AGENDA
EXTRAORDINARY MANAWATU DISTRICT/PALMERSTON NORTH CITY JOINT STRATEGIC PLANNING COMMITTEE

1PM, WEDNESDAY 27 MARCH 2019
COUNCIL CHAMBER, FIRST FLOOR,
CIVIC ADMINISTRATION BUILDING
32 THE SQUARE, PALMERSTON NORTH
MEMBERSHIP

Grant Smith (Chairperson)
Helen Worboys (Deputy Chairperson)

PNCC
Susan Baty
Leonie Hapeta
Jim Jefferies
Tangi Utikere

MDC
Barbara Cameron
Shane Casey
Michael Ford
Phil Marsh

Agenda items, if not attached, can be viewed at:
pncc.govt.nz | Civic Administration Building, 32 The Square
City Library | Ashhurst Community Library | Linton Library

Heather Shotter
Chief Executive, Palmerston North City Council
EXTRAORDINARY MANAWATU DISTRICT/PALMERSTON NORTH CITY JOINT STRATEGIC PLANNING COMMITTEE MEETING

27 March 2019

MEETING NOTICE

Pursuant to Clause 21 of Schedule 7 of the Local Government Act 2002, I hereby requisition an extraordinary meeting of the Manawatu District/Palmerston North City Joint Strategic Planning Committee to be held at 1.00pm on Wednesday, 27 March 2019 in the Council Chamber, first floor, Civic Administration Building, 32 The Square, Palmerston North, to consider the business stated below.

ORDER OF BUSINESS

1. Apologies

2. Notification of Additional Items

Pursuant to Sections 46A(7) and 46A(7A) of the Local Government Official Information and Meetings Act 1987, to receive the Chairperson’s explanation that specified item(s), which do not appear on the Agenda of this meeting and/or the meeting to be held with the public excluded, will be discussed.
Any additions in accordance with Section 46A(7) must be approved by resolution with an explanation as to why they cannot be delayed until a future meeting.

Any additions in accordance with Section 46A(7A) may be received or referred to a subsequent meeting for further discussion. No resolution, decision or recommendation can be made in respect of a minor item.

3. **Declarations of Interest (if any)**

Members are reminded of their duty to give a general notice of any interest of items to be considered on this agenda and the need to declare these interests.

4. **Public Comment**

To receive comments from members of the public on matters specified on this Agenda or, if time permits, on other Committee matters.

(NOTE: If the Committee wishes to consider or discuss any issue raised that is not specified on the Agenda, other than to receive the comment made or refer it to the Chief Executive, then a resolution will need to be made in accordance with clause 2 above.)

5. **Deputation - Te Awa Community Foundation**

6. **Deputation - Gravel and Tar**

7. **Confirmation of Minutes**

“That the minutes of the extraordinary Manawatu District/Palmerston North City Joint Strategic Planning Committee meeting of 12 December 2018 Part I Public be confirmed as a true and correct record.”

8. **Presentation of the Central Economic Development Agency’s Draft Statement of Intent 2019/20**

Memorandum, dated 10 March 2019 presented by the General Manager - Strategy & Planning, Sheryl Bryant and the General Manager, Community and Strategy, Manawatu District Council, Brent Limmer.
9. **Presentation of the Central Economic Development Agency's Half-Yearly Report to 31 December 2018**

Memorandum, dated 10 March 2019 presented by the General Manager - Strategy & Planning, Sheryl Bryant and the General Manager, Community and Strategy, Manawatu District Council, Brent Limmer.

10. **Presentation of the Letter of Expectations 2019/20**

Memorandum, dated 10 March 2019 presented by the General Manager - Strategy & Planning, Sheryl Bryant and the General Manager, Community and Strategy, Manawatu District Council, Brent Limmer.

11. **Exclusion of Public**

To be moved:

“That the public be excluded from the following parts of the proceedings of this meeting listed in the table below.

The general subject of each matter to be considered while the public is excluded, the reason for passing this resolution in relation to each matter, and the specific grounds under Section 48(1) of the Local Government Official Information and Meetings Act 1987 for the passing of this resolution are as follows:

<table>
<thead>
<tr>
<th>General subject of each matter to be considered</th>
<th>Reason for passing this resolution in relation to each matter</th>
<th>Ground(s) under Section 48(1) for passing this resolution</th>
</tr>
</thead>
<tbody>
<tr>
<td>12. Minutes of the extraordinary Manawatu District/Palmerston North City Joint Strategic Planning Committee meeting - Part II Confidential - 12 December 2018</td>
<td>For the reasons setout in the extraordinary Manawatu District/Palmerston North City Joint Strategic Planning Committee minutes of 12 December 2018, held in public present.</td>
<td></td>
</tr>
</tbody>
</table>

This resolution is made in reliance on Section 48(1)(a) of the Local Government Official Information and Meetings Act 1987 and the particular interest or interests protected by Section 6 or Section 7 of that Act which would be prejudiced by the holding of the whole or the relevant part of the proceedings of the meeting in public as stated in the above table.

Also that the persons listed below be permitted to remain after the public has been excluded for the reasons stated.
Chief Executive (Heather Shotter), Chief Financial Officer (Grant Elliott), Chief Infrastructure Officer (Tom Williams), General Manager – Strategy and Planning (Sheryl Bryant), General Manager - Community (Debbie Duncan), Chief Customer and Operating Officer (Chris Dyhrberg), General Manager - Marketing and Communications (Sacha Haskell), Sandra King (Executive Officer) because of their knowledge and ability to provide the meeting with advice on matters both from an organisation-wide context (being members of the Council’s Executive Leadership Team) and also from their specific role within the Council.

Legal Counsel (John Annabell), because of his knowledge and ability to provide the meeting with legal and procedural advice.

Committee Administrators (Penny Odell, Rachel Corser and Courtney Kibby), because of their knowledge and ability to provide the meeting with procedural advice and record the proceedings of the meeting.

[Add Council Officers], because of their knowledge and ability to assist the meeting in speaking to their report and answering questions, noting that such officer will be present at the meeting only for the item that relate to their respective report.

[Add Third Parties], because of their knowledge and ability to assist the meeting in speaking to their report/s [or other matters as specified] and answering questions, noting that such person/s will be present at the meeting only for the items that relate to their respective report/s [or matters as specified].
DEPUTATION

TO: Manawatu District/Palmerston North City Joint Strategic Planning Committee

MEETING DATE: 27 March 2019

TITLE: Deputation - Te Awa Community Foundation

RECOMMENDATION(S) TO MANAWATU DISTRICT/PALMERSTON NORTH CITY JOINT STRATEGIC PLANNING COMMITTEE

1. That the Manawatu District/Palmerston North City Joint Strategic Planning Committee receive the deputation for information.

SUMMARY

Kirsten Harper and Andrew McLean from Te Awa Community Foundation will speak to the Committee outlining the role of a community foundation in our region (including what it is and is not) and the upcoming launch events and opportunity for Councils to support an initiative that will increase support for many community organisations for decades to come.

ATTACHMENTS

Nil
DEPUTATION

TO: Manawatu District/Palmerston North City Joint Strategic Planning Committee
MEETING DATE: 27 March 2019
TITLE: Deputation - Gravel and Tar

RECOMMENDATION(S) TO MANAWATU DISTRICT/PALMERSTON NORTH CITY JOINT STRATEGIC PLANNING COMMITTEE

1. That the Manawatu District/Palmerston North City Joint Strategic Planning Committee receive the deputation for information.

SUMMARY

Steve Stannard will present a Deputation regarding the recent Gravel and Tar event held in the region.

ATTACHMENTS

Nil
PALMERSTON NORTH CITY COUNCIL

Minutes of the Extraordinary Manawatu District/Palmerston North City Joint Strategic Planning Committee Meeting Part I Public, held in the Council Chamber, First Floor, Civic Administration Building, 32 The Square, Palmerston North on 12 December 2018, commencing at 1.00pm

Members Present:

Palmerston North City Council
The Mayor (Grant Smith) (in the Chair), and Councillors Susan Baty, Leonie Hapeta, Jim Jefferies and Tangi Utikere.

Manawatu District Council
The Mayor (Helen Worboys) and Councillors Barbara Cameron, Shane Casey, Michael Ford and Phil Marsh.

Non Members:

Palmerston North
Councillors Rachel Bowen, Adrian Broad, Vaughan Dennison, Bruno Petrenas and Aleisha Rutherford.

Manawatu District Council
Councillors Steve Bielski and Hilary Humphrey.

Apologies:

Palmerston North City Council
Councillors Lorna Johnson, Karen Naylor and Duncan McCann.

Manawatu District Council
Councillor Alison Short.

Councillor Gabrielle Bundy-Cook entered the meeting at 1.04pm during consideration of clause 19. She was not present for clauses 17 to 18 inclusive.

17-18 Apologies

Moved Grant Smith, seconded Helen Worboys.

The COMMITTEE RESOLVED

1. That the Committee receive the apologies.

18-18 Confirmation of Minutes

Moved Grant Smith, seconded Helen Worboys.

The COMMITTEE RESOLVED

1. That the minutes of the extraordinary Manawatu District/Palmerston
North City Joint Strategic Planning Committee meetings of 26 September 2018 and 20 June 2018 Part I Public be confirmed as a true and correct record.

**EXCLUSION OF PUBLIC**

19-18 **Recommendation to Exclude Public**

Councillor Gabrielle Bundy-Cooke entered the meeting at 1.04pm

Moved Grant Smith, seconded Phil Marsh.

The **COMMITTEE RESOLVED**

“That the public be excluded from the following parts of the proceedings of this meeting listed in the table below.

The general subject of each matter to be considered while the public is excluded, the reason for passing this resolution in relation to each matter, and the specific grounds under Section 48(1) of the Local Government Official Information and Meetings Act 1987 for the passing of this resolution are as follows:

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<tr>
<td>7. Minutes of the extraordinary Manawatu District/Palmerston North City Joint Strategic Planning Committee meeting - Part II Confidential - 26 September 2018</td>
<td>For the reasons set out in the extraordinary Manawatu District/Palmerston North City Joint Strategic Planning Committee minutes of 26 September 2018, held in public present.</td>
<td></td>
</tr>
<tr>
<td>8. Appointment of Director</td>
<td>Privacy</td>
<td>s7(2)(a)</td>
</tr>
</tbody>
</table>

This resolution is made in reliance on Section 48(1)(a) of the Local Government Official Information and Meetings Act 1987 and the particular interest or interests protected by Section 6 or Section 7 of that Act which would be prejudiced by the holding of the whole or the relevant part of the proceedings of the meeting in public as stated in the above table.

