The Group's investment in its associates is accounted for using the equity method of accounting in the consolidated financial statements and at cost in the Parent's separate financial statements. The associates are entities over which the Group has significant influence and that are neither subsidiaries nor joint ventures.

The Group generally deems it has significant influence if it has over 20% of the voting rights.

Under the equity method, investments in associates are carried in the Consolidated Statement of Financial Position at cost plus post-acquisition changes in the Group's share of net assets of the associates. Goodwill relating to an associate is included in the carrying amount of the investment and is not amortised. After application of the equity method, the Group determines whether it is necessary to recognise any impairment loss with respect to the Group's net investment in associates. Goodwill included in the carrying amount of the investment in an associate is not tested separately, rather the entire carrying amount of the investment is tested for impairment as a single asset. If an impairment is recognised, the amount is not allocated to the goodwill of the associate.

The Group's share of its associates' post-acquisition profits or losses is recognised in surplus or deficit, and its share of post-acquisition movements in Other Comprehensive Revenue and Expense is recognised in Other Comprehensive Revenue and Expenses. The cumulative post-acquisition movements are adjusted against the carrying amount of the investment. Dividends receivable from associates are recognised in the Parent's surplus or deficit as a component of Other Revenue.

When the Group's share of losses in an associate equals or exceeds its interest in the associate, including any unsecured long-term receivables and loans, the Group does not recognise further losses unless it has incurred obligations or made payments on behalf of the associate.

The associates' accounting policies conform to those used by the Group for like transactions and events in similar circumstances.

3.5 Foreign Currency Translation

a) *Transactions and Balances*

Transactions in foreign currencies are initially recorded in the functional currency by applying the exchange rates ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the balance sheet date.

3.6 Biological Assets

Biological Assets are recognised when the company controls the assets as a result of past events, it is probable that the future economic benefits will flow to the company, and the fair value can be measured reliably.

Biological assets are measured at fair value less costs to sell.

Gains and losses as a result of changes in fair value are included in profit and loss in the period in which it arises.

Costs to sell include the incremental selling costs, including auctioneers' fees, commission paid to brokers and dealers and estimated costs of transport to the market but excludes finance costs and income taxes.

3.7 Financial Instruments

All financial instruments are initially recognised at the fair value of the consideration received or paid, less, in the case of financial assets and liabilities not recorded at fair value through surplus or deficit, directly attributable transaction costs. Subsequently, DWC and Group apply the following accounting policies for financial instruments:

a) Cash and Cash Equivalents

Cash and cash equivalents in the Statement of Financial Position comprise cash at bank and on hand.

b) Financial Assets at Fair Value through Surplus or Deficit

Financial assets at fair value through surplus or deficit consist of held for trading financial assets. These assets are part of a portfolio managed in accordance with DWC's Trust Deed and investment policies.

Financial assets are classified as held for trading if they are acquired for the purpose of selling in the near term with the intention of making a profit. Equity investments made through the financial markets are classified as held for trading (ie, Australasian and International Equities). Derivatives are also classified as held for trading unless they are designated as effective hedging instruments. DWC and Group use derivative financial instruments, such as currency option contracts, to economically hedge their risks associated with foreign currency fluctuations.

Held for trading financial assets are carried on the Statement of Financial Position at fair value with any gains or losses arising from changes in the fair value, except for those that qualify as cash flow hedges, taken directly to the surplus or deficit.

The fair values of currency option contracts are calculated by reference to current exchange rates for option contracts with similar maturity profiles.

c) Loans and Receivables

Loans and receivables, including trade and other receivables, advances and investment in subsidiaries classified as Distribution Assets under DWC's Deed, are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After the initial recognition, such assets are carried at amortised cost using the effective interest method less impairment.

Collectability of trade receivables is reviewed on an on-going basis at an operating unit level. Individual debts that are known to be uncollectable are written off when identified. An impairment provision is recognised when there is objective evidence that the receivable is not able to be collected. Financial difficulties of the debtor, default payments or debts more than 60 days overdue are considered objective evidence of impairment. The amount of the impairment loss is the receivable carrying amount compared to the present value of estimated future cash flows, discounted at the original effective interest rate.

Gains and losses on de-recognition or impairment of loans and receivables are recognised in the surplus or deficit. Loans and receivables are included in current assets, except for those with maturities greater than 12 months after balance date, which are classified as non-current.

d) Available-for-Sale Securities

Available-for-sale investments are those non-derivative financial assets, principally private equity, term deposits, term bonds and co-operative shares, that are designated as available-for-sale or are not classified as any of the two preceding categories.

After initial recognition, available-for sale securities are measured at fair value with gains or losses being recognised in Other Comprehensive Revenue and Expense and accumulated in the Net Unrealised Gains reserve in equity until the investment is derecognised or until the investment is determined to be impaired, at which time the cumulative gain or loss previously reported in equity is recognised in the surplus or deficit.

The fair values of investments that are actively traded in organised financial markets are determined by reference to quoted market bid prices at the close of business on the balance sheet date. For investments with no active market, fair values are determined using valuation techniques. Such techniques include: using recent arm's length market transactions; reference to the current market value of another instrument that is substantially the same; discounted cash flow analysis and option pricing models making as much use of available and supportable market data as possible and keeping judgemental inputs to a minimum.

