

The following is a key summary of the Board of Trustees' meeting held on 9 March 2011. Focus for the Board is currently on developing:

- (i) Business Plan and budget for the Financial Year 2012
- (ii) Defining our core business for the next 5 years

## FINANCIAL OVERVIEW

At 31 January 2011 DWC's total net assets stood at **\$115.1m** (Dec 2010 \$117m). During January 2011, DWC accrued the cycleway grants totalling \$1.5 million. This, together with a \$230,000 fall in the value of investments, resulted in a net loss for the month of **\$1.9m** (Dec 2010 reported a profit of \$1.75m). Year to date, DWC's profit now sits at \$1.9 million (Dec 2010 \$3.2m). This profit does not take into consideration Trustees' recent decision to contribute \$1 million to the Pike River Relief Fund. The implications and timing of this decision could have a significant effect on the year end result.)

Within total net assets, the value of the Investment portfolio is \$102.8m (Dec 2010 \$102.4m). The allocation to growth assets (equity) is 39.4% and Fixed Interest & Cash is 60.6%.

The global economy is still volatile and continues to impact on the performance of the Investment portfolio.

## COMMUNITY INVESTMENT

As at 31 January 2011, DWC has invested \$2.7m into the community through grants and donations.

ORGANISATION	Amount Approved
Whataroa Golf Club	300
United Nations Youth	266
West Coast Jet Boat Club	500
Buller Basketball	500
Focus Farms	28,000
Source to Sea	15,000
Ronald McDonald	15,000
Rugby World Cup 2011	2,000
LandSAR Westland District Council	1,777
Buller Board Riders	2,000
Blackball Workingmens Club	500
Greymouth Golf Club	500
Kumara Racing Club	1,000
Greymouth Jockey Club	500
Blackball residents	500
Haast Pass 50th Anniversary	1,000
Te Runanga o Ngati Waewae Inc	24,000
New Coasters Inc	6,485
South Westland Search and Rescue	10,000
Greymouth and Kumara Anglican Parish	10,000
Computers in Schools	99,235
Ross Fireworks Festival	300
Lake Kaniere Scenic Triathlon	600
Glacier Promotions Charitable Trust	869
NZ Snow and Ice Research Group	869
Reefton Golf Club - Golden Nugget	500
Buller Best Craft Show	939
Quartzopolis Classis 2011	1,000
Rugby World Cup 2011	2,000
Mokihinui Backcountry Track-Cycleway	750,000
Westland District Council-Cycleway (conditional)	750,000
Major District Initiative (MDI) Funding (accrued to 31 Jan 2011)	1,000,000
<b>As at 31 January 2011</b>	<b>\$2,726,140</b>

## DIRECT PROPERTY INVESTMENT

DWC has recently been looking at investing in a commercial multi-storey office building in Christchurch as part of its investment strategy.

In light of the significant Christchurch earthquake of 22 February 2011, DWC is seeking an agreement from the Vendor to suspend the due diligence process for a period of 3 months. It is understood the building fared well in the February quake and has since received a Green Sticker following an engineer's inspection.

The immediate future of the Christchurch property market is unclear at this stage. There are two points of view on the Christchurch rebuild – those that will want to get back into a high rise, at a premium, while others may look to set up temporarily outside of the CBD to avoid the disruption of the rebuild of the CBD over the short term.

Because of this low visibility into Christchurch's short term property market, Trustees have decided to act prudently and wait out the 3 months to let the market re-establish itself.

Investments such as this are made through the **Investment Fund** under the property asset allocation, but must first be recommended by DWC's investment advisors before any final decision can be made by Trustees.

The Investment Fund generates DWC's main source of income which then becomes available for distribution (**Distribution Fund**) to achieve the Objects of the Deed - to promote economic benefit and employment on the West Coast. A comprehensive Treasury Policy governs how DWC may invest the Investment Fund. **The Investment Fund**, standing at \$100.4m, is currently invested across multiple categories which include bonds, fixed interest, and

equities, including Australasian properties.

Through the **Distribution Fund**, DWC has also invested in substantial West Coast properties in Karamea, Franz Josef and Punakaiki. Involvement in each of these had a two-fold purpose of promoting local employment while ensuring ownership of land holdings was retained in West Coast hands.

## BOARD CHARTER

With 4 new Trustees having come onto the Board following various appointments and the triennial elections over October and November 2010, Trustees reviewed and unanimously adopted the Board Charter, subject to some minor amendments. The Board Charter can be viewed on DWC's website, [www.dwc.org.nz](http://www.dwc.org.nz).

## CYCLEWAYS

The funding applications submitted to DWC from both the Mokihinui-Lyell Backcountry Trust and Westland Wilderness Trail for their cycleway projects were formally considered by DWC at a meeting in January 2011, and grants of \$750,000 each (\$1.5m in total) were approved.