Also that the persons listed below be permitted to remain after the public has been excluded for the reasons stated.

Chief Executive (Heather Shotter), Chief Financial Officer (Grant Elliott), Chief Infrastructure Officer (Tom Williams), General Manager – Strategy and Planning (Sheryl Bryant), General Manager - Community (Debbie Duncan), Chief Customer and Operating Officer (Chris Dyhrberg), Human Resources Manager (Wayne Wilson), General Manager - Marketing and Communications (Sacha Haskell), Acting Operations Manager (Ray McIndoe) because of their knowledge and ability to provide the meeting with advice on matters both
from an organisation-wide context (being members of the Council’s Management Team) and also from their specific role within the Council.

Legal Counsel (John Annabell), because of his knowledge and ability to provide the meeting with legal and procedural advice.

Acting Governance and Legal Team Leader (Sheryl Bryant) and Committee Administrators (Penny Odell, Rachel Corser and Courtney Kibby), because of their knowledge and ability to provide the meeting with procedural advice and record the proceedings of the meeting.

Manawatu District Council Officers Chief Executive (Richard Templer) and General Manager – Community and Strategy (Brent Limmer) because of their knowledge and ability to assist the meeting in speaking to their report and answering questions, noting that such officer will be present at the meeting only for the item that relate to their respective report.

The public part of the meeting finished at 1.05pm

Confirmed 27 March 2018

Chairperson
MEMORANDUM

TO: Manawatu District/Palmerston North City Joint Strategic Planning Committee

MEETING DATE: 27 March 2019

TITLE: Presentation of the Central Economic Development Agency’s Draft Statement of Intent 2019/20

DATE: 10 March 2019

PRESENTED BY: Sheryl Bryant, General Manager - Strategy & Planning, Strategy and Planning

Brent Limmer, General Manager, Community and Strategy, Manawatu District Council

APPROVED BY: Heather Shotter, Chief Executive

RECOMMENDATION TO COMMITTEE

1. That the Central Economic Development Agency Draft Statement of Intent 2019/20 be received.

1. ISSUE

This report is to present and provide comment on the draft Statement of Intent (SOI) for the Central Economic Development Agency (CEDA). The draft SOI is attached as an appendix.

2. BACKGROUND

CEDA is a Council Controlled Organisation (CCO) under the Local Government Act 2002 and is jointly owned by Palmerston North City Council and Manawatu District Council. A CCO must deliver a draft SOI to shareholders by 1 March each year and a final SOI by 30 June.

The Board has 2 months from 1 March to consider any comments of the shareholders before delivering its final SOI in June. At that stage, the Councils agree to the SOI, or if they do not agree, take all practicable steps to require the SOI to be modified.

CEDA’s draft SOI is attached for any comment the Committee may want to provide for the Board’s consideration in finalising the SOI.
In developing its SOI, CEDA has considered a draft Letter of Expectations. Previous Letters of Expectations have asked for an iterative process in developing the SOI. The draft Letter of Expectations was discussed at a workshop involving the members of the Joint Committee and the CEDA Board and Chief Executive. Alignment of CEDA services with the areas of focus in the draft Letter of Expectations was discussed with the Chief Executives and Contract Managers of both Councils. The Contract Managers were also invited to a meeting with the CEDA leadership team to discuss alignment with the shareholders’ expectations. They key areas of focus for the SOI 219/20 are:

- Inward investment, national and international
- Retention and expansion of business in the Manawatu region, and
- Developing a talent pipeline

3. NEXT STEPS

The Committee can either receive the SOI as presented or make suggestions for change to a greater or lesser extent.

CEDA is obliged to consider shareholders’ comments then decide whether or not to make any changes to the draft when finalising the SOI before 30 June.

4. COMPLIANCE AND ADMINISTRATION

<table>
<thead>
<tr>
<th>Does the Committee have delegated authority to decide?</th>
<th>Yes</th>
</tr>
</thead>
<tbody>
<tr>
<td>If Yes quote relevant clause(s) from Delegations Manual - clause 184.5</td>
<td></td>
</tr>
<tr>
<td>Are the decisions significant?</td>
<td>No</td>
</tr>
<tr>
<td>If they are significant do they affect land or a body of water?</td>
<td>No</td>
</tr>
<tr>
<td>Can this decision only be made through a 10 Year Plan?</td>
<td>No</td>
</tr>
<tr>
<td>Does this decision require consultation through the Special Consultative procedure?</td>
<td>No</td>
</tr>
<tr>
<td>Is there funding in the current Annual Plan for these actions?</td>
<td>Yes</td>
</tr>
<tr>
<td>Are the recommendations inconsistent with any of Council’s policies or plans?</td>
<td>No</td>
</tr>
</tbody>
</table>

Contribution to strategic direction

This report contributes to the constitutional purpose of CEDA, being driving and facilitating the creation and growth of economic wealth in the Manawatu region and beyond.

ATTACHMENTS

1. CEDA Draft Statement of Intent 2019/20 🌐 📖
CEDA
CENTRAL ECONOMIC DEVELOPMENT AGENCY
DRAFT
Statement of Intent
For the year ending
30 June 2020
1 March 2019
Contents

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Company Directory

Central Economic Development Agency Limited Ltd
Level 1, 478 Main Street
Palmerston North 4410

Chief Executive
Linda Stewart

Directors
Malcolm Bailey (Chairperson)
Shamubeed Issiqub
Susan Foley
John Fawke
Lucy Griffiths
Blair O’Keeffe

Registered Office
Morrison Croed Advisory
Cnr Victoria Ave & Main St, Palmerston North

Bankers
Westpac New Zealand Ltd

Auditors
Audit New Zealand (on behalf of the Office of the Auditor General)

Legal Status
Central Economic Development Agency Limited ("CEDA") was incorporated in New Zealand on 15 October 2015 under the Companies Act 1993 (NZBN 9429042001006). As the shareholders of CEDA are Palmerston North City Council (50%) and Manawatu District Council (50%) CEDA is a Council Controlled Organisation as defined in section 6 of the Local Government Act 2002.
Foreword

This Statement of Intent sets out the Central Economic Development Agency’s (CEDA) strategic framework, activities and performance outlook in order to deliver on our role of driving and facilitating economic growth and wealth creation for the Manawatū region.

Our aim for 2018/19 was to build upon the strong foundation we put in place in our first full year of operation. The focus on building our internal capability and capacity enabled us to begin to tackle some of the big issues that have constrained our region over the years; our identity and sense of regional pride, our labour market and our ability to attract the skills and talent we need; our success in attracting investment into our region; and to position Manawatū as a destination of choice for visitors.

This Statement of Intent outlines our work programmes for the year ahead; building on our 2018/19 achievements, continuing our long-term strategic projects, yet while maintaining enough capacity to take advantage of new opportunities and meet new challenges.

We are clear on our purpose, and the role we play in supporting our shareholders to create and enable opportunities for employment and business growth, the diversification of our economy, and to support a culture that is future focused and innovative. Our three core work streams and goals of attracting national and international investment, the retention and expansion of business in the region, and developing a talent pipeline, drive our activities and the outcomes we aim to achieve.

To reach our goals requires investment. Our financial forecasts for the next three years show a budgeted deficit which is due to increased spend on our long-term strategic projects. This deficit will be covered by funds on hand from retained earnings.

The nature of economic development requires strategic thinking, long term focus, partnerships and collaboration – which will be our priority over the coming year.

CEDA acknowledges the ongoing support of Palmerston North City Council and Manawatū District Council, and partnerships with key stakeholders in the region including Massey University, UCOL, The Factory, FoodHQ, Talent Central, the National Driver Training Centre, and local iwi in achieving successful outcomes for the region.

Malcolm Bailey
Chairperson
Purpose of the Statement of Intent

This Statement of Intent is presented by Central Economic Development Agency Limited (CEDA) in accordance with the requirements of Section 64(1) of the Local Government Act 2002 (LGA 2002).

In accordance with the Local Government Act 2002, this annual Statement of Intent publicly states the activities and intentions of CEDA for the next three years, and the objectives to which those activities will contribute.

This Statement of Intent takes the shareholder letter of expectation comments into consideration and includes performance measures and targets as the basis of organisational accountability.
About CEDA

The Central Economic Development Agency (CEDA) was incorporated with the Companies Office in October 2015 and began full operations in September 2016. CEDA is a Council Controlled Organisation jointly owned by the Palmerston North City Council and the Manawatū District Council.

CEDA’s Purpose
To drive and facilitate the creation and growth of economic wealth for Manawatū and beyond.

CEDA’s Constitution Objectives
(a) The principal objectives of the Company are to achieve the objectives of the shareholders, both commercial and non-commercial as specified from time to time in the Statement of Intent and, in particular, to drive and facilitate the creation and growth of economic wealth for Manawatū and beyond;
(b) be a good employer;
(c) exhibit a sense of social and environmental responsibility by having regard to the interests of the community in which the Company operates and by endeavouring to accommodate or encourage these when reasonably able to do so.

CEDA’s Structure and Governance
The Board of up to seven (currently six) independent directors is responsible for the strategic direction and control of CEDA’s activities.
The Board guides and monitors the business and affairs of CEDA, in accordance with the Companies Act 1993, the Local Government Act 2002, the Company’s Constitution and this Statement of Intent.
The Board’s approach to governance is to adopt “good practice” with respect to:
• the operation and performance of the Board
• managing the relationship with the Chief Executive
• being accountable to all shareholders and reporting to the Joint Strategic Planning Committee of Manawatū District Council and Palmerston North City Council.

The Chief Executive is responsible for the day-to-day operations of CEDA, engaging and oversight of staff and reporting to the directors on performance against CEDA’s objectives.
Our Vision

Manawatū 2025; New Zealand’s most progressive province

Our vision is bold and purposefully so, it encompasses the ambitions of both our shareholder Councils. It requires our region to move from comfortable to ambitious, from reactive to future focused, and to move with an increased cadence and sense of resolve. We believe that Manawatū has the leadership and the ingredients to reposition itself on the national stage - a vibrant and innovative region that will be first choice for talent, business and investment.

