Growth study good opportunity for West Coast

A comprehensive West Coast economic growth study will complement and assist the work already underway to boost the regional economy says DWC Chairman John Sturgeon.

The Government announced it would fund a regional economic growth study last week. The study will begin in 2016 and aims to identify and attract new investment and additional jobs to the West Coast. Similar studies have already been completed in Northland, Bay of Plenty, East Coast and Manawatu-Wanganui.

Economic Development Minister Steven Joyce says diversification is going to be the key for the West Coast. “This study will help identify the opportunities for competitive new industries, and help remove the roadblocks that may prevent them from developing,” he says.

DWC Chairman John Sturgeon says the study will be positive for the West Coast economy. “Having someone independent do an in-depth study looking for opportunities across the region and also assessing the economic development work already underway by DWC and the region’s councils can only assist us to make progress. It also sounds like it will help open some doors for more assistance as well,” he says.

Financial Overview

The two months of August and September saw a reversal in the value of DWC’s investments as equity markets lost gains made earlier in the financial year. DWC’s income for the six months to September has fallen to 50% of budget at $1.7m. Operational expenses remain close to budget but the accrual of economic stimulus grants totalling $4m means DWC is significantly behind budget. DWC’s half-year result is a loss of $4.37m. At 30 September DWC had equity of $108.2m and total assets of $127.5m.

Business and Industry Stimulus Fund popular

DWC is pleased with the strong interest in its Business and Industry Stimulus Fund which was designed to support West Coast businesses and encourage employment opportunities. Since launching in October the $5 million fund has attracted over 20 enquiries from across the region and three from outside the region that involve business start-ups on the West Coast. The funding requests range from $5,000 to $1 million.

Businesses can still apply to DWC for funding which can take various forms including equity investment, loans with discounted interest rates, interest only periods or concessional repayment terms. DWC maintains its usual level of due diligence and applications are analysed by DWC management and considered by Trustees on a case-by-case basis.

Still time to have your say on Minerals Strategy

DWC is encouraging the public to have their say about the West Coast Minerals Strategy with submissions open until 5pm on Friday 11 December. So far only a handful of people have taken the opportunity to comment.

The strategy was launched last month for public comment and aims to increase investment into the minerals sector, while setting out the expectations of what doing business in the region entails. The West Coast Minerals Strategy has been initiated by the Mayors of the Buller, Grey and Westland Districts, and the Chairs of the West Coast Regional Council and DWC. It is intended to provide a message to potential investors, welcoming them, and also being up front about expectations in terms of the environment and a fair return to West Coast communities.

Copies of the West Coast Minerals Strategy and feedback forms are available at public libraries in Westport, Reefton, Greymouth and Hokitika. The Strategy is also available online at http://mineralsstrategy.wix.com/westcoast. Feedback can be delivered to DWC, 1st floor, Brunner House, 54 Tainui St, Greymouth, posted to PO Box 451, or sent to info@dwc.org.nz with Minerals Strategy in the subject line.

Chairman’s report

2015 has been a year of challenges for the West Coast. It was with much sadness I heard about the recent helicopter crash in Fox Glacier and our hearts go out to all those involved.

Economically it has been a tough year as well and DWC has responded to the economic downturn in a number of ways. It is great to see so much interest in the Business and Industry Stimulus Fund, with over 20 businesses having already approached DWC for funding. The door is still open, and what is different from DWC’s ‘business as usual’ is we are prepared to take a bit more of a risk than normal and look at lower interest rates.

You may be aware CEO Joseph Thomas resigned in October. In the interim, Chief Financial Officer Mark Dawson is taking the helm and Trustees will sit down and look at the skillset needed for the top job in the new year.

I was delighted to attend the official opening of the West Coast Wilderness Trail in October.

Tourism does seem to be on a roll. I stopped into the Punakaiki camping ground one morning recently and counted 27 campervans and I hear tourism operators are reporting strong forward bookings. It’s not just the petrol stations and accommodation providers that benefit from tourists, there’s a trickle down effect that keeps many of our West Coast businesses open.

As we head into a new year I feel that the West Coast is starting to rise slowly but we have to be patient about our recovery. I’d like to take this opportunity to thank all the DWC staff and Trustees for their hard work and enthusiasm and wish everyone on the Coast a happy Christmas with their families, and to those who are travelling, travel safe.

John Sturgeon ONZM, MBE
Chairman

For further information, contact: Mark Dawson - Chief Financial Officer | John Sturgeon - Chair
(03) 768 0140 or 0800 768 0140

DWC Monthly Update
December 2015

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Development West Coast wishes everyone a Merry Christmas and Happy New Year!