



# DEVELOPMENT WEST COAST

*Te Ohu Whakawhanake o Te Tai Poutini*

GROUP  
ANNUAL  
REPORT  
**2023**

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TĒNĀ KOUTOU KATOĀ  
We are pleased  
to present  
Development  
West Coast's  
Annual Report  
for the 2023  
financial year.

# About Us



# Directory

## Trustees

- ▶ **Rooney, Renee**  
Chair  
Elected – Grey District
- ▶ **Ford, Brent**  
Deputy Chair, Chair Finance, Audit and Risk Committee  
Independent Trustee – Finance, Audit and Risk
- ▶ **McKenzie, Graham**  
Chair Investment Committee  
Independent Trustee  
– New Zealand Law Society
- ▶ **Reynolds, Daniel**  
*(from 16 October 2022)*  
Elected – Buller District
- ▶ **Pearson, Rebecca**  
*(from 16 October 2022)*  
Elected – Westland District
- ▶ **Tumahai, Francois**  
Tangata Whenua Trustee  
– Te Rūnanga o Ngāti Waewae
- ▶ **Rasmussen, Helen**  
*(from 16 June 2023)*  
Tangata Whenua Trustee  
– Te Rūnanga o Makaawhio
- ▶ **MacDonald, Sam**  
Appointed (Council) Trustee

## Past Trustees

- ▶ **Oldham, Brent**  
*(to 15 October 2022)*  
former Elected Trustee  
– Buller District
- ▶ **Rea, Chris**  
*(to 15 October 2022)*  
former Elected Trustee  
– Westland District
- ▶ **Wilson, Barry (late)**  
*(to 27 February 2023)*  
former Tangata Whenua Trustee  
– Te Rūnanga o Makaawhio

## Executive

- ▶ **Milne, Heath**  
Chief Executive
- ▶ **Washington, Mike**  
Chief Financial Officer
- ▶ **Lunn, Belinda**  
Executive Manager
- ▶ **Birnie, Jo**  
Economic Development Manager
- ▶ **Rees, Aaron**  
Marketing & Communications Manager

## Advisory Body

- ▶ **Drylie, Shaun – Chair**
- ▶ **Milne, Chris**
- ▶ **Venter, Wendy**

## Registered Office

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

## Advisors

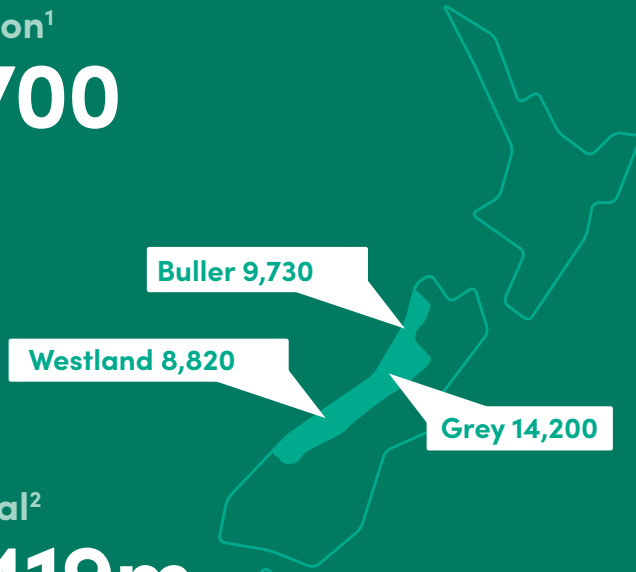
- ▶ **Investment**  
Bancorp Treasury Services Ltd  
JBWere (NZ) Pty Ltd
- ▶ **Legal**  
Buddle Findlay  
Duncan Cotterill
- ▶ **Tax**  
KPMG
- ▶ **Bankers**  
Westpac New Zealand Ltd
- ▶ **Auditors**  
Ernst & Young, on behalf of the  
Controller and Auditor-General

# Key Numbers and Highlights 2023

	Group (Consolidated)		DWC (Parent)	
	2022-23 \$m	2021-22 \$m	2022-23 \$m	2021-22 \$m
<b>Total Revenue</b> (Including Unrealised Gains)	12.7	20.2	6.2	12.6
<b>Total Operating Expenses</b>	9.3	8.1	3.1	2.6
<b>Community Distributions and Projects</b>	9.0	8.4	8.2	7.4
<b>Profit Before Tax</b>	(5.5)	3.5	(5.0)	2.8
<b>Total Assets</b>	159.1	170.8	144.4	155.6
<b>Total Equity</b>	141.8	149.6	139.6	146.9

# Regional Economic Overview 2023

Population<sup>1</sup>  
**32,700**



GDP Total<sup>2</sup>  
**\$2,419m**

## Businesses

**3,849**

## Jobs filled

**16,647**

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

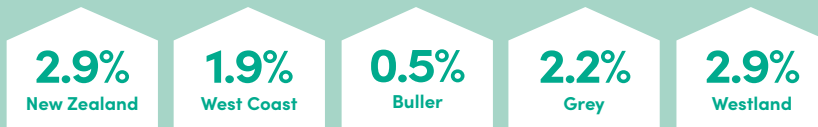
West Coast

**\$360,196**

New Zealand

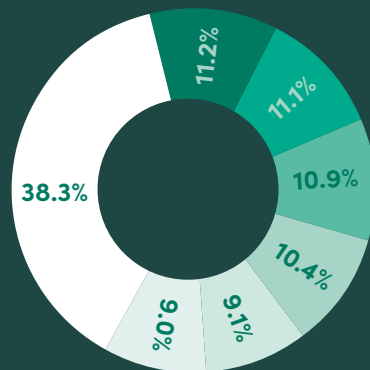
**\$928,656**

## GDP growth



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

- Health Care and Social Assistance: **1,854** (11.2%)
- Agriculture, Forestry and Fishing: **1,849** (11.1%)
- Manufacturing: **1,737** (10.9%)
- Construction: **1,739** (10.4%)
- Retail Trade: **1,515** (9.1%)
- Accommodation & Food Services: **1,506** (9.0%)
- Other: **6,297** (38.3%)



## Main economic drivers



Agriculture, Forestry and Fishing:

**\$319.6m**

13.5%



Electricity, Gas, Water and Waste Services:

**\$316.7m**

13.3%



Construction:

**\$190.5m**

8.0%



Mining:

**\$183m**

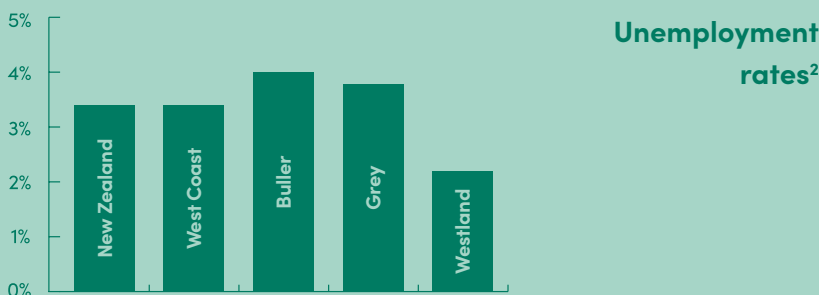
7.7%



Manufacturing:

**\$151.2m**

6.4%



Sources: 1. Infometrics (March 2022). West Coast Region Annual Economic Profile. 2. Infometrics (March 2023). West Coast Quarterly Economic Monitor.

# Who We Are

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. These objectives are met through the provision of a range of business and economic development initiatives, including business finance, business support and advisory services, tourism, destination management and promotion, industry and sector support, and research and innovation projects.

DWC is governed by a board of eight Trustees. It 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.

## Our 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



### Attract regional investment

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



### 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



### 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



### 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
- Facilitate sector development strategies to promote jobs and attract investment
- Assist in rationalising resources and efforts across the region



# Strategy *Paetata* 2020-2025

**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*

**Values**



**Be Accountable**  
*Kia Noho Haepapa*



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



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



**Collaborate**  
*Kia Mahi Tahī*



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



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

**Priorities**



**Manaakitanga - Value our people**



**Grow our revenue**



**Attract regional investment**



**Enable/accelerate business development**



**Enhance the Region's profile**



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

**Foundation**

**Promoting sustainable economic benefit and employment for the West Coast region**

# Chair's Report

The road to the future is always under construction, as is the road to success. Moving the West Coast forward is a team effort and having a collective vision and roadmap is key in that journey.

At DWC, we're very clear of our role here on the West Coast, and our focus on 'Growing Business to Grow the Coast' remains as relevant as ever. Our responsibility of working within the Trust Deed to manage the investment fund and foster regional development to promote sustainable economic benefit and employment for the West Coast is a task not taken lightly.

To keep us focused on our journey, after each Trustee meeting, we reflect and ask ourselves, "how have today's decisions made the West Coast better off?". This regular reflection is vital to ensure we remain on track and that our decisions are contributing to the future success of the Coast.

Since its establishment 22 years ago, DWC's direct investment into the region has reached \$182.8m, achieved from an initial fund of \$92m. Investment into the region can only happen with careful management of the investment fund. There is also a view of the need to maintain the original equity of the fund to ensure continued investment for years to come.

The fund's performance during the COVID-19 years was at times surprisingly positive, however the unsettled global economic climate has taken its toll on investment returns worldwide as markets continue to recalibrate. DWC has been no exception, with a reduction in its total equity at the end of the 2023 financial year.

DWC continues to make annual bulk funding contributions to the West Coast Community Trust (WCCT) with a total of \$200,000 in 2023. Trustees recently amended the Trust Deed to provide greater surety of funding to the WCCT based on the performance of DWC's fund over a three-year period, allowing further opportunity to share DWC's fund success directly with WCCT to benefit the wider West Coast community.

Our region may be small, but together we can achieve so much. Across the Coast we are seeing some exciting



developments with major projects supported by the Provincial Growth Fund / Kānoa taking shape with many of these now starting to bear fruit. These projects are a testament to the collaborative efforts of various stakeholders. DWC has been privileged to be involved in a number of these endeavours.

The recent development of Te Whanaketanga Te Tai Poutini West Coast 2050 Strategy is a significant body of work that provides a roadmap for the region. Witnessing the various workstreams identified in the strategy coming together has been gratifying and another great example of Coasters working together collectively for the future success of the region.

I am extremely proud of our Chief Executive, Heath Milne, and entire operational team for their tireless efforts and unwavering dedication to the West Coast. The communications team deserves special mention for their award-winning work in promoting the region, ensuring positive West Coast stories resonate far and wide.

Being a supportive and inclusive organisation who care about their people starts at governance level.

Trustees recognise and value the importance of a cohesive and effective team to drive DWC's outputs and has established a People and Culture Committee. This group supports and guides the Board and management on matters across wellbeing, diversity, culture, and succession planning, and to also ensure DWC has the capability and capacity to deliver on its strategy.

March 2023 marked not only the end of our financial year, but a significant and sad moment for our entire DWC whanau with the passing of sitting Te Rūnanga o Mākaawhio appointed Trustee Barry Wilson on 28 February 2023. Barry was a great supporter of DWC and a true gentleman. His wisdom and outstanding personal values will be missed – we will remember him fondly.

Local body elections in October 2022 saw us farewell Trustees Chris Rea (Westland elected) and Brent Oldham (Buller elected) who each chose not to stand for re-election. They were subsequently replaced by Rebecca Pearson and Daniel Reynolds respectively. We welcomed Helen Rasmussen as the Te Rūnanga o Mākaawhio appointee in June 2023. No stranger to DWC having previously

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



Current Equity 2023 **\$139.6m**

served as a Trustee from 2010-2013, Helen has a wealth of knowledge and passion for the economic prosperity of the region.

Change has remained constant. As we farewell departing Trustees and welcome new ones, this brings with it opportunity to grow and to remain relevant in this ever-changing environment. I express my gratitude to former Trustees for their valued contributions and advocacy for DWC and the West Coast.

I also wish to express my heartfelt thanks to fellow Trustees for their ongoing support, immense contribution, and commitment to DWC and the region. Thank you to the Advisory Body for their professional and independent advice.

Communicating the wide and varied work we do at DWC, and telling the story behind the numbers to our many stakeholders remains a priority. Actions do speak louder than words, and the following pages of this annual report share some of the ways DWC is working with others to help construct the road to the future success of the West Coast.

Nga mihi nui ki a koutou katoa,

**Renee Rooney**  
Chair



## What our clients are saying:

“COVID wasn’t going to kick us to the kerb. With DWC assistance, we kicked butt and are now still kicking along nicely.”

SUE-ELLEN BOWDEN, RIMU LODGE

“The funding and support that DWC's Upskill initiative is providing to local business is incredible,”

ANNA LIDDELL, LIDDELL CONTRACTING

“Over the past year the DWC team has provided a much-valued constant link to information and support along with facilitating networking opportunities that strengthen and celebrate the heart of our West Coast business community.”

ADAM HAUGH, WAIHO HOT TUBS

“The DWC scholarship has been crucial to me getting to university and where I am now.”

CLARK FOUNTAIN, WEST COAST ENGINEERING STUDENT

“It feels like DWC’s constant, optimistic advocacy for the best of the West Coast has gained momentum in the last year, driving a really positive impression for our region.”

BARRY HUGHES, ŌKĀRITO GORSEBUSTERS

# Chief Executive's Report

No two years are alike on the West Coast, and this is certainly evident reflecting back on the 2022/2023 year at DWC. Record sunshine hours coincided with the return of the tourism sector; both were welcome after the previous couple of years that could only be described as bleak.

The year began with a focus on collaboration within the region as work started on executing Te Whanaketanga West Coast 2050 Strategy. The DWC team has put in a great effort and, in conjunction with our partners, it has been pleasing to see significant progress in many areas.

Building confidence in the region is a key mission and several initiatives got underway with this in mind. The DWC Tertiary Scholarship programme saw many applicants and the calibre of the recipients was again outstanding. We have a growing alumni of our best and brightest young people from across the region who have committed to starting their career here on the Coast. This has been achieved with the backing of a diverse range of local businesses and the enthusiastic support of the DWC team.

A deliberate and focused effort has been made to improve the image of the region across the country. I acknowledge the hard work of the DWC communications team who have achieved great success with promoting positive West Coast stories. This year 376 national and international media stories featured the West Coast, including 217 that were led directly by DWC. This was achieved by a very small team which was acknowledged with two wins at the national public relations awards, including coming runner up for 'In-house PR Team of the Year'.