Three key indicators that show we are on our way to achieving this vision are:

- Manawatū is recognised as one of the top three agrihubs in the world
- Manawatū is renowned for its exceptional lifestyle, competitive advantages, and is a magnet for investment, business and talent
- Manawatū is a leading distribution hub, and leverages off its role in central New Zealand

To achieve this vision CEDA must work in partnership with our shareholders, central government, Māori, local iwi, industry and other regional stakeholders - it cannot be achieved alone.
Our Strategic Objectives

Powering our progress; achieving the vision

CEDA works across three strategic pillars of economic development; People, Place and Business, and our success is underpinned and enabled by the strength of our relationships with regional and national partners. Our core objectives, programmes and activities are all aligned to these pillars, and are designed to create the environment, stimuli, outcomes and impact that will power our economic prosperity and achieve our vision for Palmerston North city and Manawatū district.

These key objectives guide the development of the short and medium-term programmes of work for CEDA as articulated through this Statement of Intent for 2019/20.

When considering how to prioritise our efforts, and based on our current resources and functions, CEDA focuses on programmes and activities that offer the greatest opportunities for economic growth.

These are identified through research, monitored and reviewed using the latest data, and viewed through a regional, national and international lens.
What We Do
Attract, retain and develop talent in the region

We know that the biggest barrier to business growth is access to the right talent and skills; to retain and develop those that we have, as well as attracting more. We also know that we’re in a global competition for talent, so the importance of having a strategic and targeted approach has never been more important.

Develop the talent pipeline to grow a skilled workforce and better utilise the existing labour market.

Regional Skills Gaps – addressing the challenges

Our regional skills gap analysis research clearly identified that the labour market in our region is constrained across a number of sectors, and more specifically, in particular qualifications, skills and roles. We will be using this data to inform the development of a holistic and integrated talent attraction and retention strategy that will focus efforts on five different types of activities:
- Talent attraction
- Talent reception
- Talent integration
- Talent reputation
- Management of the ecosystem

It is important to acknowledge that this is a multi-stakeholder ecosystem, so the development and implementation will be done in partnership with members of the business community, our local councils, central government including agencies like the Ministry of Business, Innovation and Employment, Immigration New Zealand, Education New Zealand, and Ministry of Social Development, as well as our regional government partners, like Accelerate25, Te Pae Tawhiti and our education institutions. CEDA will seek to establish a working cluster that will ensure we’re across the challenges, opportunities and trends of talent attraction into our region while also driving a collaborative and cohesive approach to communicating the region’s strengths and profiling success stories of new residents to the region through video and digital channels. The Regional Identity will form a core part of this work, as we look to target the right talent to our sectors of strength, along with educating and inspiring our locals to be ambassadors for their region, building on the city and district’s unique value propositions. Building on ManawatuNZ.co.nz, CEDA will work with stakeholders to ensure there are strong resources available to support recruitment initiatives.

Our Regional Partnership Agreement with the Ministry of Business Innovation and Employment will continue to be used to provide an additional lever to connect businesses with the international talent and skills they need via immigration to meet immediate skills pressures in the short term.

Developing the skills in our region and supporting job opportunity connections

It’s not just about attracting more people to our region, it’s about developing the talent and skills that are already here, supporting them to enter the job market, to grow their career, or even to change careers.

Our region is facing a period of significant economic growth, driven largely by the investment in infrastructure by central government, and substantial commercial investment. We are acutely aware that our already stretched labour market will face further pressure to meet the supply of skilled civil construction workers, drivers, engineers, and tradespeople, which is why our partnerships with the National Driver Training Centre and
ITEM 8 - ATTACHMENT 1

Talent Central are critically important. Through the Accelerate25 Talent and Skills committee, we are supporting the establishment and development of an employment hub – designed to connect those seeking training and employment in distribution, logistics, and civil construction with a workplace brokering service – connecting and matching them to employers with vacant positions who can provide them with the training and support they need to progress in these industries.

As part of CEDA’s commitment to connect and inspire our community on the career opportunities that lie within our region, the Sort It Careers Expo (the Expo) provides access and exposure to a broad range of career options and the pathways needed to get there, while highlighting the regions sectors of strength and the career options within them.

The Expo aims to encourage secondary school students, those returning to work or newly relocated to the region, and those looking for a change of direction to explore the different types of skills and positions available to them by engaging with the industries and businesses directly. For many, this can fuel or re-ignite a passion for their current or future career pathways.

Looking ahead to the 2020 Expo, CEDA will ensure that our region’s Sectors of Strength and the skills gaps within these are better integrated, as well as looking at the year-round engagement programme to complement and extend the Expo, exploring digital platforms and ensuring alignment with the regions medium to long term talent needs and skills shortages.

Understanding the Future of Work and preparing our region for change

New and disruptive technology has arrived, with more on the way. Our ways of working are changing, job demand is shifting, as are skills and aptitudes. These are just some of the challenges and opportunities our industry sectors, business and education sectors face when considering the employee, workplace and skills of the future. These changing needs are much talked about, but not well understood at a practical level. As a region we need to better understand the challenges and opportunities, the possible impacts on our sectors of strength and therefore our economy so we are prepared and ahead of the changes as they hit our work force.

Working in partnership with Massey University, UCOL, and our business community, CEDA will lead the development of a Future of Work project, so that as a region we can better understand what skills we’ll all need for our future prosperity.

The profiling and opportunity brought by showcasing leaders connected to the Manawatū is at the heart of Te Aho Tāmaka. Through Te Aho Tāmaka, we will profile and connect Manawatū’s most illustrious leaders across all fields – academia, business, arts, sport, culture, technology, theology and more, building a global network of leaders and advocates whose journeys are connected to Palmerston North city and Manawatū district.

This programme will provide platforms and engagements where the skills, knowledge and contributions of these leaders can be absorbed by others. This could be through speaking engagements, workshops, business mentoring, innovation support, internships or even investment. Te Aho Tāmaka will position, energise and develop Manawatū by highlighting what is on offer here, what can be achieved, and by introducing some of these leaders to the collaborative and investment opportunities that exist in our region.
Deliver information, advice, programmes and initiatives to attract more international students to the region.

Increase the value of international students in the region

Through the implementation of the Regional International Education Strategy 2016-2020, CEDA supports the region’s schools and tertiary providers to increase the number of international students studying here and the economic value that they add to the city and district. In partnership with Education New Zealand, CEDA will drive collaborative activities in the priority target market of China and identify other potential markets for development. Through CEDA’s work to profile the region, we will provide marketing and communications support to help institutions profile the region’s strengths and benefits through consistent and powerful messaging.

Enhance the experience of international students

To further enhance the desirability of Palmerston North and Manawatu as a study destination, CEDA works alongside education institutions, Palmerston North City Council and other key stakeholders to identify opportunities to help integrate international students into the local community.

Increase the employability of international students

Employability and Pathways to Employment is an initiative designed to make Palmerston North City and Manawatu district a more attractive place to study. In partnership with Talent Central, the Manawatu Chamber of Commerce, Education New Zealand and Ministry of Business, Innovation and Employment, CEDA will identify regional skills gaps, help international tertiary students become more employable and identify opportunities for increased pathways into local employment.
Attract, retain and develop business and investment in the region

Attracting and retaining business and investment in the region is at the core of economic development. Our city and district have a strong competitive edge: a central location, comparatively affordable land and development costs, a diverse labour pool, and a growing culture of innovation and entrepreneurship. Manawatū is well positioned to begin to actively promote itself as an attractive, investment ready destination both in New Zealand and offshore.

Support our sectors of strength to grow through targeted business development actions, retention initiatives and activities

Support opportunities for growth

Visitor Strategy

This strategy was developed in 2018/19 in partnership with Palmerston North City Council, Manawatū District Council, local iwi and key visitor industry stakeholders, creating a shared vision and goals for the visitor sector through to 2026. This year, led by CEDA, the strategy moves into implementation, with each stakeholder taking responsibility for their part in delivering to our goals. We are focused on the destination marketing activities, including the roll out of the Regional Identity project, the continued development of The Country Road programme, cluster and operator development, trade and industry partnerships and our core functions as the Regional Tourism Organisation for Palmerston North and Manawatū.

This joined up and cohesive approach to managing the growth of the visitor sector in our region will enable us to leverage and target investment into the region through central government funding channels, such as the Tourism Infrastructure Fund and Provincial Growth Fund, as well as commercial investors.

Our work to date in leading the ‘Transforming Te Aroa’ project clearly demonstrates the benefits of well researched and presented business cases and action plans to strengthen the case for funding and investment.

Agritech Strategy

With a history of innovation in agritech products and services, Manawatū will strategically build on the sectors strengths to position ourselves as world-leading agritech hub, establishing ourselves as a source of expertise grounded in New Zealand, with international profile and opportunities.

CEDA will lead the implementation of an agritech strategy with our key partners The Factory, and Sprout. With agritech a key feature in our city’s strategic plans and agribusiness for our district, CEDA is well positioned to implement and drive a strategy to grow our region’s reputation as a national and global source of agritech expertise.

Our collaborative partnerships with Sprout Accelerator, The Factory and FoodHQ ensure we can provide access to global expertise, accelerator programmes such as Innovate, and to research and development funding avenues and support of agritech businesses and innovators in the region.

NZ AgriFood Week and Pint of Science

New Zealand AgriFood Week sits at the intersection of agriculture, food and technology, and celebrates and discusses the future of
food. Bringing together industry leaders and experts with the next generation of leaders and talent, the week-long event hosted in Manawatu celebrates the strengths of Manawatu and profiles our region as a centre of agribusiness excellence and innovation, adding to New Zealand’s position as a leader in high value global food production. Stakeholders and partners include ASB, AgResearch, Fonterra, Plant and Food Research, Food HQ, New Zealand Trade and Enterprise, the Riddet Institute and more.

CEDA is the National Director of Pint of Science New Zealand, a science programme aimed at communicating and connecting a new audience with futuristic thinking and the latest discoveries in science, through an internationally coordinated festival. Internationally successful, Pint of Science could become a major national event, within New Zealand. Aligned with New Zealand Agrifood Week, the Pint of Science events further underpin our region’s leadership in the national agriculture scene.

**Develop and grow business**

CEDA delivers the Regional Business Partners Programme on behalf of New Zealand Trade and Enterprise, Callaghan Innovation and Business Mentors New Zealand.

Working across the Manawatu-Whanganui region in partnership with local authorities and economic development partners, CEDA brings support to businesses to help them grow and develop sustainably, invest in research and development, while connecting them to the right exports, tools and information, with access to capability development via shared funding with key service providers. The Regional Business Partners Network enables CEDA to work closely with central government to ensure businesses have access to high quality and practical business mentoring services, targeted and strategic co-funding schemes aimed at capability development, and research and development assistance that helps to convert ideas into innovation.

