

Financial Overview

At 28 February 2011 DWC's total net assets stood at **\$116.6m** (Jan 2011 \$115.1m). During February 2011, a rise in the value of investments of \$1.7m contributed to a net gain for the month of **\$1.8m** (Jan 2011 reported a loss of \$1.9m). Year to date, DWC's profit now sits at \$3.2 million (Jan 2011 \$1.3m).

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 **\$102.0m** (Jan 2011 \$100.4m). The allocation to growth assets (equity) is 42.7% and Fixed Interest & Cash is 57.3%.

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

Community Investment

As at 28 February 2011, DWC has invested **\$3.8m** into the community through grants and donations.

ORGANISATION	Amount Approved
Whataroa Golf Club	300
United Nations Youth	267
West Coast Jet Boat Club	500
Buller Basketball	500
Focus Farms	28,000
Source to Sea	15,000
Ronald McDonald House	15,000
Rugby World Cup 2011	2,000
LandSAR Westland	1,778
Buller Board Riders	2,000
Blackball Workingmen's 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	870
NZ Snow and Ice Research Group	870
Reefton Golf Club - Golden Nugget	435
Buller Best Craft Show	939
Quartzopolis Classics 2011	1,000
Rugby World Cup 2011	2,000
Westport Bowling Club	660
Club Buller	3,000
Mokihinui-Lyell Backcountry Trust Cycleway	750,000
Westland District Council-Cycleway (conditional)	750,000
Pike River Relief Fund	1,000,000
Major District Initiative (MDI) Funding (accrued to 28 Feb 2011)	1,100,000
As at 28 February 2011	\$3,829,739

Annual Business & Budget Planning Day and 5 Year Strategy Session

Trustees and management held an Annual Business & Budget Planning session on 4 and 5 April 2011. This session was followed by a strategy workshop to take a look further out into the future positioning of DWC's core values, role within the WC community, and the economy for the next 5 years.

Much was achieved over the two days and key outcomes from those two meetings will be made public as soon as possible once they have been finalised and formally adopted by the Board.

Cycleways

Trustees approved a \$1.5m grant being a \$750,000 grant to each of the Mokihinui-Lyell Backcountry Trust and Westland Wilderness Trail Cycleway projects earlier this year.

DWC has continued to work with the Westland District Council on the Wilderness Trail Cycleway project to assist in reviewing the project costs as a step in seeking out other local funding for the project. The peer review of the costing was completed over March and has identified some potential savings in the project costs.

Pike River Tragedy

Trustees have resolved to establish a group to manage the allocation and administration of DWC's \$1 million Pike River relief fund.

A group comprising 3 DWC representatives and 3 community representatives has been set, and progress has yet to be made on confirming potential community representatives.

In the interim, a terms of reference will be drafted which will build on the previously prepared template. The terms of reference will set out the responsibilities of the group, which will include determining the beneficiaries of the fund, eligible projects and the process around distributing the funding.

West Coast Governance & Leadership Programme



A successful launch hosted by Westland Milk Products and attended by sponsors, participants and invited guests, was held on 31 March at the Ashley Hotel. The first workshop, NZIM Self Discovery, was hosted the following day at DWC and was a great success.

The first 6 workshops are being run by NZIM, and Westlake Consulting has now been confirmed to deliver the final 6 workshops on Governance.

Westlake Consulting is a boutique New Zealand based, globally focused consulting firm who advise Boards and Chief Executives on organisational governance, structures and board management relationships in the private and public sectors.

The presenters are Richard Westlake and Vaughan Renner. Mr Westlake is an Accredited Fellow of the Institute of Directors and a Fellow of NZIM. He currently chairs the

Standards Council of New Zealand, Better Border Biosecurity and the Audit and Risk Committee for Kiwi Bank Limited. Mr Renner has an executive career of senior leadership and general management positions spanning twenty years. He currently represents Business New Zealand on the boards of Weltec, The Standards Council of New Zealand and is a board member of the Employers and Manufacturers Association, Holmes Consulting Group Limited and the New Zealand Army Support Management Board.