Diversification of the economy was another area of focus where significant progress has been made. Trustees approved the establishment of a new role to help facilitate opportunities in the 'Nature Economy' given the massive amount of conservation and stewardship land on the Coast. With oversight from the regional leadership group, Kotahitanga Ki te Uru, the project is building on the local expertise in conservation, training, tourism, and biodiversity management to bring



economic benefits to the region.

The changing climate is high on the political agenda and having a varying impact across the region, the rest of New Zealand, and beyond. The global focus on renewable energy led to the establishment of the West Coast Energy Action Group which includes representation from the public and private sectors and Iwi. A key output of the Group has been the development of Te Tai Poutini West Coast Renewable Energy Strategy. This is one of the first regional collaborations of its type and will be used to support new projects in the energy sector, particularly hydro.

The DWC Investment Portfolio had a challenging year in FY23 with ongoing uncertainty in the international equity markets. The value of the fund reduced by \$7.3m in FY23 after recognising increases in prior years. DWC achieved a total return of 1.09%, exceeding the benchmark return of 0.03%. The investment portfolio achieved a return

of 24.64% over the past three years, comparing favourably to the benchmark return of 16.41%, and ahead of DWC's target of a rate of return exceeding CPI+3% per annum over a rolling 3-year period. With 2023 annual CPI inflation at levels not seen since the 1990s (6.7%), maintaining outperformance at this level has remained a challenge.

2023 saw continued month-on-month market volatility as global inflation remained high, coupled with increased cash rate tightening and significant staff shortages in the post-COVID period. However, since March 2023, DWC has seen a significant recovery in the value of the fund in the first quarter of FY24, increasing by \$2.9m.

The DWC investment portfolio is highly diversified with a mix of growth and income producing assets. The outlook for equity markets into FY24 remains cautious with inflation and central bank cash rates likely to have peaked. DWC remains in a good position to be able

to receive cash returns to fund future initiatives and continue to support the West Coast.

DWC received 14 commercial funding applications from West Coast businesses and approved 12 totalling \$4.2m. The applications were from a diverse range of businesses, and I would like to acknowledge the support of the Advisory Body and the finance team in working with our distribution clients for the best outcome. Without exception, all approved distributions align to the regional strategy and have the potential to deliver economic benefits beyond their immediate organisations.

While the year was essentially 'post-COVID', the business support team continued to work with local firms to navigate government support initiatives. MBIE's tourism 'Kick-start' funding for eligible Westland businesses continued to engage the team for a large part of the year. The team did a great job securing the maximum financial support for those businesses.

The tourism team did an amazing job supporting the industry and promoting the region with very limited resources. The West Coast showed a better recovery than the rest of the country with an increase in international visitors while maintaining a strong domestic market share. This was helped by favourable weather that really showcased our untamed natural wilderness.

In March we conducted our annual client survey to assess the perception of DWC among the West Coast business community and other stakeholders. The survey results showed our net promoter score improved to +21 and has consistently improved since the first survey in 2020. This reflects the great work and dedication of the entire DWC team.

I wish to thank all Trustees, and those we farewelled during the year, for their valued contributions and unwavering advocacy for DWC. In particular I acknowledge the late Barry Wilson who passed away in February 2023. The Te Rūnanga o Makaawhio appointed Trustee, Barry will be truly missed by all.

We have had tremendous support from our Advisory Body throughout the year assisting us with distribution applications, and I extend thanks to them for going above and beyond in their role.

Lastly, I want to acknowledge and thank all of the DWC staff and contractors whose work and dedication makes a genuine difference to the region. Much has been achieved this year and it's a privilege to lead such an amazing group of dedicated people.



**Heath Milne**  
Chief Executive

**DWC year comparisons 2022-23**

ACTIVELY MANAGED CLIENTS

**345**

2021-22: **305** | 2020-21: **390** | 2019-20: **305**

COMMERCIAL LOANS APPROVED

**\$4.2m**

2021-22: **\$14.3M** | 2020-21: **\$6.7M** | 2019-20: **\$3.6M**

REGIONAL DEVELOPMENT SPENDING

**\$7.8m**

2021-22: **\$6.0M** | 2020-21: **\$3.16M** | 2019-20: **\$2.37**

ATTENDEES AT DWC BUSINESS EVENTS, TRAININGS AND WORKSHOPS

**852**

2021-22: **808** | 2020-21: **700** | 2019-20: **1181**

DWC'S NET PROMOTOR SCORE

**+21 NPS**

2021-22: **+13 NPS** | 2020-21: **-1 NPS** | 2019-20: **-26NPS**



# Our Trustees



## Renee Rooney – Chair Elected – Grey District

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

Through a variety of roles at local, regional and national levels, Renee's governance and leadership experience spans education, community, economic development, and the primary sector. Currently she is a board member of Muka Tangata People Food and Fibre Workforce Development Council; Vice President of Federated Farmers West Coast; and committee member for Lake Brunner Community Catchment Care Group.

Renee was a long serving trustee and immediate past Chair of Lake Brunner School Board of Trustees, served on the Federated Farmers National Dairy Industry Executive from 2017-2019, and was a director on the Tai Poutini Polytechnic Ltd | Te Pūkenga transitional board from 2020-2022.

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



## Brent Ford – Deputy Chair Independent Finance, Audit and Risk Trustee 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. Brent has extensive finance and senior management experience, including as Chief Financial Officer at Hellers Ltd and Venues Otautahi Ltd.

Brent is a director or advisory board member of a variety of different companies, mentors a number of commercial CFO's, and also carries out consulting engagements. 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).



## Graham McKenzie – Investment Chair 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 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.



### **Francois Tumahai** Tangata Whenua Appointed Trustee

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 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.



### **Helen Rasmussen** Tangata Whenua Appointed Trustee

Helen, Kati Mahaki Tangata Whenua Appointee, was born and raised at Hunts Beach, South Westland where she attended primary school with her late husband Ian Rasmussen at Jacobs River. In 1976 Helen joined Ian in Haast running a commercial crayfishing venture which she later skippered for, and a commercial helicopter venison recovery business.

Helen has been chair, secretary, member and appointee to a number of community boards and committees, both local and regional, and has been a volunteer for emergency services. Helen was instrumental in the formation of Te Rūnanga o Makaawhio in 1988.

Helen is extremely passionate about the sustainable economic viability of the West Coast region, having owned and operated a number of resource-based, retail and tourism related businesses with Ian in Haast, Hokitika and Greymouth. She has also invested significant time and resource endeavouring to establish new industry on the Coast.



### **Rebecca (Peg) Pearson** Elected – Westland District

Rebecca was born and raised in Hokitika and is a third generation West Coaster. She is married to Bruce with three young adult daughters. Returning from their OE to London in the 1990's and relocating to the Kapiti Coast, Rebecca and Bruce returned to Hokitika in 2002.

Rebecca has a tourism and retail background, having trained as a travel consultant, and worked for House of Travel in New Zealand and Flightbookers in London.

Owner of Red Streetwear, Hokitika since 2008, Rebecca has been a member of Destination Hokitika since 2011 and co-founded Love Hokitika in 2013.

Rebecca is a graduate of the 2022 DWC Governance Programme. She is extremely passionate about the West Coast and its people and is involved in many aspects of the Hokitika community.



**Sam MacDonald**  
**Appointed (Council) Trustee**

Sam was appointed to DWC in 2022. Sam is a Chartered Accountant, having grown up in Greymouth with schooling at Greymouth High School. Sam has worked for over a decade in both public and private practice and has a keen interest in infrastructure assets.

Sam is currently a Christchurch City Councillor and Chairs their Finance Committee. He also sits on the Board of Christchurch City Holdings Ltd, which owns the Christchurch International Airport, Lyttelton Port, Orion and Enable Fibre.

Sam is passionate about the West Coast with an emphasis on helping to open doors for investment into the region. His focus while serving as a Trustee is ensuring DWC delivers tangible outcomes for the West Coast community.



**Daniel Reynolds**  
**Elected – Buller District**

Daniel joins DWC with a wealth of expertise acquired over 13 years in the banking industry and a diverse professional background.

His extensive business acumen positions him strongly to contribute to the growth and success of both businesses and community-driven organisations. With a remarkable ability to identify opportunities, Daniel excels in establishing meaningful connections.

Having grown up in Westport, he returned to his hometown in 2013, accompanied by his young family after spending 15 years in Blenheim and Christchurch.

As a respected local figure, Daniel has made significant contributions, notably as a Trustee for the Love Kawatiri Trust, a member of the Board of Trustees for Buller High School, and as Chair of Buller Volleyball.



**Barry Wilson**  
**Tangata Whenua**  
**Appointed Trustee**

It was with great sadness that we farewelled Barry in February 2023. Appointed to the DWC board in December 2020 as the Tangata Whenua Trustee for Te Rūnanga o Makaawhio, Barry had previously served seven years with DWC from 2004 – 2010.

Barry was raised in Blackball, and later settled in Hokitika. From the coal mine, to the bush, to greenstone carving and owning a glass blowing factory, Barry's life experiences and business acumen served him well on the DWC board.

Barry served on a wide range of boards, including Te Rūnanga o Ngāi Tahu Finance Board, and was a Justice of the Peace for 30 years.

Barry also served on the West Coast Rugby League Board and was instrumental in the revival of the Hokitika Rugby League Club. Never too far from a game come league season, Barry took a keen interest following players young and old.

Our heartfelt thoughts are with Barry's wife, Judy, and sons, Anthony and Gene, and family.



# Investment Fund

DWC’s investment portfolio had a volatile 2023 financial year. The Investment Fund achieved a total return of 1.09%, exceeding the benchmark return of 0.03% and considerably ahead of the Morningstar Survey peer group of -2.60%. The Fund has achieved a return of 24.64% over the past three years, which compares very favourably to the Benchmark return of 16.41%.

Our Investment Advisors (JBWere and Bancorp) have maintained an overweight exposure to Growth Assets over the period. This strategy has added significant value over recent years, particularly during the current rally global equity markets are experiencing. 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. This is particularly important over the past year where we have seen inflation increase from 2% to over 7%, and the OCR move from 1% to 5.5%.

A key trend during the financial year was bond market volatility, both locally and offshore, which remained extreme over the year. Wide trading ranges were seen, as the narrative driving markets swung between easing

inflation and soft-landing hopes, to economic overheating fears and more work for central banks to do. However, it was the emergence of banking sector stresses in the US and Europe later in the year that ultimately weighed on longer-term bond yields as markets began to speculate that not only were central bank tightening cycles nearing an end, but that policymakers may soon need to start loosening policy. Our Advisors have deliberately adopted a position of being underweight in bonds and overweight in cash to take advantage of rising cash rates.

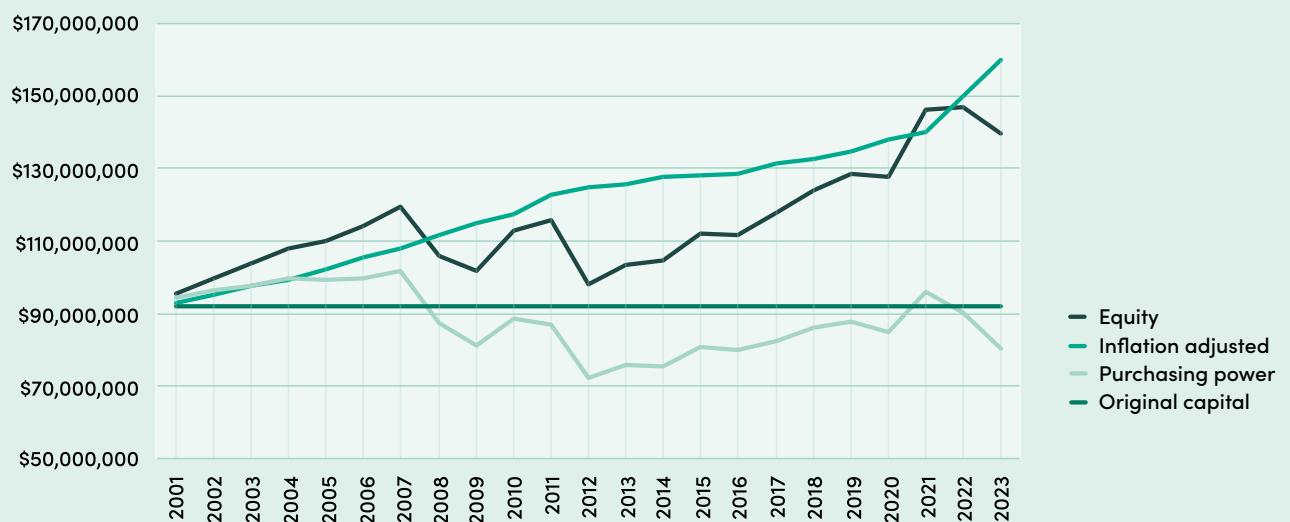
The RBNZ bucked the trend of many central banks and continued to aggressively tighten monetary policy in the face of persistent inflation pressures.

NZ Equities continued their positive momentum, finishing up for the year, despite being heavily exposed to rising interest rates that impacted property-related and bond-sensitive investments.

Global equities posted a solid performance for the financial year that somewhat masked the extreme underlying volatility that investors experienced throughout the year. Equities have started the new financial year positively on the back of optimism around the inflation trajectory and, therefore, the path of central bank tightening. Combined with some better (or less bad) economic data and China’s earlier-than-expected reopening, this helped those parts of the market that underperformed the most last year (such as Technology) to become the best performers in the last months of the 2023 financial year (and this strength has continued into the new financial year).

The growth weighting increased slightly over the period, at 59.4% at 31 March 2023 versus 56.1% as at 31 March 2022.

Investment Fund Inflation Adjusted - March 2023



# Regional Development



# Regional Economic Development and Industry Support

DWC works alongside stakeholders to assist and identify potential opportunities for the creation, development and innovation of business and industry.

