



CELEBRATING

2001 - 20 - 2021

YEARS



  
**DEVELOPMENT**  
WEST COAST

*Te Ohu Whakawhanake o Te Tai Poutini*

DEVELOPMENT WEST COAST  
**GROUP ANNUAL REPORT 2021**

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## TĒNĀ KOUTOU KATOĀ

We are pleased to present  
Development West Coast's  
Group Annual Report for the  
2021 financial year.



*Te Ohu Whakawhanake o Te Tai Poutini*

# ABOUT US



# DIRECTORY

## Trustees

Rooney, Renee	Chair	Elected – Grey District
Christie, Julie DNZM	Deputy Chair	Appointed Trustee
Oldham, Brent		Elected – Buller District
Rea, Chris		Elected – Westland District
Tumahai, Francois		Tangata Whenua Trustee – Te Rūnanga o Ngāti Waewae
Wilson, Barry		Tangata Whenua Trustee – Te Rūnanga o Makaawhio
Ford, Brent	(from January 2021)	Independent Trustee - Finance, Audit and Risk Chair Finance & Audit Committee
McKenzie, Graham	(from July 2021)	Independent Trustee – New Zealand Law Society
Mulligan, Patrick	(to April 2021)	Independent Trustee – New Zealand Law Society

## Executive

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

## Advisory Body

Bestwick, Jenn (Chair)	Drylie, Shaun (from May 2021)
Milne, Chris (from May 2020)	Steele, David (retired June 2021)

## Registered Office

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

## Advisors

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

# STRATEGY *PAETATA* 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 initiatives, including business finance, business support and advisory services, industry and sector support and research and innovation projects.

DWC is governed by a board of 8 Trustees and is supported by an Advisory Body which assists with the commercial finance function, and investment advisors who assist with the management of DWC's Investment Fund. A team of 21 staff carry out the day-to-day functions of the organisation.

## MISSION

To grow business to grow the Coast

*He hāpai pakihi hei hāpai i Te Tai Poutini*

## VISION 2025

Unleashing business potential while caring for people and place

*Wetekina te pito mata pakihi, manaakitia te tangata, tiakina te rohe*

## OUR FOUNDATION DEED OF TRUST

Promoting sustainable economic benefit and employment for the West Coast Region

## DWC PRIORITIES

### Manaakitanga - Value our people

- Encourage diversity
- Prioritise professional development
- Keep our people safe

### Grow our revenue

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

### Kaitiakitanga - Manage our resources for current and future generations

- Protect DWC's charitable status
- Ensure DWC has a perpetual fund to invest by maintaining the real value of our equity
- Pursue investment opportunities which are of direct benefit to the region

### 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*

## Enable/accelerate business development

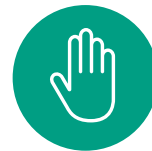
- Develop the capability and knowledge of local businesses to improve productivity and performance
- Foster relationships with successful business people
- Learn from the experiences and success of others
- Identify opportunities to diversify our businesses and sectors
- Support businesses in innovative and sustainable ways to reduce emissions
- Develop and promote digital utilisation
- Target businesses that demonstrate:
  - 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 or value add
- Facilitate sector development strategies to promote jobs and attract investment
- Assist in rationalising resources and efforts across the region.

## Enhance the region's profile

- Be the identifiable voice for regional economic development
- Develop strong central government relationships for the benefit of our region
- Develop strong working relationships with key stakeholders
- Be proactive and responsive to the economic climate and external factors affecting our 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 NGĀ UARA MATUA



**Be Accountable**  
*Kia Noho Haepapa*



**Develop our People**  
*Kia Tipu Te Iwi*



**Be Problem Solvers**  
*Kia Whai Whakautu*



**Collaborate**  
*Kia Mahi Tahi*



**Act with Integrity**  
*Kia Ngākau Pono*



**Exceed Expectations**  
*Kia Pahika Ngā Kawatau*

# CHAIR'S REPORT

**Twenty years on from its inception, Development West Coast's role as the regional economic development agency is more important than ever before, as we work with West Coast businesses to help minimise the effects of the global pandemic and grow their success.**

It's a tall order. But a theme that comes up again and again is 'teamwork'. While our personal experiences of life during the pandemic may have been very different, it has affected us all. There is no doubt we are all in this together – He waka eke noa.

Our country is now often referred to as a team of five million. The West Coast is a team of 32,400. DWC is privileged to be working on behalf of this team, which undoubtedly makes a significant contribution to the national economy.

The work of DWC shifted markedly this year in response to COVID-19. Trustees, Advisory Body and the operational team all recognised we had, and continue to have, a major role to play in supporting businesses through their challenges.

We continue to be focussed on 'Growing Business to Grow the Coast' - Ki tē tupu pakihi, ki tē tupu Te Tai Poutini. This is cemented as our core strategic focus as we help our community adjust to the ever-evolving environment we live, work, and play in.

2021 marks the 20th year of operation for DWC. We can look back with pride on the significant contributions DWC has made to the West Coast during this time while also reflecting on lessons learned to ensure we can better serve the region going forward.

Over these two decades there has been three worldwide recessions (including the current pandemic) and the demise of a number of financial institutions. DWC has managed to retain the real value of the fund while continuing to invest in the region throughout this period. DWC's investment



into the region has now reached \$164.6m while also growing and maintaining the fund at \$146.4m – all achieved from an initial fund of \$92m.

It's important we maintain the real value of the fund for future generations to benefit from continued distributions into the local economy, and to make sure there are resources available to assist in times of crisis, such as we have experienced in the past year – a year in which DWC helped over 500 local businesses.

**AS AN ORGANISATION AND A COMMUNITY, WE'VE SHARED MANY EXPERIENCES SINCE 2001, ALL ADDING TO OUR INSTITUTIONAL KNOWLEDGE. TO ENSURE WE CAN BETTER SERVE THE COMMUNITY, WE REMAIN COMMITTED TO BEING A MORE CUSTOMER-CENTRIC ORGANISATION AND A BETTER COMMUNICATOR OF THE WORK WE DO.**

This year we said farewell to New Zealand Law Society-appointed Trustee Pat Mulligan. Pat contributed enormously to DWC through his five years' service on the Board. Two new trustees joined us during the year. As part of the 2020 Trust Deed review, a second Tangata Whenua Trustee, Barry Wilson, was appointed in November 2020 and in January 2021 Brent Ford was appointed as the Finance, Audit and Risk Trustee. More recently, Graham McKenzie was confirmed as the New Zealand Law Society Appointee. We welcome them and the fresh thinking they bring to the table.

Developing our people is a core value of DWC, and as an organisation we have placed great importance on developing governance skills in the region. This year we welcomed Eric de Boer, the recipient of the Institute of Directors' First Steps in Governance Award, on an internship as a Board observer.

I would like to sincerely thank my fellow Trustees for their support and contribution during the year, the Advisory Body for their sound professional and independent advice and, most of all, Chief Executive Heath Milne and the operational team for their stewardship of the organisation during a challenging



year. They have truly gone above and beyond to support the community.

DWC is proud of its achievements, not just over the past year but the last two decades, and we know we must never lose sight of what we are here for – the benefit of our West Coast community.

Thank you to all our stakeholders for working with us, and to the West Coast region for letting us work on your behalf. We look forward to another year of teamwork as we emerge from the pandemic and unleash the full business potential of the West Coast.

Ngā mihi nui ki a koutou katoa,



**Renee Rooney**  
Chair

## What our clients are saying:

“Without a word of exaggeration, if it wasn’t for the unwavering guidance and support of the entire DWC team, Hoki Dental would never have gotten off the ground.”

[Angelo Ioanides, Hoki Dental](#)

“DWC’s assistance through the Glacier Country Business Support Fund has been vital in helping keep businesses, and therefore communities, viable in South Westland. We’re very grateful for the help we’ve had, and really feel like we’re all pulling together as a team.”

[Barry Hughes, Okarito Kayaks](#)

“After trying several other services for funding, I approached DWC; it was effortless, and they supported myself and my ideas. DWC staff were a big help to get me across the first line and they have followed through with ongoing support and help.”

[Jaimee Morgan, Hokitika Collision Centre](#)

“DWC has given No One Studio the opportunity to scale exponentially in the past 12 months and helped with awareness of our budding industry on the West Coast – an industry that has great growth potential.”

[Hannah Yeats, No One Studio](#)

“DWC has felt like the backbone of our business during one of the toughest years our company has experienced.”

[Bronwyn Burrows, Franz Josef Wilderness Tours](#)

# TRUSTEES



Front row, left to right: Renee Rooney (Chair), Brent Oldham, Chris Rea and Brent Ford.  
Back row, left to right: Barry Wilson, Francois Tumahai, Graham McKenzie and Julie Christie, DNZM (Deputy Chair)

## 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.

## Julie Christie, DNZM - Deputy Chair

### Council Appointee

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 currently chairs the organising committee for Rugby World Cup 2021 and the Board of The All Blacks Experience, and sits on the New Zealand Steering Group for World Expo Dubai 2020. Julie previously served on the Board of New Zealand Trade & Enterprise, Rugby World Cup NZ 2011 and Mediaworks.

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

## Francois Tumahai

### Tangata Whenua Appointee

Francois Tumahai is the Tangata Whenua Appointee of Ngāti Waewae. 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 was 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 of Ngāi Tahu Pounamu. He is a member of the Mayors and Chairs Forum and Westland, Grey and Buller District Councils.

## 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 the chair of the Buller Gorge Marathon committee, 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 Limited (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 and Governance Programme.

## Brent Ford

### Independent – Chartered Accountants Australia & NZ – Finance, Audit and Risk Chair

Brent Ford was appointed as the Finance, Audit and Risk Trustee in January 2021. Brent is Managing Director at Ford CFO and Advisory Services Ltd where he advises a variety of organisations. Brent has extensive finance and senior management experience, including as Chief Financial Officer at Hellers Ltd and Venues Otautahi Ltd.

Brent is currently a director at Venues Otautahi Ltd as well as serving on the boards of Nova Trust and Kilmarnock Enterprises Ltd. Brent is a member of the New Zealand Institute of Directors (IOD) as well as Chartered Accountants Australia and New Zealand (CAANZ). He is also a Chartered Company Secretary (Governance NZ).

## Barry Wilson

### Tangata Whenua Appointed Trustee

Barry was appointed to the Trust in December 2020 as the second Tangata Whenua Trustee. Barry has previously served seven years on the DWC board from 2004–2010.

Barry is of Te Rūnanga o Makaawhio descent and was raised in Blackball and has spent his adult life in Hokitika.

Barry was a Master Greenstone carver for Westland Greenstone. He was also the Managing Director of Hokitika Glass Studio for 30 years, which his son and daughter-in-law now own.

Barry has served on a wide range of boards, including 3 years with Mana Enterprise, 10 years on the Te Rūnanga o Ngāi Tahu Finance Board, 9 years with West Coast Rugby League and a foundation member for the revival of the Hokitika Rugby League Club. He has also been involved in Enterprise Hokitika, including chair of the group at various times, and is a current member of the Westland Waste Water group. Barry has been a Justice of the Peace for 28 years.

## Graham McKenzie

### NZ Law Society Appointed Trustee

Graham was appointed as a Trustee by the NZ Law Society in July 2021. Graham has practiced law in New Zealand for many years and is a member of the New Zealand Law Society as well as being a current member of the New Zealand Law Society Disciplinary Tribunal.

Graham has served on many Boards including Airwork (NZ) Limited and Helicopters (NZ) Limited. He is currently on the board of CMO Energy NZ, Luxottica New Zealand Limited, a sunglass and eye wear manufacturer, and Millennium and Copthorne Hotels NZ Ltd.

Graham has been closely involved in four America's Cups including the most recent event in NZ. He is a member of World Sailing and is the current Chair of the Ethics Commission.

# CHIEF EXECUTIVE'S REPORT



**With a balance date of 31 March, DWC started the financial year in Level 4 lockdown along with the rest of the country while the remainder of the year was dominated by responding to the COVID-19 pandemic. Every generation has a major event that fundamentally changes their lives and I believe we now have ours with the pandemic.**

It was a challenging year all round and I cannot overstate the effort put in by DWC staff as we adapted to the changing situation. Several new people joined DWC including Stuart Brown as Chief Financial Officer and Jo Birnie as Economic Development Manager, one week apart in May. The team managed a constantly changing environment with several new initiatives implemented that resulted in an acutely increased workload. The team responded admirably to these challenges.

From an extremely volatile start to the year for financial markets, the investment portfolio subsequently performed very well with the Investment Fund achieving a total return of 17.21%, comfortably exceeding the benchmark target of 11.84%. The outperformance of the Investment Fund over the target is now an impressive 5.3% per annum for the past three years. This strong market performance will ensure the real value of the Fund is maintained for future generations, while also allowing DWC to increase investment into initiatives that support the COVID-19 recovery.

The COVID-19 pandemic was clearly the dominant feature of the year causing significant economic disruption and market volatility. However, the economic policy response, both fiscal and monetary, was equally as significant, and it is this policy response that has the potential to have a lasting impact on the economic and markets landscape for some time to come. The ability of DWC to enjoy reasonable market returns, despite the tragic economic and health outcomes of the pandemic that continue to this day,

gives us confidence in our investment policy and advisors. We continue to invest the Investment Fund for the long-term.