The Trust Chair, John Sturgeon, reported back to Trustees on his meeting with the Westland District Council concerning the Westland Wilderness Trail Cycleway. Following that meeting, DWC remains supportive of the cycleway project and the next step is for the Council to provide a revised project budget to enable a peer review of the costs to be undertaken. Discussions are ongoing.

## PIKE RIVER TRAGEDY

At their March meeting, Trustees considered a draft template for the distribution of its \$1 million contribution towards the Pike River Mine tragedy. Trustees resolved to form a working group and will seek input from select community representatives to further develop and fine tune the template to identify appropriate projects and establish the criteria around the distribution of this fund. It is anticipated a formal announcement will be made in late April.

## CHRISTCHURCH EARTHQUAKE

DWC made a \$100,000 distribution to the September 2010 Canterbury earthquake, in addition to providing staff time to participate in the Civil Defence operations at both the September 2010 and February 2011 events.

The latest tragic Christchurch earthquake is a significant event which will impact on the West Coast and DWC will continue to work with the Councils and communities to provide assistance where appropriate.

DWC will once again redirect its immediate focus and available resources towards crisis management. DWC will mobilise to assist local businesses to prepare for the eventual negative impact to the WC economy as the result of this event. The tourism sector on the West Coast is particularly vulnerable to what's happening in Christchurch and is likely to be an economic casualty of the event. Christchurch is by far the largest feeder to the WC tourism market.

Tourism West Coast and DWC held an urgent joint industry summit on 1 March 2011 at DWC's offices involving Council CEOs, district tourism industry representatives and local MPs. The main focus of the meeting was to carry out a group assessment of the current situation and develop a proactive and regional strategy to market the region in a cohesive manner with clear messages.

## NZTE & DWC IN PARTNERSHIP TO PROVIDE RECOVERY WORKSHOPS

In response to the effects of the Pike River tragedy and noting the generally difficult economic times, DWC has planned and is co-ordinating the delivery of a series of Business Recovery Workshops offered in conjunction with business mentoring.

Two workshops, "Cash Flow Management 1: Making Ends Meet Right Now", and "Building Resilience to Stress: Employee Perspective" have taken place over the last month and have been very well attended with 34 registrants overall. Feedback from attendees has been very positive.

In recognition of the heavy demand for the workshops, DWC has managed to secure 3 additional half day workshops for the remaining topics, listed below. Morning workshop sessions run from 9am to 12.30pm and afternoon sessions from 1.30pm to 5pm. Spaces are still available so businesses who are not yet registered, but would like to attend any of the sessions are most welcome and may register by phoning Nicky or Julie on 0800 768 0140.

**Monday 21 March 2011**  
Strategic Planning: Where to from Here  
**Monday 4 April 2011**  
Cash Flow Management 2: Tools for the Future  
**Monday 11 April 2011**  
Smart Business Thinking: A New Business Perspective

More information on each of the topics can be found on DWC's website, [www.dwc.org.nz](http://www.dwc.org.nz) and follow the links.

## WEST COAST GOVERNANCE & LEADERSHIP PROGRAMME

The programme launch, originally scheduled

for Wednesday 23rd February 2011 with up to 40 attendees was rescheduled to 31st March 2011 following the Christchurch earthquake.

The first milestone around course delivery was Thursday 24th February and marked the commencement of the first of four training workshops. This was also rescheduled to Friday 1st April 2011. The second half of the programme content is currently under planning.

The West Coast Governance & Leadership Programme is a joint initiative of DWC and Westland Milk Products (WMP). It is an initiative aimed at raising the capability of people in our community to effectively lead and govern.

The programme has been developed in partnership with the NZ Institute of Management (NZIM) in line with best practice standards.

To date, 10 organisations across the West Coast have committed to the programme, with 14 participants. The programme is user pays and it has been very positive to see employers investing in their staff and recognising the value this programme can offer to their organisations and communities.

## AFTER 5 FUNCTION

Mr Eric Livingstone, an experienced change manager and company director with an extensive background in service industries, manufacturing, export and distribution, will be the guest speaker at an upcoming After 5 function to be held on Wednesday 30 March 2011.

Titled "Succession in Business", Mr Livingstone will cover key aspects of business succession planning, including:

- Common issues of succession in the business
- Objectives of successful succession
- Working on the business and not in it
- Transfer of business knowledge to successor
- Keeping the business culture intact
- Preserving value in the business
- Succession plan elements

Anyone interested is welcome to come along and can register by emailing [events@dwc.org.nz](mailto:events@dwc.org.nz) or contacting Julie on 03 768 1073 by Friday 25 March 2011.

## REGIONAL BUSINESS NETWORK

Three businesses have now completed the full registration process for inclusion within this NZTE / Foundation for Research, Science & Technology (FRST) initiative to provide advanced business solutions. A media/communication plan has been completed and is ready for implementation to raise the profile of the programme, its availability and how it can benefit West Coast businesses.

## WINZ - Be Your Own Boss

Another referral to this programme has been received with a total of three clients now under business support from DWC.