## Facilitating Regional Development Projects

### Regional Development Spend 2022/2023

INTEREST CONCESSIONS

**\$488,000**

REGIONAL PARTNERSHIP NETWORK

**\$14,000**

TOURISM PROMOTION/DESTINATION MANAGEMENT\*

**\$1,132,000**

BUSINESS DEVELOPMENT UNIT

**\$1,461,000**

WEST COAST REGIONAL EMPLOYMENT SCHEME

**\$476,000**

TOURISM KICK START SCHEME

**\$3,359,000**

EDUCATION TO EMPLOYMENT BROKERAGE SERVICE

**\$151,000**

EDUCATION TO EMPLOYMENT PATHWAYS PROGRAMME

**\$333,000**

PATHWAY ADVISORS

**\$79,000**

FLEXIWAGE SELF-EMPLOYED SUPPORT SCHEME

**\$34,000**

CUT-OUT FOR THE COAST RECRUITMENT CAMPAIGN

**\$50,000**

BUSINESS SUPPORT FUNDING

**\$220,000**

DWC's involvement ranges from desktop research, identifying new and emerging opportunities, supporting industry body initiatives, facilitating research projects, regional promotion, and leveraging funds to attract investment.

Total Regional Development Projects 2022/2023

**\$7.8m**

### The following projects are included in Business Development Unit

Project	Type	2023 \$000
Regional Economic Profile Costs	Business Support	34
Scholarship Grants	Grant	97
Co.Starters Programme	Project Funding	29
Renewable Energy Strategy	Project Funding	79
Economic Development Strategy to 2050	Project Funding	11
Regional Economic Development Feasibility Study Funding	Project Funding	34
"Cut Out for the Coast" Recruitment Campaign	Project Funding	40
Regional Promotion	Project Funding	50
Business Training & Resource Initiatives	Project Funding	9
Research & Development Project Funding	Project Funding	250
Event Sponsorship	Grant	3
Event Hosting	Project Funding	3
Submission Costs	Project Funding	1
Transport and Logistics Strategy	Project Funding	23
Youth Workshop & Scholarship Costs	Project Funding	6
<b>Total</b>		<b>669</b>

\* Tourism Promotion/Destination Management expenditure was partially met by \$433,000 in external funding (2022 - \$715,000).

# Attracting Investment and External Funding

As the regional economic development agency, DWC is leveraging its funds and networks to attract investment into the West Coast. This year DWC has helped attract over \$3.9 million in external investment for the region.



DWC team at the 2022 West Coast Tourism Hui.

## 2022-2023 External Investment Attracted

Project/Initiative	Funder	2022-2023
Regional Business Partner Programme	MBIE	\$396,000
Education to Employment Brokerage Service	MBIE	\$290,000
Tourism Kick-start Funding	MBIE	\$200,000
Digital Boost Cohort Facilitation Pilot	MBIE	\$75,000
Education to Employment Brokerage Service	MSD	\$145,000
Education to Employment Pathways Programme	MSD	\$1,978,662
FlexiWage Self-Employment Support	MSD	\$45,000
Warmer Homes Funding	EECA and CEA Trust	\$740,647
<b>Total External Funding Attracted this Financial Year</b>		<b>\$3,870,309</b>

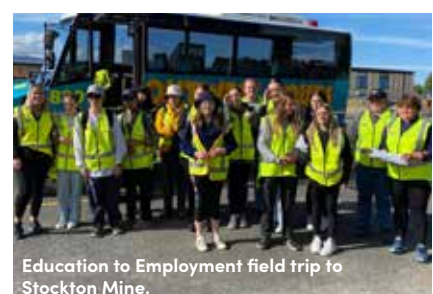
## 2022/2023 External Funding

TOTAL EXTERNAL INVESTMENT ATTRACTED

**\$3.9m**



Byte Mawhera Digital Hub.



Education to Employment field trip to Stockton Mine.



# Te Whanaketanga: Te Tai Poutini West Coast 2050 Strategy

Te Whanaketanga Te Tai Poutini West Coast Strategy 2050, a roadmap to guide economic development on the West Coast over the coming decades, was officially launched in February 2022.

A steering group comprised of regional leaders and industry has oversight of the strategy to monitor progress against three key missions aimed at shaping the future of the West Coast:

## Build Confidence

This mission focuses on instilling pride and fostering a strong sense of connection and belonging among West Coasters. The goal is to create a bright future that people want to be a part of and support.

## Strengthen and Diversify our Economy

This mission emphasises supporting the growth of emerging industries and adding value to the region's natural resources. The aim is to secure long-term economic prosperity and resilience by actively promoting economic diversification.

## Strengthen our Communities

This mission revolves around building strong, resilient, and inclusive communities on the West Coast. The goal is to ensure that communities are safe, inclusive, and able to meet the needs of their residents.

As the regional economic development organisation for the West Coast, DWC has placed considerable focus on advancing initiatives that align with these missions. Some of this work is overviewed on the following pages.

**More information on the strategy and progress on its priority projects is available at [www.tewhanaketanga.nz](http://www.tewhanaketanga.nz)**



# Building Confidence



DWC's Aaron Rees, Noora Tuikkanen and Heath Milne at the 2023 PRINZ Awards.

## Regional Promotion and Attraction

DWC has been actively working with media to share positive stories of the region and highlight the success of West Coast businesses, aiming to enhance the region's reputation and visibility.

In recognition of work in this area, DWC was honoured with a silver award for 'PR In-house team of the year' at the 2023 Public Relations Institute of New Zealand (PRINZ) Awards in Auckland.

DWC also received a silver award for 'Best use of media relations' for media outreach around the 'Cut out for the Coast' recruitment campaign.



Ernest Edward White, presenter of the US TV Show 'Fly Brother', pictured during his West Coast visit hosted by DWC.

### National/international media coverage of the West Coast\*

NEWSPAPER AND MAGAZINE FEATURES

143

FEATURES/INTERVIEWS ON RADIO

46

FEATURES/INTERVIEWS ON TV

28

ADVERTISING EQUIVALENT VALUE\*\*

\$1.63m

\*Positive stories about the region and its businesses led directly by DWC

\*\* assuming an average AEV of \$7,500

“It feels like DWC’s constant, optimistic advocacy for the best of the West Coast has gained momentum in the last year, driving a really positive impression for our region. Growing public perception for the West Coast as an attractive place to visit, invest, work and live is a real foundation stone on which our communities can build confidence and future success - but also makes us really proud of our region and our businesses’ place in it. It’s been great to see such a strong and authentic West Coast voice that we can all be part of.”

BARRY HUGHES, ŌKĀRITO GORSEBUSTERS ORGANISER



Cut out for the Coast campaign.

# Cut Out for the Coast

The 'Cut out for the Coast' campaign marked a unique collaboration between DWC, Te Whatu Ora - Te Tai o Poutini West Coast, and local businesses to address staff shortages in the region.

Rather than individual organisations dedicating their time and resources to advertise specific jobs, this quirky campaign has enabled the region to take a more holistic approach, pooling resources and working together to change perceptions and help attract prospective Coasters.

“The opportunity to work with DWC in 2022 reflects the collaborative way that Te Whatu Ora works in our communities,”

“The reach of DWC’s networks and access to filming and marketing expertise meant that the campaign was uniquely ‘West Coast’. The campaign has been applauded widely, both in New Zealand and offshore.

“The collaborative approach to production, means that any sector that is recruiting to the West Coast uses the same look and feel for their campaign content, building on the West Coast regional flavour.”

PHILIP WHEBLE, GENERAL MANAGER TE WHATU ORA - TE TAI O POUTINI WEST COAST

## Cut Out for the Coast

CAMPAIGN PAGE VIEWS

5,000+

EMPLOYMENT EXPRESSIONS OF INTEREST

350+

MEDIA STORIES ABOUT THE CAMPAIGN LAUNCH (INCLUDING UK GUARDIAN, SKY NEWS AUSTRALIA, NEW YORK TIMES)

26

## West Coast Wikipedian at Large Project 2

WIKIPEDIA ARTICLES CREATED AND/OR IMPROVED

217

PHOTOS ADDED TO WIKICOMMONS

1,126

VIEWS OF PAPAROA TRACK VIDEO

400k+

TV FEATURES (SEVEN SHARP, TVNZ BREAKFAST, NEWSHUB)

3

# West Coast Wikipedian at Large



This year DWC worked with New Zealand’s roving Wikipedian, Dr Mike Dickison, on another West Coast Wikipedian at Large project.

Research has shown that Wikipedia edits can have a significant impact on tourism, boosting visitor nights. “Wikipedia is a window to the world, and every place’s public face,” Dr Dickison said.

Dr Dickison spent 10 weeks helping

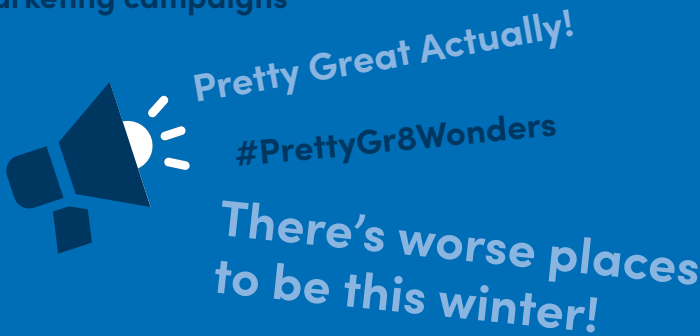
improve the coverage of West Coast tourism locations on Wikipedia. His efforts were bolstered by eleven volunteers who worked remotely, from across the country, contributing to the project.

# West Coast Tourism Year in Review

**Borders reopened from July 2022**  
Challenges



## Marketing campaigns



## Digital Presence



Westcoast.co.nz website sessions 2022-2023:

**514,821**

▲ +21%

2021-2022: 425,567



West Coast, New Zealand Facebook page reach 2022-2023:

**4,109,106**

▲ +98%

2021-2022: 2,075,626



- ✓ Destination management plan released
- ✓ Trade toolkit developed
- ✓ Regional event strategy developed
- ✓ Tourism hui held
- ✓ New visitor website developed

## Visitor expenditure

**\$208m<sup>1</sup>**

Domestic spend:

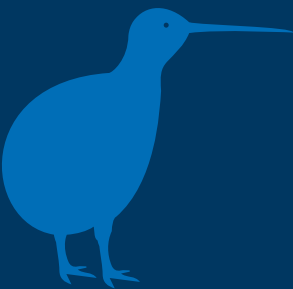
**-\$4.2m**

▼ -3.2%

International spend:

**+\$58.5m**

▲ +1,215%



## Campaign Outcomes

Total campaign impressions:

**29.7m**

How many people engaged with our campaigns:

**249,464**

How many people subscribed to our newsletter or clicked through to operators to book:

**8,494**

Source: 1: MarketView – visitor spending based on card transactions





Wildfoods Festival 2023, Hokitika.

# West Coast Regional Events Fund

DWC has been allocated \$1,033,028 for a four-year period until 2024 from the Government's Regional Events Fund. This funding aims to boost domestic tourism and encourage travel between regions through holding events.

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

**This financial year, funding has been allocated to the following events:**

- Greymouth Annual Festival of Dance
- Xtreme Dirt 2023
- Lake Kaniere Scenic Triathlon
- Loudmouth Performing Arts Festival
- Ōkārito GorseBusters
- Old Ghost Ultra
- Rocky Point Trail Run 2023
- True West Adventure Race (2)
- Westport Whitebait Festival
- Wildfoods Festival

**West Coast Regional Events Fund  
2022/2023**

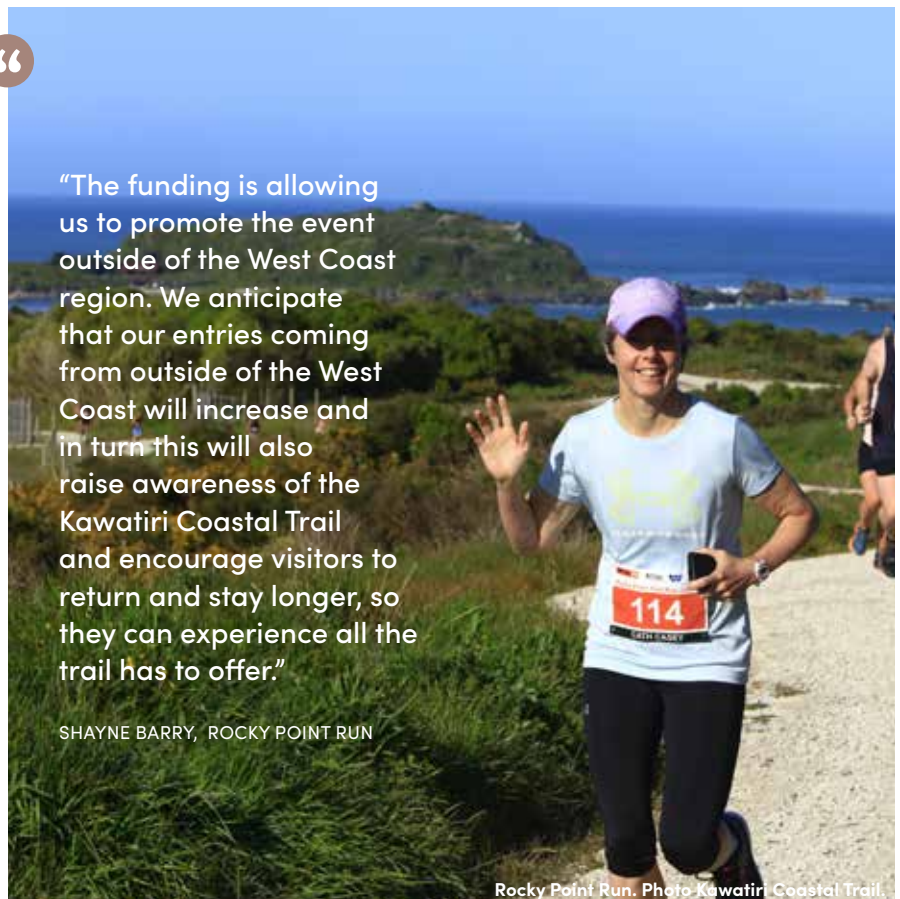
11 EVENTS ALLOCATED

**\$217,500**



“The funding is allowing us to promote the event outside of the West Coast region. We anticipate that our entries coming from outside of the West Coast will increase and in turn this will also raise awareness of the Kawatiri Coastal Trail and encourage visitors to return and stay longer, so they can experience all the trail has to offer.”

SHAYNE BARRY, ROCKY POINT RUN



Rocky Point Run. Photo Kawatiri Coastal Trail.