In response to the COVID-19 crisis, central government launched a wide ranging and ever-changing suite of financial support. This kept DWC's Business Advisory team busy ensuring West Coast businesses were well informed about the support available and facilitating access to the funding. The team took on the herculean task of engaging with more than 500 businesses over the year.

Government support included a significant amount set aside for nature-based job creation. Facilitated through the West Coast COVID-19 Recovery Group, the Kotahitanga ki te Uru (KKTU) regional partnership was established to enable access to the Jobs for Nature Fund. KKTU members include Te Rūnanga o Mākaawhio, Te Rūnanga o Ngāti Waewae, The West Coast Regional Council, Department of Conservation, DWC and an independent Chair. KKTU was the first regional partnership established and secured access to \$13m for nature-based projects on the West Coast, both to protect existing jobs and create new ones.

Two new Trustees joined DWC during the year, Barry Wilson and Brent Ford, along with New Zealand Law Society appointee Graham McKenzie in July 2021. We also brought two new Advisory Body members on board with Chris Milne being appointed midway through 2020 and more recently Shaun Drylie. Chris and Shaun replaced Keith Rushbrook and David Steele respectively who had each served around 14 years with DWC. I want to personally thank both Keith and David for their dedication and guidance throughout their long service to DWC. Chris and Shaun bring a wealth of experience to the Advisory Body and, along with Jenn Bestwick who has stepped into the Chair role, we have a formidable team to guide us into the future.

**DESPITE THE PANDEMIC, WEST COAST BUSINESSES CONTINUED TO LOOK FOR GROWTH OPPORTUNITIES AND THIS IS A TESTAMENT TO THE ENTREPRENEURSHIP AND OPTIMISM OF COASTERS.**

This year DWC received 25 commercial finance applications and approved 18 totalling \$6.7m. At balance date, 14 approvals totalling \$2.34m had been accepted by clients and 2 offers totalling \$1.67m were under consideration.

We continued to support business capability growth by bringing development opportunities to the West Coast. The Co-Starters and Governance programmes ran along with numerous other short courses, workshops and online training. Recognising the significant stress on businesses, two full-day wellbeing workshops were also held. Over 700 participants attended DWC business events despite disruptions from the COVID lockdown and social distancing requirements.

One of the standout successes this year was the establishment of the Upskill employment and training scheme in partnership with Kānoa (formerly the Provincial Development Unit) through the Provincial Growth Fund. Starting mid-way through the 2020 year to the end of March 2021, the Upskill team enrolled 116 West Coast employers and over 400 individual candidates. More than 40 new permanent jobs had also been created with the assistance of Upskill. This outstanding result far exceeded our expectations and is a credit to the Upskill team and the businesses they have engaged with.

2020 also saw the establishment of the Byte Greymouth Digital Hub and Te Wheke Outreach Digital Hub in Westland, both in partnership with Kānoa and co-funded through DWC and the Provincial Growth Fund.

The tourism industry suffered immensely as a result of New Zealand's closed borders and restricted travel. As the Regional Tourism Organisation (RTO), DWC received additional government funding through the Strategic Tourism Asset Protection Programme to support the industry. As part of this we began a destination management planning process looking at the future of this key industry for the Coast.

Having previously relied on international visitors for 80% of their business, the Glacier Country area of South Westland felt the impact of travel restrictions more than the rest of the region. Recognising the impact on the social fabric of these communities was severe, DWC worked with local representatives to assess the need and take a case to government for additional support.

In February, DWC Trustees approved a \$5m Glacier Country Business Support Fund for the South Westland region to assist businesses and to keep people employed. DWC consulted with the community regarding the best way to utilise the funding and worked with community leaders to establish a distribution framework.

We repeated a client survey at the end of the year to gauge the change in perception of DWC among the West Coast business community and other stakeholders. The survey told us that 74% of respondents were satisfied with the service they receive from DWC compared to 65% at the same time last year. It's pleasing to see this positive movement and as a team we remain committed to improving this further.

Throughout the year, Trustees have remained very supportive in a constantly challenging environment, and I thank them for that.

Both new and existing DWC team members have risen to the enormous challenges during the past year and have remained dedicated in their service to the West Coast. I remain confident that we can deliver on our main mission, to grow business to grow the Coast.



**Heath Milne**  
Chief Executive

## DWC YEAR COMPARISONS

### Regional Business Partner actively managed clients

2020-2021:

**CIRCA 390**

2019/2020: circa 270

### Commercial loans approved

2020-2021:

**\$6.7M**

2019/2020: \$3.6m

### Attendees at DWC business events, trainings and workshops

2020-2021:

**700**

2019/2020: 1,181

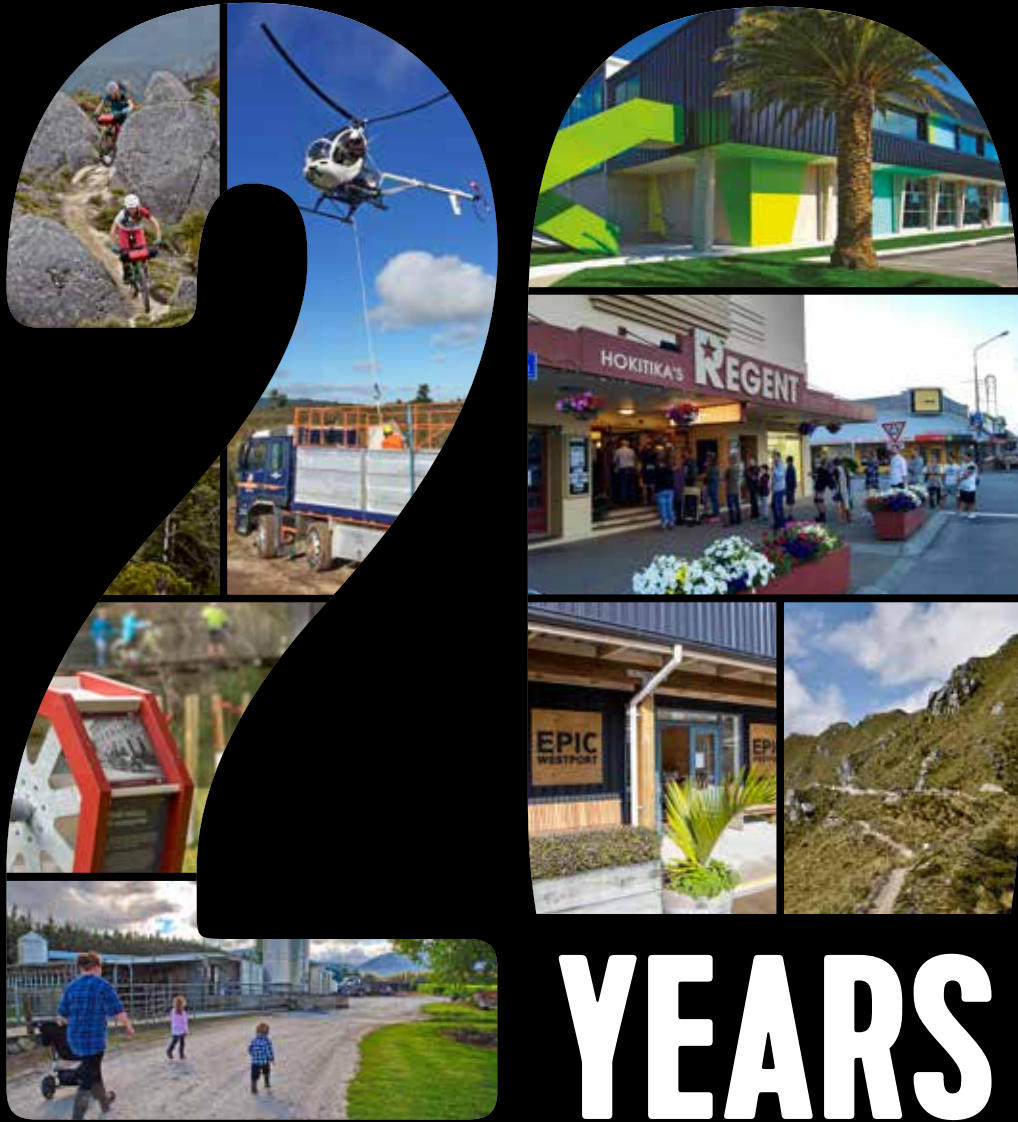
### Regional development spending

2020-2021:

**\$3.16M**

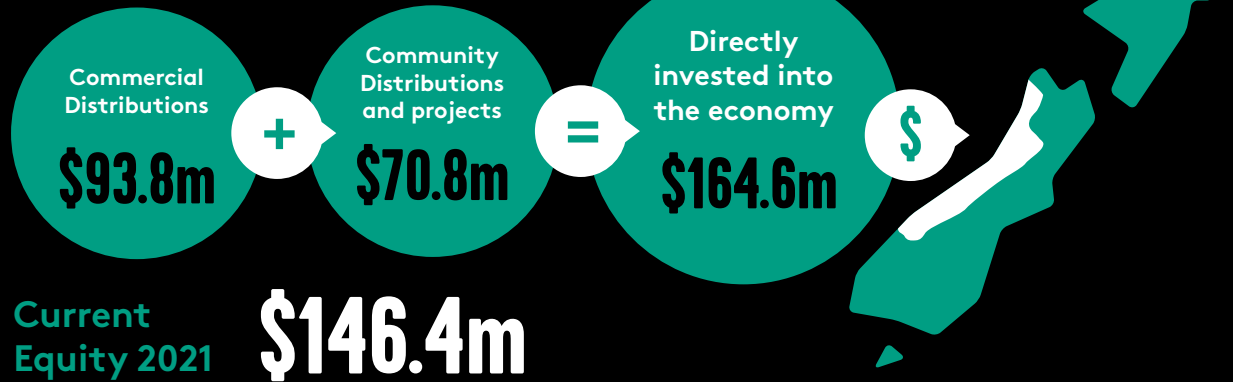
2019/2020: \$2.37m

# DWC CELEBRATES



# YEARS

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





CELEBRATING  
2001 – 20 – 2021  
YEARS

## DWC 20 YEARS ON

**2021 marks the twentieth year of operation for Development West Coast. Looking back, we can reflect with pride on the significant contributions DWC has made to the West Coast community.**

DWC, formerly The West Coast Development Trust, was established in April 2001 after the then Labour-led government stopped native logging on Crown land. The Government provided a \$120m package to assist the West Coast economy adjust to the loss of the indigenous logging industry.

DWC received \$92m of that funding. The remaining \$28m was divided equally between the three West Coast District Councils and the Regional Council.

From its initial capital of \$92m, DWC's direct investment into the West Coast's economy has now reached \$164.6m while also maintaining the Fund at \$146.4m. The true value of DWC to the region goes far beyond this direct investment. Over the past 20 years DWC has worked with numerous local businesses to build capability and assist them in accessing other capital and business opportunities while also leveraging the Fund to attract external investment into the region for major projects.

DWC has been an important vehicle to improve the lives of the people and communities of the West Coast over the past two decades. We acknowledge there have been learning curves along the way, and it is important we continue to reflect on lessons learned to ensure we can better serve the region going forward.

Regional economic development is a massive task and a team effort. We thank all the businesses and organisations that have partnered with us over the past 20 years and look forward to continuing to work with you.



West Coast High School students put their business skills to the test through the 2021 Young Enterprise Scheme (YES) with support from DWC.

## INVESTING IN WEST COAST YOUTH

DWC acknowledges education is a key component to long-term improvements in our region's economic performance and has supported a range of educational projects since its establishment.

In 2005, DWC invested \$1.8m in a large-scale literacy project. The results were excellent with 40% of West Coast children between Years 5 and 8 reaching levels in reading and comprehension that were significantly higher than pupils of the same age in the rest of the country.

Other educational initiatives DWC has supported over the years include the Education for Enterprise (E4E) project, Computers in Schools project, and Education to Business (E2B) project. E2B was so successful that much of its content was adopted into the national school curriculum.

DWC supported the Toki Pounamu Education Trust and its initiative to help West Coast children access Chromebooks in schools. DWC's investment of \$480k enabled over 2,500 students from 14 schools across the Coast to access their own computers through the scheme.

DWC has also been a major sponsor of the Life Education Trust and their work with primary school children throughout the entire region with Harold the Giraffe.



CELEBRATING  
2011 – 20 – 2021  
**YEARS**

## INVESTING IN WEST COAST BUSINESSES FOR 20 YEARS



### REEFTON SHOP FRONT PROJECT

Back in 2003, a loan from DWC to the Inangahua Tourism Promotions / Reefton Promotions

Group for the 'Shop Front Project' helped kickstart the revitalisation of Reefton enabling business owners to restore their facades in their true heritage style. Eighteen years down the track, the benefits are evident for both the community and visitors to the town.