Co-operative shares held by the company at cost have been sold as part of the Westland Milk Products sale/purchase. These recorded a profit for Cranley Farms Limited held in the group.

Due to the influence of COVID-19, the direct investment portfolio as at 31 March 2020 held a value of \$76,582 (000). The investment portfolio recorded a positive recovery of \$6,874 (000) by 30 June 2020 using the same valuation method as outlined in note 12 to accounts.

e) **Financial Liabilities at Amortised Cost**
Initial Recognition and Measurement

Financial liabilities at amortised cost consist of trade and other payables, hire purchases and interest-bearing loans and borrowings, including bank overdrafts.

Trade and Other Payables

Trade and other payables are carried at amortised cost and, due to their short term nature, are not discounted. They represent liabilities for goods and services provided to DWC and Group prior to the end of the financial year that are unpaid and arise when they become obliged to make future payments in respect of the purchase of these goods and services. The amounts are unsecured and are normally paid within 30 days of recognition.

Loans and Borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using Effective Interest Rate method. Amortised cost is calculated by taking account of any discount or premium on acquisition and fees or costs that are an integral part of Effective Interest Rate. The Effective Interest Rate amortisation is included as finance costs in the statement of surplus or deficit.

3.8 Leases

A determination of whether an arrangement is or contains a lease is based on the substance of the arrangement at inception date. The substance of the arrangement depends on whether fulfilment of the arrangement is dependent on the use of a specific asset or assets or the arrangement conveys a right to use the asset, even if that right is not explicitly specified in an arrangement.

3.9 Distribution Assets

A Distribution Asset is an advance or equity investment made by DWC in meeting the objects of its Trust Deed. These investments are made in West Coast Enterprises as defined in the Deed.

In meeting its objects, DWC is able to utilise distribution funds to purchase assets or issue advances. These assets are classified as investments in subsidiaries, investments in associates or advances according to the relevant accounting standard and DWC's accounting policies.

a) **Quality of Distribution Assets**

The underlying sustainable development theme of the Trust Deed requires DWC to look at projects with higher risk profiles. While DWC, in assessing applications, looks to reduce the overall risk profile where possible, this higher risk is reflected in the overall quality of the Distribution Assets.

b) **Securities and Non-Performing Assets**

The underlying sustainable development theme of the Trust Deed requires DWC to look at projects with higher risk profiles. While DWC, in assessing applications, looks to reduce the overall risk profile where possible, this higher risk is reflected in the overall quality of the Distribution Assets.

c) **Non-Performing Assets**

Non-performing Distribution Assets are those where repayments are overdue three months or more or where a specific potential for loss has been identified.

3.10 Property, Plant and Equipment (PPE)

a) **Initial Recognition and Subsequent Expenditure**

Items of PPE (except for farmland and buildings) are stated at cost less accumulated depreciation and any accumulated impairment losses.

Farmland and buildings are considered as a separate asset class and measured at fair value, less accumulated depreciation on buildings. Fair value of farmland and buildings is their market value as determined by a registered valuer. A revaluation surplus is recorded in Other Comprehensive Revenue and Expense and credited to the Revaluation Reserve in equity. However, to the extent that it reverses a revaluation deficit of the same class of asset previously recognised in surplus or deficit, the increase is recognised in surplus or deficit. A revaluation deficit is recognised in the surplus or deficit, except to the extent that it offsets an existing surplus on the same asset class recognised in the Revaluation Reserve.

Subsequent costs that meet the recognition criteria above are recognised in the carrying value of the item of property, plant and equipment. Such cost includes the cost of replacing part of the property, plant and equipment if the recognition criteria are met. When significant parts of property, plant and equipment are required to be replaced at intervals, the Group recognises such parts as individual assets with specific useful lives and depreciates them accordingly. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in surplus or deficit as incurred.

Depreciation is calculated on a straight-line basis over the estimated useful life. Depreciation rates are as follows:

Asset	Estimated Useful Life
Office Equipment	4 – 12.5 years
Computer Hardware	4 years
Furniture and Fittings	5 – 12.5 years
Plant and Equipment	2 – 25 years
Motor Vehicles	5 - 15 years
Buildings	4 - 55 years
Land	Not depreciated
Land Development	5 – 33 years

The assets' residual values, useful lives and amortisation methods are reviewed and adjusted if appropriate at each financial year end.

b) De-Recognition

An item of PPE is de-recognised upon disposal or when no further future economic benefits are expected from its use or disposal. Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These are included in surplus or deficit.

3.11 Investment Properties

Investment Properties are measured initially at cost, including transaction costs. The carrying amount includes the cost of replacing part of an existing investment property at the time that cost is incurred if the recognition criteria are met and excludes the costs of day-to-day maintenance of an investment property.

Subsequent to initial recognition, Investment Properties are carried at cost less accumulated depreciation and impairment.

Depreciation on Investment Properties is calculated over their estimated useful life as follows:

Asset	Basis	Rate
Land	-	Not Depreciated
Land Improvements	Diminished Balance	4-10%
Buildings	Straight Line	2%

The residual values, useful lives, and methods of depreciation of Investment Property are reviewed at each financial year end and adjusted, if appropriate.

De-Recognition

Investment property is de-recognised upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the surplus/(deficit) for the year when the asset is de-recognised.