“DWC’s Regional Events Fund plays a crucial role in supporting and enhancing events like the True West Adventure Race in Hokitika ... providing support and expertise to make the event a success.”

NATHAN FA'AVAE, TRUE WEST ADVENTURE RACE



# Strengthening and Diversifying our Economy

To assist in securing the region’s long-term economic prosperity and resilience, DWC is actively working alongside businesses and industry to support and identify ways to strengthen and diversify the region’s economic drivers and identify new opportunities.

## The Nature Economy Project

Zak Shaw became the project lead for DWC's Nature Economy Project in June 2022. This project aims to diversify the West Coast economy through conservation, environmental restoration, and protecting native biodiversity.

Over the past year, significant progress has been made in developing the project. This includes creating a project framework and engaging stakeholders to coordinate various nature-focused initiatives across the region. The Nature Economy Project consists of five active project areas:

- **Project one** supports tertiary education providers by advising on program design, identifying industry demand, and connecting training providers with industries.
- **Project two** collaborates with secondary and community education providers to develop nature-based programs, addressing training needs and promoting networking opportunities.
- **Project three** focuses on developing a shared tourism and conservation workforce model in South Westland, including regenerative tourism pilot projects and cultural heritage sharing.
- **Project four** investigates diversification opportunities in the Buller district, such as mine site rehabilitation and native plant production.
- **Project five** establishes a community conservation partnership, employing a predator control contractor.



In partnership with Glacier Country tourism operators, DWC's Nature Economy Project has established the Okāriwa Plant Project, an environmental sustainability initiative in South Westland.

**Nature Economy Project**  
2022 - 2023

**\$400,000**

## Jobs for Nature - Weed Free Te Tai Poutini

The Weed Free Te Tai Poutini project continues to deliver successful outcomes not only for the environment but also for the people involved in the mahi.

The work teams are committed to delivering on the DOC weed control strategies, targeting highly invasive weeds and surveying beyond known infestations. The teams are also guided by the West Coast Regional Council’s Regional Pest Management Plan on private land.

The project supports various community-backed initiatives, including Wadeson Island rehabilitation, Ross conservation reserve, the West Coast Wilderness Trail, and other public walkways.

MBC Environmental Ltd have been contracted to deliver the work under the guidance of a Technical Advisory Group (TAG) that involves regional DOC staff, the West Coast Regional Council Biosecurity Coordinator and DWC. The quality



Heath Milne and members of the TAG visited the MBC Environmental Ltd team in Otira where an infestation of cotoneaster is threatening native species.

and sustainability of weed control work undertaken has been outstanding, with the MBC teams benefiting from project-provided training.

**Weed Free Te Tai Poutini Project**  
2022/2023

WEED SURVEILLANCE AND/OR REQUIRED CONTROL COMPLETED

**4,600 ha**

PAID WORK/TRAINING UNDERTAKEN

**49,352 hrs**



## Tai Poutini West Coast Renewable Energy Strategy and Roadmap

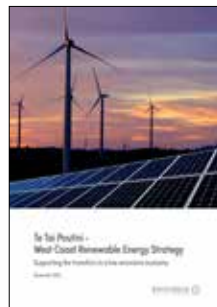
As New Zealand decarbonises, regions across the country will encounter challenges related to energy security and affordability. The West Coast, in particular, faces the task of maintaining a resilient electricity system while transitioning towards a greater reliance on renewable energy and reducing dependence on fossil fuels.

Recognising the significance of renewable energy solutions, Te Whanaketanga Te Tai Poutini West Coast 2050 Strategy identified it as a priority project. The aim is to unlock opportunities for renewable energy investment and job creation within the region. Central to the transition will be the effective coordination of local stakeholders into a united voice and an ability to carve our own path.

In April 2022, the West Coast Energy Action Group initiated the development of Te Tai Poutini West Coast Renewable Energy Strategy. Consultations with 38 stakeholders shaped a shared vision focused on aspiration and opportunity. While supporting renewable energy projects, concerns centred around cost barriers and energy supply security.

Hon Dr. Megan Woods, Minister of Energy and Resources, commended

the West Coast for developing one of the first regional renewable energy strategies in New Zealand. “By identifying the region’s unique challenges, the initiative undertaken by DWC has put the West Coast into an excellent position to contribute and engage in the development of the New Zealand Energy Strategy.”



## Transport and Logistics Strategy

In collaboration with the four West Coast councils, DWC funded the development of a West Coast Transport and Logistics Strategy. While funding transport infrastructure projects is not an area DWC can participate in, assisting in developing a sound strategy to identify and support future transport requirements aligns with DWC’s object to promote economic benefit for the West Coast.



Westport Tip Head

# Strengthening our Communities

DWC recognises the direct correlation between education and economic benefit and is working on a range of initiatives to help our students and school leavers identify their future pathway into work and the opportunities to stay on or return to the West Coast after study to follow their career path.



Education to Employment field trip to Ngāi Tahu Forestry.

## EDUCATION TO EMPLOYMENT WEST COAST

### Education to Employment 2022/2023

CAREERS EVENTS AND WORKSHOPS HOSTED

34

STUDENTS ENGAGED

2,208

BUSINESSES/EMPLOYERS ENGAGED

219

## Education to Employment Initiative

Through a Ministry of Social Development (MSD) funded project, the Education to Employment (E2E) initiative was established on the West Coast in 2021. E2E is intended to help raise the profile of vocational education and employment on the West Coast.

DWC vocational coordinator Jade Mahuika works closely with West Coast secondary schools, businesses, employers, and agencies to ensure strong connections and partnerships. This collaboration aims to create sustainable pathways to better bridge the gap between schools and industry and ensure a seamless transition to address skill shortages on the West Coast.

## Young Enterprise Scheme

Support from DWC has helped West Coast high school students put their business skills to the test through the Young Enterprise Scheme (YES). YES is a year-long programme that gives pupils the chance to create and run their own businesses.

DWC has supported the YES programme for three consecutive years now by removing barriers for West Coast secondary students to participate, covering enrolment fees, funding local YES events and travel, and providing business mentors.

Bless Groome, from Hokitika, participated in the 2022 YES programme developing an



Bless Groome and Heath Milne

educational card game to help people understand different LGBTQI+ terms. Bless was crowned the winner of the West Coast regional YES programme and went on to represent the region at the national finals.



2023 scholarship recipients: Molly Williams, Portia Wyatt, Zoe Double, and Julian Guppy.

## DWC Tertiary Scholarships and Internships

DWC’s 2023 tertiary scholarships were awarded to Molly Williams, Portia Wyatt, Zoe Double and Julian Guppy.

The DWC scholarships have been specifically created to support the development and retention of highly skilled individuals from the West Coast. By eliminating obstacles to training and employment, the programme aims to encourage these individuals to stay and contribute to the region.

Each scholarship is valued at up to \$32,500 per student. In addition to the financial assistance, scholarship recipients have the opportunity to gain holiday work experience and secure guaranteed employment with West Coast businesses upon completing their tertiary studies.

Rachel Morris, from Hokitika, was one of DWC’s 2022 scholarship recipients. She is currently pursuing her nursing studies at the Ara Institute of Canterbury. During her academic break, Rachel had the opportunity to work as a healthcare assistant at Te Nikau Hospital in Greymouth.

“It has been an amazing learning opportunity, I have learned many skills such as how to deal with difficult situations and getting a glimpse of what nursing will be like in the future while working there,” Rachel said.

### Internships for DWC scholarship recipients

“



“Working at Connors Legal has shown me the benefits of working at a smaller firm on the Coast rather than a large-scale firm in the city.”

SCARLETT HAMILTON, BACHELOR OF LAW AND ARTS, UNIVERSITY OF CANTERBURY

INTERNSHIP: CONNORS LEGAL

“



“The DWC scholarship has been crucial to me getting to university and where I am now.”

CLARK FOUNTAIN, MECHANICAL ENGINEERING UNIVERSITY OF CANTERBURY

INTERNSHIP: QUALITY MACHINING LTD

### DWC Tertiary Scholarships

4 SCHOLARSHIPS AWARDED VALUED UP TO

**\$32,500** EACH

# Supporting Business



# Building Capability

DWC engages with businesses of all sizes and at all stages of development, helping them gain knowledge, connect with the right people, and grow. This year, DWC worked with 345 actively managed clients.

## Regional Business Partner Network 2022/2023

27 BUSINESSES AWARDED RBP MANAGEMENT CAPABILITY FUNDING, VALUED AT

**\$59,248**

77 BUSINESSES APPROVED FOR TOURISM COMMUNITIES SRR BUSINESS ADVISORY FUNDING, VALUED AT

**\$327,518**

106 BUSINESSES APPROVED FOR TOURISM COMMUNITIES SRR BUSINESS ADVICE IMPLEMENTATION FUNDING, VALUED AT

**\$480,134**

89 BUSINESSES APPROVED FOR TOURISM COMMUNITIES KICK-START FUNDING, VALUED AT

**\$2,526,894**

NEW RBP BUSINESS REGISTRATIONS

**73**

BUSINESSES APPROVED FOR CALLAGHAN INNOVATION'S LEAN PROGRAMME

**2**



“

“The help and support from DWC and team has been amazing for me and my business, Greenstone Retreat. While pivoting the business from just accommodation and campground to the West Coast Holistic Healing Retreat, the advice and marketing tools have made it manageable. For the social media training, website redesign, photographs and videos, structural support, and more - I feel very grateful.”

KATE HAWKINS, GREENSTONE RETREAT, KUMARA

“



“Looking back at the last year, we're again grateful to all the support received from DWC.”

DALE AND BRONWYN BURROWS, FRANZ JOSEF WILDERNESS TOURS

# Regional Business Partner Network

DWC continues as the Regional Business Partner (RBP) for the West Coast. The RBP network is a collaboration between Ministry of Business, Innovation and Employment (MBIE) and Callaghan Innovation and 13 other Regional Business Partners across New Zealand.

Whether you're facing challenges and would like help to work through them, or your business is tracking well and you're keen to grow to the next level, there's help on hand to connect you to the right advice, people, and resources.

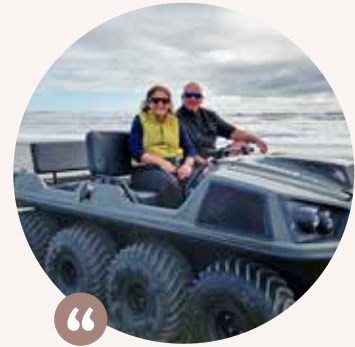
**Training, advisory and advice implementation funding 2022 - 2023**

ALLOCATED TO BUSINESSES  
**\$846,219**

## Management Capability

Over the year, RBP Management Capability Development Co-funding was provided to help business owners access training services by providing a subsidy towards the registered service cost for training in:

- Business continuity planning
- Marketing strategy
- Digital enablement
- Hibernation and exit advice
- Managing resources
- Business planning
- Business sustainability
- Lean manufacturing / business operations
- Leadership
- Governance
- Health and wellness
- Financial and cashflow management



“Many thanks to DWC for all the support we continue to receive to improve our small business.”

SELWYN AND ELIZABETH MEACLEM, AWATUNA SUNSET LODGE

“DWC has been a tremendous support to our business during these challenging times. Alongside online marketing, business support, and website development, they have also provided valuable exposure through online articles. We are grateful for their ongoing support in promoting small local businesses like ours, enabling us to navigate the tough landscape and thrive.”

TASH AND CLIFF GOODWIN, GLACIER VALLEY ECO TOURS



“Over the past year the DWC team has provided a much-valued constant link to information and support along with facilitating networking opportunities that strengthen and celebrate the heart of our West Coast business community,”

ADAM HAUGH, WAIHO HOT TUBS





## MSD’s Business Training and Advice Grant

DWC has been working with the Ministry of Social Development (MSD) to help support job seekers on their path to employment.

MSD’s Business Training and Advice Grant (BTAG) provides funding for business skills training and advice, a business plan, independent vetting and a mid-project financial report for job seekers pursuing self-employment. DWC is one of the organisations around the motu helping provide business mentoring for MSD clients under BTAG.

Ethan Terrill, from Westport, approached MSD with an idea for a firewood supply business. With help



“I got all the help I could ever need to help set up my own firewood company.”

ETHAN TERRILL, BIRDS FERRY FIREWOOD

from DWC business mentor, Zane Smith, of Vation Limited, and MSD’s Flexi-wage Self Employment scheme, Ethan is well on his way to financial independence through his business – Birds Ferry Firewood.

## Capability Support for Māori Businesses

This year DWC established a new role of Māori Business Capability Advisor. Taking on the position, Sam Henry brings a wealth of experience and expertise to the team.

Sam’s role as Māori Business Capability Advisor is to identify and work with all Māori businesses to help them achieve their business goals and aspirations through support, business information, advice, and mentoring as well as connecting to capability building opportunities.



## Business Mentoring

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.

**Business Mentors New Zealand 2022/23**

BUSINESSES MATCHED WITH MENTORS THROUGH THE BUSINESS MENTORS NEW ZEALAND PROGRAMME

**13**



“My business mentor is like having to report to a managing director or a board. It keeps me honest. It makes me do my financial planning, calls me out on any woolly thinking, and is a good sounding board which is nonjudgmental and not local, so we get different perspectives.”

RAEWYN FERN, BULLER FABRIC AND FIBER



“COVID wasn’t going to kick us to the kerb. With DWC assistance, we kicked butt and are now still kicking along nicely,”

SUE-ELLEN BOWDEN, RIMU LODGE

“Without the Kick-start funding many businesses in the region would have closed permanently last winter.”

LOGAN SKINNER, ORANGE SHEEP CAMPDEVAN PARK, AND FRANZ JOSEF ACCOMMODATION

“Wouldn't have made it through without it! Given an injection of hope for the future of our business. A lifeline for our business at a time when we felt like we were drowning”

CARLA BROWN HUNTING DOWNUNDER

## Tourism Communities: Support, Recovery and Re-Set Plan

Since 1 September 2021, Westland businesses have accessed over \$3.92m in support through MBIE’s Tourism Communities: Support, Recovery and Re-set Plan (SRR) via DWC.

The SRR programme offered targeted support for COVID-19 impacted businesses in Westland, Fiordland/ Southland, Queenstown Lakes, Mackenzie, and Kaikoura Districts. These communities were identified because of the high dependence on international tourism in their local economies.