COMMERCIAL DISTRIBUTIONS  
**\$93.8M**

SINCE 2001

**181**  
BUSINESSES



### WESTLAND WORKGEAR Keeping business on the Coast

Commercial finance from DWC enabled Westland Workgear to build a warehousing operation on the West Coast, enabling the company to retain the entire operation in the region.



### EPIC KAWATIRI WESTPORT

Commercial finance from DWC helped EPIC Kawatiri Westport establish an innovation hub in 2016. The hub now houses 27 tenants, including a software studio with former Silicon Valley employees making games for global entertainment giants like Disney.





**CELEBRATING**  
2001 – **20** – 2021  
**YEARS**

## INVESTING IN WEST COAST COMMUNITIES FOR 20 YEARS

### MAJOR SPORTING FACILITIES

# \$14.1M

- Westland Recreation Centre in Greymouth: \$6.6m
- Pulse Energy Centre in Westport: \$6m
- DWC Westland Sports Hub in Hokitika: \$1.5m



### COMMUNITY DISTRIBUTIONS & PROJECTS

# \$70.8M

SINCE 2001

### COMMUNITY CENTRES AND HALLS

# \$2.6M

- Fox Glacier Community Centre: \$1M
- Harihari Community Hall: \$455K
- Hokitika Westland RSA: \$400K
- Westland Boys' Brigade Hall: \$247K
- Whataroa Community Hall: \$200K
- Franz Josef Community Centre: \$100K
- Ross Community Hall: \$90K
- Carters Beach Hall: \$50K
- Nelson Creek Hall: \$5K



### THEATRE FACILITIES

# \$2.4M

- Regent Theatre, Greymouth: \$650K
- Regent Theatre, Hokitika: \$1.08M
- NBS Theatre, Westport: \$700K



### CYCLE TRAILS

# \$4.8M

- West Coast Wilderness Trail: \$3.25M
- Old Ghost Trail: \$1.5M



# COVID-19 RESPONSE



**DWC HAS FELT LIKE THE  
BACKBONE OF OUR BUSINESS  
DURING ONE OF THE TOUGHEST  
YEARS OUR COMPANY HAS  
EXPERIENCED.**

Bronwyn Burrows, Franz Josef  
Wilderness Tours



## DWC DURING COVID-19

As the West Coast's regional development agency, DWC has been focused on helping West Coast businesses manage the impacts of the COVID-19 pandemic while also looking ahead at the economic recovery of the region and sustaining West Coast communities.

The World Health Organisation declared the outbreak of COVID-19 a pandemic on 11 March 2020. This was followed closely by the New Zealand Government declaring a State of National Emergency and placing the country in lockdown at Alert Level 4 from 26 March to 27 April, and then remaining in lockdown at Alert Level 3 until 13 May. With DWC's office sites closed, staff worked remotely from home throughout the lockdown providing support to clients and businesses and ensuring the communication of available assistance and advice.

### West Coast COVID-19 Recovery Group

DWC initiated the establishment of the West Coast COVID-19 Recovery Group comprised of representatives of 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 worked on various aspects of the region's recovery, including identifying barriers to recovery, ensuring like-minded groups collaborated effectively on projects, and utilising members' contacts and influence to enable progress.

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



**500+**

Businesses  
directly  
engaged with

## ECONOMIC IMPACT OF COVID-19 ON THE WEST COAST

### Gross domestic product

March 2021:

**\$2,047m**

March 2020:

**\$2,142m**

▼ **4.4%**

Source: Infometrics

### Tourism expenditure

March 2021:

**\$142m**

March 2020:

**\$188m**

▼ **-25%**

Source: Infometrics

### Jobseeker support recipients Annual average

March 2021:

**\$1,601**

March 2020:

**\$1,258**

Source: Ministry of Social Development

## COVID-19 RESPONSE

### Kotahitanga ki te Uru

Facilitated through the West Coast COVID-19 Recovery Group, the Kotahitanga ki te Uru (KKTU) regional partnership was established and became operational in October 2020. It comprises the two West Coast Iwi, Te Rūnanga o Ngāti Waewae and Te Rūnanga o Makaawhio, the West Coast Regional Council, Department of Conservation (DOC) and Development West Coast. It is chaired by an independent Chairperson, Mike Meehan. DWC also provides support services to KKTU.

KKTU was the first regional leadership group established in New Zealand to develop, support and drive initiatives and secure central government funding to support regional economic recovery and mitigate the social and economic impact on the West Coast as a result of COVID-19.

The establishment of KKTU enabled swift access to the Government's Jobs for Nature Fund and, in particular, funding administered by DOC to create nature-based job opportunities in communities experiencing economic decline. Over \$13m of funding was allocated to the West Coast, and KKTU has endorsed over \$11m in funding towards projects that aim to support an estimated 214 full time equivalent jobs on the West Coast.

The "Sustaining the South Westland Community" project received \$2.7m with over 100 workers and supports over 40 South Westland businesses. This project enabled the redeployment of tourism-based employees directly affected by the downturn in tourism as a result of COVID-19, retaining them in and sustaining the community.

Rob Jewell from Fox Glacier Guides said the Jobs for Nature programme has allowed him to keep staff employed in the area. "We have people with young kids and families so for the schools it makes a huge difference."



Skydive Franz Josef and Fox Glacier staff assisted DOC with track building work through the Jobs for Nature programme. "The project enabled us to keep critical staff employed - without which we would have been forced to close the operation," said Skydive Franz and Fox Glacier Base Manager, Robbie Stewart.



“

**BECAUSE OF JOBS FOR NATURE WE ARE ABLE TO KEEP OUR DOORS OPEN. THIS HAS MEANT PEOPLE HAVE STILL HAD THE OPPORTUNITY TO VISIT FRANZ JOSEF WHICH IN TURN, HELPS THE WHOLE COMMUNITY.**

Cliff Goodwin, Glacier Valley Eco Tours

### Government's Tourism Recovery Package

In response to the impact of the COVID-19 pandemic on the tourism industry, the Government established a tourism recovery package.

As the Regional Tourism Organisation (RTO) for the West Coast, DWC received \$400,000 funding through the Strategic Tourism Asset Protection Programme (STAPP). DWC is utilising this funding to help stimulate regional demand, leverage Tourism New Zealand's national marketing campaign, increase the industry's capability, and develop a destination management plan.

DWC also received \$1.03m from the Government's Regional Events Fund to stimulate domestic tourism and travel between regions through holding events. DWC is supporting the growth of existing events and the creation of new events through this funding. The first round of applications to the West Coast Regional Events Fund opened in February 2021.

### COVID-19 Advisory Funding

Government allocated \$45m for a COVID-19 business advisory fund into the Regional Business Partners (RBP) network, as well as \$10m for advisory support specific to tourism businesses.

Through these funds, DWC has connected firms to expert advice at no cost to the business. Advice has covered 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.

Steve Lunn from Bazil's Hostel in Westport said, "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



“ ACCESS TO COVID-19 BUSINESS ADVISORY SUPPORT THROUGH DWC HAS BEEN ESSENTIAL IN HELPING US TO NAVIGATE THROUGH SOME VERY CHOPPY AND UNCHARTERED WATERS.

Richard Benton, West Coast Wildlife Centre

## FUNDING DURING COVID-19

### Kotahitanga ki te Uru

Funding towards KKTU endorsed/ approved projects:

**\$11m+**

People enabled to remain employed:

**200+**

### Government funding for DWC

Strategic Asset Protection Programme:

**\$400k**

Regional Events Fund:

**\$1.03m**

### COVID-19 advisory funding

COVID-19 business advisory voucher funding:

**\$710,000**

allocated to 230 Businesses

**15**

New West Coast businesses signed up as RBP service providers

## COVID-19 RESPONSE

our business plan in order to survive this difficult time. We are very grateful to DWC for the help.”

Before the funding ran out, DWC allocated 286 COVID-19 and Tourism Transition business advisory vouchers for professional services valued at around \$710,000 to 230 West Coast businesses. 15 new West Coast businesses were also signed up as RBP service providers, thereby keeping both the advice and revenue on the Coast.

### Now Open Website

DWC collaborated with EPIC Westport and Tai Poutini Polytechnic to implement a temporary online business directory to assist in promoting West Coast 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 initiative attracted media attention when Prime Minister Jacinda Ardern featured it in her “Kiwi Ingenuity Story of the Day”, and also received exposure on TVNZ’s Breakfast Show.

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.



### COVID-19 Commercial Finance

DWC implemented changes to its commercial finance process to enable a fast turnaround of emergency funding to support businesses that were experiencing cashflow issues due to COVID-19.

Targeting businesses suffering in the short term but with a viable future, \$682,900 was distributed during April to October 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 enabling businesses offering a delivery service the ability to receive a \$5 rebate for each delivery, up to a total of \$250.

The Scheme also got a mention by Prime Minister Jacinda Ardern during her daily press conference to the nation when she commended it as “a great initiative.”

### 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 Ltd

### COMMERCIAL FINANCE LOANS

Loans approved for COVID-19 emergency funding

**\$682,900**

### DELIVERY REBATES

Number of businesses who received a rebate

**27**



## COVID-19 RESPONSE

### Glacier Country Business Support Fund

Glacier Country has been one of the hardest hit areas in New Zealand from the COVID-19 travel restrictions, with many businesses in desperate need of cashflow support to survive. In response to the crisis DWC established the \$5 million Glacier Country Business Support Fund (GCBSF).

Following a meeting between the co-chairs of Glacier Country Tourism Group (GCTG), Westland District Council and DWC, a survey was undertaken to better understand the impact COVID-19 was having on the area. The survey revealed 62% of jobs had been lost in Glacier Country, 16% of businesses had closed, at least 23% of people had left, and the area had experienced a significant loss of volunteers in key community services.



GLACIER COUNTRY BUSINESS SUPPORT FUND	
<b>Glacier Country Business Support Fund</b> Providing up to \$75k cashflow support for eligible businesses	<b>\$5M</b>

“ **DWC'S GCBSF SUPPORT HAS ASSISTED US WITH MAINTAINING THE BASIC SERVICES VITAL IN OUR REMOTE LOCATION.**

Anne Saunders and Gerry McSweeney, Wilderness Lodge Lake Moeraki

“ **DWC'S ASSISTANCE THROUGH THE GLACIER COUNTRY BUSINESS SUPPORT FUND HAS BEEN VITAL IN HELPING KEEP BUSINESSES, AND THEREFORE COMMUNITIES, VIABLE IN SOUTH WESTLAND. WE'RE VERY GRATEFUL FOR THE HELP WE'VE HAD, AND REALLY FEEL LIKE WE'RE ALL PULLING TOGETHER AS A TEAM.**

Barry Hughes, Okarito Kayaks



The GCTG consulted with the wider community to get input on the best way to utilise DWC’s funding for the benefit of the wider Glacier Country area. Based on this consultation, DWC established the GCBSF to be accessible to eligible West Coast enterprises located between Whataroa and Lake Moeraki for cashflow support of up to \$50,000 for smaller employers and \$75,000 for larger employers.

“The \$5m GCBSF is a significant initiative that will help many businesses in our region to access additional funds to help them to survive,” said Rob Jewell and Richard Benton, co-chairs of Glacier Country Tourism Group.

Hannah Mackie from Franz Alpine Mechanical & Engineering said, “DWC has been fabulous supporting our application to the GCBSF, seeing the potential in our small family business.”

Applications for the fund opened on 1 April 2021.

**Regular Communications**

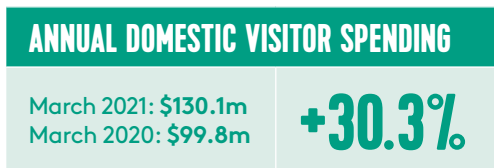
With the COVID-19 situation evolving at such a rapid pace, DWC released regular communications to keep the West Coast business community up-to-date on changing regulations and restrictions, and the different forms of business support available.

**Marketing Campaigns**

To help the region bounce back after lockdown, DWC ran 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 encouraging people to shop locally.

On the return of inter-regional travel, DWC targeted the domestic market promoting West Coast packages and deals including ‘Big Coast, Big Deals’ and ‘Hot Deals, Cool Holidays’. Other marketing initiatives included the ‘Talk up your Town’ competition with Seven Sharp, campaigns featuring the West Coast Wilderness Trail and Old Ghost Road, and various joint ventures with Tourism New Zealand, Christchurch NZ and others.

For the year to March 2021, domestic visitor spending on the West Coast increased by 30.3%, one of the highest rates in the country.



**Talk up your Town**

In partnership with DWC, Seven Sharp ran a competition asking viewers to send in videos talking up their towns.

The Toe Toe family’s video of Murupara won them an ultimate West Coast holiday package.

A video directed by NOMAD Audio and Video, starring Phoenix Pataura from Westport, was also widely featured on Seven Sharp. Phoenix joined the Toe Toe’s for part of their West Coast adventure.