CEDA also provides general business advice and support; from those looking to start up a business through to more established businesses across all sectors of our economy including opportunities for Māori business.

As part of our work as the Regional Tourism Organisation for Manawatu CEDA works closely with operators in the visitor sector to ensure they have access to the right marketing tools, the skills and information needed to create their online presence, and support to form connections with national organisations.
Further to this, CEDA works to connect and facilitate relationships and expertise through a wide range of initiatives throughout the region, including Accelerate25, and the Provincial Growth Fund. Providing this support ensures our region is coordinated and effective to make the most of these opportunities, and others, such as the Green Fund, Pouhakia Investments, the Tourism Infrastructure Fund and more.

**Facilitate access to specialist innovation, business development and start up expertise**

Entrepreneurs, new ideas and fresh business ventures are essential to our economic growth and diversity, and CEDA provides people with information, support and advice to get business ideas off the ground and improve their chances of success.

Through the delivery of start-up clinics and innovation support, CEDA helps to get people informed, connects ideas to people in the right regional or national organisations, including The Factory, our local business incubator, and the Manawatu Chamber of Commerce.

Our partnership with The Factory ensures a strong connection with the innovation and entrepreneurial centre of our region and developing a healthy and growing referral pipeline between our two organisations is key to supporting businesses in our region to scale up. CEDA also supports their global accelerator programme Sprout which grows the next generation of agrifood and agitech startups, and the Innovate programme that helps turn ideas or innovative start ups into investment ready businesses.

Through the Regional Business Partner Network, we can provide research and development assistance by facilitating access to grants and expertise through Callaghan Innovation, Massey University and Crown Research Institutes.

**Attract business and investment to the region**

**Inward Investment Strategy Implementation**

Building on the development of Manawatu’s Inward investment strategy and implementation plan in 2018/19, CEDA will now move into the delivery phase, driving the profile of our region nationally and internationally through the development of a regional investment profile. This will be produced in partnership with our shareholders, regional stakeholders and partners New Zealand Trade and Enterprise, and relevant commercial parties, and will be focused on promoting our sectors of strength, our innovation culture, and our diverse talent and skills. Additionally, investment opportunities will be identified, and specific support provided to these to develop their investment readiness and then better connect them to national and international investors.

CEDA will continue to leverage our relationships with central government, with an emphasis on the Ministry of Business, Innovation and Employment and the Provincial Development Unit, New Zealand Trade and Enterprise, Callaghan Innovation and Immigration New Zealand, as well as other regional influencers including our education institutions, Accelerate25, Te Pae Tawhiti and Manawatu Chamber of Commerce to seek out and target prospective investors and business relocation opportunities.

**Attraction of Conferences and Business Events**

The attraction of conference and business events to Palmerston North city and Manawatu district works to profile our region as a great place to do business, adds significant economic benefit, and builds connections with national organisations. CEDA is focused on targeting conferences and business events within our sectors of strength, while remaining agile to ensure we can identify and respond to opportunities as they arise, with the aim of growing our national share of business events.

CEDA proactively sources opportunities for potential conference and business events, leading the production of proposals and supporting local organisations with their bids. We aim to ensure effective information sharing with business event stakeholders and organisations throughout the region to maximise our collective opportunities. CEDA will actively drive venues to sign up to the Conventions Activity Survey (CAS Report) to improve the region’s profile when it comes to the data and benchmarking that takes place nationally in this sector, thereby providing clearer insights to inform future investment and investment attraction into this sector in our region.
Profile the region to attract people, business and investment

Raising the profile of the region to highlight our strengths, our people and our places through targeted storytelling and partnerships will ensure Palmerston North city and Manawatu district are known for their distinctive and compelling proposition and benefits. CEDA will lead the narrative of the city and district through the Regional Identity which will underpin our work across people, place and business and will enable us to target key audiences under one consistent rhetoric – dialed up or down to meet the needs of each target audience.

Profile Palmerston North city and Manawatu district locally, nationally and globally

In our role as the Regional Tourism Organisation for Palmerston North city Manawatu district, CEDA works with key national organisations including Tourism New Zealand, New Zealand Motor Caravan Association, Air New Zealand and more to ensure we’re maximising our relationships and opportunities as a region while establishing Manawatu as a desirable destination, and ensuring we’re well equipped as a region to offer a welcoming and memorable visitor experience. With a fast-growing visitor sector in Manawatu, CEDA works with regional tourism operators to provide support, marketing tools and market insights through the CEDA Resource Hub, workshops and communications.

Events make a positive contribution to our region by building vibrancy, enhancing the visitor experience and growing economic value. Through CEDA’s established digital channels and media partnerships, we work to leverage the opportunities that major events in the city and district provide, showcasing Manawatu to visitors to encourage longer stays and repeat visitation.

Supporting key events through our marketing works to ensure this region is profiled for its vibrancy and its variety of events and activities. CEDA’s digital channels of Facebook, ManawatuNZ.co.nz and eNewsletters, along with our partnerships with local and national media, means we can target potential residents and visitors, as well as local audiences to help ensure that our communities have easy access to event information, activity ideas and more – creating positive local advocates for our city and district. CEDAr partnership with Eventfinder.co.nz helps drive our region’s online profile in the event space, and our work in assisting event organisers and their connections to get their events listed on this platform helps to ensure that the breadth of events taking place in our region is fully promoted.

Lead and develop stories of Manawatu

Profiling the region cannot be achieved by CEDA alone, so our shareholders, local iwi and stakeholders are crucial in both the development and the communication of a narrative, to ensure consistency as we collectively build momentum and awareness of the city, district and region.

Our target audiences include prospective investors, students and education agents, new and current businesses, potential residents, current residents (ambassadors), and visitors.

Profiling the region is an enabler of the strategic plans for Inward Investment, Visitor Sector, Talent Attraction and Retention, Regional International Education and more.
Regional marketing and profile cannot happen without a cohesive identity, which clearly highlights Palmerston North city and Manawatu district’s unique value proposition. The Regional Identity will sit within all CEDA’s domestic and international marketing and communications, including all traditional and digital marketing, storytelling, and content creation.

Lead the creation of regional content

Our work with local, national and international media ensures a strong and consistent regional presence across all traditional and digital channels. This is driven from our social media channels and the digital platforms of ceda.nz and the regional website ManawatuNZ.co.nz. Through these platforms CEDA can effectively manage and profile the region’s strengths to attract talent and investment to the region, showcase lifestyle advantages, tell our region’s story and build increased awareness of the breadth of what Palmerston North and Manawatu has to offer. CEDA will leverage existing media relationships and proactively pitch stories and features to national and local media organisations and publications.

Grow engagement on digital platforms to increase awareness and promotion of the region

Digital marketing plays a key role in connecting with our main audiences and spreading our Regional Identity message across multiple platforms, from our regional social media channels and the regional website ManawatuNZ.co.nz, through to partner websites and national platforms.

CEDA will develop a media library of high-quality content, video and imagery to ensure that stakeholders, partners and the community can access and use these tools to profile the region on a local, national and global stage. The messaging and tone, imagery, campaign work, digital presence and every touch point we have going forward, will support our on-going work to profile the region’s distinctive and compelling proposition, including CEDA’s work in International Education and through the Inward Investment Strategy. Regional Identity guidelines will allow partners and the wider community to access this information to enhance their own organisations and businesses and support key regional messaging.
Lead inclusive and sustainable economic development for the Region

Underpinning everything we do is relationships and partnerships, with key regional and national stakeholders, central and local government, Māori and iwi. We take the lead on ensuring a cohesive approach across Palmerston North city and Manawatū district, harnessing our collective capabilities to achieve the vision and goals of the region.

Develop strategic partner relationships, leveraging opportunities

Strategic partnerships
Collaboration and partnerships are critical to ensuring the best outcomes for the city and district, and CEDA’s role in bringing our diverse stakeholders into one conversation, steering others in the same direction, and co-ordinating our region’s collective capability is key to achieving the vision and goals for the region. We’re here to ask the hard questions about economic growth and challenge stakeholders to deliver on a broader sense of economic, social, cultural and environmental wealth.

While responsible for the prosperity of Palmerston North city and Manawatū district, CEDA holds strategic relationships with other regions and national organisations, as to achieve success and growth in a local, national and global market, partnerships are crucial to leveraging opportunities.

Our work with businesses that identify as Māori continues to grow via our Regional Business Partners Network, and our focus is to build on this through the implementation of our Māori sector development plan. This will include working with key organisations to support the activation of Māori entrepreneurial and business planning skills.

CEDA will continue to work collaboratively with regional iwi through our strategic projects including the Regional Identity development, the Visitor Strategy and the Transforming Te Apati Initiative.

Data and Insights
CEDA are the experts for insights and data on the local economy and national trends across priority sectors including the visitor economy. We keep our finger on the pulse through research and partnerships that enable us to better understand the strengths our region can build on, the weaknesses we can improve on and barriers we can bring down. We have a crucial role in enabling the coordination, connection and delivery of outcomes by striving for the transparency and alignment of the many economic development projects and initiatives that are underway or are planned across our region.

We work with national agencies including MarketView, Infometrics, and Ministry of Business, Innovation and Employment to provide the latest information from the visitor and retail sectors, our sectors of strength and key growth indicators such as GDP, population, housing prices, consents, visitor spend and more. These relationships ensure CEDA has a voice in the discussions for addressing and future proofing the data gaps that we face as a region, and in key sectors including the visitor sector.
All of CEDA’s areas of work are underpinned with data and insight, to ensure smart investment of resources, funds and expertise, enabling us to achieve high impact results for our region.

Business Community Research
In 2016 we undertook research within the business community, seeking to understand their views on the opportunities and barriers to business growth in Manawatū. Three years on we will be repeating this research via an independent agency; measuring the pulse of our business community and identifying what has changed since our original benchmark. This research will serve to inform our work programme and initiatives into the future.

Quarterly economic updates provided in conjunction with shareholders
Working closely with Palmerston North City and Manawatū District Council’s economists and key industry leaders to provide context, analysis and commentary around how the region’s economy is performing, CEDA communicates and publishes this information on a quarterly and annual basis to enable businesses and our communities to better understand what’s happening in the local economy, with the latest information on the retail and visitor sectors, our sectors of strength as well as wider growth indicators for the regional economy.