## NZTE - REGIONAL STRATEGY FUND (RSF) CONTRACT

In Partnership with New Zealand Trade and Enterprise (NZTE), DWC has been undertaking various regional projects. Two of these projects, "Regional Promotion" and "Tourism - Maintaining the Momentum", were completed at the end of last year.

A third project, "Minerals Resource Assessment", has recently been completed by GNS Science and provides the resource necessary for the "West Coast Minerals Resource Action Strategy", one of three projects co-funded by NZTE from the last year of the Government's contestable Regional Strategy Funding pool.

The RSF projects currently underway are:

## Food Production and Processing

This initiative investigates the opportunity to use the region's abundant water resources for the cultivation of selected intensive horticultural and other food group products which are able to be exported in fresh, chilled or processed form (eg, rice, feijoa, tomatoes, etc).

A contract with Lincoln University's Agriculture and Economics Research Unit (AERU) has been finalised to deliver the first part of the Food Production and Processing schedule. The research into potential commercially viable crop options covers the first milestone deliverable and will be due in April.

## Recreational Game Fishing

DWC are working with the Grey and Buller District Councils and other relevant stakeholders to review the development of an industry centred on recreational game fishing. This is to take advantage of the growing tuna game fishing industry which is growing in popularity, and can be based from both Westport and Greymouth ports.

A Project Manager has been appointed and work is now underway on this project.

## Minerals Resource Action Strategy

The West Coast Minerals Resource Assessment (MRA) completed by GNS Science was effectively the first stage of what has become a two year long task. Firstly an MRA for the West Coast was completed,

followed by an Economic Impact Assessment undertaken by BERL which provides an analysis of the future potential contribution of the mineral resource to the region. With these stages being complete, the next step is to develop a Minerals Resource Action Strategy which provides a plan in terms of commercialising potential opportunities (also giving consideration to Pike River). This final stage will involve DWC and Minerals West Coast working with the Minister for Economic Development and GNS Science.

The West Coast MRA and the Economic Impact Assessment will be presented to industry stakeholders on 22 March 2011 by GNS Science and BERL. This will inform the wider public as well as potential investors of the future opportunities for regional mineral production on the West Coast.

## WEST COAST LEADING LIGHT BUSINESS EXCELLENCE AWARDS



Entries will open for the inaugural West Coast Leading Light Business Excellence Awards on **14 March 2011**. Businesses interested in entering can call DWC to request a copy of the application form and are welcome to discuss any matters around the awards. A website will also be up and running in the near future where all the relevant information can be obtained, so keep an eye out for [www.leadinglight.org.nz](http://www.leadinglight.org.nz). Businesses will have until **9 May 2011** to submit their applications.

DWC is also pleased to announce that it has secured **Mark Sainsbury** as the MC for the Awards evening. Mr Sainsbury is a well recognised current affairs news presenter, having previously been One News' political editor and the current presenter for "Close Up".

Acquiring sponsorship is a significant part of the work around the awards. Sponsorship support is going well and advice of the sponsors will be given once details have been confirmed.

The West Coast Leading Light Business Excellence Awards will be held on **Friday 8 July 2011** at Shantytown and will offer the opportunity to acknowledge the valuable contribution West Coast businesses make to our local economy, provide public recognition of West Coast business success stories, and highlight the capabilities, tenacity and scale of the businesses and industries on the West Coast.

Categories for entry are:

- Small/Medium Enterprise - Service and Retail
- Primary Producer
- Construction/Engineering/Manufacturing
- Tourism
- Community/Charity Organisations
- Health & Safety

## BUSINESS CORNER

### ACC experience rating

ACC is introducing experience rating from 1 April 2011 to make levies fairer for individual businesses and to also reduce injuries by encouraging improved health and safety practises.

Historically the work levy has been calculated from the cost of claims across the industry so that each company receives the same levy rate, regardless of their attention to health and safety. Experience rating takes into account a company's ACC claim history and adjusts the levy based on the number of weekly compensation days paid to employees in the company over the past three years.

The calculation is applied in two different methods depending on the amount of the annual work levy:

- Work levy is more than \$10,000 per annum for the past three years can result in a modification of +/- 50%
- Work levy is less than \$10,000 per annum for any or all of the past three years can result in a modification of +/- 10%

If you would like to learn more about this, visit [www.acc.co.nz/news/WPC090627](http://www.acc.co.nz/news/WPC090627)

## COMMENT FROM THE CHAIR

Our thoughts and prayers go out to the people of Canterbury and their communities.

Recently we have witnessed the horrors of the Japanese earthquake followed by a truly devastating tsunami event that unfolded in front of us through the television. The Christchurch and now the Japanese earthquake remind us all of the vulnerability of human beings. As the NZ and international communities stood by the people of the West Coast in our time of need during the painful Pike River Mine disaster, we too will stand by the people of Christchurch and Japan while they endure the sadness of their losses.

**John Sturgeon**

For further information, contact:

John Sturgeon, Chair  
021 421 790  
John Chang, CEO  
021 332 556