3.12 Impairment of Non-Financial Assets

a) **Classification of Cash Generating Assets or Non-Cash Generating Assets**

For the purpose of assessing impairment indicators and impairment testing, DWC and Group classifies non-financial assets as either cash-generating or non-cash-generating assets. DWC and Group classifies a non-financial asset as a cash-generating asset if the primary objective of the asset is to generate commercial return. All other assets are classified as non-cash-generating assets.

Land and buildings held by DWC are classified as non-cash-generating assets.

All PPE held by the Group's subsidiaries and associates are classified as cash-generating assets, as these entities are for-profit entities and the primary objective of these assets is to generate commercial return.

b) **Impairment of Cash-Generating Assets**

Non-financial cash-generating assets, except for those that are measured using the revaluation model, are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

DWC and Group conduct an annual internal review of asset values, which is used as a source of information to assess for any indicators of impairment. External factors are also monitored to assess for indicators of impairment. If any indication of impairment exists, an estimate of the asset's recoverable amount is calculated.

An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. Recoverable amount is the higher of an asset's fair value less costs to sell and value in use. The value in use calculation is based on the discount cashflow method. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows that are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets other than goodwill that suffered impairment are tested for possible reversal of the impairment whenever events or changes in circumstances indicate that the impairment may have reversed.

c) **Impairment of Non-Cash-Generating Assets**

Non-financial non-cash-generating assets, except for those that are measured using the revaluation model, are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

DWC and Group conducts an annual internal review of asset values, which is used as a source of information to assess for any indicators of impairment. If any indication of impairment exists, an estimate of the asset's recoverable service amount is calculated.

An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable service amount. Recoverable service amount is the higher of an asset's fair value less costs to sell and value in use. The value in use calculation is based on the discounted cashflow method. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows that are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets that suffered impairment are tested for possible reversal of the impairment whenever events or changes in circumstances indicate that the impairment may have reversed.

3.13 Provisions and Employee Benefits

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event. It is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the balance sheet date using a discounted cash flow methodology. The risks specific to the provision are factored into the cash flows and as such a risk-free Government bond rate relative to the expected life of the provision is used as a discount rate. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects the time value of money and the risks specific to the liability. The increase in the provision resulting from the passage of time is recognised in finance costs.

3.14 Revenue Recognition – Exchange Transactions

Revenue is recognised and measured at the fair value of the consideration received or receivable to the extent it is probable that the economic benefits will flow to DWC and Group and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised:

- a) **Interest Revenue**
Revenue is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest revenue over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.
- b) **Dividends**
Revenue is recognised when the Group's right to receive the payment is established.
- c) **Milk and Livestock Sales**
Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer, usually on delivery of the goods. Revenue from the sale of goods is measured at the fair value of the consideration received or receivable, net of returns and allowances, trade discounts and volume rebates.
- d) **Non-exchange Revenue**
Revenue recognised from non-exchange transactions is the transfer of Funds and Assets from Tourism West Coast for \$129,463.

3.15 Grant Expenditure

Grant Expenditure is recognised as an expense when DWC considers it has a commitment to the grant. This commitment is usually recognised when the amount and conditions on the grant are communicated to the recipient.

3.16 Income Tax and Other Taxes

- a) **Income Tax**
DWC is registered with Charities Services as a Charitable Trust and is therefore exempt from income tax.

In respect of Group's subsidiary companies, income tax expense recognised in surplus or deficit comprises the sum of deferred tax and current tax not recognised in Other Comprehensive Revenue and Expense or directly in equity.

Income tax assets and liabilities for the current period are measured at the amount expected to be recovered from or paid to the taxation authorities.

Deferred tax is provided on all temporary differences between the tax bases of assets and liabilities and their carrying amounts. However, deferred tax is not recognised on the initial recognition of goodwill, or on the initial recognition of an asset or liability unless the related transaction is a business combination or affects tax or accounting profit. Deferred tax on temporary differences associated with investments in subsidiaries is not provided if reversal of these temporary differences can be controlled by the Group and it is probable that reversal will not occur in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses, provided it is probable that taxable income will be generated to use them.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.
- b) **Other Taxes**
DWC is a "registered person" in terms of the Goods and Services Act 1985. DWC makes both standard and zero-rated supplies and uses an apportionment method for other general expenditure. Revenues, expenses, and assets are recognised net of the amount of GST except:
 - when the GST incurred on a purchase of goods and services is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
 - receivables and payables, which are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the Statement of Financial Position.

Cash flows are included in the Statement of Cash Flows on a gross basis and the GST component of cash flows arising from investing and financing activities, which is recoverable from, or payable to, the taxation authority, is classified as part of operating cash flows.

3.17 Changes in Accounting Policies

The accounting policies adopted are consistent with those of the previous year.

Cranley Farms Limited have adopted IFRS 16. Leases are now accounted under the right of use accounting standard.

3.18 Effects of COVID-19 (Predominantly Post Balance Date)

On 11 March 2020, the World Health Organisation declared the outbreak of COVID-19 a pandemic and two weeks later the New Zealand Government declared a State of National Emergency. The country was in lockdown at Alert Level 4 from 26 March to 27 April 2020, and remained in lockdown at Alert Level 3 until 13 May 2020.