Economic Update Events
Providing comprehensive regional data and insights is crucial to help businesses, investors and residents make informed decisions and provide an easy to understand overview of the region’s economy, from the drivers through to the barriers of growth. CEDA will host public forums twice yearly to dive deep into economic trends, challenges and opportunities for Palmerston North city, Manawatū district and beyond, working in partnership with our local stakeholders to inform and better equip our decision makers and influencers.

Nāku te rourou nāu te Rourou ka ora ai te iwi
With my basket and yours, the people will thrive
How We Operate

In keeping with best management practice, CEDA aims to operate efficiently and effectively using continual improvement practices. As a future-focused organisation we are committed to supporting initiatives that enhance and protect our natural and built environment.

CEDA will regularly review its internal processes, improving practices, removing duplication, and finding efficiencies. Continual review of processes will ensure CEDA has enough working capital to fulfil any project or service commitments and contribute to delivery on regional growth opportunities identified.

As a Council Controlled Organisation (CCO), CEDA is also aware that much of its funding is derived from public moneys and therefore all expenditure should be subject to a standard of probity and financial prudence that is to be expected of a CCO and be able to withstand public scrutiny. CEDA recognises the principles of the Treaty of Waitangi and acknowledges the importance of partnering with local iwi and recognition of Tangata Whenua in the region.

Working Sustainably
As part of CEDAs drive to be a sustainable business, we have signed up to the Sustainability Commitment, via Tourism Industry Aotearoa, to expand on the initiatives that are already underway in our organisation. The commitment covers four pillars of sustainability: economic, visitor, host community and environmental sustainability. CEDA is committed to continually explore areas we could improve on and opportunities we can commit to. Alongside this internal focus, CEDA will proactively encourage tourism operators and businesses to understand the commitment and sign up.

Our Funding
CEDA receives funding from Palmerston North City Council and Manawatu District Council, its shareholders, in the form of contributions to operations as well as funds for specific contractual services or projects.

CEDA also receives funding from institutions and government partners for initiatives that bring benefit to the wider region and nationally. This additional funding enables CEDA to have additional resource, the ability to invest in local businesses, and engage in specific sector work important to the region and beyond.

Specific funding is received from commercial organisations for sponsorship of programmes and joint projects as identified.

Health and Safety
CEDA regards the promotion and maintenance of health and safety as a mutual objective for everyone who works, visits, or has business with CEDA. CEDA is committed to the health and safety of all workers, visitors and the public across all business premises and work sites by undertaking all measures reasonably practicable to provide a safe working environment. CEDA believes that creating and maintaining a healthy work environment is a shared, co-operative venture, where both employees and employers have roles and responsibilities, including the maintenance of a balance between work and non-work activities.

As such, CEDA will ensure its meets its obligations with respect to New Zealand laws and regulations and will undertake annual reviews based on established best practice guidelines.

As the region’s Regional Tourism Organisation, CEDA will ensure that its consumer communications and channels convey the appropriate health and safety messaging.

Our People
We are a team of thought leaders, subject matter experts, and doers, working together with a united purpose — prosperity for all our communities.

CEDA’s focus is on building an organisation that has the culture, capacity and capability to deliver on our expectations to grow and develop the wider region. With expertise in business development, education and talent development, trade relations, marketing,
communications, and events, collectively we are the leadership team to effectively connect and work with stakeholders to drive regional economic development.

CEDA’s success is underpinned by its people, connections and networks locally and globally, and investment in this resource is critical to creating value and outcomes.

Our Values
Our values, when demonstrated every day, help to change individual and collective mindsets so that we can all deliver great outcomes and create a workplace in which people feel valued for delivering results.

Together we can achieve more

Believe in what you do and how you do it

Be proud and take ownership

OUR PURPOSE
Drive and facilitate the creation and growth of economic wealth in Manawatū and beyond

Naku te rourou naku te rourou ka ora ai te iwi
With my food basket and yours the people will thrive

Mauria te pono
Believe in yourself

Whāia te iti kahurangi, ki te tūohu koe, me he maunga teitei
Seek the treasure that you value most dearly, if you bow your head, let it be to a lofty mountain
Performance Outlook 2019-20

CEDA’s performance outlook identifies quantifiable measures of our programmes and activities aligned to our key strategic outcomes. These form the basis of our accountability and will be reported on six monthly. In our reporting, additional commentary will be used to inform on the delivery and effectiveness of the full range of CEDAs activity.

<table>
<thead>
<tr>
<th>Key Strategic Outcomes</th>
<th>Service Level Statement</th>
<th>Performance Measure</th>
<th>2019/20</th>
</tr>
</thead>
<tbody>
<tr>
<td>Attract, retain and develop talent in the region</td>
<td>Develop the talent pipeline to grow a skilled workforce, and better utilise the existing labour market</td>
<td>Implementation of the action plan as a result of the regional skills gap analysis</td>
<td>Talent attraction and retention strategy and action plan developed, and implementation initiated</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Driving the development of skills in the region and supporting linkages to job opportunities</td>
<td>Support provided to the development of the National Driving Training Centre and Talent Central employment hub</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Deliver the Skit It Careers Expo with 70+ exhibitors</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Deliver 5 key engagement activities through To Aho Tamaika</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Understanding of the future of work in the region and how best to prepare the region for change</td>
<td>Develop a Maraeā future of work project, in collaboration with Masaey, UCOL, employers and Informatics</td>
</tr>
<tr>
<td>Deliver information, advice, programmes and initiatives to attract more international students to the region</td>
<td>Increase the value of international students in the region</td>
<td>Implement annual workplan as agreed with the International Education Leadership Group</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Enhance the experience of international students while they are here</td>
<td>Deliver six cross institutional engagement activities</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Increase the employability of international students</td>
<td>Deliver employability workshop(s) with 100+ international tertiary student participation</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Individually assist 20+ students into local employment opportunities</td>
</tr>
</tbody>
</table>
### Performance Outlook
#### 2018-19

<table>
<thead>
<tr>
<th>Key Strategic Outcomes</th>
<th>Service Level Statement</th>
<th>Performance Measure</th>
<th>2019/20</th>
</tr>
</thead>
</table>
| Attract, retain and develop business and investment in the region | Support our sectors of strength to grow through targeted business development and retention initiatives and activities | Implement the Visitor and Agritech sector strategies
Deliver NZ AgriFood Week, three CEDA agri sector events. Event stakeholder satisfaction of 80%*
Increase in Pint of Science partnerships (events delivered externally) from 2016/19 |
|                                                            | Assess and support opportunities for growth through key business engagement, cluster development, sector strategies and relationships with Māori | 400 businesses supported to grow through the Regional Business Partner Programme** (15 businesses that identify as Māori)
150 businesses assisted through CEDAs additional support services including access to government support/funding |
|                                                            |                                                                                       | Facilitate access to specialist innovation, business development and start-up expertise |
|                                                            |                                                                                       | Deliver 10 Start-up clinics to support new business
40 referrals to the Chamber of Commerce and The Factory
Attraction of 90 start-ups to enter the Innovate programme supporting seven businesses to start or accelerate
Support provided to The Factory ‘Sprout’ Agritech Accelerator |
| Attract business and investment to the region               | Implementation of Inward Investment strategy with regional partners, targeting the Agriculture, and Distribution and Logistics sectors | Investment profile for the region developed and investment ready opportunities identified |
|                                                            | Attraction of Conference and Business Events that bring economic benefit to the region | 12 bids prepared/supported with a 30% success rate*** |
## Performance Outlook
### 2018-19

<table>
<thead>
<tr>
<th>Key Strategic Outcomes</th>
<th>Service Level Statement</th>
<th>Performance Measure</th>
<th>2019/20</th>
</tr>
</thead>
<tbody>
<tr>
<td>Profile the region to attract people, business and investment</td>
<td>Profile Palmerston North city and Manawatu district locally, nationally and globally</td>
<td>Lead and develop the stories of Manawatu, creating a narrative and a unified positioning, incorporating the cultural heritage of iwi.</td>
<td>Implement the Regional Identity project outcomes</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Lead the creation of quality, targeted regional content for distribution on owned and third-party platforms, working with media partners to showcase our region’s strengths.</td>
<td>18 direct media features profiling the region</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Grow engagement on regional web and digital platforms for increased promotion of and information on the region.</td>
<td>10% increase in ‘sessions’ on ManawatuNZ.co.nz</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Grow engagement on social media engagement across all channels.</td>
<td>10% increase in social media engagement across all channels</td>
</tr>
<tr>
<td>Lead inclusive and sustainable economic development for the region</td>
<td>Develop strategic partner relationships, leveraging opportunities</td>
<td>Continue to build on relationships with shareholders, central government agencies, key regional stakeholders, local iwi and Māori, and business support groups through the stakeholder engagement plan.</td>
<td>Customer satisfaction survey increases on previous % of satisfaction. Partnership and work plans agreed and actioned as appropriate</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Data and insights communications on the performance of the region’s economy.</td>
<td>Research undertaken, and results reported by end of February 2020. Four economic updates provided to stakeholders. Two economic update events held.</td>
</tr>
<tr>
<td>Work plan aligned to delivery of Statement of Service Performance</td>
<td>Development of Business Plan with outcomes on delivery of the Statement of Intent</td>
<td>Business Plan developed and delivered to shareholders by 31 October****</td>
<td></td>
</tr>
</tbody>
</table>

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* Key specified partners to CEDA that are involved with the support of or delivery of events for the Week.
** Dependent on continued government funding for the Regional Business Partner programme.
*** Calculated as wins divided by wins plus losses (bids pending, cancelled or unsolicited, not included).
**** Dependent on Statement of Intent being signed off by 30 June 2019.
Alignment with Our Shareholders

It is imperative that CEDA's objectives are aligned with our shareholder councils’ plans and visions for the city and district. The Palmerston North City and Manawatū District Councils’ signed Long Term Plans outline these objectives.