# FINANCIAL HIGHLIGHTS



# KEY NUMBERS & HIGHLIGHTS 2021

	Group (Consolidated)		DWC (Parent)	
	2020-21	2019-20	2020-21	2019-20
<b>Total Revenue</b> (Including Unrealised Gains)	<b>\$25.5M</b>	<b>\$13.1M</b>	<b>\$20.7M</b>	<b>\$7.3M</b>
<b>Total Operating Expenses</b>	<b>\$7.5M</b>	<b>\$7.7M</b>	<b>\$3.0M</b>	<b>\$3.0M</b>
<b>Community Distributions and Projects</b>	<b>\$3.5M</b>	<b>\$2.5M</b>	<b>\$3.5M</b>	<b>\$2.5M</b>
<b>Profit Before Tax</b>	<b>\$14.5M</b>	<b>\$2.8M</b>	<b>\$14.2M</b>	<b>\$1.7M</b>
<b>Total Assets</b>	<b>\$167.2M</b>	<b>\$151.1M</b>	<b>\$151.8M</b>	<b>\$135.3M</b>
<b>Total Equity</b>	<b>\$148.2M</b>	<b>\$129.2M</b>	<b>\$146.4M</b>	<b>\$127.7M</b>

# 2001-2021 DWC AT A GLANCE

## FINANCIAL OVERVIEW

INCOME 2001-21

**169M**

OPERATING EXPENSES 2001-21

**46.0M**

NET PROFIT 2001-21

**49.8M**

TOTAL ASSETS AS AT 31 MARCH 2021

**151.8M**

TOTAL EQUITY AS AT 31 MARCH 2021

**146.4M**

## COMMERCIAL DISTRIBUTIONS\* 2001-21

**359** APPLICATIONS  
RECEIVED  
TALLING

**\$316.0M**

**243** DISTRIBUTIONS  
APPROVED  
TALLING

**\$137.3M**

**181** DISTRIBUTIONS  
COMMITTED  
TALLING

**\$93.8M**

\* 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 2001-21

**EDF** EXTRAORDINARY DISTRIBUTION FUND

# \$6M

A one-off distribution of \$2m to each of the three district councils invested in 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

A distribution of \$1m to the 3 districts to stimulate the local economies through direct assistance to businesses and organisations

**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 to improve telecommunications on the West 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**

# \$35.4M

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

**TOTAL COMMITTED COMMUNITY DISTRIBUTIONS**

# \$70.8M

# INVESTMENT FUND

DWC's investment portfolio had an outstanding 2021 financial year, with the Investment Fund achieving a total return of 17.21%, increasing the value by more than \$19m and very comfortably exceeding the benchmark of 11.84%. The outperformance of the Investment Fund over the Statement of Investment Policy and Objectives (SIPO) target of CPI+3% over a 3-year rolling period is now an impressive 5.3% per annum for the past three years.

Performance to 31 March 2021	6 Month	1 Year	3 Year
<b>NZ Equities</b>			
DWC	18.22%	39.10%	87.35%
Benchmark	6.92%	28.21%	50.99%
<b>Australian Equities</b>			
DWC	14.92%	31.60%	50.32%
Benchmark	18.91%	44.83%	34.86%
<b>Offshore Equities</b>			
DWC	13.81%	34.98%	55.90%
Benchmark	13.45%	31.51%	47.33%
<b>NZ Bonds</b>			
DWC	0.60%	5.77%	13.74%
Benchmark	-2.50%	1.95%	12.64%
<b>Offshore Bonds</b>			
DWC	-0.13%	-0.13%	
Benchmark	-1.68%	-1.68%	
<b>Property</b>			
DWC	2.21%	23.51%	55.32%
Benchmark	3.92%	25.63%	49.98%
<b>Total Portfolio</b>			
DWC	8.54%	17.21%	30.51%
Benchmark	3.56%	11.84%	21.77%
<i>SIPO: Achieve a rate of return that exceeds CPI by 3% p.a. over a rolling 3-year period</i>			
CPI (2018 Q1 to 2021 Q1= 5.6%) + 9%			+14.6%
DWC Outperformance - 3 Year			+15.9%
DWC Outperformance - Per Annum			+5.3%

Our Investment Advisors (JBWere & Bancorp) have deliberately had an overweight exposure to Growth Assets which has significantly helped the Portfolio. While DWC's asset allocation is constructed to provide a level of income for DWC, income maximisation is not the key objective, with Growth Assets also ensuring the real value of the Fund is maintained and preserved for future generations.

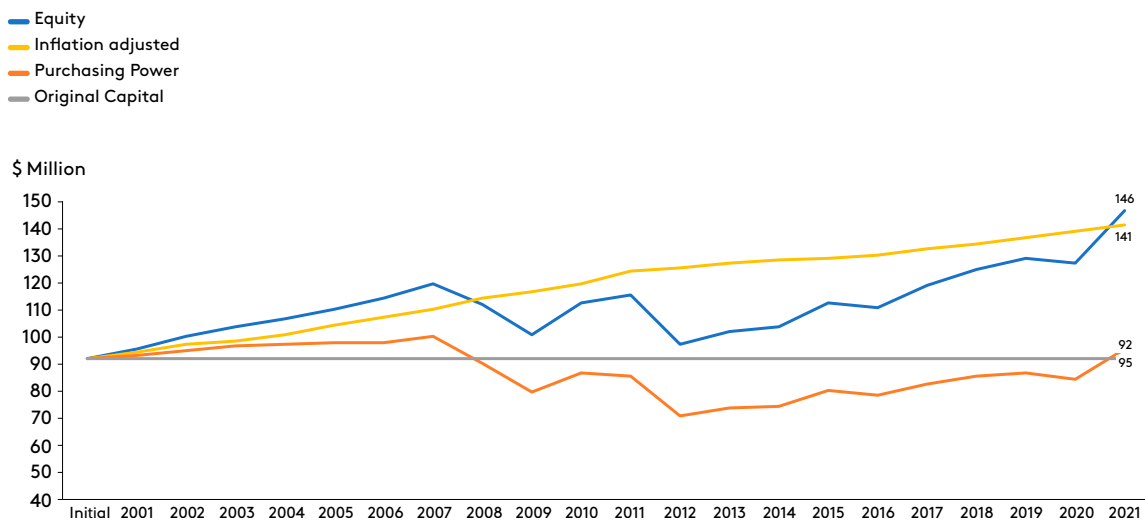
For financial markets, 2020/21 was certainly a year with few dull moments. For many market participants it will likely be some time before they are able to fully digest and comprehend all that has taken place. The COVID-19 crisis was clearly the dominant feature of the year, and it was a true black swan event causing significant economic disruption and market volatility. However, the economic policy response (both fiscal and monetary) was equally as significant, and it is this policy response that has the potential to have a lasting impact on the economic and markets landscape for some time to come.

We believe DWC's ability to enjoy reasonable market returns despite the tragic economic and health outcomes of the COVID-19 pandemic that continue to this day comes down to two main factors. The first is the nature of the shock being a health crisis rather than an economic one, at least in the first instance. The second is that the aggressive policy response from central banks and governments has ensured permanent scarring to the supply side of economies has so far been limited, allowing investors to treat much of the disruption to economic activity and corporate earnings as temporary.

Looking at the year ahead, while there are no doubt catalysts that could cause some volatility, we believe economic conditions (particularly as economies reopen) are conducive for equity markets to see more gains overall. In particular, we believe an acceleration in global growth together with ongoing supportive policy conditions is a powerful combination for risk assets.

We continue to invest the DWC Investment Fund for the long-term.

## INVESTMENT FUND INFLATION ADJUSTED - MARCH 2021



During the period, the weighting to Growth Assets shifted from 48.5% as at 31 March 2020 to 56.5% as at 31 March 2021. This increase was in reaction to the change in SIPO policy accepted by the Trustees where the weighting of Growth Assets was increased to a maximum of 60%.

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.

# REGIONAL DEVELOPMENT



Bonz 'N' Stonz Pounamu Carving.



# REGIONAL ECONOMIC OVERVIEW 2021

Population<sup>1</sup>  
**32,400**



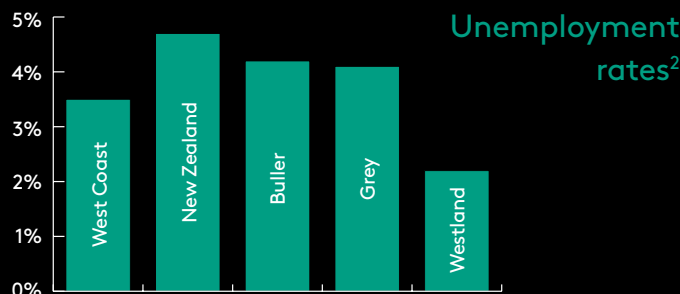
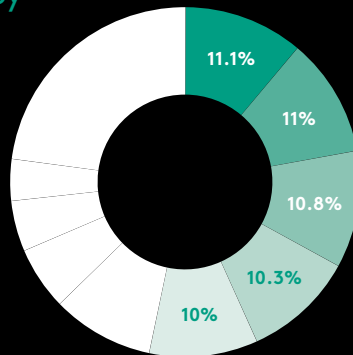
GDP total<sup>2</sup>  
**\$2,047M**

### GDP growth



### Industries that employ the most people<sup>1</sup>

- Agriculture, Forestry and Fishing: 1,827 (11.1%)
- Manufacturing: 1,817 (11%)
- Accommodation and Food Services: 1,790 (10.8%)
- Construction: 1,699 (10.3%)
- Health Care and Social Assistance: 1,658 (10%)
- All others



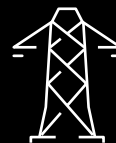
Businesses<sup>1</sup>  
**3,753**

Jobs filled<sup>1</sup>  
**16,512**

### Main economic drivers<sup>1</sup>



Agriculture, Forestry & Fishing  
**\$307.8M** (14.1%)



Electricity, Gas, Water and Waste Services:  
**\$238.5M** (11.1%)



Mining  
**\$181.5M** (8.5%)



Construction  
**\$164.9M** (7.7%)



Health Care and Social Assistance  
**\$115.5M** (5.4%)

### Current median house price<sup>2</sup>

**\$248,539** West Coast

**\$798,389** New Zealand

Sources: 1. Infometrics (March 2020). West Coast Region Annual Economic Profile. 2. Infometrics (March 2021). West Coast Quarterly Economic Monitor.

# 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 2021:

Project	Funding up to:
Co.Starters Programme	\$25,510
Regional Promotion	\$51,755
Regional Event Promotion	\$129,457
BP Business Challenge (Youth Enterprise Scheme)	\$3,934
Delivery Rebate Scheme (COVID-19 Lockdown)	\$5,565
Feasibility Study Funding	\$3,000

**REGIONAL DEVELOPMENT PROJECTS**

2020/2021: **\$219,221**



## 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.westcoast.co.nz](http://www.westcoast.co.nz)

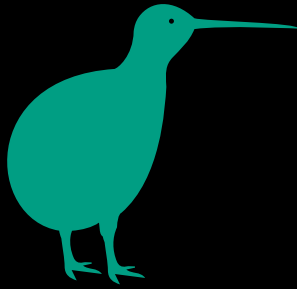


# DWC'S TOURISM YEAR IN REVIEW

Challenges during the year



Visitor expenditure



**\$142.9M**

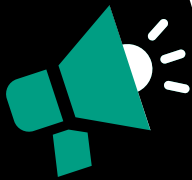
Domestic spend:

**+\$30.3M ▲ 31%**

International spend:

**-\$78.9M ▼ 86%**

Marketing campaigns



**BIG COAST, BIG DEALS**

**TALK UP YOUR TOWN WITH SEVEN SHARP**

**HOT DEALS, COOL HOLIDAYS**

Major projects

<b>GLACIER COUNTRY COVID-19 IMPACT SURVEY</b>	<b>DESTINATION MANAGEMENT PLAN</b>	<b>REGIONAL EVENTS STRATEGY</b>	<b>VISITOR PERCEPTION RESEARCH UNDERTAKEN</b>
---	------------------------------------	---------------------------------	---

COVID-19 Tourism Transitions Fund

**\$325,704**

in vouchers for business advisory support Tourism Transition Funding

Trade and Media Famils hosted by DWC

**63 PAX**

West Coast collateral distributed

**80,000**

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

Digital presence

westcoast.co.nz website sessions:

2020-2021:

**469,726 ▲ 11%**

2018-2019: 423,034

West Coast, New Zealand Facebook page likes

2020-2021:

**75,869 ▲ 9%**

2019-2020: 69,356

## 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. They 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 year saw a significant increase in coverage of the West Coast.

### CASE STUDY

#### Media support helps GorseBusters attract volunteers

Through the GorseBusters initiative, approximately 19km of shoreline around the Okarito lagoon was treated for gorse, weeds and rubbish. Organised by Barry Hughes and Gemma Van Beek from Okarito Kayaks, around 90 unique volunteers participated, with around 335 volunteer days contributed to the project over just 5 days between 22-27 March 2021.

"The changed tourism landscape prompted us to re-examine what useful effect we could have this year; that resulted in GorseBusters, generating positive national media attention for our region," Barry Hughes said.

