

FINANCIAL OVERVIEW

At 30 April 2011 DWC's total net assets stood at \$116.3m (Mar 2011 \$116.2m).

Income for the month of April was \$605k against a budget of \$239k. This better than expected result was due to a positive gain from an Australian investment.

As this is the first month of the financial year YTD Actual Total Income stands at \$9.798m against a budget of \$10.756m. Overall expenses were within budget.

Auditors are currently working through the results from the last financial year. These will be published in the Annual Report which is due to be released in August.

It has been a good start to the financial year but the international financial markets continue to be unstable with the European Union once again considering whether to bail-out the stricken Greek economy. Given this unrest it is hard to forecast the influence on investments.

WELCOME TO NELIA HEERSINK

Nelia Heersink has joined Development West Coast as our new business facilitator.

Nelia comes from an education background with 18 years experience as a primary school teacher mostly in South Africa. She moved to the West Coast with her husband and two children in 2007 and says she was attracted to New Zealand by the people and diversity of culture.

More recently she has been working as an Employment and Life Skills Tutor at Karoro Learning in Greymouth. As part of that role she has been involved in the Education for Enterprise project (E4E) which has seen 1,500 students taking part in projects to grow their enterprise skills.

In her first weeks in the job Nelia has spent time with New

Zealand Trade and Enterprise representatives learning about the Regional Business Partner Network. The network helps local businesses access advice, funding and support to grow their business.

"The Regional Business Partner scheme is helping local businesses. We believe Nelia has the right skills and experience to build on what has already been achieved," says DWC's

Chief Operating Officer Warren Gilbertson.

Nelia says she is excited about her new role.

"It's amazing the government and Development West Coast is so supportive of business growth on the West Coast. I encourage business owners to contact me to see how I can help them," she says.



EMERGENCY MANAGEMENT TRAINING



Helen Wilson (front) with the Christchurch Civil Defence logistics team during the September earthquake

DWC was pleased to support Business Development Manager Helen Wilson complete a 3 day Emergency Management course last month.

The training focused on the Co-ordinated Incident Management System which is used by Fire, Police and Civil Defence to manage the response to a civil defence emergency. Helen says the course was extremely interesting and valuable.

Both Helen and DWC Executive Manager Belinda Lunn spent time assisting at the Christchurch Emergency Operation Centre in the art gallery after the September and February quakes.

CHANGES TO COMMUNITY FUNDING



Mayors and Trustees at the signing of agreement for \$6 million council funding. Front row: Trustee Mark Lockington, left, Chair John Sturgeon, Trustee Robert Buchanan, Westland Mayor Maureen Pugh. Back row: Trustee Colin Smith, left, Trustee Helen Rasmussen, Grey Mayor Tony Kokshoorn, DWC CEO John Chang, Buller Mayor Pat McManus, Trustee Evan Jones, Trustee Frank Dooley.

Development West Coast is to move away from making direct community grants.

Instead the Trust will bulk fund community trusts so they can make decisions on which community assets and projects to financially support. Each district council will also receive a one-off grant to distribute over the next five years.

"There are organisations in the region who are better connected to the community so it makes sense for them to direct funds to projects and groups which will benefit their regions," says Development West Coast Chair John Sturgeon.

In June Mayors from Buller, Grey and Westland District Councils signed a funding agreement with Development West Coast which will see each district provided with a special one-off fund of \$2 million.

The \$2 million is expected to provide an economic boost to the three districts through to March 2016 and enable each district to fund various community assets and projects at their discretion.

"The Councils have agreed to consult

with their respective communities before deciding how to distribute the funds. It is hoped the money will help build significant assets in the regions," says Mr Sturgeon.

Trustees have also resolved that the West Coast Community Trust and Solid Energy Amateur Sports Trust will each be a recipient of bulk funds from DWC for them to distribute to the community. Details on how much and when these funds will be made available will be announced next month.

Over the past 10 years DWC has injected over \$27 million into the community for various projects and purposes. An additional \$13.2 million has been allocated through the Major District Initiative programme which has seen major community assets built including Buller's Solid Energy Centre, Greymouth's Aquatic Centre and the refurbishment of Hokitika's Regent Theatre. This translates to over \$40 million cash into the West Coast community.

WEST COAST LEADING LIGHT BUSINESS EXCELLENCE AWARDS

Twelve finalists across six categories have been announced in the inaugural West Coast Leading Light Business Excellence Awards.

Development West Coast CEO John Chang says the Trust, sponsors and supporters of the awards wish to congratulate the finalists.

"Finalists should be proud of their achievement. It is important to thank the West Coast business community for their support and commitment to this inaugural celebration of West Coast

business excellence," he says.

The independent judging panel must now reassess all category finalists to determine the winner of each award. Category winners will then be judged to determine the first West Coast Leading Light Super Nova Award winner.

A function to thank the almost 40 businesses who entered the awards will be held in late June. Winners will be announced at the gala dinner to be held at Shantytown on Friday the 8th July 2011.

COMMENT FROM THE CHAIR

In spite of the continuing lack of confidence in the international market our primary industries are forging ahead commanding premium on all goods produced from the West Coast of New Zealand. However the same volatility is putting pressures on our tourism sector especially with weaker than expected inbound tourist numbers to Christchurch, our main gateway to the South Island. Ongoing aftershocks in Christchurch and high foreign exchange are of concern to many in the tourism related industry on the Coast. Having said this, we must try and find a solution and I for one believe we as Coasters have the means and the ability to come together to solve such a problem and together we can help weather these difficult times.

There has been a number of comments made mainly in the absence of correct information in regards to DWC's recent equity investment of \$5m in Cranley Farms. Our focus and the main purpose of entering into this venture was to help one of our largest industries, one that employs significant numbers of people in the region, to complete a substantial farm development in the Westland area. As mentioned earlier there is commercial risks associated with such investments, no question about it. For this reason we have taken a very conservative and careful approach to evaluating the merits of this investment. It has taken DWC, with the help of a number of external industry experts, some seven months to complete the due diligence process. This does not mean that the risk has disappeared. Commercial risk to the investment

remains. What we have done is we have gone into the investment with both eyes and ears wide open, on an informed basis and with no surprises. As part of the negotiation we have instructed the shareholders and their board to strategically reduce their debt holding by selling off their non-core farm assets. The financial modelling was done on a future payout price of mid \$5 per kg of milk solids and not over \$7 as it was incorrectly speculated by some nay sayers. Furthermore DWC has not given any bank guarantees to the pre-existing debts. If all goes well this venture will have a significant economic input to the West Coast region. It is my wish that we as a region support such ventures as it is always better to have tried and failed than not tried at all, worst still sitting idle on a fence and criticising those who try.

The West Coast was built on those who took risks and came here to have a go. Let's not let our fear of failure cripple us and hold this wonderful region from progress and advancement to a better future.

That competitive West Coast spirit will be seen on Friday the 8th of July at the inaugural West Coast Leading Light Business Excellence Awards. I wish all the finalists the best of luck and look forward to a great night celebrating business excellence.

John Sturgeon

For further information, contact:
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