CEDA plays a critical part in delivering outcomes identified in the relative Long Term Plans as outlined below:

<table>
<thead>
<tr>
<th>PNCC Long Term Plan Outcomes</th>
<th>CEDA Service Level Statement alignment</th>
</tr>
</thead>
</table>
| Create and enable opportunities for employment and growth | • Develop a talent pipeline to grow a skilled workforce, and better utilise the existing labour market  
• Deliver information, advice, programmes and initiatives to attract more students to the region  
• Support our sectors of strength to grow through targeted business development and retention initiatives and activities  
• Attract business and investment to the region  
• Profile Manawatū locally, nationally and globally  
• Develop strategic partner relationships, leveraging opportunities  
• Data and insights communicated on the performance of the region’s economy |
| Provide infrastructure to enable growth and a transport system that links people and opportunities | • Attract business and investment to the region  
• Support our sectors of strength to grow through targeted business development and retention initiatives and activities |
| Diversity the economy to reduce reliance on traditional industries | • Develop a talent pipeline to grow a skilled workforce, and better utilise the existing labour market  
• Deliver information, advice, programmes and initiatives to attract more students to the region  
• Support our sectors of strength to grow through targeted business development and retention initiatives and activities  
• Attract business and investment to the region  
• Profile Manawatū locally, nationally and globally  
• Develop strategic partner relationships, leveraging opportunities  
• Data and insights communicated on the performance of the region’s economy |
### PNCC Long Term Plan Outcomes

Support an ‘innovation economy’ to underpin growth into the future

- Develop a talent pipeline to grow a skilled workforce, and better utilise the existing labour market
- Deliver information, advice, programmes and initiatives to attract more students to the region
- Support our sectors of strength to grow through targeted business development and retention initiatives and activities
- Attract business and investment to the region
- Profile Manawatū locally, nationally and globally
- Develop strategic partner relationships, leveraging opportunities
- Data and insights communicated on the performance of the region’s economy

### MDC Long Term Plan Outcomes

- Manawatū District attracts and retains residents and businesses.
- Manawatū District develops a broad economic base from its solid foundation in the primary sector.
- Manawatū District is connected via quality infrastructure, services and technology.

### CEDA Service Level Statement alignment

- Develop a talent pipeline to grow a skilled workforce, and better utilise the existing labour market
- Support our sectors of strength to grow through targeted business development and retention initiatives and activities
- Attract business and investment to the region
- Profile Manawatū locally, nationally and globally
- Develop strategic partner relationships, leveraging opportunities
- Data and insights communicated on the performance of the region’s economy

Alignement with Our Shareholders
Monitoring Indicators

In addition to our performance measures, the shareholders have identified a further set of monitoring indicators. These indicators reflect outcomes at the regional level which are impacted by a range of factors outside of our control, for example: exchange rates, natural disasters, and government policy. As the region’s economic development agency, we have a role in monitoring and influencing these indicators where we can, however we do not measure the performance of our organisation against them.

Palmerston North City Council and Manawatu District Council have the responsibility to report on these indicators.

<table>
<thead>
<tr>
<th>Indicator</th>
<th>2020</th>
<th>2021</th>
<th>2022</th>
<th>Regional target*</th>
</tr>
</thead>
<tbody>
<tr>
<td>Change in total number of jobs</td>
<td>1.9% increase</td>
<td>1.9% increase</td>
<td>1.9% increase</td>
<td>1.9% average annual increase over three years.</td>
</tr>
<tr>
<td>Change in average salaries and wages</td>
<td>2.6% increase</td>
<td>2.6% increase</td>
<td>2.6% increase</td>
<td>2.6% pa increase.</td>
</tr>
<tr>
<td>Change in total earnings (salaries, wages and self-employment income)</td>
<td>3.7% increase</td>
<td>3.7% increase</td>
<td>3.7% increase</td>
<td>3.7% pa increase, average annual increase of $104 million.</td>
</tr>
<tr>
<td>Change in total GDP and per capita GDP</td>
<td>1.8% GDP</td>
<td>1.8% GDP</td>
<td>1.8% GDP</td>
<td>1.8% average annual increase in total GDP.</td>
</tr>
<tr>
<td></td>
<td>0.6% per capita</td>
<td>0.6% per capita</td>
<td>0.6% per capita</td>
<td>0.6% average annual increase in per capita GDP.</td>
</tr>
<tr>
<td>Estimated population change - 65 years and over population (for demographic monitoring)</td>
<td>1,350 increase</td>
<td>1,350 increase</td>
<td>1,350 increase</td>
<td>1,350 population increase pa, 1.2% average increase pa.</td>
</tr>
<tr>
<td></td>
<td>530 increase</td>
<td>530 increase</td>
<td>530 increase</td>
<td>Estimated 530 population increase pa, 3.3% pa.</td>
</tr>
<tr>
<td>Net overseas migration</td>
<td>660 gain</td>
<td>660 gain</td>
<td>660 gain</td>
<td>660 average annual net migration gain.</td>
</tr>
<tr>
<td>Spent by visitors in Manawatu region (domestic and international)</td>
<td>5.7% increase</td>
<td>5.7% increase</td>
<td>5.7% increase</td>
<td>5.7% pa increase, average annual increase of $22 million.</td>
</tr>
<tr>
<td>Number of visitor nights in Manawatu region</td>
<td>1.6% increase</td>
<td>1.6% increase</td>
<td>1.6% increase</td>
<td>1.6% pa increase.</td>
</tr>
<tr>
<td>Change in MSDU benefit numbers</td>
<td>1.6% decline</td>
<td>1.6% decline</td>
<td>1.6% decline</td>
<td>1.6% pa decline, average annual decline of 130 people.</td>
</tr>
<tr>
<td>Reputation of Manawatu / Palmerston North as a great place to live and do business**</td>
<td>1% increase</td>
<td>1% increase</td>
<td>1% increase</td>
<td>3% increase over 3 years</td>
</tr>
</tbody>
</table>

*excludes any annual inflation increase.

**as measured by UMR Research compiled 3 yearly, first measured 2016.
# Financial Performance

**Central Economic Development Agency Limited**  
**Statement of Comprehensive Revenue & Expense**

For the 12 Months to June

<table>
<thead>
<tr>
<th></th>
<th>Notes</th>
<th>2019-20 Budget</th>
<th>2020-21 Forecast</th>
<th>2021-22 Forecast</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Income</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Council Funding</td>
<td>1</td>
<td>2,453,453</td>
<td>2,502,522</td>
<td>2,552,573</td>
</tr>
<tr>
<td>Other Services Income</td>
<td>2</td>
<td>605,927</td>
<td>605,927</td>
<td>605,927</td>
</tr>
<tr>
<td>Project Income</td>
<td></td>
<td>274,107</td>
<td>254,250</td>
<td>254,250</td>
</tr>
<tr>
<td><strong>Total Income</strong></td>
<td></td>
<td>3,333,487</td>
<td>3,362,699</td>
<td>3,392,750</td>
</tr>
<tr>
<td><strong>Cost of Sales</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other Services Expenses</td>
<td></td>
<td>1,074,369</td>
<td>1,130,581</td>
<td>1,147,430</td>
</tr>
<tr>
<td>Project Expenses</td>
<td></td>
<td>274,126</td>
<td>274,250</td>
<td>254,250</td>
</tr>
<tr>
<td><strong>Total Cost of Sales</strong></td>
<td></td>
<td>1,348,494</td>
<td>1,404,831</td>
<td>1,401,680</td>
</tr>
<tr>
<td><strong>Gross Surplus (Deficit)</strong></td>
<td></td>
<td>1,984,993</td>
<td>1,957,686</td>
<td>1,991,070</td>
</tr>
<tr>
<td><strong>Other Income</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sundry Income</td>
<td></td>
<td>18,024</td>
<td>18,374</td>
<td>17,343</td>
</tr>
<tr>
<td><strong>Total Other Income</strong></td>
<td></td>
<td>18,024</td>
<td>18,374</td>
<td>17,343</td>
</tr>
<tr>
<td><strong>Expenses</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Directors’ Fees</td>
<td></td>
<td>180,000</td>
<td>180,000</td>
<td>180,000</td>
</tr>
<tr>
<td>Employee Expense</td>
<td></td>
<td>1,564,689</td>
<td>1,595,983</td>
<td>1,627,902</td>
</tr>
<tr>
<td>Other Operating Expenses</td>
<td></td>
<td>395,726</td>
<td>332,241</td>
<td>338,887</td>
</tr>
<tr>
<td>Depreciation</td>
<td></td>
<td>28,088</td>
<td>21,088</td>
<td>15,271</td>
</tr>
<tr>
<td>Financing Expenses</td>
<td></td>
<td>500</td>
<td>500</td>
<td>500</td>
</tr>
<tr>
<td><strong>Total Expenses</strong></td>
<td></td>
<td>2,099,005</td>
<td>2,135,592</td>
<td>2,166,179</td>
</tr>
<tr>
<td><strong>Net Surplus (Deficit) Before Tax</strong></td>
<td></td>
<td>(95,988)</td>
<td>(155,350)</td>
<td>(157,766)</td>
</tr>
<tr>
<td><strong>Taxation</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Income Tax Expense</td>
<td></td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Total Taxation</td>
<td></td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Net Surplus (Deficit) after tax</strong></td>
<td></td>
<td>(95,988)</td>
<td>(155,350)</td>
<td>(157,766)</td>
</tr>
</tbody>
</table>

1. Excludes project funding for NZ AgrFood Week and Sort It Careers Expo included in Project Income.  
2. Assumes continuation of government programme funding
Financial Performance