Under the programme COVID-19 impacted businesses in Westland were eligible for grants of up to \$5,000 for Business Advisory Support - professional one-to-one support and tailored advice to help the business adjust to the impact of the pandemic, such as changing target markets. A further grant of up to \$5,000 was available to help implement advice received through the Business

### Tourism Communities SRR Fund Since September 2021

BUSINESS ADVISORY FUNDING FOR 146 BUSINESSES

**\$656.9k**

BUSINESS ADVICE IMPLEMENTATION FOR 149 BUSINESSES

**\$738.5k**

KICK-START GRANT FUNDING TO 89 BUSINESSES

**\$2.53m**

#### Advisory Support.

The Tourism Kick-start Fund was also available to eligible existing Westland tourism businesses to scale up in preparation for the return of international visitors (\$10,000-\$50,000 per business).



“DWC has been extremely supportive in securing Kick-start funding for the Rainforest Retreat business. Their team couldn’t have been more helpful.”

MIKE WARREN, RAINFOREST RETREAT

# 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. The programme is also supported by the Ministry of Social Development who work alongside DWC to complement each other's services.

The Upskill programme is an employment pathway scheme, matching available people to employment opportunities. To date, the Upskill team has helped 596 candidates gain employment on the West Coast, with 386 receiving training as well.

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.



## Upskill West Coast 2022/2023

WEST COAST EMPLOYERS ENROLLED

95

CANDIDATES HAVE GAINED EMPLOYMENT

260



“The funding and support that DWC’s Upskill initiative is providing local business is incredible. It has given us the opportunity to train staff into roles that benefit not only them but also us as a company. With the funding that is being allocated to infrastructure on the Coast, it is the perfect time to invest in our staff and keep the work as local as possible.”

ANNA LIDDELL, OPERATIONS MANAGER  
LIDDELL CONTRACTING



## Montrose went into hibernation during the first COVID-19 lockdown for two long years

“Starting up again was incredibly stressful, particularly staffing. We owe a huge relief to the Upskill team; their guidance enabled us to recruit a fabulous couple from Whangarei who are eager to manage Montrose.”

MARIA COLLINS, OWNER MONTROSE BACKPACKERS, FRANZ JOSEF



Graduates from the Hokitika Co.Starters programme.

# Co.Starters Programme

The 2022/2023 year saw DWC continue its popular Co.Starters business start-up and development programme with cohorts held in Westport, Greymouth and Hokitika.

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 ten-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.

This year DWC also partnered with the Ministry of Social Development (MSD) to run Co.Starters cohorts in Westport and Greymouth for MSD clients interested in pursuing self-employment.

## West Coast Co.Starters graduates

THIS YEAR

23

SINCE 2016

195

“



“CO.STARTERS gives you the confidence to bring your dreams to reality – how weird or insurmountable they may seem. Grateful for all the knowledge, guidance, and ongoing support.”

LISA WINTER, MASH MOBILE MESS TENT

“



“CO.STARTERS helped me see that I have the potential to have a successful business. It gave me the confidence to trust myself and my dream. Gave me the knowledge to chase it and bring it from my imagination into the tangible.”

ANNA-MARIE BELL, WILD FOR KNOTS



Graduates from the West Coast Governance Programme.

# West Coast Governance Programme

West Coast Leadership and Governance Programmes

GRADUATES SINCE 2011

127

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.



“The West Coast Governance Programme introduced me to the world of governance and gave me the confidence and skills necessary to be a constructive Board Member.

“We are very lucky to have the opportunity to participate in a course of this standard on the West Coast, and the more people who graduate, the better off our region will be.”

WEST COAST GOVERNANCE PROGRAMME  
GRADUATE REBECCA PEARSON





2022 Tourism Hui at Shantytown.

# Business Workshops and Events

During the year, DWC hosted a variety of business workshops and events tailored to meet the specific needs of the West Coast business community.

These events included immigration road shows, digital workshops, economic updates, innovation showcases, and much more. It was a busy year filled with opportunities for knowledge-sharing, networking, and fostering innovation among local businesses.



Networking event with Josh Komen, Westport.

**Attendees at DWC Business Events  
2022/23**

**852**

2021/22: 808



International Women's Day Breakfast, Greymouth.

# 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 14 commercial finance applications and approved 12 totalling \$4.2m. At balance date, 9 approvals totalling \$1.6m had been accepted by clients.

## Woodstock expands its brewing capacity with help from DWC

Woodstock Brewing Co. underwent a significant expansion of its operations in December, thanks to the assistance of a loan from DWC.

The brewery had faced challenges due to limited brewing capacity making it difficult to keep up with the rising demand for their beer. With the assistance of DWC, Woodstock Brewing Co. made strategic investments in new equipment and upgraded their brewing area.

"Without that support we wouldn't have been able to put our beer into other venues. We needed that capacity to brew, to supply," Leanne Cutler explained.



Leanne and Colin Cutler, Woodstock Brewing Co.

Leanne and Colin opened a new Woodstock venue in Christchurch late last year. This marks the addition of a third Woodstock Hotel to their portfolio, alongside the existing establishments in Hokitika and Greymouth. The new venue proudly serves Woodstock Brewing Co.'s beer on tap, further expanding their reach and customer base.



## Support helps Haast River Safari through COVID

"DWC provided all the resources available to our business on all levels, as we all had to navigate our way through the pandemic. That support has made such a significant difference for the West Coast region to be prepared for the return of international visitors."

MYREEN KAIN, HAAST RIVER SAFARI

Commercial Distributions since 2001

441 Applications Received

\$357m

316 Applications Approved

\$156m

Finance Committed to 246 Applications

\$101.5m

### Application Summary 2022/23

14 APPLICATIONS RECEIVED TOTTALLING

\$7.34m

APPROVED  
7 LOANS

\$4.2m

4 SUSPENSORY LOANS

\$108,000

1 CONDITIONAL GRANT

\$250,000

1 OFFER UNDER CONSIDERATION BY APPLICANTS

\$18,000

2 APPLICATIONS IN PROGRESS

\$3.02m

3 APPLICATIONS WITHDRAWN OR OFFERS EXPIRED

\$7.2m

2 APPLICATIONS DECLINED

\$5.0m

# Glacier Country Business Support Fund

Faced with the COVID-19 travel restrictions, Glacier Country found itself amongst the hardest hit areas in New Zealand. With businesses in the area struggling for survival and cash-flow becoming an urgent necessity, DWC established the Glacier Country Business Support Fund (GCBSF) in March 2021.

Through the GCBSF, DWC issued loans to 42 businesses in the area in the 2021-

22 financial year. Structured not merely as a stop-gap measure, the fund aimed to retain employment and secure the long-term viability of the community. The underlying principle was to protect the social fabric of the area, rather than offering one-off grants to individuals.

Two years down the track and the GCBSF has proven instrumental in buoying many businesses through the crisis.

## Glacier Country Business Support Fund

BUSINESSES SUPPORTED

42

FUNDING DISTRIBUTED IN 2021-22

\$2.143m

With the reopening of international borders, these businesses are regaining momentum, bolstering the region's economy - a genuine demonstration of collaboration and community resilience.



“Two years on, it's easy to forget that COVID-19 and the rapid closure of international borders had huge economic and social repercussions, and for South Westland particularly. This was a genuine existential threat to our long-running business, which supports our family and local community. At the most critical moment, DWC's decision to step in and offer highly targeted direct financial support, that central government had refused to consider, was crucial in providing us with the cashflow and confidence to persist through the uncertainty of 2021.

“Now, two years later, we are grateful to be in a position to be able repay our loan, and to have returned to employing, and investing in, the young New Zealanders that we hope will become the future business leaders on the Coast.”

BARRY HUGHES, ŌKĀRITO KAYAKS



Case study

“We are so glad that DWC came to our rescue to stay in business during COVID-19 times. Without your help we would not have a Café. The loan helped us with paying the suppliers and definitely helped to stay in business. We are forever grateful for this.”

FRANCOIS GOOSEN, CAFÉ NEVE



# Spotlight on our Community



# Community Support

DWC has continued its support of the community through various funding streams.



## Community Support Funding

In the 2023 financial year, DWC committed the following funding:

Project or Recipient	\$000
West Coast Community Trust	200
Life Education Trust	30
Community Energy Action Charitable Trust – Warmer Kiwi Homes	150
<b>Total Community Grants</b>	<b>\$380</b>

Community distributions and economic development projects since 2001

**\$81.3m**

## Life Education Trust West Coast

Support from DWC enabled Life Education Trust West Coast to replace their aging mobile classroom.



"We would like to thank DWC for their support in keeping Harold, Kelly and our mobile classroom on the road from Haast to Karamea, ensuring all West Coast children will receive the 'Healthy Harold' and Life Education programme"

FERGAL O'GARA, LIFE EDUCATION TRUST WEST COAST CHAIRPERSON

## Warmer Kiwi Homes Programme

In 2023 DWC has allocated \$150,000 over three years to the Community Energy Action Trust (CEA) to carry out the Energy Efficiency Conservation Authority's (EECA) 'Warmer Kiwi Homes Programme' on the West Coast. DWC has contributed a further \$200,000 to CEA towards Buller homes as part of DWC's Buller Flood Recovery package.

Since 2021, DWC funding has helped secure an additional \$3,039,946 in co-funding from EECA and discretionary funding from CEA.

1,065 West Coast homes have received free ceiling and/or underfloor insulation, and subsidised heating through the

### Warmer Kiwi Homes 2021 - 2023

HOMES INSULATED WITH DWC SUPPORT

**1,065**

EXTERNAL CO-FUNDING ATTRACTED

**\$3.0m**

programme. In addition to keeping the West Coast community warmer, drier, and healthier, the funding has also provided the opportunity to support West Coast suppliers.



“

“Support from DWC via the West Coast Community Trust enabled civil works around the water race to ensure continued public access and safety to the extremely popular Powerhouse walk. This worked well in managing safety and we believe the public use has increased significantly. The overall project has been steadily moving forward with the immediate focus on the hydro generating building with the turbine and penstock due for installation. Once complete, we believe this site will become quite the attraction along with those that are now present across the district.”

GREG TOPP, REEFTON POWERHOUSE PROJECT

## West Coast Community Trust

To help support the many volunteer, community and not for profit organisations and groups in the region, DWC provides an annual contribution to the West Coast Community Trust (WCCT). The WCCT distributes this funding to community groups for projects that promote economic benefit for the region, with projects supported in the 2023 year ranging from heritage projects, sports, art, youth and more.

Contributions to the West Coast Community Trust Since 2001

**\$1,330,000**



Artists impression of O'Conor Home development

## O'Conor Home Development

Since the adverse weather events of July 2021, DWC has been working with O'Conor Home to assist with the on-going development/expansion of the existing facilities and offerings for the aged residents of the Buller Community.

“

“The relationship has been very constructive, communications have been open, and negotiations completed in a very timely manner. Overall, the management of O'Conor Home are very pleased with the proactive approach from DWC and look forward to a long and enduring relationship.”

FRANK DOOLEY, O'CONOR HOME

# Financial Reporting



# 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 2023.

Signed for and on behalf of the Trustees and Management.



Renee Rooney  
**Chair**

7 August 2023



Heath Milne  
**Chief Executive**

7 August 2023

# Audit Opinion



## INDEPENDENT AUDITOR'S REPORT

### TO THE READERS OF DEVELOPMENT WEST COAST'S FINANCIAL STATEMENTS AND STATEMENT OF SERVICE PERFORMANCE FOR THE YEAR ENDED 31 MARCH 2023

The Auditor-General is the auditor of Development West Coast (the Trust). The Auditor-General has appointed me, Johnathan Hodge, using the staff and resources of Ernst & Young, to carry out the audit of the financial statements and statement of service performance of the Trust on his behalf.

#### Opinion

We have audited:

- the financial statements of the Trust on pages 50 to 70, that comprise the consolidated statement of financial position as at 31 March 2023, the consolidated statement of comprehensive revenue and expense, consolidated statement of changes in equity and consolidated 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; and
- the statement of service performance of the Trust on pages 46 to 49.

In our opinion:

- the financial statements of the Trust:
  - present fairly, in all material respects:
    - its financial position as at 31 March 2023; and
    - its financial performance and cash flows for the year then ended; and
  - comply with generally accepted accounting practice in New Zealand in accordance with Public Entity Standards Reduced Disclosure Regime; and
- the statement of service performance of the Trust presents fairly, in all material respects, the Trust's achievements measured against the performance targets adopted for the year ended 31 March 2023.

Our audit was completed on 15 August 2023. 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 and the statement of service performance, we comment on other information, and we explain our independence.

#### Basis for our opinion

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

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

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

#### Responsibilities of the Trustees for the financial statements and the statement of service performance

The Trustees are responsible on behalf of the Trust for preparing financial statements that are fairly presented and that comply with generally accepted accounting practice in New Zealand.

The Trustees are also responsible for preparing a statement of service performance for the Trust that is fairly presented. This responsibility arises because the Trust has elected to prepare performance information in accordance with Public Entity Standards Reduced Disclosure Regime.

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

In preparing the financial statements and the statement of service performance, the Trustees are responsible on behalf of the Trust for assessing the Trust's ability to continue as a going concern. The Trustees are also responsible for disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting, unless the Trustees intend to wind up the Trust 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 and the statement of service performance

Our objectives are to obtain reasonable assurance about whether the financial statements and the statement of service performance, 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 Auditor-General's Auditing Standards will always detect a material misstatement when it exists. Misstatements are differences or omissions of amounts or disclosures, and can arise from fraud or error. Misstatements are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decisions of readers taken on the basis of these financial statements and the statement of service performance.

We have agreed to audit the statement of service performance that the Trustees have elected to prepare for the Trust.

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

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

- We identify and assess the risk of material misstatement of the financial statements and the statement of service performance, 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 Trust'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 evaluate the appropriateness of the reported service performance within the Trust's framework for reporting its performance.
- 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 Trust'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 and statement of service performance, 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 Trust 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 and the statement of service performance represent the underlying transactions and events in a manner that achieves fair presentation.

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 to audit the financial statements 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 43, but does not include the financial statements and the statement of service performance, and our auditor's report thereon.