**"THIS BENEFIT WASN'T OBVIOUS TO US AT FIRST; HOWEVER, DWC'S ENCOURAGEMENT, GUIDANCE AND LEVERAGE OF CONTACTS ACROSS MEDIA REALLY HELPED SCALE UP AWARENESS AND PUBLICITY, WHICH IN TURN DROVE FURTHER VOLUNTEER AND SPONSOR SUPPORT."**

GorseBusters was featured on TVNZ One News, Seven Sharp, the AM Show, RNZ, North South Magazine and various other news sources.

"We could not have done or envisaged this alone. DWC's support acted as a multiplier for GorseBusters' success; the enthusiasm within the DWC team for a perhaps not-so-commercially-obvious project gave us confidence and much greater reach."

#### 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 and regional North Island newspapers showcasing the advantages of living, working, and doing business on the West Coast.



NZME Media Specialist Tracey Anderson said: "Our team from the Herald highly regard this publication as it always has great content which is interesting for our readers."



GorseBusters team

### GORSEBUSTERS' MEDIA COVERAGE

Newspaper and magazine features

12

Radio interviews

4

Features on TV

3

## 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, with some highlights below.

### West Coast Regional Events Fund

This year saw the establishment of the West Coast Regional Events Fund

DWC has been allocated \$1,033,028 from the government’s Regional Events Fund to stimulate domestic tourism and travel between regions through holding events.

The contestable fund enables DWC to make strategic investment into events that contribute to the vibrancy and life of the Coast, attracting visitors, stimulating economic activity and raising our region’s profile.

The first round of applications to the West Coast Regional Events Fund opened in February 2021.

### Greymouth Motorcycle Street Race

“The Street Race is a hero event on the Coast, Tai Poutini. This event is a sanctioned Motorcycle NZ race meet, with Riders earning championship points towards the ultimate goal of NZ Rider of the year in class, and a professional career,” says Phillip Barnett.

“The event would not be possible without the generous support of sponsors and grants including DWC’s support via the West Coast Community Trust.”



Westport's Whitebait Festival



AgFest West Coast



Greymouth Motorcycle Street Race

### ECONOMIC IMPACT OF GREYMOUTH MOTORCYCLE STREET RACE Source: MarketView / Infometrics

Injection into the local economy

**\$1.13M**

Full-time jobs created

**6**

## ATTRACTING INVESTMENT

As the regional economic development agency, DWC is leveraging its funds to attract investment into the West Coast. Through working together, the region has secured over \$277m in government funding for projects through Kānoa – Regional Economic Development and Investment Unit and other government funding streams.

Over the past five years DWC has contributed around \$1.1m towards feasibility studies, business cases, funding applications and project co-funding which have helped secure over \$57m in central government funding for projects that are creating jobs and strengthening resilience on the West Coast.

### Digital hubs

Through the PGF, Government has allocated \$800,000 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.

This year saw the establishment of Byte Māwhera Digital Hub in Greymouth and Te Wheke Outreach Digital Hub in Westland, both in partnership with Kānoa and co-funded through DWC and the Provincial Growth.

### Warmer homes

DWC has allocated \$150,000 over three years to Energy Efficiency Conservation Authority's (EECA) 'Warmer Kiwi Homes Programme', which has so far helped secure co-funding from EECA of \$450,000 for the first year alone.

From November 2020 to March 2021, the funding had supported 95 West Coast homes get insulation.

"The funding has also provided the opportunity to support West Coast suppliers with the added social benefit of keeping the West Coast community warmer, drier and healthier," said DWC Economic Development Manager, Jo Birnie.

Andi Laughton had her house insulated for free through the programme. "It was fantastic to be accepted, I feel very, very lucky. It should make a huge difference. My house should be cosy," she said.

### RECENT GOVERNMENT FUNDING

Allocated to the West Coast as at 31 June 2021

**\$277M**

### DIGITAL HUBS

DWC contribution

**\$375K**

Government investment

**\$1.2M**



### WARMER KIWI HOMES PROGRAMME

DWC contribution (per year for three years)

**\$50K**

Government investment (allocated so far for the first year)

**\$450K**

### Pounamu Pathway

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 is run by Te Ara Pounamu Ltd - a new company jointly owned by Te Rūnanga o Ngāti Waewae, Te Rūnanga o Maakawhio and DWC.

It is believed over 50 jobs will be created through the construction, management and operation of the hubs. The four hubs are expected to be completed by December 2023.

### Ōpārara Arches

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 regional employment scheme. Government has invested \$2.1m in the programme through the PGF Skills and Employment (Te Ara Mahi) Fund for 24 months.

POUNAMU PATHWAY	
DWC contribution (towards PGF application)	\$10K
Government investment	\$17.9M

OPARARA ARCHES	
DWC contribution (towards business case)	\$60K
Government investment	\$5.7M



UPSKILL WEST COAST	
Government investment	\$2.1M

### Access to the Paparoa Track (Croesus Road upgrade)

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'.

### Kawatiri Coastal Trail

In late 2016, the Kawatiri Coastal Trail was included in the Government's Regional Growth Study which 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 subsequently secured PGF funding in November 2018.

"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.

The Pūwaha Section of the Kawatiri Coastal Trail from Westport to Carters Beach is the first of nine sections to be built, and officially opened to the public on 6 December 2020. The Kawatiri Coastal Trail is due for completion in June 2022.

### West Coast Ports

PGF funding of \$125,000 initiated work to carry out 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.

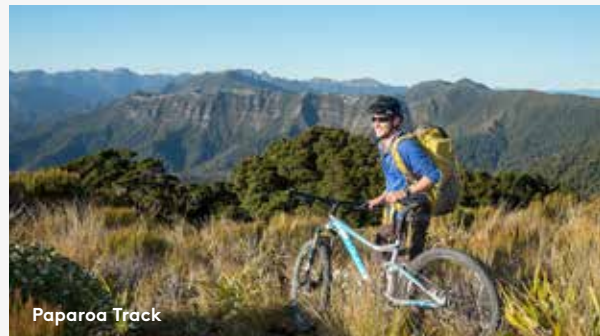
#### ACCESS TO THE PAPAROA TRACK

DWC contribution  
(towards business case)

**\$40K**

Government investment

**\$3.5M**



Paparoa Track

#### KAWATIRI COASTAL TRAIL

DWC contribution  
(towards business case)

**\$50K**

Government investment

**\$9.4M**



Kawatiri Coastal Trail

#### WEST COAST PORTS

DWC contribution (towards  
business case)

**\$87K**

Government investment

**\$17M+**



## INDUSTRY SUPPORT

### Support for Mineral’s Sector

New Zealand Institute for Minerals to Materials Research (NZIMMR) received support from DWC to fit out its purpose-built laboratories.

Mike Meehan, Chief Executive Officer of NZIMMR, said the laboratories will support the minerals sector by moving minerals up the value chain through our research and services.

“The Waimatuku labs located in Dunollie provide the vehicle to these opportunities to create jobs and add to GDP growth in Te Tai o Poutini in partnership with Te Rūnanga o Ngāti Waewae and Te Rūnanga o Makaawhio, industry and other partners.

“Having the support from DWC meant the project could be completed quickly, enabling NZIMMR to undertake research and other services within Te Tai o Poutini,” said Mike.



### Showcasing the West Coast for business events

DWC has been working directly with key decision makers from corporates to professional conference organisers to market the West Coast region as a location for business events, conferences and incentives.



DWC-hosted familiarisation tour to Reefton Distilling Co.

### Naturally West Coast Food

To support the hospitality industry and West Coast food producers, DWC held a celebration of West Coast food and beverages - Naturally West Coast Food - in November.

The month-long event showcased gastronomic delights created with the region's finest produce and ingredients. 40 participating restaurants and cafés offered a signature dish using a key ingredient sourced from the West Coast's Untamed Natural Wilderness. This was anything from wild game, whitebait, fresh produce to West Coast salmon.



'Miss Piggy West Coast': a dish by Last Resort Karamea

# SUPPORTING BUSINESS



**THANKS TO DWC OUR NEW  
RIVERSIDE CABINS HAVE BEEN  
HOSTING TRACK USERS AND  
USING OUR SHUTTLE SERVICE  
WHICH DWC HAS BEEN  
FANTASTIC IN SUPPORTING!**

Jed Findlay, Punakaiki  
Beach Camp



# BUILDING CAPABILITY

**DWC is engaging with more local business people than ever before. 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 500 businesses this year, including Franz Josef Wilderness Tours.

Following the border closures due to COVID-19 and with only 5% of their traditional customer base coming from the domestic market, Franz Josef Wilderness Tours knew they had to innovate in order for their business to survive. Capitalising on advisory support from DWC through the Regional Business Partner network,

Bronwyn and Dale Burrows spent the first several months out of lockdown creating a new brand, increasing their online presence, and upskilling across a range of business management tools.

“The support received through DWC has helped us be resilient through tough times and we look forward to our continued partnership throughout the rest of, and beyond the COVID-19 pandemic,” Bronwyn said.

## ACTIVELY MANAGED RBP CLIENTS

2020/2021:

**390**

2019/2020:

**270**



**FROM FACILITATING THE CONSTRUCTION OF OUR BUILDING TO ENABLING US TO EMPLOY AND UPSKILL A FULL STAFF FROM THE DAY WE OPENED OUR DOORS, PAULA AND I ARE EXTREMELY GRATEFUL FOR DWC'S AWESOMENESS.**

Angelo Ioanides, Hoki Dental

## 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.

DWC business support through the year included facilitating \$710,000 in expert advisory funding to 230 businesses through the Regional Business Partner programme. 15 new West Coast businesses were also signed up as service providers, including digital specialist cooperative No One Studio.



**DWC HAS GIVEN NO ONE STUDIO THE OPPORTUNITY TO SCALE EXPONENTIALLY IN THE PAST 12 MONTHS AND HELPED WITH AWARENESS OF OUR BUDDING INDUSTRY ON THE WEST COAST – AN INDUSTRY THAT HAS GREAT GROWTH POTENTIAL. WE'RE DELIGHTED TO BE CONNECTED WITH SO MANY LOCAL BUSINESSES, THANKS TO THE TEAM AT DWC.**

Hannah Yates from No One Studio

## Regional Business Partner Network

### Capability Vouchers

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

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

### REGIONAL BUSINESS PARTNER NETWORK

35

NZTE Capability Development vouchers awarded to West Coast businesses, valued at \$54,000

286

COVID-19 and Tourism Transition business advisory vouchers for professional services, valued at \$710,000

9

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

240

New RBP business registrations

1

Business accessed West Coast Accelerator Programme funding

## UPSKILL WEST COAST

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 work alongside DWC to complement each others 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 assists 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.

Paul and Margaret Crawford from Crawford Refrigeration in Greymouth said, "We have been very fortunate to connect with the team at Upskill, through DWC. By far the hardest part of being in small business operation here on the Coast is finding staff."

"We have worked with Upskill to secure staff and ensure that they receive the training that they need to become fully competent tradespeople. Upskill are the eyes and ears on the local employment scene, they are doing a fabulous job of connecting employers with suitable candidates for their business."



“OUR STAFF HAVE BEEN UPSKILLING THANKS TO THE UPSKILL PROGRAMME WITH STAFF TRAINING FOR UPGRADED DRIVER LICENSES, LEADERSHIP COURSES AND OTHER SUPPORT FROM DWC.”  
 Jed Findlay, Punakaiki Beach Camp/Paparua Track Services



### CASE STUDY

#### Grounded Garden Services

Upskill West Coast has helped Grounded Garden Services (GGS) recruit two qualified staff and has also assisted upskilling and refreshing their workforce in targeted areas.

"With support from DWC's Upskill consultants, our GGS team, wanting to add to their skill set, have either completed or about to complete a range of industry recognised certificates and courses such as: Level 2 first aid certificates, basic chainsaw handling certificates, Truck and Wheels, Track and Rollers licences, Grosafe chemical organic or inorganic spray certificates - to name a few," said Kate Duthie.

UPSKILL WEST COAST	
West Coast employers enrolled	116
Individual candidates	400+
New permanent jobs created	40+



## CO.STARTERS PROGRAMME

The 2020/2021 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.

Co.Starters facilitator Hannah Fitzgibbon says the programme is like “a helicopter view of the process of having a business from whoa-to-go.”

“You get this great big picture that you can break down and dive into more deeply on your own as you develop your business.”

### CASE STUDY

#### New River Kennels

Co.Starters graduate Paula Kerr and her partner, Murray Malloch, have recently launched a new business in Greymouth, offering quality, safe and secure canine boarding facilities. Their business, New River Kennels, specialises in the behavioural, wellbeing and personal needs of every dog.

“Co.Starters gave me the confidence and ability to believe in myself and that my business plans were achievable,” said Paula.



Graduates from the 2021 Hokitika Co.Starters cohort

### CO.STARTERS PROGRAMME

West Coast Co.Starters graduates since 2016:

**133**



## WEST COAST GOVERNANCE PROGRAMME

DWC places great importance on developing governance skills in the region and continues to bring governance training to the West Coast.

This year saw another round of DWC’s Governance Programme delivered by Westlake Governance, with four one-day governance workshops held across the region.

Buller Mayor, Jaime Cleine, graduated from the programme in 2018 saying, “Good governance is so critical to the success of the West Coast and the DWC governance training gives you a great foundation.”