During this period, DWC closed all office sites. All staff moved to a "work from home" model that was very effective and well embraced by the staff. There was no effect on productivity during this time as video conferencing replaced face-to-face interaction. Clients and businesses were well supported with regular communications and full access to explore all business services.

There was a corresponding drop in expenses during this period due to no travel, events, conferences, or office expenses to support. All staff were fully utilised with no reduction in staff during this period. After 13 May, DWC returned to the office under substantially normal operating conditions.

At time of preparing these financial statements, DWC's focus was on supporting the West Coast as effectively as possible within the terms of the Deed, with emphasis on the preservation and generation of employment, and working with industries and businesses on sustaining the current workforce where the potential for future growth exists.

There was an expectation that there would be significant demand for distributions for emergency funding to support businesses due to loss of cashflow. This was surprisingly lower than expected at time of writing. DWC is aware of the current employment challenges for the region and has been working with various stakeholder groups to minimise the impact of career change and possible redundancy on both employees and employers.

The effect on our operations is reflected in these financial statements, and is mainly in relation to the movement in investments that was temporary as at 30 June 2020 based on the information available at the date these financial statements were signed (refer note 3.7d). It is difficult to determine the long-term effect of COVID-19 and therefore some uncertainties remain.

Due to the influence of COVID-19, the distribution Assets as at 31 March 2020 held a value of \$7,250 (000), group. As per note 13.

The investment portfolio recorded a positive recovery of \$6,874(000) by 31 January 2021 using the same valuation method there have been no further external or internal impacts recorded for the Distribution assets.

COVID-19 has not significantly impacted the operations and results of other entities in the group.

4. FINANCE REVENUE

	Consolidated		Parent	
	2020 \$000	2019 \$000	2020 \$000	2019 \$000
Interest on Distribution Assets	392	418	331	316
Interest on Term Deposits and Call Accounts	1,146	958	1,146	958
Interest on Available for Sale Investments	1,203	1,573	1,203	1,573
Interest Concessions	198	260	198	260
Dividends on Available for Sale Investments	78	341	78	341
Dividends on Held for Trading Investments	1,391	1,282	1,363	1,282
Net Realised Gains/(Losses) on Disposal of Available for Sale Investments Reclassified from Unrealised Gains Reserve	1,424	598	1,424	598
Net Realised Gains/(Losses) on Held for Trading Derivatives	(100)	162	(100)	162
Net Realised Gains/(Losses) on Held for Trading Investments	1,545	(527)	1,545	(527)
Net Realised Gains/(Losses) on Investment in Associates	0	0	0	0
Total Finance Revenue	7,277	5,065	7,187	4,963

5. TRADING SALES

	Consolidated		Parent	
	2020 \$000	2019 \$000	2020 \$000	2019 \$000
Dairy Produce	4,623	3,705	0	0
Livestock Trading	18	224	0	0
Other Farm Income	1	5	0	0
Total Trading Sales	4,642	3,934	0	0

6. OPERATING EXPENSES

	Consolidated		Parent	
	2020 \$000	2019 \$000	2020 \$000	2019 \$000
Administration Expenses	1,482	1,380	1,354	1,255
Advisory Body Fees	70	70	70	70
Advisory Body Expenses	8	11	8	11
Current Audit Fees	97	93	83	81
Depreciation & Amortisation	648	573	168	82
Directors' Costs	64	69	0	0
Election Costs	14	0	14	0
Equipment Lease Payments	3	3	3	3
External Consultancy Expenses	240	53	219	36
Finance Costs	781	848	2	1
Information & Communication Technology	77	81	77	81
Insurance & Risk Management	113	112	57	55
Investment Advisory Expenses	242	242	242	242
Legal Fees	146	120	146	120
Loss/(Gain) on Sale of Assets	8	82	(5)	55
Marketing & Promotion	70	58	70	58
Occupancy	148	119	148	119
Recruitment Costs	106	24	106	24
Tourism Advisory Group Meeting Expenses	43	0	44	0
Trading Expenses	3,148	2,544	0	0
Trustees' Remuneration	169	176	169	176
Trustees' Expenses	48	39	48	39
Total Operating Expenses	7,725	6,697	3,023	2,508

7. REGIONAL DEVELOPMENT

	Consolidated		Parent	
	2020 \$000	2019 \$000	2020 \$000	2019 \$000
Interest Concessions	198	260	198	260
Regional Partnership Network	20	46	20	46
Tourism West Coast	0	100	0	100
Tourism Promotion*	1,046	0	1,046	0
Business Development Unit**	1,102	1,103	1,102	1,103
Total Regional Development	2,366	1,509	2,366	1,509

*Tourism Promotion expenditure was partially met by \$754,000 in external funding

** The following projects are included in Business Development Unit	Type	2020 \$000
Co.Starters Programme	Project Funding	2,551
PGF Ports Management Study	Project Co-Funding	87,429
Pounamu Pathway PGF Application	Project Co-Funding	10,000
Regional Promotion	Project Funding	65,812
Regional Event Promotion	Project	26,000
BP Business Challenge (Youth Enterprise Scheme)	Grant	3,450
Lake Brunner Wilderness Trail	Project Funding	30,700
Feasibility Study Funding	Project Funding	23,971
Total		249,913

8. COMMUNITY GRANTS

Project or Recipient	2020 \$000
West Coast Community Trust	90
Kotuku Surf Life Saving Club	7
Total Community Grants	97