Our opinion on the financial statements and the statement of service performance 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 and the statement of service performance, our responsibility is to read the other information. In doing so, we consider whether the other information is materially inconsistent with the financial statements and the statement of service performance 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 the Trust in accordance with the independence requirements of the Auditor-General's Auditing Standards, which incorporate the independence requirement of the Professional and Ethical Standard 1: International Code of Ethics for Assurance Practitioners issued by the New Zealand Auditing and Assurance Standards Board.

Other than in our capacity as auditor, we have no relationship with, or interests in, the Trust.



**Johnathan Hodge, Ernst & Young**

On behalf of the Auditor-General, Christchurch, New Zealand

# Statement of Service Performance

## Priorities

Key objects within DWC’s Deed of Trust are to promote sustainable employment and sustainable economic benefit for the West Coast region.

In its mission “to grow business to grow the Coast” six priority areas have been identified to enable this:

-  **Manaakitanga – Value our people**
-  **Attract regional investment**
-  **Grow our revenue**
-  **Enable/accelerate business development**
-  **Kaitiakitanga – Manage our resources for current and future generations**
-  **Enhance the region’s profile**

These priorities are described in greater detail in the “About Us” section on pages 6-7.

## Activities

To deliver on its priorities and ultimately the objects of its Deed, DWC undertakes specific activities throughout the reporting period. These activities can be identified as:

- **Distributions**
- **Economic Development (encompassing Business Support, Regional Development and Education)**
- **Tourism**
- **Marketing (encompassing Regional Promotion)**

Further detail as it relates to the nature of these activities can be found within this annual report and as referenced in the following information.



## Outputs and Performance Measures

DWC’s service performance during the year is reported against internally developed performance measures and outputs in support of DWC activities. These outputs and performance measures disclose how DWC went about completing its activities throughout the reporting period and, ultimately, how it contributed towards its identified priorities.

## Distributions

### ► Distributions

Investing in West Coast enterprises to generate direct benefit to the region.

Output	DWC Supported Priority	Performance Measure	Target	Result 2022-23	Result 2021-22
<b>Commercial Distributions</b>		Commercial applications received are processed in a timely manner by DWC.	70% of commercial lending applications processed to decision within 6 weeks of receipt.	71% processed to decision within 6 weeks.	73% processed to decision within 6 weeks.
<b>Community Support</b>		Community organisations and projects that contribute to and support the overall social fabric of a community are supported.	\$200,000 grant made to West Coast Community Trust enabling 15+ community projects and/or organisations to be supported.	\$200,000 granted and 26 projects supported.	\$200,000 granted and 23 projects supported.

Commercial Distributions cover a range of financing options but are generally provided through commercial lending, equity investments and guarantees. DWC works alongside businesses to ascertain their business needs and will guide applicants through the application process. While all endeavours are made to process applications expediently, the complexity of some






distributions may require additional time and resource which means they cannot be processed within the desired timeframe. Further information regarding Commercial Distributions can be found in the Commercial Finance section on pages 37-38 which includes details on the number of applications received, the status of those applications, value of distributions and a selection of case studies on distributions made during the reporting period.

Community Distributions is typically underpinned by an annual grant made to the West Coast Community Trust (WCCT) which they then on-distribute on behalf of DWC for projects that promote economic benefit for the region. This is a way for DWC to invest in communities at a level that supports the deeper social needs of a community, and which make the region a more attractive place to live and work. Community distributions may also extend to projects, such as co-funding of community projects and programmes that can leverage external funding. Further information on this funding can be found in our Community Support section on pages 39-41 which highlights a selection of case studies on community distributions made during the reporting period.

## Economic Development

### ► Business Support

Supporting and enabling West Coast enterprises through access to and provision of advisory and capability building services.

Output	DWC Supported Priority	Performance Measure	Target	Result 2022-23	Result 2021-22
<b>Capability Building</b>		DWC facilitated programmes offered to build people capability within West Coast businesses.	40 people participate in DWC Co.Starters and Leadership & Governance programmes	37 people have participated in Co.Starters and Leadership & Governance programmes.	38 people participated in Co.Starters and Leadership & Governance programmes.
<b>Business Engagement - Discovery</b>		DWC is actively engaging with West Coast businesses.	345 businesses are actively engaged.	345 businesses were actively engaged throughout the year.	305 businesses were actively engaged throughout the year.
<b>Regional Business Partner (RBP) Management Development Capability (MDC) Funding</b>		RBP MDC Funding allocated.	RBP MDC funding allocated to 12 businesses.	27 businesses received RBP MDC funding during the reporting period.	30 businesses received RBP MDC funding during the reporting period




DWC has varying levels of engagement with businesses across the West Coast. Where a business is actively engaged, this is determined by a business having had an annual discovery undertaken and at least one follow up to that within a 12-month period. A discovery is a service where DWC takes a business through a series of questions and discussion points that enable the business to identify its strengths, weaknesses, skill gaps and opportunities that then enable an action plan to be developed which contains a pathway forward for the business owner.

DWC is the Regional Business Partner (RBP) for the West Coast under contract with the Ministry of Business, Innovation and Employment (MBIE). This is a national programme with the aim to give small and medium business owners access to targeted advice, information, referrals and connections to people and resources to grow their business. As the RBP, DWC administers the programme's Management Development Capability (MDC) funding. This provides an allocation of funds that can be allocated to eligible businesses for one-on-one training and development to build capability of managers and owners.

Further information and case studies related to Business Support activities can be found in the Business Support section on pages 28-38.

## ► Regional Development

Developing and supporting the region through internal and external investment.

Output	DWC Supported Priority	Performance Measure	Target	Result 2022-23	Result 2021-22
Attracting regional investment		External funding from outside of the West Coast is secured on behalf of the West Coast to invest in regional projects	\$1m+ external funding is secured for investment into the region.	Contracts for external funding valued at \$3.13m signed.	Contracts for external funding valued at \$8.97m signed.
	 	External funding is then distributed in line with contractual KPIs.	100% of signed contracts are managed in compliance with contractual KPIs for the reporting period.	KPIs of 100% of signed contracts were met.	KPIs of 100% of signed contracts were met.




The value of external funding secured is defined as contracts signed during the reporting period. It does not include funding contracts or multi-year funding contracts signed in previous reporting periods where funding flows into another financial year.

In managing its external funding contracts, DWC aims to ensure all KPIs (“Key Performance Indicators”) are met to enable the successful delivery of the contract with expected outcomes achieved.

Further information on external funding contracts can be found in the “Attracting Investment and External Funding” section on page 18.

## ► Education

Creating opportunities and pathways to enable the youth of the West Coast to stay or return to the region to follow their career path and creating prosperity for the region.

Output	DWC Supported Priority	Performance Measure	Target	Result 2022-23	Result 2021-22
Career Pathways	  	Provision of scholarships to West Coast students to give them access to tertiary education and enable them to be retained on the West Coast.	4 scholarships valued at up to \$32,500 each are awarded in the reporting period.	4 scholarships valued at a up to \$32,500 awarded..	4 scholarships valued at a up to \$32,500 awarded.

DWC initiated a scholarship programme in 2021 with the goal of stemming the loss of the region’s youth when leaving the region for study. DWC has implemented an annual contestable scholarship fund for up to 4 students to receive up to \$32,500 over 4 years of study. A condition of the scholarship funding is that they commit to returning to the West Coast for employment at the conclusion of their study.

Further information on the scholarships can be found in the “Strengthening our Communities” section on page 26-27.

## Tourism

### ► Tourism

Promoting the West Coast nationally and internationally to draw visitors to the region, to support and grow our tourism industry.

Output	DWC Supported Priority	Performance Measure	Target	Result 2022-23	Result 2021-22
Trade and media familiarisations		Showcasing West Coast tourism products to Inbound Tour Operators (ITO agents) and media representatives.	West Coast and tourism products are showcased to 50 ITO agents and/or media representatives.	58 ITO agents and media representatives participated in familiarisations to showcase the region.	17 ITO agents and media representatives participated in familiarisations to showcase the region.



DWC coordinates and hosts familiarisation tours and meetings which see ITO agents and media representatives attend presentations or travel up and down the West Coast to learn about the West Coast as a visitor destination and tourism products on offer. Products can be defined as any tangible tourism offering, such as accommodation, tourism activities, restaurants, etc. The ITOs and media representatives attend these familiarisation offerings and advocate the West Coast as a destination to their client bases on behalf of DWC.

Further information on Tourism activities can be found in the “West Coast Tourism Year in Review” section on page 22.

## Marketing

### ► Marketing

Raising the profile of the West Coast to attract people, business and investment to the region.

Output	DWC Supported Priority	Performance Measure	Target	Result 2022-23	Result 2021-22
Regional Promotion	 	Raising the profile of the West Coast as a great place to live, work and visit through positive media stories.	150 DWC-led stories published/broadcasted in national and international media.	217 DWC-led stories published/broadcasted in national and international media.	183 DWC-led stories published/broadcasted in national and international media.

DWC monitors the West Coast environment to seek out positive stories that highlight the region as a great place to live, work and visit.

Positive stories range from successful business stories, interesting people moving to the region, economic indicators that are trending to make the region a desirable place to be.

DWC creates articles or curates these stories, disseminating them to our media partners to gain wider exposure through print, radio, and television coverage.

Once pushed out, stories are monitored to capture where they appear, what media pick them up, and the reach gained through those channels.

Examples of the regional promotion and positive stories through DWC’s marketing efforts are provided in the “Building Confidence” section on page 20-21.

## Consolidated Statement of Comprehensive Revenue and Expense

	Note	Consolidated		Parent	
		2023 \$000	2022 \$000	2023 \$000	2022 \$000
Finance Revenue	4	6,154	11,629	6,102	11,584
Trading Sales	5	5,684	6,381	-	-
Government Project Funding	6	5,127	1,970	5,127	1,970
Other Revenue and Gains		1,197	1,316	346	322
Share of Profit/(Loss) in Associates		(92)	236	-	-
<b>Total Revenue</b>		<b>18,070</b>	<b>21,532</b>	<b>11,575</b>	<b>13,876</b>
Operating Expenses	7	9,267	8,141	3,140	2,623
<b>Surplus before Community Distributions and Projects</b>		<b>8,803</b>	<b>13,391</b>	<b>8,435</b>	<b>11,253</b>
Regional Development	8	8,647	7,012	7,797	6,021
Major District Initiative		-	27	-	27
Community Grants	9	380	1,339	380	1,339
<b>Surplus/(Deficit) before Impairment of Assets</b>		<b>(224)</b>	<b>5,013</b>	<b>258</b>	<b>3,866</b>
Impairment of Distribution Assets		(126)	177	(126)	(258)
Investment Mark-to-Market (Gain)/Loss		5,375	1,310	5,375	1,310
<b>Surplus/(Deficit) for the Year before Tax</b>		<b>(5,473)</b>	<b>3,526</b>	<b>(4,991)</b>	<b>2,814</b>
Income Tax (Credit)/Expense	10	(25)	(78)	-	-
<b>Surplus/(Deficit) for the Year</b>		<b>(5,448)</b>	<b>3,604</b>	<b>(4,991)</b>	<b>2,814</b>
Other Comprehensive Revenue and Expenses					
Items that may be Reclassified Subsequently to Surplus and Deficit					
Net Fair Value Gain/(Loss) on Available for Sale Investments	20	(2,360)	(2,253)	(2,360)	(2,253)
<b>Other Comprehensive Revenue and Expenses for the Year</b>		<b>(2,360)</b>	<b>(2,253)</b>	<b>(2,360)</b>	<b>(2,253)</b>
<b>Total Comprehensive Revenue and Expenses for the Year</b>		<b>(7,808)</b>	<b>1,351</b>	<b>(7,351)</b>	<b>561</b>

### Total Comprehensive Revenue and Expenses for the Year is attributable to:

Non-Controlling Interest	(147)	180	-	-
Group	(7,661)	1,171	(7,351)	561
	<b>(7,808)</b>	<b>1,351</b>	<b>(7,351)</b>	<b>561</b>

## Consolidated Statement of Changes in Equity

	Consolidated		Parent	
	2023 \$000	2022 \$000	2023 \$000	2022 \$000
<b>Balance at 1 April</b>	<b>149,576</b>	<b>148,225</b>	<b>146,952</b>	<b>146,391</b>
Surplus/(Deficit) for the Year	(5,448)	3,604	(4,991)	2,814
Other Comprehensive Revenue/(Loss) for the Year	(2,360)	(2,253)	(2,360)	(2,253)
<b>Total Comprehensive Revenue and Expense for the Year</b>	<b>(7,808)</b>	<b>1,351</b>	<b>(7,351)</b>	<b>561</b>
<b>Balance at 31 March</b>	<b>141,768</b>	<b>149,576</b>	<b>139,601</b>	<b>146,952</b>