DWC also hosted a community governance workshop facilitated by Westlake Governance for community organisations looking to improve governance capabilities.

This year saw Eric de Boer take up a governance internship at DWC as part of his Institute of Directors Canterbury First Steps in Governance award.



West Coast Governance Programme: DWC Chair Renee Rooney, Richard Westlake, Anna-Marie Thompson, Heath Milne, Anita Halsall-Quinlan, Matt Kunzmann, Melanie Anderson, Casey Scanlon, Nicole Kunzmann, Stuart Brown, Jenny Keogan, Vaughan Renner and Jamie Cleine.

### WEST COAST GOVERNANCE PROGRAMME

West Coast Governance Programme graduates:

96



West Coast Community Governance Programme: Vaughan Renner, Martin Abel, Rachel Hill, Joey Keen, Laura Weir, Rochelle Crossman, Tina Emsden, Debbie Lawn, Zoe Watson and Richard Westlake.

## BUSINESS WORKSHOPS AND EVENTS

2020/2021 was an interesting year for DWC's business events due to COVID-19 lockdowns and social distancing. Nevertheless, DWC was still able to host a wide range of events from webinars, business breakfasts, business seminars, after 5 networking events, digital workshops and training programmes.

DWC is listening carefully to the needs of our business community and host a range of events targeted to meet those needs. Given the unique circumstances of the past year, DWC facilitated a series of workshops aimed at helping businesses navigate the impacts of the pandemic, including workshops and webinars on business survival, business preparedness, how to hibernate your business, economic updates and well-being workshops.

This year DWC partnered with The Knowledge Academy to bring PRINCE2® Project Management training to the Coast. The internationally recognised programme is targeted at people initiating or working on projects, business representatives, team leaders, and those with an interest in project management.

### West Coast Wikipedian at Large Project

DWC partnered with Dr Mike Dickison for a two-month project, which included a series of workshop aimed at improving the West Coast's presence on Wikipedia. The project received significant media coverage including internationally in the UK Telegraph and Forbes.

ATTENDEES AT DWC BUSINESS EVENTS	
2020/2021	700*
2019/2020	1,181

\*Note: the COVID-19 pandemic forced the cancellation and postponement of several events.



“ THE WELL-BEING WORKSHOP WAS BRILLIANT. IT ACTUALLY MADE ME STOP AND HAVE A MOMENT OF TIME TO MYSELF. IT MADE ME APPRECIATE MORE OF WHAT I DO WITH MYSELF, AND IT WAS REALLY ENJOYABLE.

Kimmy Nolan, HeliServices.NZ





# COMMERCIAL FINANCE

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

This year DWC received 25 commercial finance applications and approved 18 totalling \$6.7m. At balance date, 14 approvals totalling \$2.34m had been accepted by clients and 2 offers totalling \$1.67m were under consideration.



**CASE STUDY**

**Precision Helicopters**

With support from DWC, Precision Helicopters Ltd have purchased the iconic Hanger One at Hokitika airport.

Matt and Tammy Newton moved to Hokitika with their family three years ago to start a tourism business. Since COVID, they have diversified and now offer a wider range of services including agricultural spraying and top dressing, hunting, hiking, kayaking trips, DOC work, lifting work and charter flights.

**“ WE ARE GRATEFUL THAT DWC WAS ABLE TO HELP FINANCE THIS VENTURE ALLOWING US TO DIVERSIFY INTO A WIDER RANGE OF WORK DURING THESE TURBULENT TIMES.**

Matt Newton, Precision Helicopters

**CASE STUDY:**

**Hokitika Collision Centre**

Support from Development West Coast enables Hokitika man to transition from employee to business owner with six staff.

Jaimee Morgan worked for seven years at Hokitika Collision Centre, where he completed his apprenticeship and qualified as an Automotive Refinisher.

“I thoroughly enjoyed the atmosphere and the work, and I was always looking for the next opportunity to better the business and myself,” Jaimee says.

After the COVID-19 lockdown, the previous owner offered to sell the business, presenting Jaimee a chance to become his own boss.

**“I GRABBED IT WITH TWO HANDS. THIS WAS A LIFE OPPORTUNITY THAT I DID NOT WANT TO PASS. I WAS A 25-YEAR-OLD, WITH A YOUNG FAMILY, AND NOW I AM AN EMPLOYER TO SIX STAFF.**

It was not easy for a young man like myself to buy a business, I jumped through hoops to achieve it. After trying several other services for funding, I approached DWC, it was effortless, and they supported myself and my ideas. DWC were a big help to get me across the first line and they have followed through with ongoing support and help.”

**COMMERCIAL DISTRIBUTIONS**

18 Applications approved this year:	<b>\$6.7M</b>
181 Distributions committed since 2001:	<b>\$93.8M</b>

# SPOTLIGHT ON OUR COMMUNITY

## Wavewise

Wavewise received funding from DWC via the West Coast Community Trust to run a six-week surf therapy programme for youth.

"The programme supports our young people in learning how to deal with life's challenges by utilising the practical experience of learning to surf - surf sessions become life lessons!" says Pana Leontiadu.



THE FUNDING MADE IT POSSIBLE FOR MORE YOUTH TO PARTICIPATE. WE ARE SUPER STOKED TO OFFER THE PROGRAMME TO MORE YOUTH AND WANT TO THANK DWC AND WEST COAST COMMUNITY TRUST FOR THEIR SUPPORT!

Pana Leontiadu, Wavewise



# COMMUNITY SUPPORT

COMMUNITY DISTRIBUTIONS & PROJECTS	
Since 2001	<b>\$70.8M</b>

DWC has continued its support of the community through various funding streams. In the 2020-21 financial year, DWC committed the following funding:

- West Coast Community Trust \$120,000
- Community Energy Action - EECA Warmer Kiwi Homes Programme \$150,000

DWC has been contributing \$90,000 annually to provide bulk funding to the WCCT since 2012, totaling \$1,020,000 to date. The WCCT distribute this funding to community groups for projects that create an economic benefit to the region, with projects supported in the 2021 year ranging from heritage projects, significant local events, migrant support, youth and more.

“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 GRANTS MANAGER ANGELA KEENAN.

CONTRIBUTIONS TO THE WEST COAST COMMUNITY TRUST	
Since 2001	<b>\$1,020,000</b>

## Major District Initiative Fund (MDI) and Extraordinary Distribution Fund (EDF)

In addition to this community funding, DWC continues to distribute Major District Initiative (MDI) and Extraordinary Distribution Fund (EDF) funding.

The MDI was established in 2005 as a multi-year initiative through to 2022 to provide funding to support community projects and facilities, recognising the contribution these make to supporting and helping to build vibrant communities. The total MDI commitment was \$20.1m, with \$6.7m allocated to each of the three West Coast district councils. Funding is distributed to projects through each of the councils at a rate of \$400,000 per annum.

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.

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

The councils each identified a range of projects to receive support, which included the Coaltown Trust, Karamea Medical Association, Westport Kindergarten Association, Westport Volunteer Fire Brigade in Buller; Westland Recreation Centre, Paroa/Taramakau cycle trail, Shantytown, Blackball swimming pool in Grey, and the Westland Wilderness Trail in Westland.



## Brightening up the Greymouth CBD

DWC worked with the Grey District Council, landlords and SignLink Graphics to install scenic decals around the Greymouth CBD, partially funded through the Grey District’s EDF funding.

“The aim was to brighten up the town and help showcase some of the amazing locations and things to do in our beautiful backyard,” said Rachel Doolan, DWC Programme Coordinator.

# FINANCIAL REPORTING



Buller Gorge Swingbridge.  
Photo: Stewart Nimmo

## 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 2021.

Signed for and on behalf of the Trustees and Management.



RENEE ROONEY  
Chair

24 August 2021



HEATH MILNE  
Chief Executive

24 August 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 2021

The AuditorGeneral is the auditor of Development West Coast (DWC) and Group. The AuditorGeneral has appointed me, Chris Genet, 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 53 to 75, that comprise the statement of financial position as at 31 March 2021, 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 53 to 75:

- present fairly, in all material respects:
  - the financial position as at 31 March 2021; 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 24 August 2021. This is the date at which our opinion is expressed.

The basis for our opinion is explained below. 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.

### Basis for opinion

We carried out our audit in accordance with the AuditorGeneral'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 AuditorGeneral'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.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit carried out in accordance with the AuditorGeneral'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 AuditorGeneral'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 1 to 50, 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 AuditorGeneral'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.



Chris Genet, Audit New Zealand  
On behalf of the AuditorGeneral, Christchurch, New Zealand

## CONSOLIDATED STATEMENT OF COMPREHENSIVE REVENUE & EXPENSE

	Note	Consolidated		Parent	
		2021 \$000	2020 \$000	2021 \$000	2020 \$000
Finance Revenue	4	9,574	7,277	9,541	7,187
Trading Sales	5	4,928	4,642	0	0
Other Revenue and Gains		1,601	2,472	1,598	1,218
Share of Profit in Associates		160	414	0	0
<b>Total Revenue</b>		<b>16,263</b>	<b>14,805</b>	<b>11,139</b>	<b>8,405</b>
Operating Expenses	6	7,487	7,725	2,995	3,021
<b>Surplus before Community Distributions and Projects</b>		<b>8,776</b>	<b>7,080</b>	<b>8,144</b>	<b>5,384</b>
Regional Development	7	3,157	2,366	3,157	2,366
Major District Initiative		76	121	76	121
Community Grants	8	270	97	270	97
<b>Surplus/(Deficit) before Impairment of Assets</b>		<b>5,273</b>	<b>4,496</b>	<b>4,641</b>	<b>2,800</b>
Impairment of Distribution Assets		341	277	59	(360)
Investment Mark-to-Market (Gain)/Loss		(9,587)	1,456	(9,588)	1,456
<b>Surplus/(Deficit) for the Year before Tax</b>		<b>14,519</b>	<b>2,763</b>	<b>14,169</b>	<b>1,703</b>
Income Tax (Credit)/Expense	9	21	(66)	0	0
<b>Surplus/(Deficit) for the Year</b>		<b>14,498</b>	<b>2,829</b>	<b>14,169</b>	<b>1,703</b>
<b>Other Comprehensive Revenue and Expenses</b>					
Items that may be Reclassified Subsequently to Surplus and Deficit					
Net Fair Value Gain/(Loss) on Available for Sale Investments	19	4,509	(2,405)	4,509	(2,405)
<b>Other Comprehensive Revenue and Expenses for the Year</b>		<b>4,509</b>	<b>(2,405)</b>	<b>4,509</b>	<b>(2,405)</b>
<b>Total Comprehensive Revenue and Expense for the Year</b>		<b>19,007</b>	<b>424</b>	<b>18,678</b>	<b>(702)</b>
<b>Total Comprehensive Revenue and Expense for the Year is attributable to:</b>					
Non-Controlling Interest		69	201	0	0
Group		18,938	223	18,678	(702)
		<b>19,007</b>	<b>424</b>	<b>18,678</b>	<b>(702)</b>

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



## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Consolidated		Parent	
	2021 \$000	2020 \$000	2021 \$000	2020 \$000
<b>Balance at 1 April</b>	<b>129,219</b>	<b>128,795</b>	<b>127,713</b>	<b>128,415</b>
Surplus/(Deficit) for the Year	14,498	2,829	14,169	1,703
Other Comprehensive Revenue for the Year	4,509	(2,405)	4,509	(2,405)
<b>Total Comprehensive Revenue and Expense for the Year</b>	<b>19,007</b>	<b>424</b>	<b>18,678</b>	<b>(702)</b>
<b>Balance at 31 March</b>	<b>148,225</b>	<b>129,219</b>	<b>146,392</b>	<b>127,713</b>