After 5 Function

Mr Eric Livingston addressed a group of around 25 people on Succession in Business at a networking event held on 30 March 2011. Business continuity and succession are at the fore of many businesses thoughts given the recent Christchurch earthquake, and the workshop gave a good insight into how businesses can prepare for such events.

The evening was thoroughly enjoyed by all as Mr Livingston presented relevant information in an interactive and interesting format.

Pike River Business Recovery Workshops

After widening the marketing and promotion of these workshops from Pike River contractors and suppliers to all effected businesses struggling in the current business environment, the workshops received high interest and take-up. In all, over 100 West Coast business people attended the Recovery Workshops.

Workshop Title	Date	Numbers Attended
Managing Stress in the Long Term	7 Feb	Cancelled
Cash Flow Management 1: Making Ends Meet Right Now	15 Feb	15
Building Resistance to Stress	10 March	10
Strategic Business Planning: Where to From Here?	21 March	11
Strategic Business Planning: Where to From Here?	21 March	14
Cash Flow Management 2: Tools for the Future	4 April x (two)	11 & 12
Smart Business Thinking - A new Business Perspective	11 April x (two)	13 & 13



Regional Business Partner Network

The marketing campaign for the new Regional Business Partner Network has begun with radio advertising, an e-flyer sent out through DWC's client database and a media release. We hope this promotion will increase the number of businesses registering to become part of the new Regional Partner scheme. The media campaign has also lifted the awareness of DWC's business services with DWC's Business Development Managers experiencing an increase in enquiries.

As a result of the Christchurch earthquake, NZ Trade & Enterprise has been requested by the Government to pull back some funding from the business voucher scheme to redirect this to the Christchurch recovery effort. This has resulted in a \$10,000 reduction in our voucher funding pool from \$40,000 to \$30,000. It is not envisaged that this will have any significant impact on our ability to deliver a quality programme to our local businesses.

The new round for the MSI Technology Transfer funding and Technology Development Grants has been opened. The criteria for these grants require companies to have substantial R&D programmes and investment plans already in place. Those West Coast companies large enough to be able to resource this (such as Westland Milk Products) already have MSI case managers allocated to them to help build their R&D capability.

Minerals Resource Assessment (Part II)

With the completion of the Minerals Resource Assessment and Economic Impact Assessment, the recent focus has been on reporting back to stakeholders (i.e. industry, Council's, Department of Conservation, etc).

There is considerable interest at a political level given the opportunity and leverage as a national economic stimulus, and various meetings have been held with industry bodies e.g. Straterra, NZ Minerals Industry Association and Crown Minerals, to build awareness.

Two regional workshops with presentations from GNS Science and BERL's Chief Economist, Dr Ganesh Nana, were held on 22 March in Westport and Greymouth. The presentations were well attended, including CEOs/executives from the wider regional business community. Time has also been spent determining and informing next steps, which will be reported back to stakeholders on a regular basis.

DWC is one of the key funding partners in this project.

Computers in Schools

The first eleven schools have submitted their applications for the year one Computer in Schools project which have now been approved.

DWC's funding for 2011 is circa \$100,000 and was to be complemented by a further 20% from participating schools. Schools have got right in behind the project and have managed to increase their funding to 39%.

Schools have individually identified and purchased their equipment requirements. Computers have been the main item purchased with 100 computers, including net books, laptops and desktop computers. Digital cameras, including digital video cameras, were the next most popular items followed by data projectors, digital microscopes and wireless access points.

The schools have been cognisant of supporting local business in this project which has seen 5 of the 12 product and service providers being local West Coast organisations. This will see \$58,724 incl GST, or 37%, of total expenditure for this year one project being spent on the Coast. Further benefit will also be gained with local businesses being utilised to configure equipment to school specification and ongoing servicing.

Summer Reading Challenge

Over 500 students across the region participated in the 2010 Summer Reading Challenge - an increase in 40 students from 2009.

With 223 boys and 280 girls, their challenge was to read almost every day during the summer holidays. Children in the Greymouth, Reefton and Kumara areas excelled with 80% reading every day (an increase of 7%).

Feedback from Principals and teachers has been positive - "The programme is fantastic and a real credit to DWC so, on behalf of students and staff, thank you so much for your dedication and passion for children's reading."