Central Economic Development Agency Limited
Statement of Financial Position

As at 30 June

<table>
<thead>
<tr>
<th></th>
<th>30 June 2020</th>
<th>30 June 2021 Budget</th>
<th>30 June 2021 Forecast</th>
<th>30 June 2022 Forecast</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Assets</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Current Assets</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash and Cash Equivalents</td>
<td>994,525</td>
<td>865,819</td>
<td>724,382</td>
<td></td>
</tr>
<tr>
<td>Receivables and Accruals</td>
<td>144,103</td>
<td>145,247</td>
<td>130,665</td>
<td></td>
</tr>
<tr>
<td>Prepayments</td>
<td>11,379</td>
<td>11,379</td>
<td>11,379</td>
<td></td>
</tr>
<tr>
<td>Inventories</td>
<td>13,721</td>
<td>13,721</td>
<td>13,721</td>
<td></td>
</tr>
<tr>
<td><strong>Total Current Assets</strong></td>
<td>1,163,728</td>
<td>1,036,166</td>
<td>880,147</td>
<td></td>
</tr>
<tr>
<td><strong>Non-Current Assets</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Property, Plant and Equipment</td>
<td>79,774</td>
<td>58,706</td>
<td>43,435</td>
<td></td>
</tr>
<tr>
<td><strong>Total Non-Current Assets</strong></td>
<td>79,774</td>
<td>58,706</td>
<td>43,435</td>
<td></td>
</tr>
<tr>
<td><strong>Total Assets</strong></td>
<td>1,243,502</td>
<td>1,094,872</td>
<td>923,582</td>
<td></td>
</tr>
<tr>
<td><strong>Liabilities</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Current Liabilities</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Payables and Deferred Revenue</td>
<td>230,454</td>
<td>237,174</td>
<td>223,650</td>
<td></td>
</tr>
<tr>
<td>Employee Entitlements</td>
<td>55,419</td>
<td>55,419</td>
<td>55,419</td>
<td></td>
</tr>
<tr>
<td>Other Current Liabilities</td>
<td>52,286</td>
<td>52,286</td>
<td>52,286</td>
<td></td>
</tr>
<tr>
<td><strong>Total Current Liabilities</strong></td>
<td>338,159</td>
<td>344,879</td>
<td>331,355</td>
<td></td>
</tr>
<tr>
<td><strong>Total Liabilities</strong></td>
<td>338,159</td>
<td>344,879</td>
<td>331,355</td>
<td></td>
</tr>
<tr>
<td><strong>Net Assets</strong></td>
<td>905,343</td>
<td>749,993</td>
<td>592,227</td>
<td></td>
</tr>
<tr>
<td><strong>Equity</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Contributed Capital</td>
<td>1,000</td>
<td>1,000</td>
<td>1,000</td>
<td></td>
</tr>
<tr>
<td>Retained Earnings</td>
<td>904,343</td>
<td>748,993</td>
<td>591,227</td>
<td></td>
</tr>
<tr>
<td><strong>Total Equity</strong></td>
<td>905,343</td>
<td>749,993</td>
<td>592,227</td>
<td></td>
</tr>
</tbody>
</table>
Financial Performance

Central Economic Development Agency Limited
Statement of Cash Flows

For the 12 Months to June

<table>
<thead>
<tr>
<th>Cash Flows from Operating Activities</th>
<th>2019-20 Budget</th>
<th>2020-21 Forecast</th>
<th>2021-22 Forecast</th>
</tr>
</thead>
<tbody>
<tr>
<td>Receipts of Council funding</td>
<td>2,968,187</td>
<td>2,877,900</td>
<td>2,935,459</td>
</tr>
<tr>
<td>Interest received</td>
<td>18,024</td>
<td>18,374</td>
<td>17,343</td>
</tr>
<tr>
<td>Income tax refunded/(paid)</td>
<td>17,811</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Receipts from other operating activities</td>
<td>907,988</td>
<td>988,060</td>
<td>980,786</td>
</tr>
<tr>
<td>GST</td>
<td>(219,203)</td>
<td>(215,905)</td>
<td>(220,924)</td>
</tr>
<tr>
<td>Payments to suppliers and employees</td>
<td>(3,570,162)</td>
<td>(3,796,635)</td>
<td>(3,853,601)</td>
</tr>
<tr>
<td>Finance costs</td>
<td>(500)</td>
<td>(500)</td>
<td>(500)</td>
</tr>
<tr>
<td><strong>Total Cash Flows from Operating Activities</strong></td>
<td><strong>122,082</strong></td>
<td><strong>(128,706)</strong></td>
<td><strong>(141,437)</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Cash Flows from Investing Activities</th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Payment for property, plant and equipment</td>
<td>(34,500)</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td><strong>Total Cash Flows from Investing Activities</strong></td>
<td><strong>(34,500)</strong></td>
<td>0</td>
<td>0</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Net Cash Flows</th>
<th>87,582</th>
<th>(128,706)</th>
<th>(141,437)</th>
</tr>
</thead>
</table>

<table>
<thead>
<tr>
<th>Cash Balances</th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash and cash equivalents at beginning of period</td>
<td>906,943</td>
<td>994,525</td>
<td>865,819</td>
</tr>
<tr>
<td>Cash and cash equivalents at end of period</td>
<td>904,525</td>
<td>865,819</td>
<td>724,362</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Net change in cash for period</th>
<th>87,582</th>
<th>(128,706)</th>
<th>(141,437)</th>
</tr>
</thead>
</table>

See Appendix for Accounting Policies
Shareholder requirements

Joint Strategic Planning Committee
The Joint Strategic Planning Committee of Manawatu District Council and Palmerston North City Council is made up of ten local body elected members, five from each council including both Mayors.

The role of the Joint Strategic Planning Committee is to:
• Review the performance of CEDA, and report to shareholders on that performance on a periodic basis
• Undertake performance monitoring of CEDA, as per section 65 of the Local Government Act
• Approve the appointment, removal, replacement and remuneration of directors
• Review and approve any changes to policies, or the Statement Of Intent, requiring their approval

The Board aims to ensure that the Joint Strategic Planning Committee and the shareholders are informed of all major developments affecting CEDA's state of affairs, while at the same time recognising that commercial sensitivity may preclude certain information from being made public.

CEDA will adhere to a 'no surprises' approach in its dealings with its shareholders and Joint Strategic Planning Committee.

Letter of Expectations
By 1 December in each year the shareholders will deliver to CEDA a Letter of Expectations. The Letter of Expectations is intended to provide direction on issues that are important to both councils, and to assist in the development of CEDA's next Statement Of Intent. A Letter of Expectations for 2019/20 has been delivered to CEDA.

CEDA is continuing to collaborate with external agencies, including contracting to The Factory and Spearhead. Both are reported as activities in the Performance Outlook. CEDA is aware of the ability to utilise council support services.

Statement of Intent
By 1 March in each year CEDA will deliver to the Joint Strategic Planning Committee of the shareholders its draft Statement Of Intent for the following year in the form required by Clause 9(1) of Schedule 8 and Section 64(1) of the Local Government Act 2002.

Having considered any comments from the Joint Strategic Planning Committee received by 30 April, the Board will deliver the completed Statement Of Intent to the Joint Strategic Planning Committee of the shareholders on or before 15 June each year.

Half Yearly Report
By the end of February each year, CEDA will provide to the Joint Strategic Planning Committee a Half Yearly Report complying with Section 66 of the Local Government Act 2002. The Half Yearly Report will include the following information:
• Director’s commentary on operations for the relevant six-month period
• Comparison of CEDA's performance regarding the objectives and performance targets set out in the Statement Of Intent, with an explanation of any material variances
Annual Report

By 30 September each year, CEDA will provide to the Joint Strategic Planning Committee and its shareholders an Annual Report complying with Sections 67, 68 and 69 of the Local Government Act 2002 and the Companies Act. The Annual Report will contain the information necessary to enable an informed assessment of the operations of the company, and will include the following information:

- Directors’ Report
- Comparison of CEDAs performance regarding the objectives and performance targets set out in the Statement Of Intent, with an explanation of any material variances
- Auditor’s Report on the financial statements and the performance targets
- Any other information that the directors consider appropriate

Shareholder Meetings

CEDA will hold an Annual General Meeting (AGM) between 30 September and 30 November each year to present the Annual Report to all shareholders unless it is agreed between CEDA and the shareholders that the business of the AGM will be done by resolution in writing.

Shareholder Approval

Any subscription, purchase or acquisition by CEDA of shares in a company or organisation will require shareholder approval by special resolution as will the other matters outlined in clause 3 of CEDAs Constitution.

Dividend policy

CEDA is a not for profit Council Controlled Organisation, as such the Board is not intending to pay any dividends in the foreseeable future.
Appendices

Accounting Policies

1. Reporting Entity

Central Economic Development Agency Ltd (CEDA) was established and commenced operations in New Zealand on 15 October 2015 under the Companies Act 1993 (NZBN 9429042001096). As the shareholders of CEDA are Palmerston North City Council (50%) and Manawatu District Council (50%) CEDA is a control organisation as defined in section 6 of the Local Government Act 2002.

CEDA has designated itself as a public benefit entity (PBE) for financial reporting purposes.

2. Statement of Accounting Policies

Basis of Preparation

The financial statements are prepared on the going concern basis, and the accounting policies have been applied consistently throughout the period, unless otherwise stated.

Statement of Compliance

The financial statements of CEDA have been prepared in accordance with the requirements of the Local Government Act 2002, the Companies Act 1993, and the Financial Reporting Act 2013. This includes the requirement to comply with generally accepted accounting practice in New Zealand (NZ GAAP).

These financial statements comply with Public Benefit Entity International Public Sector Accounting Standards (PBE IPSAS) Reduced Disclosure Regime (RDR). CEDA is eligible and has elected to report in accordance with Tier 2 PBE standards RDR on the basis the entity has no public accountability and has expenses > $2m and < $30m.

Presentation Currency

The financial statements are presented in New Zealand dollars (NZ$) and all values are rounded to the nearest NZ$, except when otherwise indicated.

Historical Cost

These financial statements have been prepared on a historical cost basis.

Changes in Accounting Policies

There have been no changes in accounting policies. Policies have been applied on a consistent basis with those of the previous reporting period.

Revenue Recognition

Revenue is measured at the fair value of the consideration received or receivable for the sale of goods and services, excluding goods and services tax rebates and discounts, to the extent it is probable that the economic benefits will flow to the entity and revenue can be reliably measured. Specific accounting policies for significant revenue items are explained below.
Accounting Policies

Sales of goods are recognised when the goods are sold to the customer.

Sales of services are recognised in the period by reference to the stage of completion of the services delivered at balance date as a percentage of the total services to be provided.

Lease revenue is recognised on a straight-line basis over the life of the lease.

Interest received is recognised using the effective interest method. Interest revenue on an impaired financial asset is recognised using the original effective interest method.

Grants are recognised as revenue when they become receivable unless there is an obligation in substance to return the funds if conditions of the grant are not met. If there is such an obligation, the grants are initially recorded as grants received in advance and recognised as revenue when conditions of the grant are satisfied.

Donated assets. Where a physical asset is gifted to or acquired by CEDA for nil consideration or at a subsidised cost, the asset is recognised at fair value. The difference between the consideration provided and fair value of the asset is recognised as revenue. The fair value of donated assets is determined as follows:

- For new assets, fair value is usually determined by reference to the retail price of the same or similar assets at the time the asset was received.
- For used assets, fair value is usually determined by reference to market information for assets of a similar type, condition, and age.

Inventories

Inventories held for use in the provision of goods and services on a commercial basis are valued at the lower of cost and net realisable value.

The amount of any write-down for the loss of service potential or from cost to net realisable value is recognised in the surplus (deficit) in the period of the write-down.

Property, Plant and Equipment

Property, plant and equipment are stated at historical cost less any accumulated depreciation and impairment losses. Historical cost includes expenditure directly attributable to the acquisition of assets and includes the cost of replacements that are eligible for capitalisation when these are incurred.