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

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Note	Consolidated		Parent	
		2021 \$000	2020 \$000	2021 \$000	2020 \$000
<b>ASSETS</b>					
<b>Current Assets</b>					
Cash and Cash Equivalents		1,187	927	1,061	910
Term Deposits		20,553	38,001	20,553	38,001
Trade and Other Receivables	10	364	935	139	628
Biological Assets	11	3,371	3,335	0	0
Investments	12	96,280	63,697	96,280	63,697
Loan Advances	13	1,265	594	1,265	594
Derivative Financial Instruments	15	135	0	135	0
Loan Advances to Subsidiaries	13	0	0	12,437	12,313
<b>Total Current Assets</b>		<b>123,155</b>	<b>107,489</b>	<b>131,870</b>	<b>116,142</b>
<b>Non-Current Assets</b>					
Term Deposits		1,142	0	1,142	0
Property, Plant and Equipment	14	22,408	22,688	2,559	2,609
Investments	12	11,075	12,910	10,805	12,642
Loan Advances	13	5,339	3,864	5,339	3,864
Investment in Associates	13	2,913	2,792	0	0
Intangible Assets		1,309	1,106	240	37
<b>Total Non-Current Assets</b>		<b>44,186</b>	<b>43,360</b>	<b>20,085</b>	<b>19,152</b>
<b>TOTAL ASSETS</b>		<b>167,341</b>	<b>150,849</b>	<b>151,820</b>	<b>135,294</b>
<b>LIABILITIES</b>					
<b>Current Liabilities</b>					
Trade and Other Payables	16	6,142	5,761	5,513	5,249
Interest Bearing Loans and Borrowings	17	5,500	7,639	0	0
<b>Total Current Liabilities</b>		<b>11,642</b>	<b>13,400</b>	<b>5,513</b>	<b>5,249</b>
<b>Non-Current Liabilities</b>					
Derivative Financial Instruments	15	0	1,162	0	1,162
Deferred Tax Liability	9	379	359	0	0
Trade and Other Payables	16	57	1,209	50	1,170
Interest Bearing Loans and Borrowings	17	7,039	5,500	0	0
<b>Total Non-Current Liabilities</b>		<b>7,474</b>	<b>8,230</b>	<b>50</b>	<b>2,332</b>
<b>TOTAL LIABILITIES</b>		<b>19,116</b>	<b>21,630</b>	<b>5,428</b>	<b>7,581</b>
<b>NET ASSETS</b>		<b>148,225</b>	<b>129,219</b>	<b>146,392</b>	<b>127,713</b>
<b>EQUITY</b>					
Restricted Capital	18	79,514	79,514	79,514	79,514
Reserves	19	67,237	48,300	66,878	48,199
<b>Total Equity Attributable to the Group</b>		<b>146,751</b>	<b>127,814</b>	<b>146,392</b>	<b>127,713</b>
Non-Controlling Interests	19	1,474	1,405	0	0
<b>TOTAL EQUITY</b>		<b>148,225</b>	<b>129,219</b>	<b>146,392</b>	<b>127,713</b>

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

## CONSOLIDATED STATEMENT OF CASH FLOWS

	Consolidated		Parent	
	2021 \$000	2020 \$000	2021 \$000	2020 \$000
<b>Cash Flows from Operating Activities</b>				
Cash was provided from:				
Interest Revenue	2,343	2,878	2,343	2,878
Dividend Revenue	1,260	1,441	1,258	1,441
Other Finance Revenue	5,880	2,810	5,880	2,810
Other Revenue	8,280	6,294	3,121	1,393
Cash was disbursed to:				
Payments to Suppliers, Trustees and Employees	(7,338)	(5,851)	(3,782)	(2,288)
Payment of Interest	(663)	(796)	0	0
Community Distributions and Projects	(4,232)	(5,844)	(4,232)	(5,844)
<b>Net Cash Flows from/(used in) Operating Activities</b>	<b>(5,530)</b>	<b>932</b>	<b>4,588</b>	<b>390</b>
<b>Cash Flows from Investing Activities</b>				
Cash was provided from:				
Proceeds from Sale of PPE & Investment Properties	41	315	35	39
Proceeds on Disposal of Investments	10,304	16,545	10,304	14,306
Term Deposit Maturities	48,905	37,800	48,905	37,800
Distribution Asset Repayments	2,581	1,755	2,670	1,902
Cash was disbursed to:				
Purchase of PPE & Investment Properties and Intangibles	(506)	(637)	(359)	(619)
Purchase of Investments	(28,343)	(7,221)	(28,341)	(7,190)
Term Deposit Investments	(32,599)	(45,048)	(32,598)	(45,049)
Repayment of Debt	(600)	(2,361)	0	0
Distribution Asset Lending	(5,053)	(968)	(5,053)	(968)
<b>Net Cash Flows from/(used in) Investing Activities</b>	<b>5,270</b>	<b>181</b>	<b>(4,437)</b>	<b>222</b>
Net Increase/(Decrease) in Cash and Cash Equivalents	260	1,113	151	612
Cash and Cash Equivalents at Beginning of Period	927	(186)	910	298
<b>Cash and Cash Equivalents at End of Period</b>	<b>1,187</b>	<b>927</b>	<b>1,061</b>	<b>910</b>

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 2021 were authorised for issue by Trustees on 24 August 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 farmland 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 are 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 (i.e., 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 90 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.

Due to the influence of COVID-19, the total investment portfolio as at 31 March 2020 held a value of \$114,340 (000) impacted by first lockdown sentiment. The Financial Year Balance as at 31 March 2021 recovered and increased to \$128,780 (000).

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**

As part of assessing any application for funding, DWC looks to achieve the greatest possible security cover. However, in line with the development nature of DWC, it can accept security positions less than the value of a Distribution Asset and lower in priority rankings.

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:

<b>Asset</b>	<b>Estimated Useful Life</b>
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 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.



### 3.12 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.

### 3.13 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) Grants Revenue**

Grants are recognised as revenue when they become receivable unless there is an obligation in substance to return the funds if conditions of the grant are not met. If there is such an obligation, the grants are initially recorded as grants received in advance and recognised as revenue when conditions of the grant are satisfied.

### 3.14 Grant Expenditure

Grant Expenditure is recognised as an expense when DWC considers it has a commitment to the grant. Grants without conditions are recognised on approval and communication to recipient. For grants with conditions the expense is recognised at earlier of payment date or when relevant conditions satisfied.

### 3.15 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.

**3.16 Changes in Accounting Policies**

There have been no other changes in accounting policies.

Standards issued and not yet effective, and not early adopted.

PBE IPSAS 41 Financial Instruments.

In March 2019, the External Reporting Board (XRB) issued PBE IPSAS 41 Financial Instruments, which supersedes both PBE IFRS 9 Financial Instruments and PBE IPSAS 29 Financial Instruments: Recognition and Measurement. The standard is effective for the year ending 31 March 2023, and early application is permitted. The main changes between PBE IPSAS 29 and PBE IPSAS 41 are:

- New financial asset classification requirements for determining whether an asset is measured at fair value or amortised cost.
- A new impairment model for financial assets based on expected credit losses, which may result in earlier recognition of impairment losses.

**3.17 Effects of COVID-19**

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 the time. 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.

Due to the influence of COVID-19, the total investment portfolio as at 31 March 2020 held a value of \$114,340 (000) impacted by first lockdown sentiment. The Financial Year Balance as at 31 March 2021 recovered and increased to \$128,780 (000).

#### 4. FINANCE REVENUE

	Consolidated		Parent	
	2021 \$000	2020 \$000	2021 \$000	2020 \$000
Interest on Distribution Assets	312	392	282	331
Interest on Term Deposits and Call Accounts	726	1,146	726	1,146
Interest on Available for Sale Investments	798	1,203	798	1,203
Interest Concessions	254	198	254	198
Dividends on Available for Sale Investments	302	78	302	78
Dividends on Held for Trading Investments	1,302	1,391	1,299	1,363
Net Realised Gains/(Losses) on Disposal of Available for Sale Investments Reclassified from Unrealised Gains Reserve	(80)	1,424	(80)	1,424
Net Realised Gains/(Losses) on Held for Trading Derivatives	172	(100)	172	(100)
Net Realised Gains/(Losses) on Held for Trading Investments	5,788	1,545	5,788	1,545
<b>Total Finance Revenue</b>	<b>9,574</b>	<b>7,277</b>	<b>9,541</b>	<b>7,187</b>

#### 5. TRADING SALES

	Consolidated		Parent	
	2021 \$000	2020 \$000	2021 \$000	2020 \$000
Dairy Produce	4,628	4,623	0	0
Livestock Trading	276	18	0	0
Other Farm Income	24	1	0	0
<b>Total Trading Sales</b>	<b>4,928</b>	<b>4,642</b>	<b>0</b>	<b>0</b>

## 6. OPERATING EXPENSES

	Consolidated		Parent	
	2021 \$000	2020 \$000	2021 \$000	2020 \$000
Administration Expenses	1,534	1,482	1,430	1,354
Advisory Body Fees	73	70	73	70
Advisory Body Expenses	6	8	6	8
Auditor's Remuneration - Current Audit Fees	108	97	85	83
Depreciation & Amortisation	630	648	181	168
Directors' Costs	64	64	0	0
Election Costs	9	14	9	13
Equipment Lease Payments	3	3	3	3
External Consultancy Expenses	202	240	180	219
Finance Costs	646	781	2	2
Information & Communication Technology	112	77	112	77
Insurance & Risk Management	129	113	64	57
Investment Advisory Expenses	242	242	242	242
Legal Fees	138	146	138	146
Loss/(Gain) on Sale of Assets	(2)	8	(10)	(5)
Marketing & Promotion	67	70	67	70
Occupancy	150	148	150	148
Recruitment Costs	63	106	63	106
Tourism Advisory Group Meeting Expenses	6	43	6	44
Trading Expenses	3,112	3,148	0	0
Trustees' Remuneration	169	169	168	169
Trustees' Expenses	27	48	27	47
<b>Total Operating Expenses</b>	<b>7,487</b>	<b>7,725</b>	<b>2,995</b>	<b>3,021</b>

## 7. REGIONAL DEVELOPMENT

	Consolidated		Parent	
	2021 \$000	2020 \$000	2021 \$000	2020 \$000
Interest Concessions	255	198	255	198
Regional Partnership Network	42	20	42	20
Tourism Promotion/Destination Management*	942	1,046	942	1,046
Business Development Unit**	1,251	1,102	1,251	1,102
West Coast Regional Employment Scheme	367	0	367	0
Business Support Funding	300	0	300	0
<b>Total Regional Development</b>	<b>3,157</b>	<b>2,366</b>	<b>3,157</b>	<b>2,366</b>

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

<b>** The following projects are included in Business Development Unit</b>	<b>Type</b>	<b>2021 \$000</b>
Co.Starters Programme	Project Funding	25
Regional Promotion	Project Funding	52
Regional Event Promotion	Project	129
BP Business Challenge (Youth Enterprise Scheme)	Grant	4
Delivery Rebate Scheme (Covid Lockdown)	Project Funding	6
Feasibility Study Funding	Project Funding	3
<b>Total</b>		<b>219</b>

## 8. COMMUNITY GRANTS

<b>Project or Recipient</b>	<b>2021 \$000</b>
West Coast Community Trust	120
Community Energy Action - EECA Warmer Kiwi Homes Program	150
<b>Total Community Grants</b>	<b>270</b>

## 9. INCOME TAX

### 9.1 Income Tax Expense

	<b>Consolidated</b>	
	<b>2021 \$000</b>	<b>2020 \$000</b>
<b>Income Tax Expense</b>		
Current Income Tax Charges/(Credit)	(36)	(5)
Current Year Losses for which no Deferred Tax Asset is Recognised	36	5
Utilisation of Previously Unrecognised Tax Losses	0	0
<i>Deferred Tax</i>		
Origination and Reversal of Temporary Differences	21	(66)
<b>Income Tax (Credit)/Expense Reported in Surplus or Deficit</b>	<b>21</b>	<b>(66)</b>

### Reconciliation of Tax Expense

Accounting Surplus/(Deficit) Before Tax	14,519	2,763
At the Statutory Income Tax Rate of 28%	4,065	774
Adjustments in Respect of Parent (Surplus)/Deficit not Taxable	(3,877)	(290)
Adjustments in Respect of Permanent Tax Differences	(51)	(518)
Adjustments in Respect of Temporary Tax Differences	(171)	29
Current Year Losses for which no Deferred Tax Asset is Recognised	36	5
Tax Losses not Recognised	0	0
<i>Deferred Tax</i>		
Origination and Reversal of Temporary Differences Relating to Non-Depreciable Buildings	21	(66)
<b>Income Tax (Credit)/Expense Reported in Surplus or Deficit</b>	<b>21</b>	<b>(66)</b>

## 9.2 Deferred Tax

	Consolidated	
	2021 \$000	2020 \$000
Non Depreciable Buildings	(216)	(222)
Biological Assets	(157)	(143)
Employee Leave Accruals	11	15
Other Expense Accruals	4	4
Accrued Income	(21)	(13)
<b>Deferred Tax (Liabilities)/Assets</b>	<b>(379)</b>	<b>(359)</b>
<b>Reconciliation of Deferred Tax (Liabilities)/Assets</b>		
Opening Balance as at 1 April	(359)	(426)
Tax Credit/(Expense) During the Year Recognised in Surplus or Deficit	(21)	66
Pre-Acquisition Entry Due to Business Combination During the Year	0	0
<b>Closing Balance as at 31 March</b>	<b>(379)</b>	<b>(359)</b>

## 9.3 Tax Losses

No asset has been recognised in respect of the taxation losses held by the Group. At 31 March 2021, Group losses totalled \$22,233,777 (2020 \$22,039,152). Losses able to be utilised across the Group are \$15,076,008. (2020 \$14,881,383).