9. INCOME TAX

9.1 Income Tax Expense

	Consolidated	
	2020 \$000	2019 \$000
Income Tax Expense		
Current Income Tax Charges/(Credit)	(5)	(718)
Current Year Losses for which no Deferred Tax Asset is Recognised	5	718
Utilisation of Previously Unrecognised Tax Losses	0	0
Deferred Tax		
Origination and Reversal of Temporary Differences	(66)	656
Income Tax (Credit)/Expense Reported in Surplus or Deficit	(66)	656
Reconciliation of Tax Expense		
Accounting Surplus/(Deficit) Before Tax	2,463	5,415
At the Statutory Income Tax Rate of 28%	690	1,516
Adjustments in Respect of Parent (Surplus)/Deficit not Taxable	(206)	(1,574)
Adjustments in Respect of Permanent Tax Differences	(518)	27
Adjustments in Respect of Temporary Tax Differences	29	(687)
Current Year Losses for which no Deferred Tax Asset is Recognised	5	718
Tax Losses not Recognised	0	0
Deferred Tax		
Origination and Reversal of Temporary Differences Relating to Non-Depreciable Buildings	(66)	656
Income Tax (Credit)/Expense Reported in Surplus or Deficit	(66)	656

9.2 Deferred Tax

	Consolidated	
	2020 \$000	2019 \$000
Non Depreciable Buildings	(222)	(255)
Biological Assets	(143)	(176)
Employee Leave Accruals	15	14
Other Expense Accruals	4	4
Accrued Income	(13)	(13)
Deferred Tax (Liabilities)/Assets	(359)	(426)
Reconciliation of Deferred Tax (Liabilities)/Assets		
Opening Balance as at 1 April	(426)	230
Tax Credit/(Expense) During the Year Recognised in Surplus or Deficit	66	(656)
Pre-Acquisition Entry Due to Business Combination During the Year	0	0
Closing Balance as at 31 March	(359)	(426)

9.3 Tax Losses

No asset has been recognised in respect of the taxation losses held by the Group. At 31 March 2020, Group losses totalled \$22,039,152 (2019 \$21,406,039). Losses able to be utilised across the Group are \$14,881,383. (2019 \$14,248,270).

10. TRADE AND OTHER RECEIVABLES

	Consolidated		Parent	
	2020 \$000	2019 \$000	2020 \$000	2019 \$000
Trade Receivables	359	390	15	94
GST Refund Receivable	0	0	39	36
Prepayments	0	0	169	30
Sundry Receivables	576	637	405	604
Carrying Amount of Trade and Other Receivables	935	1,027	628	764

11. BIOLOGICAL ASSETS

	Consolidated		Parent	
	2020 \$000	2019 \$000	2020 \$000	2019 \$000
Balance at Beginning of Financial Year	3,530	3,410	0	0
Increases Due to Purchases	45	50	0	0
Decreases Attributable to Sales and Biological Assets Classified as Held for Sale	(258)	(154)	0	0
Net Gain/(Loss) from Changes in Fair Value Less Estimated Point of Sale Costs	(195)	120	0	0
Other Changes	213	104	0	0
Balance at End of Financial Year	3,335	3,530	0	0

11.1 Livestock

The Group owns dairy cattle. These are held at the Group's farm in the South Island. At 31 May 2020, the Group owned 1,369 milking cows, 363 in-calf heifers, 374 one-year old heifers.

Independent valuers, Tasman Agriculture Ltd, with the appropriate knowledge and experience in valuing livestock, have valued the livestock assets at 31 May 2020. The significant valuation assumptions adopted in determining the fair value of the livestock assets included current market values net of selling costs.

12. INVESTMENTS

	Consolidated		Parent	
	2020 \$000	2019 \$000	2020 \$000	2019 \$000
Available for Sale Investments	30,787	39,990	30,519	38,768
Held for Trading Investments	45,820	47,430	45,820	47,430
Total Investments	76,607	87,420	76,339	86,198
Current Assets	63,697	64,719	63,697	64,719
Non-Current Assets	12,910	22,701	12,642	21,479
Total Assets	76,607	87,420	76,339	86,198

Unlisted managed funds are measured to fair value based on the latest quarterly reports provided by the fund managers. The company held \$9.8 m of unlisted managed funds as at 31 March 2020. The fund managers have a variety of valuation techniques in valuing the underlying investments consistent with the guidance from the international Private Equity Capital Valuation Board (IPEV). These include revenue and earnings multiples, discounted cash flows or earnings, market evidence, and transaction prices for recent investment.

While the Board of Trustees is of the view that the fair values of the unlisted managed funds in these financial statements represent the best available information, uncertainties exist over the fair value of the investments in the absence of an active market to determine fair value. There is inherent uncertainty and difficulty in measuring the fair value of these unlisted investments.

Some of the fund managers have reported that the COVID-19 pandemic has caused increased uncertainty in their assessments of fair value. Where appropriate, the valuations have considered the special valuation guidance issued by IPEV in response to the COVID-19 pandemic. The Board of Trustees has reviewed the fair value of the investments and confirmed that they are reasonable.

The parent company has uncalled capital commitments of \$6.7m (2019 \$5.7m) in relation to equity managed fund investments.