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

## Consolidated Statement of Financial Position

	Note	Consolidated		Parent	
		2023 \$000	2022 \$000	2023 \$000	2022 \$000
<b>ASSETS</b>					
<b>Current Assets</b>					
Cash and Cash Equivalents		93	268	225	229
Term Deposits		14,744	28,069	14,744	28,069
Trade and Other Receivables	11	1,108	808	830	474
Biological Assets	12	3,081	3,384	-	-
Investments	13	86,874	93,787	86,874	93,787
Loan Advances	14	2,579	1,168	2,579	1,168
Derivative Financial Instruments	16	-	247	-	247
Loan Advances to Subsidiaries	14	-	-	12,907	12,710
<b>Total Current Assets</b>		<b>108,479</b>	<b>127,731</b>	<b>118,159</b>	<b>136,684</b>
<b>Non-Current Assets</b>					
Term Deposits		-	-	-	-
Property, Plant and Equipment	15	21,072	21,334	1,444	1,695
Investments	13	20,618	11,103	20,341	10,829
Loan Advances	14	4,333	6,126	4,333	6,126
Investment in Associates	14	3,354	3,116	-	-
Derivative Financial Instruments	16	-	88	-	88
Intangible Assets		1,230	1,270	160	201
<b>Total Non-Current Assets</b>		<b>50,607</b>	<b>43,037</b>	<b>26,278</b>	<b>18,939</b>
<b>TOTAL ASSETS</b>		<b>159,086</b>	<b>170,768</b>	<b>144,437</b>	<b>155,623</b>
<b>LIABILITIES</b>					
<b>Current Liabilities</b>					
Derivative Financial Instruments	16	842	-	842	-
Trade and Other Payables	17	4,331	9,042	3,874	8,571
Interest Bearing Loans and Borrowings	18	-	6,250	-	-
<b>Total Current Liabilities</b>		<b>5,173</b>	<b>15,292</b>	<b>4,716</b>	<b>8,571</b>
<b>Non-Current Liabilities</b>					
Deferred Tax Liability	10	275	300	-	-
Trade and Other Payables	17	120	100	120	100
Interest Bearing Loans and Borrowings	18	11,750	5,500	-	-
<b>Total Non-Current Liabilities</b>		<b>12,145</b>	<b>5,900</b>	<b>120</b>	<b>100</b>
<b>TOTAL LIABILITIES</b>		<b>17,318</b>	<b>21,192</b>	<b>4,836</b>	<b>8,671</b>
<b>NET ASSETS</b>		<b>141,768</b>	<b>149,576</b>	<b>139,601</b>	<b>146,952</b>
<b>EQUITY</b>					
Restricted Capital	19	79,514	79,514	79,514	79,514
Reserves	20	60,747	68,408	60,087	67,438
<b>Total Equity Attributable to the Group</b>		<b>140,261</b>	<b>147,922</b>	<b>139,601</b>	<b>146,952</b>
Non-Controlling Interests	20	1,507	1,654	-	-
<b>TOTAL EQUITY</b>		<b>141,768</b>	<b>149,576</b>	<b>139,601</b>	<b>146,952</b>

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

## Consolidated Statement of Cash Flows

	Consolidated		Parent	
	2023 \$000	2022 \$000	2023 \$000	2022 \$000
<b>Cash Flows from Operating Activities</b>				
Cash was provided from:				
Interest Revenue	1,622	1,093	1,621	1,093
Dividend Revenue	2,511	2,229	2,504	2,224
Other Finance Revenue	2,131	7,877	2,131	7,877
Other Revenue	8,186	13,300	1,334	6,083
Cash was disbursed to:				
Payments to Suppliers, Trustees and Employees	(9,570)	(8,187)	(3,622)	(2,815)
Payment of Interest	(725)	(587)	-	-
Community Distributions and Projects	(8,438)	(7,833)	(8,438)	(7,833)
<b>Net Cash Flows from Operating Activities</b>	<b>(4,283)</b>	<b>7,892</b>	<b>(4,470)</b>	<b>6,629</b>
<b>Cash Flows from Investing Activities</b>				
Cash was provided from:				
Proceeds from Sale of PPE & Investment Properties	177	1,166	170	1,164
Proceeds on Disposal of Investments	5,791	17,208	5,791	17,208
Term Deposit Maturities	26,000	28,000	26,000	28,000
Distribution Asset Repayments	1,927	1,126	1,863	1,406
Cash was disbursed to:				
Purchase of PPE & Investment Properties and Intangibles	(484)	(430)	(59)	(151)
Purchase of Investments	(15,075)	(18,512)	(15,071)	(18,508)
Term Deposit Investments	(12,675)	(34,375)	(12,675)	(34,375)
Repayment of Debt	(789)	(789)	-	-
Distribution Asset Lending	(1,553)	(2,205)	(1,553)	(2,205)
<b>Net Cash Flows from/used in Investing Activities</b>	<b>4,108</b>	<b>(8,811)</b>	<b>(4,466)</b>	<b>(7,461)</b>
Net Increase/(Decrease) in Cash and Cash Equivalents	(175)	(919)	(4)	(832)
Cash and Cash Equivalents at Beginning of Period	268	1,187	229	1,061
<b>Cash and Cash Equivalents at End of Period</b>	<b>93</b>	<b>268</b>	<b>225</b>	<b>229</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*
- a) *To generate sustainable economic benefits for the West Coast region; or*
- b) *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 2023 were authorised for issue by Trustees on 7 August 2023.

## 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

#### 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.

The Total investment portfolio as at the Financial Year Balance 31 March 2023 decreased to \$121,959 (000) from 31 March 2022 \$132,811 (000). 2022 increased to \$132,811 (000) from 31 March 2021 \$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:

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

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

**b) De-Recognition**

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

**3.11 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

Standards issued and applied in the current financial year:

- **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 was 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.
- **PBE FRS 48 Service Performance Reporting**  
In November 2017, NZASB issued PBE FRS 48 Service Performance Reporting. The requirements of this new standard will replace the guidance in PBE IPSAS 1 when it becomes effective from 1 January 2022. PBE FRS 48 requires an entity to provide users with sufficient contextual information to understand why the entity exists, what it intends to achieve in broad terms over the medium term to long term, and how it goes about this.

There have been no other changes in accounting policies.

## 4. Finance Revenue

	Consolidated		Parent	
	2023 \$000	2022 \$000	2023 \$000	2022 \$000
Interest on Distribution Assets	330	286	285	246
Interest on Term Deposits and Call Accounts	596	321	596	321
Interest on Available for Sale Investments	732	566	732	566
Interest Concessions	488	350	488	350
Dividends on Available for Sale Investments	272	216	265	211
Dividends on Held for Trading Investments	2,239	2,014	2,239	2,014
Net Realised Gains/(Losses) on Disposal of Available for Sale Investments Reclassified from Unrealised Gains Reserve	788	4,816	788	4,816
Net Realised Gains/(Losses) on Held for Trading Derivatives	(476)	29	(476)	29
Net Realised Gains/(Losses) on Held for Trading Investments	1,185	3,031	1,185	3,031
<b>Total Finance Revenue</b>	<b>6,154</b>	<b>11,629</b>	<b>6,102</b>	<b>11,584</b>

## 5. Trading Sales

	Consolidated		Parent	
	2023 \$000	2022 \$000	2023 \$000	2022 \$000
Dairy Produce	5,573	6,136	-	-
Livestock Trading	24	188	-	-
Other Farm Income	87	57	-	-
<b>Total Trading Sales</b>	<b>5,684</b>	<b>6,381</b>	<b>-</b>	<b>-</b>

## 6. Government Project Funding

Development West Coast is required to show government funding as a separate item in its Financial Statements in terms of the Social Sector Accreditation Standards (Level 4).

Government funding is recognised in the financial year in which funding is applied to expenditure by Development West Coast or is distributed by way of grant to community or business organisations. The following funding has been recognised as revenue -

Funding Agency	Project	Parent	
		2023 \$000	2022 \$000
MBIE	Regional Business Partner Programme Services	133	135
MBIE	Regional Digital Hub Funding	133	77
MBIE	Tourism Kick Start Funding	3,359	396
MBIE	Strategic Tourism Assets Protection Programme	201	453
MBIE	West Coast Regional Employment Scheme	476	570
MBIE	Digital Boost Cohort Facilitation Pilot	75	0
MSD	Education to Employment Brokerage Service	151	72
MSD	Education to Employment Pathways Programme	333	0
MSD	FlexiWage Self-Employment Support	34	10
Tourism NZ	Tourism Promotion Funding	0	12
Tourism NZ (ex-Christchurch NZ)	Regional Events Fund	232	245
<b>Total Government Funding</b>		<b>5,127</b>	<b>1,970</b>

MBIE – Ministry of Business Innovation & Employment

MSD – Ministry of Social Development

## 7. Operating Expenses

	Consolidated		Parent	
	2023 \$000	2022 \$000	2023 \$000	2022 \$000
Administration Expenses	1,523	1,419	1,428	1,290
Advisory Body Fees	69	72	69	72
Advisory Body Expenses	5	4	5	4
Audit Fees	129	125	112	110
Depreciation & Amortisation	595	632	158	184
Directors' Costs	63	67	-	-
Election Costs	21	-	21	-
Equipment Lease Payments	3	3	3	3
External Consultancy Expenses	139	86	123	80
Finance Costs	724	572	2	2
Information & Communication Technology	165	150	165	150
Insurance & Risk Management	136	123	67	66
Investment Advisory Expenses	241	241	241	241
Legal Fees	125	102	104	102
Loss/(Gain) on Sale of Assets	(33)	(331)	(40)	(337)
Marketing & Promotion	236	236	236	235
Occupancy	153	154	153	154
Recruitment Costs	47	51	46	52
Trading Expenses	4,679	4,220	-	-
Trustees' Remuneration	194	191	194	191
Trustees' Expenses	53	24	53	24
<b>Total Operating Expenses</b>	<b>9,267</b>	<b>8,141</b>	<b>3,140</b>	<b>2,623</b>

Increases in Consolidated Operating Costs from the prior year include one-off compliance costs as they relate to the Trust (Administration Expenses), increased interest costs and trading expenses recognised in our subsidiary companies (Finance Costs and Trading Expenses) and a reduction in recognised Gains on Sale of Assets compared to the prior year.

## 8. Regional Development

	Consolidated		Parent	
	2023 \$000	2022 \$000	2023 \$000	2022 \$000
Interest Concessions	488	350	488	350
Regional Partnership Network	14	13	14	13
Tourism Promotion/Destination Management*	1,132	1,294	1,132	1,294
Business Development Unit**	1,461	1,170	1,461	1,170
Nature Economy Project	-	400	-	400
West Coast Regional Employment Scheme	476	571	476	571
Tourism Kick Start Scheme	3,359	397	3,359	397
Education to Employment Brokerage Service	151	72	151	72
Education to Employment Pathways Programme	333	-	333	-
Pathway Advisors	79	35	79	35
FlexiWage Self-Employed Support Scheme	34	9	34	9
DHB Recruitment Campaign	50	-	50	-
Jobs for Nature Programme		41	-	-
Weed Free Tai Poutini Project	850	950	-	-
Business Support Funding	220	1,710	220	1,710
<b>Total Regional Development</b>	<b>8,647</b>	<b>7,012</b>	<b>7,797</b>	<b>6,021</b>

\*Tourism Promotion/Destination Management expenditure was partially met by \$433,000 in external funding (2022 - \$715,000)

** The following projects are included in Business Development Unit	Type	2023 \$000
Regional Economic Profile Costs	Business Support	34
Scholarship Grants	Grant	97
Co.Starters Programme	Project Funding	29
Renewable Energy Strategy	Project Funding	79
Economic Development Strategy to 2050	Project Funding	11
Regional Economic Development Feasibility Study Funding	Project Funding	34
"Cut Out for the Coast" Recruitment Campaign	Project Funding	40
Regional Promotion	Project Funding	50
Business Training & Resource Initiatives	Project Funding	9
Research & Development Project Funding	Project Funding	250
Event Sponsorship	Grant	3
Event Hosting	Project Funding	3
Submission Costs	Project Funding	1
Transport and Logistics Strategy	Project Funding	23
Youth Workshop & Scholarship Costs	Project Funding	6
<b>Total</b>		<b>669</b>

## 9. Community Grants

Project or Recipient	2023 \$000
West Coast Community Trust	200
Life Education Trust	30
Community Energy Action Charitable Trust – Warmer Kiwi Homes	150
<b>Total Community Grants</b>	<b>380</b>

## 10. Income Tax

### 10.1 Income Tax Expense

	Consolidated	
	2023 \$000	2022 \$000
<b>Income Tax Expense</b>		
Current Income Tax Charges/(Credit)	(286)	119
Current year losses for which no deferred tax asset is recognised	286	-
Utilisation of Previously Unrecognised Tax Losses	-	(119)
Deferred Tax		
Origination and Reversal of Temporary Differences	(25)	(78)
<b>Income Tax (Credit)/Expense Reported in Surplus or Deficit</b>	<b>(25)</b>	<b>(78)</b>
<b>Reconciliation of Tax Expense</b>		
Accounting Surplus/(Deficit) Before Tax	(5,473)	3,526
At the Statutory Income Tax Rate of 28%	(1,533)	987
Adjustments in Respect of Parent Surplus not Taxable	1,417	(649)
Adjustments in Respect of Permanent Tax differences	53	(145)
Adjustments in Respect of Temporary Tax Differences	(223)	(74)
Current year losses for which no deferred tax asset is recognised	286	(119)
Deferred Tax		
Origination and Reversal of Temporary Differences Relating to Non-Depreciable Buildings	(25)	(78)
<b>Income Tax (Credit)/Expense Reported in Surplus or Deficit</b>	<b>(25)</b>	<b>(78)</b>

### 10.2 Deferred Tax

	Consolidated	
	2023 \$000	2022 \$000
Accelerated Accounting Depreciation	(203)	(208)
Biological Assets	(127)	(58)
Employee Leave Accruals	10	19
Other Expense Accruals	-	-
Accrued Income	45	(53)
<b>Deferred Tax (Liabilities)/Assets</b>	<b>(275)</b>	<b>(300)</b>
<b>Reconciliation of Deferred Tax (Liabilities)/Assets</b>		
Opening Balance as at 1 April	(300)	(379)
Tax Credit/(Expense) During the Year Recognised in Surplus or Deficit	25	79
<b>Closing Balance as at 31 March</b>	<b>(275)</b>	<b>(300)</b>

### 10.3 Tax Losses

No asset has been recognised in respect of the taxation losses held by the Group. At 31 March 2023, Group losses totalled \$22,844,000 (2022 \$21,815,000). Losses able to be utilised across the Group are \$15,997,000. (2022 \$14,976,000).



## 11. Trade and Other Receivables

	Consolidated		Parent	
	2023 \$000	2022 \$000	2023 \$000	2022 \$000
Trade Receivables	741	593	405	187
GST Refund Receivable	64	3	125	79
Prepayments	41	69	41	69
Sundry Receivables	262	143	259	139
<b>Carrying Amount of Trade and Other Receivables</b>	<b>1,108</b>	<b>808</b>	<b>830</b>	<b>474</b>

## 12. Biological Assets

	Consolidated		Parent	
	2023 \$000	2022 \$000	2023 \$000	2022 \$000
Balance at Beginning of Financial Year	3,384	3,371	-	-
Increases Due to Purchases	18	34	-	-
Decreases Attributable to Sales and Biological Assets Classified as Held for Sale	(345)	(209)	-	-
Net Gain from Changes in Fair Value Less Estimated Point of Sale Costs	(303)	13	-	-
Other Changes	327	175	-	-
<b>Balance at End of Financial Year</b>	<b>3,081</b>	<b>3,384</b>	<b>-</b>	<b>-</b>

### 12.1 Livestock

The Group owns dairy cattle. These are held at the Group's farm on the West Coast. At 31 May 2023, the Group owned 1,243 milking cows, 280 two-year old heifers, 253 one-year old heifers, 19 two-year old bulls, 16 one-year old bulls. At 31 May 2022, the Group owned 1,468 milking cows, 272 two-year old heifers, 322 one-year old heifers, 18 two-year old bulls, 19 one-year old bulls.