A variety of prizes went out to participating students, with major prizes going to Jamie Derbidge - Fox Glacier School, Kaitlin O'Connor - Awahono School and Georgina McVicar - Paparoa Range School



Photo: Kaitlin O'Connor, Awahono School

New Coasters Inc

New Coasters began in October 2008 as the Migrant Services Project supported by funding from Solid Energy, The Ministry of Social Development along with Development West Coast who also hosted the Project Manager within its organisation for the first year. Since then, and supported by the initial seed funding and professional support, New Coasters has taken on a life of its own. Now under community management in the form of an incorporated society, the organisation has more than once been awarded national recognition for its initiatives, including recognition from the Office of Ethnic Affairs.

New Coasters continues to provide its valuable services to migrants throughout the region and their Newcomers Networks now operate in all three districts.

New Coasters' latest project, supported by Development West Coast, has recently been completed and launched. The four booklets, one each for Reefton, Westport, Hokitika and Greymouth, introduce new migrants to all the essential information about the West Coast's districts and provide our councils and employers with a very useful resource for welcoming newcomers to the community and assisting with their settlement. New Coasters manager, Ingrid Dugand, has had a very good response so far from migrant families.



Photo: Launching the booklet today are Ingrid Dugand, Marcolien Irvia from Kimberley in South Africa and Helen Wilson, Development West Coast. Marcolien, who arrived with her family in February this year, commented that she wished she had had access to the booklet when she first arrived.

West Coast Leading Light Business Excellence Awards

DWC is looking forward to hosting the inaugural West Coast Leading Light Business Excellence Awards to be held at Shantytown on Friday 8 July 2011. Mark Sainsbury has been confirmed as the MC and is sure to make the evening enjoyable for all.

DWC has been thrilled with the response from sponsors to be part of the event and is particularly excited to announce the Greymouth Star as the Platinum Sponsor for 2011. We see many benefits in this relationship with the Greymouth Star and the synergy between them and the awards which provides the opportunity to recognise and celebrate business on the West Coast.

Sponsors in other categories are:

- **Gold** Westland Milk Products, Tourism West Coast, Solid Energy, ACC, Buddle Findlay and Duncan Cotterill
- **Silver** Cuff Booth-Ross, Classic Hits West Coast, Henry's Beer, Wine & Spirits, ANZ, Bancorp and JBWere Ltd
- **In Kind** Monteiths Brewing Company, NZ Institute of Management Southern Inc and Kingsgate Hotel

The Canterbury Employers Chamber of Commerce is also a significant supporter of the awards and has assisted DWC through providing advice, guidance and templates around the format of the awards and awards evening.

Having signed off on all the sponsors, we take this opportunity to thank them all for their support and their confidence in the event being a success for our region.

Entries have now opened for the awards. Businesses interested in entering can download an entry form at www.leadinglight.org.nz, or call DWC to request a copy.

We know West Coasters are often more reserved when putting themselves forward for accolades but, along with recognising good business, these awards also provide the opportunity for business owners themselves to recognise their employees and other key people who contribute to their business being a success. Innovation is also a key component of the awards and we know that there are many West Coast businesses doing things smarter through their own innovations, so why not share these with the wider business community and help make all our businesses better.

Until now the West Coast has been the only region without a business awards event - so let's prove that our businesses do things as good as anywhere else. Applications close on Monday 9 May 2011, so come on and take a step towards promoting and rewarding your business for a job well done.

If you are thinking about entering and want to know a little bit more before taking the next step or if you just need a nudge in the right direction, give Julie a call at DWC on 768 1073 and she will go over the application form with you and give as much help as possible to get you on your way.

Business Corner

Business Mentors New Zealand

If your business employs less than 25 fulltime employees and provides you with your primary source of income, with evidence of trading, you can register for mentoring assistance today.

Register online at www.businessmentors.org.nz, complete the online application, pay a one-off \$100 (+ GST) registration fee, and an agent will contact you to arrange your Mentor match.

Business Mentors New Zealand makes the skills and experience of Mentors available to the owners of small & medium enterprises (SME's) businesses through a comprehensive nationwide Agency network. Since the Business Mentors New Zealand service was established in 1991, it has assisted over 55,000 clients.