13. DISTRIBUTION ASSETS

The Distribution Assets (net of impairment) can be further analysed as follows:

Class	Consolidated		Parent	
	2020 \$000	2019 \$000	2020 \$000	2019 \$000
Advances to Other Parties	4,458	5,162	4,458	5,162
Investments in Subsidiaries	0	0	12,313	11,899
Investments in Associates	2,792	2,392	0	0
Total	7,250	7,554	16,771	17,061

13.1 Related Party Distribution Assets

	Parent	
	2020	2019
Distribution Assets Invested in Subsidiaries and Associates	28,386	28,880
Provision for Impairment Relating to Distribution Assets Invested in Subsidiaries and Associates	16072	(16,981)
Total	12,313	11,899

14. PROPERTY, PLANT AND EQUIPMENT

	Consolidated				Parent			
	Motor Vehicles	Other Property, Plant and Equipment	Land & Buildings	Total	Motor Vehicles	Other Property, Plant and Equipment	Land & Buildings	Total
At Cost or Valuation	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
Balance at 1 April 2018	839	1,798	27,248	29,885	199	328	2,160	2,687
Additions	275	63	63	401	18	58	0	76
Disposals	(271)	(1)	(54)	(326)	0	(1)	(54)	(55)
Balance at 31 March 2019	843	1,860	27,257	29,960	217	385	2,106	2,708
Balance at 1 April 2019	843	1,860	27,257	29,960	217	385	2,106	2,708
Additions	48	586	0	634	34	570	0	604
Disposals	(164)	(98)	(269)	(531)	(124)	(72)	0	(196)
Balance at 31 March 2020	727	2,348	26,988	30,063	127	883	2,106	3,116
Depreciation and Impairment Losses								
Balance at 1 April 2018	415	1,280	4,890	6,585	92	252	76	420
Depreciation Charge for the Year	99	95	379	573	41	30	10	81
Disposals	(173)	0	0	(173)	0	0	0	0
Balance at 31 March 2019	341	1,375	5,269	6,985	133	282	86	501
Balance at 1 April 2019	341	1,375	5,269	6,985	133	282	86	501
Depreciation Charge for the Year	96	195	355	647	32	125	11	168
Depreciation through Business Combination								
Disposals	(122)	(107)	(25)	(254)	(93)	(69)	0	(162)
Balance at 31 March 2020	314	1,463	5,599	7,376	72	338	97	507
Net Carrying Amount								
At 31 March 2018	424	518	20,358	23,300	107	76	2,084	2,267
At 31 March 2019	502	485	21,988	22,975	84	103	2,020	2,207
At 31 March 2020	413	886	21,389	22,688	55	545	2,009	2,609

Note 18 details the securities held by third parties over the Group's plant property and equipment.

15. INVESTMENT PROPERTIES

Group Investment Properties have been reclassified as PPE and are included in note 14 as per the accounting standards.

The full total transferred

2019	\$1,792,000 Land
	\$ 278,000 improvements

The investment Property of the parent consists of land and land improvements leased to a subsidiary company, from the 2020 financial statements onwards this property has been incorporated in the property plant and equipment reported in note 14 under land and buildings per PBE IPAS 16.

16. DERIVATIVE FINANCIAL INSTRUMENTS

	Consolidated		Parent	
	2020 \$000	2019 \$000	2020 \$000	2019 \$000
Current Asset/(Liability)				
Currency Option Contracts – Held for Trading	0	(4)	0	(4)
Interest Rate Swap Contracts – Cash Flow Hedge	0	0	0	0
	0	(4)	0	(4)
Non-Current Asset/(Liability)				
Currency Option Contracts – Held for Trading	(1,162)	0	(1,162)	0
	(1,162)	0	(1,162)	0
Total Derivative Financial Instruments	(1,162)	(4)	(1,162)	(4)

16.1 Instruments Used by the Group

a) *Currency Option Contracts – Held for Trading*

DWC has entered into currency option contracts which are economic hedges but do not satisfy the requirements for hedge accounting.

These contracts are fair valued using the Bloomberg Option Pricing Model which is generally accepted as a global financial market standard valuation model.

b) *Interest Rate Swap Contracts – Cash Flow Hedges*

No fixed or variable swaps were in place as at 31 March 2020 (2019 nil).

17. TRADE AND OTHER PAYABLES

	Consolidated		Parent	
	2020 \$000	2019 \$000	2020 \$000	2019 \$000
Trade Payables	1,958	1,475	1,617	1,207
GST Payables	36	10	0	0
Employee Entitlements	93	134	40	80
Sundry Creditors	4,883	7,757	4,762	7,534
Carrying Amount of Trade and Other Payables	6,970	9,376	6,419	8,821
Current Liabilities	5,761	7,168	5,249	6,648
Non-Current Liabilities	1,209	2,208	1,170	2,173
Carrying Amount of Trade and Other Payables	6,970	9,376	6,419	8,821

17.1 Sundry Creditors Analysis

		Consolidated		Parent	
		2020 \$000	2019 \$000	2020 \$000	2019 \$000
Sundry Creditors		223	169	200	145
Major Regional Initiative		0	11	0	11
Economic Development Projects		150	418	150	418
Major District Initiative		2,326	4,628	2,326	4,628
Extraordinary Distribution Fund	Note 17.2	113	363	113	363
District Economic Stimulus Fund	Note 17.3	925	957	925	957
Digital Enablement Fund	Note 17.4	933	957	933	957
Finance Leases		98	199	0	0
Other Community Grants		115	55	115	55
Total Sundry Creditors		4,883	7,757	4,762	7,534