## 10. TRADE AND OTHER RECEIVABLES

	Consolidated		Parent	
	2021 \$000	2020 \$000	2021 \$000	2020 \$000
Trade Receivables	279	359	15	15
GST Refund Receivable	(59)	0	(17)	39
Prepayments	48	0	48	169
Sundry Receivables	96	576	94	405
<b>Carrying Amount of Trade and Other Receivables</b>	<b>364</b>	<b>935</b>	<b>139</b>	<b>628</b>

## 11. BIOLOGICAL ASSETS

	Consolidated		Parent	
	2021 \$000	2020 \$000	2021 \$000	2020 \$000
Balance at Beginning of Financial Year	3,335	3,530	0	0
Increases Due to Purchases	32	45	0	0
Decreases Attributable to Sales and Biological Assets Classified as Held for Sale	(271)	(258)	0	0
Net Gain/(Loss) from Changes in Fair Value Less Estimated Point of Sale Costs	36	(195)	0	0
Other Changes	239	213	0	0
<b>Balance at End of Financial Year</b>	<b>3,371</b>	<b>3,335</b>	<b>0</b>	<b>0</b>

## 11.1 Livestock

The Group owns dairy cattle. These are held at the Group's farm in the South Island. At 31 May 2021, the Group owned 1,391 milking cows, 340 in-calf heifers, 318 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 2021. 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	
	2021 \$000	2020 \$000	2021 \$000	2020 \$000
Available for Sale Investments	31,095	30,787	30,825	30,519
Held for Trading Investments	76,260	45,820	76,260	45,820
<b>Total Investments</b>	<b>107,355</b>	<b>76,607</b>	<b>107,085</b>	<b>76,339</b>
Current Assets	96,280	63,697	96,280	63,697
Non-Current Assets	11,075	12,910	10,805	12,642
<b>Total Assets</b>	<b>107,355</b>	<b>76,607</b>	<b>107,085</b>	<b>76,339</b>

Managed funds are measured at fair value based on the latest quarterly reports provided by the fund managers. 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 Trustees are of the view that the fair values of the venture capital managed funds and unlisted equity investments 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 in particular the early-stage unlisted investments.

The Trustees have reviewed the investments for impairment and are satisfied that no impairment is required.

The parent company has uncalled capital commitments of \$7.1 m (2020 \$6.7 m) 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	
	2021 \$000	2020 \$000	2021 \$000	2020 \$000
Advances to Other Parties	6,604	4,458	6,604	4,458
Investments in Subsidiaries	0	0	12,437	12,313
Investments in Associates	2,913	2,792	0	0
<b>Total</b>	<b>9,517</b>	<b>7,250</b>	<b>19,041</b>	<b>16,771</b>

### 13.1 Related Party Distribution Assets

	Parent	
	2021 \$000	2020 \$000
Distribution Assets Invested in Subsidiaries and Associates	28	28
Provision for Impairment Relating to Distribution Assets Invested in Subsidiaries and Associates	16	16
<b>Total</b>	<b>12</b>	<b>12</b>

### 13.2 Distribution Assets

	Parent	
	2021 \$000	2020 \$000
Distribution Assets to Other Parties	8,850	6,672
Provision for Impairment Relating to Distribution Assets Invested in Other Parties	(2,246)	(2,214)
<b>Total</b>	<b>6,604</b>	<b>4,458</b>

### 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
<b>Balance at 1 April 2019</b>	<b>843</b>	<b>1,860</b>	<b>27,257</b>	<b>29,960</b>	<b>217</b>	<b>385</b>	<b>2,106</b>	<b>2,708</b>
Additions	48	586	0	634	34	570	0	604
Disposals	(164)	(98)	(269)	(531)	(124)	(72)	0	(196)
<b>Balance at 31 March 2020</b>	<b>727</b>	<b>2,348</b>	<b>26,988</b>	<b>30,063</b>	<b>127</b>	<b>883</b>	<b>2,106</b>	<b>3,116</b>
<b>Balance at 1 April 2020</b>	<b>727</b>	<b>2,348</b>	<b>26,988</b>	<b>30,063</b>	<b>127</b>	<b>883</b>	<b>2,106</b>	<b>3,116</b>
Additions	139	107	144	390	100	56	0	156
Disposals	(117)	(12)	0	(128)	(61)	(9)	0	(70)
<b>Balance at 31 March 2021</b>	<b>749</b>	<b>2,443</b>	<b>27,132</b>	<b>30,325</b>	<b>166</b>	<b>930</b>	<b>2,106</b>	<b>3,202</b>
<b>Depreciation and Impairment Losses</b>								
<b>Balance at 1 April 2019</b>	<b>341</b>	<b>1,375</b>	<b>5,269</b>	<b>6,985</b>	<b>133</b>	<b>282</b>	<b>86</b>	<b>501</b>
Depreciation Charge for the Year	96	195	355	647	32	125	11	168
Disposals	(122)	(107)	(25)	(254)	(93)	(69)	0	(162)
<b>Balance at 31 March 2020</b>	<b>314</b>	<b>1,463</b>	<b>5,599</b>	<b>7,376</b>	<b>72</b>	<b>338</b>	<b>97</b>	<b>507</b>
<b>Balance at 1 April 2020</b>	<b>314</b>	<b>1,463</b>	<b>5,599</b>	<b>7,376</b>	<b>72</b>	<b>338</b>	<b>97</b>	<b>507</b>
Depreciation Charge for the Year	84	205	341	630	27	143	11	181
Disposals	(78)	(12)	0	(89)	(36)	(9)	0	(45)
<b>Balance at 31 March 2021</b>	<b>320</b>	<b>1,656</b>	<b>5,940</b>	<b>7,917</b>	<b>62</b>	<b>472</b>	<b>108</b>	<b>643</b>
<b>Net Carrying Amount</b>								
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
At 31 March 2021	429	787	21,192	22,408	103	457	1,999	2,559

Note 17 details the securities held by third parties over the Group's plant property and equipment.



## 15. DERIVATIVE FINANCIAL INSTRUMENTS

	Consolidated		Parent	
	2021 \$000	2020 \$000	2021 \$000	2020 \$000
<b>Current Asset/(Liability)</b>				
Currency Option Contracts – Held for Trading	135	0	135	0
	<b>135</b>	<b>0</b>	<b>135</b>	<b>0</b>
<b>Non-Current Asset/(Liability)</b>				
Currency Option Contracts – Held for Trading	0	(1,162)	0	(1,162)
	<b>0</b>	<b>(1,162)</b>	<b>135</b>	<b>(1,162)</b>
<b>Total Derivative Financial Instruments</b>	<b>135</b>	<b>(1,162)</b>	<b>135</b>	<b>(1,162)</b>

### 15.1 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.

## 16. TRADE AND OTHER PAYABLES

	Consolidated		Parent	
	2021 \$000	2020 \$000	2021 \$000	2020 \$000
Trade Payables	1,025	1,958	665	1,617
GST Payables	0	36	0	0
Employee Entitlements	124	93	83	40
Sundry Creditors	3,736	4,883	3,676	4,762
Funding Received in Advance	1,314		1,139	0
<b>Carrying Amount of Trade and Other Payables</b>	<b>6,199</b>	<b>6,970</b>	<b>5,563</b>	<b>6,419</b>
Current Liabilities	6,142	5,761	5,513	5,249
Non-Current Liabilities	57	1,209	50	1,170
<b>Carrying Amount of Trade and Other Payables</b>	<b>6,199</b>	<b>6,970</b>	<b>5,563</b>	<b>6,419</b>

### 16.1 Sundry Creditors Analysis

		Consolidated		Parent	
		2021 \$000	2020 \$000	2021 \$000	2020 \$000
Sundry Creditors		192	223	174	200
Economic Development Projects		109	150	109	150
Major District Initiative		1,502	2,326	1,502	2,326
Extraordinary Distribution Fund	Note 16.2	113	113	113	113
District Economic Stimulus Fund	Note 16.3	870	925	870	925
Digital Enablement Fund	Note 16.4	807	933	807	933
Finance Leases		42	98	0	0
Other Community Grants		100	115	100	115
<b>Total Sundry Creditors</b>		<b>3,736</b>	<b>4,883</b>	<b>3,676</b>	<b>4,762</b>

## 16.2 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.

## 16.3 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.

## 16.4 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.

## 17. INTEREST BEARING LOANS AND BORROWINGS

	Consolidated		Parent	
	2021 \$000	2020 \$000	2021 \$000	2020 \$000
Current Liabilities - Westpac Bank	5,500	7,639	0	0
Non-Current Liabilities - Westpac Bank	7,039	5,500	0	0
<b>Total Borrowings</b>	<b>12,539</b>	<b>13,139</b>	<b>0</b>	<b>0</b>

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.

## 18. RESTRICTED CAPITAL

### 18.1 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
<b>At 1 April 2019</b>	<b>79,514</b>
Transfers to Distribution Fund	0
<b>At 1 April 2020</b>	<b>79,514</b>
Transfers to Distribution Fund	0
<b>At 31 March 2021</b>	<b>79,514</b>

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

## 19. RESERVES

### 19.1 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
<b>At 31 March 2019</b>	<b>45,305</b>	<b>2,372</b>	<b>0</b>	<b>400</b>	<b>48,077</b>	<b>1,204</b>	<b>49,281</b>	<b>46,529</b>	<b>2,372</b>	<b>0</b>	<b>48,901</b>
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)		(1,432)
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	2,628				2,628	201	4,759	1,703			1,703
<b>At 31 March 2020</b>	<b>47,933</b>	<b>(34)</b>	<b>0</b>	<b>400</b>	<b>48,300</b>	<b>1,405</b>	<b>49,705</b>	<b>48,232</b>	<b>(33)</b>	<b>0</b>	<b>48,199</b>
Net Fair Value Gains on Available-for-Sale Investments		4,429			4,429		4,429		4,429		4,429
Reclassification to Finance Revenue on Disposal of Investment		80			80		80		80		80
Net Gains/(Losses) on Movement in Cash Flow Hedges											
Net Surplus/(Deficit) for the Year	14,429				14,429	69	14,498	14,169			14,169
<b>At 31 March 2021</b>	<b>62,362</b>	<b>4,476</b>	<b>0</b>	<b>400</b>	<b>67,238</b>	<b>1,474</b>	<b>68,712</b>	<b>62,244</b>	<b>4,476</b>	<b>0</b>	<b>66,878</b>

### 19.2 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.

## 20. RELATED PARTY DISCLOSURE

### 20.1 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	
		2021	2020
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

### 20.2 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 2021 have been used to apply the equity method of accounting for the investment.

b) ***Putake West Coast Limited Partnership***

The Assets of the JV have been sold and as at balance date DWC is in the process of deregistering the entity.

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.

### 20.3 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
<b>Group Subsidiaries</b>							
West Coast Development Holdings Limited	2021	0	(160)	0	0	23,154	0
	2020	0	(494)	0	0	23,314	0
Forever Beech Limited	2021	0	0	0	0	1,372	3,700
	2020	0	0	0	0	1,372	3,700
Cranley Farms Limited	2021	0	0	0	(91)	0	12,014
	2020	0	0	0	(74)	0	12,014
<b>Group Associates</b>							
Bold Head Farm Limited	2021	0	(65)	28	0	1,392	1,522
	2020	0	(60)	44	0	1,429	1,519
Putake West Coast Limited	2021	0	(5)	2	0	69	0
	2020	0	(287)	17	0	72	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 (2020 \$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.

### 20.4 Compensation of Key Management Personnel

Key management personnel of DWC and Group are the 8 Trustees on the Board of Trustees and the Chief Executive Officer. The total remuneration for key management personnel is:

	2021 \$000	2020 \$000
Board of Trustees	169	169
Chief Executive Officer	270	313
<b>Total Remuneration</b>	<b>439</b>	<b>482</b>

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 (2020: nil).

DWC did not provide any compensation at non-arm's length terms to close family members of key management personnel during the year (2020: nil).

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

## 21. COMMITMENTS

	Parent	
	2021 \$000	2020 \$000
<b>Future Distributions</b>		
Approved Funding either under consideration by Client or Undrawn against accepted facilities	856	1,808
<b>Alternative Assets</b>		
Capital Contributions for Investments in Private Equity Funds – commitment if fully called	7,070	6,707

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

## 22. CONTINGENCIES

The Group is only aware of one contingent assets or liabilities at 31 March 2021 (2020 nil), being the implementation of the Glacier Country Business Support Fund (GCBSF) of up to \$5 million approved by the Trustees on 23rd of March 2021 and allocated from the Distribution Fund.

The GCBSF was announced late March with conditions to be finalised; the application form was provided to potential eligible businesses on 1 April 2021; and there were no transactions until post balance date with the first drawdown made on 5th of May 2021, therefore the GCBSF was not accounted for during the 2021 financial year.

## 23. COMMERCIAL APPLICATIONS

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

<b>Application Summary 2020-21</b>	<b>Quantity</b>	<b>Value \$000</b>
Total Applications Received	25	10,264
Prior Year's Applications in Progress Brought Forward	2	680
Trustee Approved	6	5,423
CEO Approved under Delegated Authority	12	1,322
Offers under Consideration by Applicants	2	1,686
Applications in Progress	0	0
Applications Withdrawn	10	5,960

## 24. EVENTS AFTER BALANCE DATE

The Trustees are aware of the following post balance date events.

- The implementation of the Glacier Country Business Support Fund (GCBSF). Please refer to note 22 for further details on the GCBSF.

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

Please refer to note 3.17 for information on the impact of COVID-19. Other than the COVID-19 matters discussed in note 3.17, 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.





*Te Ohu Whakawhanake o Te Tai Poutini*

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