Independent valuers, Tasman Agriculture Ltd, with the appropriate knowledge and experience in valuing livestock, have valued the livestock assets at 31 May 2023. The significant valuation assumptions adopted in determining the fair value of the livestock assets included current market values net of selling costs. The significant valuation assumptions adopted in determining the fair value of the livestock assets included current market values net of selling costs.

## 13. Investments

	Consolidated		Parent	
	2023 \$000	2022 \$000	2023 \$000	2022 \$000
Available for Sale Investments	31,186	24,444	30,909	24,170
Held for Trading Investments	76,306	80,446	76,306	80,446
<b>Total Investments</b>	<b>107,492</b>	<b>104,890</b>	<b>107,215</b>	<b>104,616</b>
Current Assets	86,874	93,787	86,874	93,787
Non-Current Assets	20,618	11,103	20,341	10,829
<b>Total Assets</b>	<b>107,492</b>	<b>104,890</b>	<b>107,215</b>	<b>104,616</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 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 \$5.6m (2022 \$5.9m) in relation to equity managed fund investments.

## 14. Distribution Assets

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

Class	Consolidated		Parent	
	2023 \$000	2022 \$000	2023 \$000	2022 \$000
Advances to Other Parties	6,912	7,294	6,912	7,294
Investments in Subsidiaries	-	-	12,907	12,710
Investments in Associates	3,354	3,116	-	-
<b>Total</b>	<b>10,266</b>	<b>10,410</b>	<b>19,819</b>	<b>20,004</b>

### 14.1 Distribution Assets

	Parent	
	2023 \$000	2022 \$000
Distribution Assets to Other Parties	10,458	11,246
Less Provision for Impairment Relating to Distribution Assets Invested in Other Parties	(3,546)	(3,952)
<b>Total</b>	<b>6,912</b>	<b>7,294</b>

### 14.2 Related Party Distribution Assets

	Parent	
	2023 \$000	2022 \$000
Distribution Assets Invested in Subsidiaries and Associates	28,260	28,063
Less Provision for Impairment Relating to Distribution Assets Invested in Subsidiaries and Associates	(15,353)	(15,353)
<b>Total</b>	<b>12,907</b>	<b>12,710</b>

## 15. 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
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
<b>At Cost or Valuation</b>								
<b>Balance at 1 April 2021</b>	749	2,444	27,132	30,325	166	930	2,106	3,202
Additions	149	87	157	393	113	33	-	146
Disposals	(25)	(33)	(912)	(970)	-	(33)	(912)	(945)
<b>Balance at 31 March 2022</b>	<b>873</b>	<b>2,498</b>	<b>26,377</b>	<b>29,748</b>	<b>279</b>	<b>930</b>	<b>1,194</b>	<b>2,403</b>
<b>Balance at 1 April 2022</b>	873	2,498	26,377	29,748	279	930	1,194	2,403
Additions	55	152	331	538	40	15	-	55
Disposals	(19)	(543)	(50)	(612)	-	(522)	-	(522)
<b>Balance at 31 March 2023</b>	<b>909</b>	<b>2,107</b>	<b>26,658</b>	<b>29,674</b>	<b>319</b>	<b>423</b>	<b>1,194</b>	<b>1,936</b>
<b>Depreciation &amp; Impairment Losses</b>								
<b>Balance at 1 April 2021</b>	320	1,657	5,940	7,917	63	473	107	643
Depreciation Charge for the Year	101	199	346	646	46	144	7	197
Disposals	(17)	(31)	(101)	(149)	-	(31)	(101)	(132)
<b>Balance at 31 March 2022</b>	<b>404</b>	<b>1,825</b>	<b>6,185</b>	<b>8,414</b>	<b>109</b>	<b>586</b>	<b>13</b>	<b>708</b>
<b>Balance at 1 April 2022</b>	404	1,825	6,185	8,414	109	586	13	708
Depreciation Charge for the Year	94	150	323	567	46	82	3	131
Disposals	(14)	(365)	-	(379)	-	(347)	-	(347)
<b>Balance at 31 March 2023</b>	<b>484</b>	<b>1,610</b>	<b>6,508</b>	<b>8,602</b>	<b>155</b>	<b>321</b>	<b>16</b>	<b>492</b>
<b>Net Carrying Amount</b>								
At 31 March 2021	429	787	21,192	22,408	103	457	1,999	2,559
At 31 March 2022	469	673	20,192	21,334	170	344	1,181	1,695
At 31 March 2023	425	497	20,150	21,072	164	102	1,178	1,444

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

## 16. Derivative Financial Instruments

	Consolidated		Parent	
	2023 \$000	2022 \$000	2023 \$000	2022 \$000
<b>Current Asset/(Liability)</b>				
Forward Contracts – Held for Trading	(842)	247	(842)	247
<b>Non-Current Asset/(Liability)</b>				
Forward Contracts – Held for Trading	-	88	-	88
<b>Total Derivative Financial Instruments</b>	<b>(842)</b>	<b>335</b>	<b>(842)</b>	<b>335</b>

**16.1 Instruments Used by the Group****a) Forward Contracts – Held for Trading**

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

These contracts are fair valued to market rates as at 31 March.

**17. Trade and Other Payables**

	Consolidated		Parent	
	2023 \$000	2022 \$000	2023 \$000	2022 \$000
Trade Payables	643	728	300	473
Employee Entitlements	160	183	126	118
Sundry Creditors	2,315	2,881	2,295	2,861
Funding Received in Advance	1,333	5,350	1,273	5,219
<b>Carrying Amount of Trade and Other Payables</b>	<b>4,451</b>	<b>9,142</b>	<b>3,994</b>	<b>8,671</b>
Current Liabilities	4,331	9,042	3,874	8,571
Non-Current Liabilities	120	100	120	100
<b>Carrying Amount of Trade and Other Payables</b>	<b>4,451</b>	<b>9,142</b>	<b>3,994</b>	<b>8,671</b>

**17.1 Sundry Creditors Analysis**

		Consolidated		Parent	
		2023 \$000	2022 \$000	2023 \$000	2022 \$000
Sundry Creditors		232	259	212	245
Economic Development Projects		323	61	323	61
Major District Initiative		253	908	253	908
District Economic Stimulus Fund	Note 17.2	149	75	149	75
Digital Enablement Fund	Note 17.3	669	752	669	752
Nature Economy Fund	Note 17.4	322	400	322	400
Finance Leases		0	6	-	-
Tertiary Scholarships		217	137	217	137
Other Community Grants		150	283	150	283
<b>Total Sundry Creditors</b>		<b>2,315</b>	<b>2,881</b>	<b>2,295</b>	<b>2,861</b>

**17.2 District Economic Stimulus Fund (DESF)**

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

**17.3 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.

#### 17.4 Nature Economy Fund

In the 2022 financial year, the opportunity to leverage the West Coast's natural assets was identified as a regional growth opportunity via numerous forums and entities and was confirmed as a priority project in the Te Whanaketanga West Coast Economic Strategy 2050 with the vision to be recognised as leaders in the adoption of innovative, sustainable, and regenerative economic, social, well-being and environmental solutions.

With the vision to be recognised as leaders in the adoption of innovative, sustainable, and regenerative economic, social, well-being and environmental solutions.

A key action from the Strategy is the development of an International Conservation and Biodiversity Restoration Centre of Excellence, being led by DWC, and endorsed by the regional leadership group, Kotahitanga ki te Uru at their meeting on 4 November 2021.

DWC Trustees approved project funding of \$400,000 over 2 years at their meeting on 6 December 2021. The Department of Conservation has agreed to provide a contribution in kind by way of expertise and some administration.

### 18. Interest Bearing Loans and Borrowings

	Consolidated		Parent	
	2023 \$000	2022 \$000	2023 \$000	2022 \$000
Current Liabilities – Westpac Bank	-	6,250	-	-
Non-current Liabilities – Westpac Bank	11,750	5,500	-	-
<b>Total Borrowings</b>	<b>11,750</b>	<b>11,750</b>	<b>-</b>	<b>-</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.

### 19. Restricted Capital

#### 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 2021</b>	<b>79,514</b>
Transfers to Distribution Fund	-
<b>At 1 April 2022</b>	<b>79,514</b>
Transfers to Distribution Fund	-
<b>At 31 March 2023</b>	<b>79,514</b>

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

## 20. Reserves

### 20.1 Movements in Reserves

	Consolidated						Parent		
	Distribution Fund	Net Unrealised Gains Reserve	Revaluation Reserve	Total Reserves Attributable to Group	Non-Controlling Interest	Total Reserves	Distribution Fund	Net Unrealised Gains Reserve	Total Reserves
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
<b>At 31 March 2021</b>	<b>62,361</b>	<b>4,476</b>	<b>400</b>	<b>67,237</b>	<b>1,474</b>	<b>68,711</b>	<b>62,402</b>	<b>4,476</b>	<b>66,878</b>
Fair Value Gains on Available-for-Sale Investments		2,563		2,563		2,563		2,563	2,563
Reclassification to Finance Revenue on Disposal of Investment		(4,816)		(4,816)		(4,816)		(4,816)	(4,816)
Net Fair Value Gains on Available-for-Sale Investments		(2,253)		(2,253)		(2,253)		(2,253)	(2,253)
Net Surplus for the Year	3,424			3,424	180	3,604	2,814		2,814
<b>At 31 March 2022</b>	<b>65,785</b>	<b>2,223</b>	<b>400</b>	<b>68,408</b>	<b>1,654</b>	<b>70,062</b>	<b>65,215</b>	<b>2,223</b>	<b>67,438</b>
Fair Value Gains on Available-for-Sale Investments		(1,573)		(1,573)		(1,573)		(1,573)	(1,573)
Reclassification to Finance Revenue on Disposal of Investment		(787)		(787)		(787)		(787)	(787)
Net Fair Value Losses on Available-for-Sale Investments		(2,360)		(2,360)		(2,360)		(2,360)	(2,360)
Net Surplus/(Deficit) for the Year	(5,301)			(5,301)	(147)	(5,448)	(4,991)		(4,991)
<b>At 31 March 2023</b>	<b>60,484</b>	<b>(137)</b>	<b>400</b>	<b>60,747</b>	<b>1,507</b>	<b>62,254</b>	<b>60,224</b>	<b>(137)</b>	<b>60,087</b>

### 20.2 Nature and Purpose of Reserves

**a) Net Unrealised Gains Reserve**

This reserve records movements in the fair value of available-for-sale financial assets.

**b) 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.

**c) Asset Revaluation Reserve**

This represents the Group's share of the Asset Revaluation Reserve recognised by its subsidiaries and associates.

## 21. Related Party Disclosure

### 21.1 Subsidiaries

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

Name	Country of Incorporation	% Equity Interest	
		2023	2022
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 Alliance Holdings Limited	New Zealand	100	100
West Coast Snowflake Limited	New Zealand	100	100
Cranberries New Zealand Limited	New Zealand	100	100
Cranley Farms Limited	New Zealand	81.8	81.8

### 21.2 Associates

#### a) Bold Head Farm Limited

In August 2016, West Coast Development Holdings Limited invested \$585,600 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 2022 have been used to apply the equity method of accounting for the investment.

#### b) The New Zealand Refinery Limited

In September 2022, West Coast Development Holdings Limited invested \$358,983 in shares in The New Zealand Refinery Limited. Due to this investment, the Group owns 33.33% of The New Zealand Refinery Limited and The New Zealand Refinery Limited is classed as an associate of the Group. The New Zealand Refinery Limited's financial statements to 31 March 2023 have been used to apply the equity method of accounting for the investment.

### 21.3 Transactions with Related Parties

Entities	Year	Advances to Related Parties	Repayments from Related Parties	Interest Raised by Group	Rent Received by Group	Amounts Owed by Related Parties*	Equity Contribution
		\$000	\$000	\$000	\$000	\$000	\$000
<b>Group Subsidiaries</b>							
West Coast Development Holdings Limited	2023	359	(10,461)	-	-	12,889	10,300
	2022	-	(163)	-	-	22,991	-
Forever Beech Limited	2023	-	-	-	-	1,372	3,700
	2022	-	-	-	-	1,372	3,700
Cranley Farms Limited	2023	-	-	-	(119)	-	12,014
	2022	-	-	-	(97)	-	12,014
<b>Group Associates</b>							
Bold Head Farm Limited	2023	-	(72)	43	-	1,330	1,713
	2022	-	(72)	39	-	1,358	1,757
The New Zealand Refinery Ltd	2023	-	-	-	-	-	311
	2022	-	-	-	-	-	-

- 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 (2022 \$nil).

- b) Related party disclosures have not been made for transactions with related parties that are:
- Within normal supplier or client/recipient relationship, and
  - On terms and conditions no more favourable than those that it is reasonable to expect the Group and DWC would have adopted in dealing with the party at arm's length in the same circumstances.

#### 21.4 Compensation of Key Management Personnel

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

	2023 \$000	2022 \$000
Board of Trustees	194	192
Chief Executive Officer	275	258
<b>Total Remuneration</b>	<b>469</b>	<b>450</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 (2022: nil).

DWC did not provide any compensation at non-arm's length terms to close family members of key management personnel during the year (2022: nil).

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

## 22. Commitments

	Parent	
	2023 \$000	2022 \$000
<b>Future Distributions</b>		
Approved Funding either under consideration by Client or Undrawn against accepted facilities	2,000	8,028
<b>Alternative Assets</b>		
Capital Contributions for Investments in Private Equity Funds – commitment if fully called	5,647	5,879

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

## 23. Contingencies

The group had no contingent assets or liabilities at 31 March 2023 (2022 nil).

## 24. Events after Balance Date

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







**WEST** NEW ZEALAND  
**COAST**  
UNTAMED NATURAL WILDERNESS



**DEVELOPMENT**  
WEST COAST

*Te Ohu Whakawhanake o Te Tai Poutini*

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