

Financial Overview

DWC's equity investments were again affected by concerns with several European economies. These concerns saw equity values decline significantly and had an adverse affect on DWC's trading result in May. May's management accounts reported a loss of \$1m compared to a budgeted profit of \$470k. Other than investment returns, all other income and expenses were in line with budget.

DWC will be releasing its Annual Report in August once it is audited by Audit NZ. Final figures will not be confirmed until the audit is complete but due to changes in some accounting policies and the effect of the \$6 million extraordinary distribution to local Councils DWC's equity is expected to be less than previously reported.

Computers in schools project improving learning

Development West Coast is delighted at the success of the Computers in Schools project which has found students are more engaged in learning after their ICT equipment was upgraded.

This month nine West Coast primary schools received a final instalment of new equipment and last year 11 primary schools benefited. While DWC funded \$180,000 in year one and two of the project the schools have also contributed a further 40% bringing the total spend on new ICT equipment to \$256,000.

The project came about after ICT facilitator Eric Martini, the ICT Management Committee and West Coast Primary Principals came to DWC with a proposal to upgrade schools' ICT equipment.

DWC Chairman John Sturgeon says the Trustees are right behind the project.

"Our kids on the Coast were behind other regions in terms of access to computers, it's only fair that they get the same opportunities as other areas," he says.

An independent review of the first year of the project, conducted by Karoro Learning, has found students have shown increased motivation and engagement since the introduction of the new netbooks, iPads, digital cameras and interactive whiteboards.

Principals say students are using them in many ways including to support inquiry learning, play online maths games and record events. Kokatahi School reported a large gain in maths achievement, other schools reported children were more engaged and one said behavioural problems had dropped, especially amongst the boys.

West Coast ICT Facilitator Eric Martini says the project has been a great success.

"Students want to be in class and are more engaged and enthusiastic about learning, as a result there have been gains in achievement. There has been a similar result with teachers, now that they have reliable ICT equipment they are much keener to use technology," he says.



DWC Chair John Sturgeon gets a lesson from St Patrick's School's Ysabel Buenaventura

Up Close and Personal with Warren Gilbertson

WHEN DWC's Chief Operating Officer Warren Gilbertson, wife Sarah and their three boys first arrived in Greymouth in 2005 they didn't know a soul on the West Coast.

Seven years later Warren and Sarah are both very involved in the community, giving their time to many local organisations and boards, and their three boys have represented the Coast in swimming, rugby, league, athletics and soccer.

"It was a challenge arriving and not knowing anyone but Sarah was from the South Island and keen to move closer to family in Christchurch. The children, Sarah and I like the feel of community and the kids love the lifestyle, and have so many opportunities," says Warren.

It was the challenge of setting up DWC's Regional Development Unit (RDU) that attracted Warren to the Coast.

"It was such an interesting job, I was given a clean sheet of paper to set up the regional economic development arm of the Trust. The Coast was on the cusp of a boom with mining and commodity prices on the rise so it was an exciting time and I liked what the Trust was about," he says.

The RDU has been responsible for implementing a large number of regional economic development projects since 2005. It has forged partnerships with government and regional stakeholders and obtained joint funding for many initiatives including the tourism major regional initiative, business support initiatives, industry development projects, ICT programmes, and education initiatives such as the \$2 million literacy project.

Warren has an extensive background in finance. He was born in a small rural community and did his intermediate and secondary schooling in Wanganui before heading to Otago University.

He then joined the ANZ bank's graduate programme,



initially working in a branch and then moving to corporate banking in both Auckland and Wellington. After leaving the ANZ he worked for the National Bank and BNZ Finance before heading overseas with wife Sarah.

After six months travelling in Africa and the Middle East they ended up in London where Warren worked in investment banking for Bankers Trust, which later was taken over by Deutsche Bank.