17.2 Extraordinary Distribution Fund (EDF)

In the 2012 financial year, through a change in the Trust Deed, the Trustees were empowered to create a special fund within the books of DWC, by the transfer from the Restricted Capital to the EDF of up to \$6,000,000. The EDF is an exceptional, once-only fund. The EDF is to be used as a fund from which grants may (at the discretion of the Trustees) be made to any of the West Coast district councils (up to a maximum amount of \$2,000,000 to each) in order to fund the undertaking of community projects which are within the Objects. As all undrawn funds have been allocated to approved projects, the EDF is classified as a current liability.

17.3 District Economic Stimulus Fund (DESF)

In the 2016 financial year, in light of the economic challenges facing the West Coast, Trustees granted \$1m to each district in the region to stimulate business development and growth. The funding was accessible for each of the district councils to administer the funds on behalf of their districts. The DESF was to be applied in such a way so as to leverage additional funding from other funding sources.

17.4 Digital Enablement Fund

In the 2016 financial year, Trustees granted \$1m to the region's Digital Enablement Plan. The Plan was developed to leverage designated funding from Central Government and other providers to enable the delivery of faster broadband services and improved mobile phone coverage in the region.

18. INTEREST BEARING LOANS AND BORROWINGS

	Consolidated		Parent	
	2020 \$000	2019 \$000	2020 \$000	2019 \$000
Current Liabilities - Westpac Bank	7,639	5,000	0	0
Non-Current Liabilities - Westpac Bank	5,500	10,500	0	0
Total Borrowings	13,139	15,500	0	0

The bank loans are secured by a first ranking GSA in all present and acquired property of Cranley Farms Limited, and a first registered mortgage over the freehold land and buildings of Cranley Farms Limited.

19. RESTRICTED CAPITAL

19.1 Nature of Restricted Capital

Restricted Capital is classified as equity. It is comprised of the Initial Capital (\$92m) and is reduced from time to time in accordance with clause 11 of the Trust Deed as follows:

- The Trustees may distribute up to 5% of the Initial Capital in any financial year to recommended recipients provided that the income has been fully distributed or set aside for distribution to recommended recipients.
- Subject to clause 11.3, no further applications of the Restricted Capital can be made under clause 11.1 once the Restricted Capital is reduced to \$50 million; and
- The Trustees may only pay or apply further amounts under clause 11 with the written approval of the Settlor.

Movement in Restricted Capital	\$000
At 1 April 2018	79,514
Transfers to Distribution Fund	0
At 1 April 2019	79,514
Transfers to Distribution Fund	0
At 31 March 2020	79,514

The Parent and Group are not subject to any other externally imposed capital requirements.

20. RESERVES

20.1 Movements in Reserves

	Consolidated							Parent			
	Distribution Fund	Net Unrealised Gains Reserve	Cash Flow Hedge Reserve	Revaluation Reserve	Total Reserves Attributable to Group	Non - Controlling Interest	Total Reserves	Distribution Fund	Net Unrealised Gains Reserve	Cash Flow Hedge Reserve	Total Reserves
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
At 31 March 2018	40,316	3,363	0	400	44,079	1,434	45,513	41,174	3,363	0	44,537
Net Fair Value Gains on Available-for-Sale Investments		(393)			(393)		(393)		(393)		(393)
Reclassification to Finance Revenue on Disposal of Investment		(598)			(598)		(598)		(598)		(598)
Net Gains/(Losses) on Movement in Cash Flow Hedges											
Share of Gain/(Loss) on Revaluation of PPE of Associates											
Acquisition of Non-Controlling interest											
Net Surplus/(Deficit) for the Year	4,989				4,989	(230)	4,759	5,355			5,355
At 31 March 2019	45,305	2,372	0	400	48,077	1,204	49,281	46,529	2,372	0	48,901
Net Fair Value Gains on Available-for-Sale Investments		(982)			(982)		(982)		(982)		(982)
Reclassification to Finance Revenue on Disposal of Investment		(1,423)			(1,423)		(1,423)		(1,423)		(1,423)
Net Gains/(Losses) on Movement in Cash Flow Hedges											
Net Surplus/(Deficit) for the Year	2,628				2,628	201	2,529	1,703			1,703
At 31 March 2020	47,933	(34)	0	400	48,300	1,405	49,705	48,232	(33)	0	48,199

20.2 Nature and Purpose of Reserves

- a) **Net Unrealised Gains Reserve**
This reserve records movements in the fair value of available-for-sale financial assets.
- b) **Cash Flow Hedge Reserve**
This reserve records the portion of the gain or loss on a hedging instrument in a cash flow hedge that is determined to be an effective hedge.
- c) **Distribution Fund Reserve**
This reserve is the revenue and the amount of Restricted Capital available for distribution, in accordance with Clause 11 of the Trust Deed.
- d) **Asset Revaluation Reserve**
This represents the Group's share of the Asset Revaluation Reserve recognised by its subsidiaries and associates.

21. RELATED PARTY DISCLOSURE

21.1 Subsidiaries

The consolidated financial statements include the financial statements of DWC and the subsidiaries listed in the following table.