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NZ Economic Overview

Written by Tom Phillips, Executive Director Private Wealth Management from JBWere

Impressive Resilience

March was another month that will be remembered for tragedy, this time in Japan. The earthquake, tsunami and ensuing nuclear crisis were by any measure a significant event, both in human toll and economic disruption.

Given that this disaster came against a backdrop of unrest and uncertainty in the Middle East, together with ongoing rumbles out of Europe, one could be forgiven for thinking this would be a rocky month for risky assets. In the event, the MSCI World index ended March down only around 0.5%. It was a tumultuous month for Japanese equities, which fell 7.6% in March, but other markets held up reasonably well. Moreover, measures of risk, such as the Vix, were well behaved, spiking briefly post Japan but then normalising rapidly.

We see a backbone of strong economic data as the key to this impressive resilience. The US ISM survey, a nationwide barometer of business confidence, epitomises this trend, with the ISM remaining at cyclical highs in March, thus reassuring investors that industrial growth remains in good shape.

At the same time, the ISM survey highlights the dilemma we face from here. A quick glance at the history of this survey shows that gravity tends to kick in at around these levels of business optimism - suggesting we should not rely on a steady stream of good news in sentiment indicators from here.

That said, just because the surveys such as the ISM stop rising, or even fall modestly, doesn't mean equities decline as a matter of course. However at the very least we should be prepared for markets to become more bi-directional and sensitive to setbacks.

It is those potential setbacks that remain our focus. That is not to take a pessimistic stance by default. However equities by design should drift higher over time: therefore it is natural to focus on those things that might disrupt this trend. The issues we are watching most closely remain similar to those we have detailed in recent months, although there has been important progress in some areas:

The US Debt Clean-Up

The single greatest remnant of the Global Financial Crisis yet to be resolved is the United States fiscal position. The US has too much debt and continues to borrow at an unsustainable rate. The next couple of months will provide a useful bellwether as to how painful the path to debt reduction might be. In particular:

- Congress is currently negotiating the funding of current year Government spending "the continuing resolution".
- Sometime in May the US Treasury will probably hit its debt ceiling and will need Congressional approval to borrow more.

If Congress gets mired in acrimony on these two issues, it will bode poorly for any progress being made on debt reduction in this Presidential term.

Either way, our base case is the US will sort out its debt problems - it is just a question of how disruptive the journey is. Goldman Sachs US economics team underlined the challenge in a recent note showing that a reduction in the US primary deficit would need to be the biggest in the past 40 years of OECD countries, and is likely to provide a drag on economic growth over a number of years.

Chinese Tightening: End in sight

Another concern for 2011 has been emerging market inflation. This has taken many twists and turns already, with the unrest in Africa originally attributed to riots over rising food prices. However the one strand of this theme we have been most focussed on has been China's attempts to cool growth.

The good news here is China's efforts appear to be paying off. The Goldman Sachs China Activity Index has declined meaningfully in recent months, a result of tightening financial conditions. This has boosted the prospects for policy to ease off over the balance of 2011, which would be a positive development for Chinese equities.

Europe: No Longer a Chain Reaction

The problems in the European periphery continue to bubble along. Portugal looks to be on the cusp of a bailout after the resignation of the Prime Minister and failed austerity proposals. Clearly, the region still has plenty to work through. However, the most surprising aspect of this latest twist is the indifference with which financial markets are treating the incident. The Euro carried on rallying versus the dollar and equity markets paid little attention. Most significant, in our view, has been the behaviour of bond markets. Portugal spreads have widened sharply, Irish and Greek spreads have widened a little, and Spanish bond spreads have barely budged. In other words, investors are beginning to assess each country separately, rather than as a chain reaction. This is a positive development - particularly as we see Spain in a far stronger position than the other three countries.

Comment from the Chair

We welcome the Government's announcement on their \$3.5m contribution towards building of a memorial centre for the lost men of the Pike River mine tragedy. Although this contribution will not replace the economic value lost to the community as a result of the Pike River mine closure, the centre will be an appropriate way to remember those lost through the tragedy, and we hope this will help somewhat in the healing process.

John Sturgeon

For further information, contact:
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