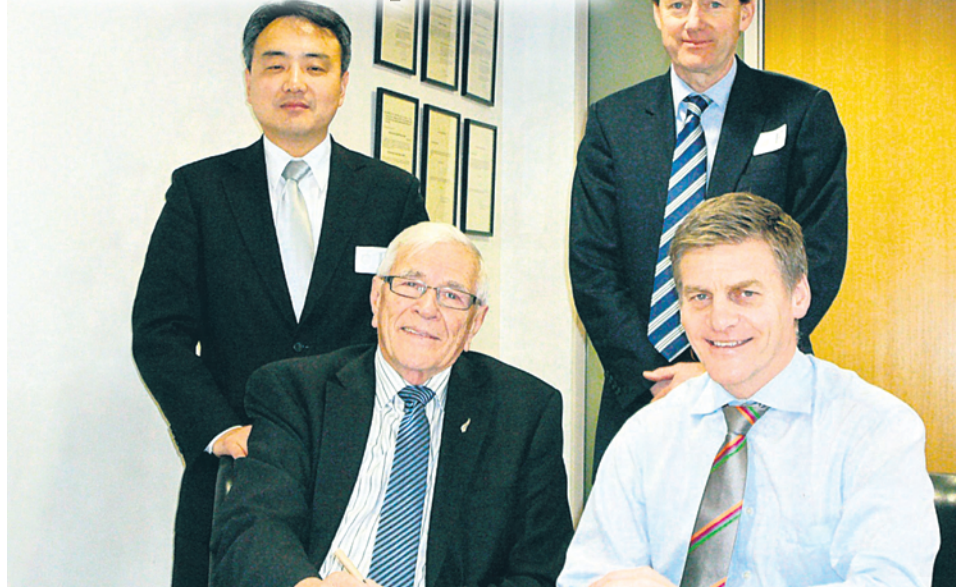
Returning to New Zealand he worked for the Crown Company Monitoring Advisory Unit (a division of Treasury) and then spent time with NZ Post, Kiwibank and Housing NZ before taking on the role at DWC.

Warren is now responsible for the day to day running of the Business Development arm of DWC, providing services and support to the business community and industry, and says he still loves the variety in the work.

"As well as booming dairy, engineering and mining industries the Coast has a variety of independent and niche innovative operators who are at the top of their games. I believe there is a place for business and economic development and it can be of real benefit to the West Coast."

Warren is also the Government appointee to the DHB board, Chair of the Hospital Advisory Committee and Chair of West Coast Football.

Trust deed updated



DWC's Trust Deed has undergone a review in the last few months. In July (pictured left to right) DWC CEO John Chang, DWC Chair John Sturgeon and DWC Trustee Colin Smith went to Wellington where Deputy Prime Minister Bill English signed the variation to the Deed. Details of the changes to the Trust Deed are outlined in the Chairman's Comment below.

Chairman's Comment

IN July we marked an important milestone having concluded a review of the Trust Deed. Every 5 years Trustees are given the opportunity to review the operation of the Trust to ensure the Objects of the Deed are still relevant to the West Coast community and the method of achieving those objects are effective.

This review process was led by our Trust Deed Review Committee, Chaired by Trustee Colin Smith and ably supported by our advisor, Mr Chris Mackenzie. The Committee commenced the process in August 2011 and quietly worked away in the background consulting with the West Coast councils, local Runanga and other key partners of DWC. During the consultation period we listened to the current needs of the community and constructive advice on how to improve our services and better engage with the community.

On 3 July 2012 the Deputy Prime Minister and Minister of Finance Hon Bill English, accepted the proposed changes and signed the Deed of Variation to the Deed.

The amendments are a step change and not a wholesale change to the Deed or the way we do business. However one important change is that Trustees have now assumed full authority on all Distribution decision making. Until now, Trustees were only able to approve a Distribution that had a positive recommendation from the Advisory Body. With the changes to the Deed, while Trustees will seek professional advice from the

Advisory Body, they are now only required to take that advice into account, therefore any decision to approve or decline a distribution is ultimately up to the Trustees of the day to make.

It is important to note that the Trust has benefited tremendously from the services and dedication of past and present Advisory Body members. The changes do not mean there was anything wrong with the previous process but rather reflect the positive maturing of the Trust and the way we engage the public. Going forward Trustees and Management alike will continue to rely on the expert advice of the Advisory Body.

As the Chair I would like to take the opportunity to thank Trustee Colin Smith and members of the Deed Review committee for their leadership and contribution in guiding the process to a successful outcome.

**John Sturgeon
Chairman**

For further information, contact:
John Sturgeon, Chair
or John Chang, CEO
(03) 768 0140 or 0800 768 0140

Annual Public Meeting

to present DWC's 2011-12 Annual Report

7pm Wednesday 29 August

Westport Motor Hotel

ALL WELCOME

**Business Breakfast
Tuesday 14 August at 7.30am
Ashley Hotel, Greymouth**

If you're interested in knowing the outcomes of Christchurch's 100 day blue print for the CBD, then come along to the breakfast hosted by DWC in partnership with the Canterbury Employer's Chamber of Commerce (CECC).

Guest Speaker, Peter Townsend, CEO of the CECC, will talk about the opportunities the blue print offers Canterbury and West Coast businesses.

To attend, register with Julie (03) 768 1073 or email events@dwc.org.nz before Wednesday 8th August 2012.