Name	Country of Incorporation	% Equity Interest	
		2020	2019
Forever Beech Limited	New Zealand	100	100
West Coast Development Holdings Limited	New Zealand	100	100
The West Coast Development Trust Land Company Limited	New Zealand	100	100
West Coast Snowflake Limited	New Zealand	100	100
Cranberries New Zealand Limited	New Zealand	100	100
Cranley Farms Limited	New Zealand	81.8	81.8

21.2 Associates

- a) **Bold Head Farm Limited**
In August 2016, West Coast Development Holdings Limited invested \$585,610 in shares in Bold Head Farm Limited. Due to this investment, the Group owns 48% of Bold Head Farm Limited and Bold Head Farm Limited is classed as an associate of the Group. Bold Head Farm Limited has a balance date of 31 May. As this date is within 3 months of Group's balance date, Bold Head Farm Limited's accounts for 31 May 2019 have been used to apply the equity method of accounting for the investment.
- b) **Putake West Coast Limited Partnership**
In 2015 West Coast Development Holdings Limited invested \$500,000 in Putake West Coast LP, a joint venture with Putake LP Limited. Putake West Coast LP is a commercial and sustainable bee keeping and honey producing business. Due to this investment, the Group owns 50% of Putake West Coast LP and the investment is a joint venture of the Group.

The Assets of the JV have been sold and as at balance date the JV was in the process of being wound up by PWC.
- c) **Other Associates**
The functions of Tourism West Coast Incorporated have been absorbed into DWC as of 1 April 2019. Tourism promotion is now a department within DWC.

21.3 Transactions with Related Parties

Entities	Year	Advances to Related Parties	Repayments from Related Parties	Interest Raised by Group	Rent Received by Group	Amounts Owed by Related Parties*	Equity Contribution
		\$000	\$000	\$000	\$000	\$000	\$000
Group Subsidiaries							
West Coast Development Holdings Limited	2020	0	(494)	0	0	23,314	0
	2019	50	(100)	0	0	23,808	0
Forever Beech Limited	2020	0	0	0	0	1,372	3,700
	2019	0	0	0	0	1,372	3,700
Cranley Farms Limited	2020	0	0	0	(74)	0	12,014
	2019	0	0	0	(77)	0	12,014
Group Associates							
Bold Head Farm Limited	2020	0	(60)	44	0	1,429	1,519
	2019	0	(55)	51	0	1,445	1,519
Putake West Coast Limited	2020	0	(287)	17	0	72	1,000
	2019	50	(554)	51	0	342	1,000

* Interest is payable on this amount at rates of between 0% and 8% p.a.

- a) DWC provides accounting and other services to Forever Beech Limited, The West Coast Development Trust Land Co. Limited, West Coast Snowflake Limited, Cranberries New Zealand Limited, and West Coast Development Holdings Limited. No management fees are currently charged for these services. No debts owing to DWC by a subsidiary were forgiven during the year (2019 \$nil).
- b) Related party disclosures have not been made for transactions with related parties that are:
- Within normal supplier or client/recipient relationship, and
 - On terms and conditions no more favourable than those that it is reasonable to expect the Group and DWC would have adopted in dealing with the party at arm's length in the same circumstances.

21.4 Compensation of Key Management Personnel

Key management personnel of DWC and Group are the 7 Trustees on the Board of Trustees and the Chief Executive Officer. The total remuneration for key management personnel is:

	2020 \$000	2019 \$000
Board of Trustees	169	176
Chief Executive Officer	313	258
Total Remuneration	482	434

The amounts disclosed in the table are the amounts recognised as an expense during the reporting period related to key management personnel.

Key management personnel did not receive any remuneration or compensation other than in their capacity as key management personnel (2019: nil).

DWC did not provide any compensation at non-arm's length terms to close family members of key management personnel during the year (2019: nil).

DWC did not provide any loans to key management personnel or their close family members.

22. COMMITMENTS

	Parent	
	2020 \$000	2019 \$000
Future Distributions		
Approved Funding either under consideration by Client or Undrawn against accepted facilities	1,808	292
Alternative Assets		
Capital Contributions for Investments in Private Equity Funds – commitment if fully called	6,707	5,724

In addition to the above, Group subsidiary Cranley Farms Limited had minor commitments relating to the lease of grazing land.

23. CONTINGENCIES

The Group had no contingent assets or liabilities at 31 March 2020 (2019 nil).

24. COMMERCIAL APPLICATIONS

The following table lists the quantum of applications received, and applications approved or under consideration at balance date.

Application Summary 2019-20	Quantity	Value \$000
Total Applications Received	12	5,066
Prior Year's Applications in Progress Brought Forward	2	527
Trustee Approved	7	3,174
CEO Approved under Delegated Authority	5	434
Offers under Consideration by Applicants	0	0
Applications in Progress	2	680
Applications Withdrawn	4	1,292

25. EVENTS AFTER BALANCE DATE

Please refer to note 3.18 for information on the impact of COVID-19. Other than the COVID-19 matters discussed in note 3.18, the Trustees are not aware of any impacts of COVID-19 to be recorded in the Annual Report.

Please refer to note 3.7(d) available for sale securities – impact of COVID-19.

The Trustees are not aware of any other post balance date events that need to be reported.



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