An item of property, plant and equipment is derecognised upon disposal or when no further future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the year the asset is derecognised.

**Depreciation**

<table>
<thead>
<tr>
<th>Account</th>
<th>Method</th>
<th>Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Leasehold Improvements</td>
<td>Diminishing Value</td>
<td>10% - 40%</td>
</tr>
<tr>
<td>Office Furniture &amp; Equipment</td>
<td>Diminishing Value</td>
<td>0% - 67%</td>
</tr>
<tr>
<td>Office Furniture &amp; Equipment</td>
<td>Straight Line</td>
<td>10.5%</td>
</tr>
<tr>
<td>Plant &amp; Equipment</td>
<td>Diminishing Value</td>
<td>10% - 20%</td>
</tr>
<tr>
<td>Vehicles</td>
<td>Diminishing Value</td>
<td>30%</td>
</tr>
<tr>
<td>Websites</td>
<td>Straight Line</td>
<td>40%</td>
</tr>
</tbody>
</table>
Accounting Policies

From 1 July 2018 all Office Furniture and Equipment purchases (excluding computer/IT equipment) has been depreciated using the straight line method of depreciation to better represent the reduction of the value of these assets over their useful life. This change will apply to all purchases of Office Equipment and Furniture (excluding Computer equipment) in future accounting periods.

As this change is a change in accounting estimates, no changes have been made to previously purchased assets in prior financial years, or the depreciable method on these assets in the current or future years.

Income Tax

Income tax expense includes components relating to current tax and deferred tax.

Current tax is the amount of income tax payable based on the taxable profit for the current year, and any adjustments to income tax payable in respect of prior years.

Deferred tax is the amount of income tax payable or recoverable in future periods in respect of temporary differences and unused tax losses. Temporary differences are differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit.

Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which the deductible temporary differences or tax losses can be utilised.

Deferred tax is not recognised if the temporary difference arises from the initial recognition of goodwill or from the initial recognition of an asset or liability in a transaction that affects neither accounting profit nor taxable profit.

Current tax and deferred tax are measured using tax rates (and tax laws) that have been enacted or substantively enacted at balance date.

Current and deferred tax is recognised against the profit or loss for the period, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities in the statement of financial position.

Receivables

Receivables are recorded at their face value, less any provision for impairment.

Impairment of financial assets

Financial assets are assessed for evidence of impairment at each balance date. Impairment losses are recognised in the surplus or deficit.

Loans and receivables

Impairment is established when there is evidence CEDA will not be able to collect amounts due according to the original terms of the receivable. Significant financial difficulties of the debtor, probability that the debtor will enter into bankruptcy, receivership, or liquidation and default in payments are indicators that the asset is impaired. The amount of the impairment is the difference between the asset’s carrying amount and the present value of estimated future cash flows, discounted using the original effective interest rate. For debtors and other receivables, the carrying amount of the asset is reduced through the use of an allowance account, and the amount of the loss is recognised in the surplus or deficit. When the receivable is uncollectable, it is written-off against
Accounting Policies

the allowance account. Overdue receivables that have been renegotiated are reclassified as current (that is, not past due). Impairment in term deposits or bonds are recognised directly against the instrument’s carrying amount.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than 12 months after the balance date, which are included in non-current assets.

After initial recognition, they are measured at amortised cost, using the effective interest method, less impairment. Gains and losses when the asset is impaired or derecognised are recognised in the surplus or deficit.

Payables

Short-term creditors and other payables are recorded at their face value.

Equity

Equity is the shareholders’ interest in CEDA and is measured as the difference between total assets and total liabilities.

Good and Services Tax

All items in the financial statements are stated exclusive of GST, except for receivables and payables, which are presented on a GST inclusive basis. Where GST is not recoverable as input tax, it is recognised as part of related asset or expense.

The net amount of GST recoverable from, or payable to, the IRD is included as part of receivables or payables in the statement of financial position.

The net GST paid to, or received from, the IRD, including the GST relating to investing and financing activities, is classified as operating cash flow in the statement of cashflows.

Commitments and contingencies are disclosed exclusive of GST.

Employee Entitlements

Employer contributions to KiwiSaver are accounted for as defined contribution superannuation schemes and are expensed in the surplus or deficit as incurred.

Short-term employee entitlements - Employee benefits that are due to be settled within 12 months after the end of the year in which the employee provides the related service are measured based on accrued entitlements at current rates of pay. These include salaries and wages accrued up to balance date, and annual leave earned but not yet taken at balance date, and sick leave. These are classified as a current liability.

A liability and an expense are recognised for bonuses where there is a contractual obligation or where there is past practice that has created a constructive obligation and a reliable estimate of the obligation can be made.

CEDA does not provide for long service or retirement leave entitlements.

Leases - Where CEDA is the Lessee

An operating lease is a lease that does not transfer substantially all the risks and rewards incidental to ownership of an asset to the lessee. Lease payments under an operating lease are recognised as an expense on a straight-line basis over the lease term. Lease incentives received are recognised in the surplus or deficit as a reduction of rental expense over the lease term.
Partner Organisations

Current partner organisations that CEDA works with:

**Local**
- Feilding and District Promotions
- FoodHQ
- IPU New Zealand
- Lamberts
- Manfield
- National Driver Training Centre
- Manawatū Chamber of Commerce
- Manawatū District Council
- Massey University
- Palmerston North City Council
- Palmerston North Airport
- Spearhead
- Sport Manawatū
- Talent Central
- Te Au Pakihi
- Te Manawa
- The Factory
- UCOL
- Regional Schools
- Media Works
- Manawatū Standard
- Venues and Events Palmerston North

**Regional**
- Accelerate25
- Te Pae Tawhiti
- Business Central and Export NZ
- Horizons Regional Council
- Horowhenua District Council
- Horowhenua and Company
- Ruapehu District Council
- Rangitikei District Council
- Tararua District Council
- Te Mena Atatu
- Whanganui and Partners
- Whanganui Chamber of Commerce
- Whanganui District Council

**National**
- Air New Zealand
- ASB
- Business Mentors New Zealand
- Collegian Innovation
- Conventions and Incentives New Zealand
- Economic Development New Zealand
- Education New Zealand
- Fairfax
- Immigration New Zealand
- i-SITE New Zealand
- Ministry of Business, Innovation & Employment
- Ministry of Social Development
- New Zealand Events Association
- New Zealand Motor Caravan Association
- New Zealand Trade and Enterprise
- New Zealand Media and Entertainment
- Regional Business Partners Network
- Regional Tourism Organisations New Zealand
- Tourism New Zealand
- Westpac
MEMORANDUM

TO: Manawatu District/Palmerston North City Joint Strategic Planning Committee

MEETING DATE: 27 March 2019

TITLE: Presentation of the Central Economic Development Agency's Half-Yearly Report to 31 December 2018

DATE: 10 March 2019

PRESENTED BY: Sheryl Bryant, General Manager - Strategy & Planning, Strategy and Planning
Brent Limmer, General Manager, Community and Strategy, Manawatu District Council

APPROVED BY: Heather Shotter, Chief Executive

RECOMMENDATION TO COMMITTEE


1. ISSUE

The Central Economic Development Agency (CEDA), as a Council Controlled Organisation is required to provide a 6-monthly report to the Councils. The report for the period ending 31 December 2018 is attached.

2. BACKGROUND

CEDA’s draft Statement of Intent (SOI) for 2018/19 was considered by the Committee in March 2018 with the final SOI considered and formally accepted by the Committee in September 2018.

The 6-month report provides an interim update on the performance of CEDA against objectives, measures and targets included within the SOI 2018/19. The interim report also includes an assessment of financial performance.
The report highlights the following progress for the year ended 31 December 2018:

- The successful launch of Te Aho Tāmaka to strengthen distinguished leaders’ connection and reconnection to the region.

- Work Ready Portfolio and Awesome Summer Jobs programmes through support to Talent Central.

- Eleven percent growth in the number of new student visas issued in the year ending 31 December 2018.

- Revamp of the website ManawatuNZ.co.nz and campaign “Face of Manawatū” and growth in social media presence.

- Significant increase in engagement with Māori business.

We look forward to the completion of the Visitor Strategy, the Inward Investment Strategy, Maori Sector Development Plan, and the AgTech Strategy. These pieces of work will provide focus of work for CEDA and direct where its efforts can be most effective.

3. NEXT STEPS

CEDA will prepare and provide an annual report for the 2018/19 financial after 30 June 2019.

4. COMPLIANCE AND ADMINISTRATION

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<th>Question</th>
<th>Answer</th>
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<tr>
<td>Does the Committee have delegated authority to decide?</td>
<td>Yes</td>
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<tr>
<td>If Yes quote relevant clause(s) from Delegations Manual - clause 184.6</td>
<td></td>
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<tr>
<td>Are the decisions significant?</td>
<td>No</td>
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<td>If they are significant do they affect land or a body of water?</td>
<td>No</td>
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<tr>
<td>Can this decision only be made through a 10 Year Plan?</td>
<td>No</td>
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<tr>
<td>Does this decision require consultation through the Special Consultative procedure?</td>
<td>No</td>
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<tr>
<td>Is there funding in the current Annual Plan for these actions?</td>
<td>Yes</td>
</tr>
<tr>
<td>Are the recommendations inconsistent with any of Council’s policies or plans?</td>
<td>No</td>
</tr>
<tr>
<td>Contribution to strategic direction</td>
<td>This report contributes to the constitutional purpose of CEDA, being driving and facilitating the creation and growth of economic wealth in the Manawatu region and beyond.</td>
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ATTACHMENTS
1. CEDA’s Half-Yearly Report to 31 December 2018
CEDA
CENTRAL ECONOMIC DEVELOPMENT AGENCY

Half Yearly Report

to 31 December 2018
28 February 2019
Company Directory

Central Economic Development Agency Limited Ltd
Level 1, 478 Main Street
Palmerston North 4410

Chief Executive
Linda Stewart

Directors
Malcolm Bailey (Chairperson)
Shehnaaz Tanquary
Susan Foley
John Fawke
Lucy Griffiths
Blair O’Keeffe

Registered Office
Morrison Croed Advisory
Cnt Victoria Ave & Main St, Palmerston North

Bankers
Westpac New Zealand Ltd

Auditors
Audit New Zealand (on behalf of the Office of the Auditor General)

Legal Status
Central Economic Development Agency Limited ("CEDA") was incorporated in New Zealand on 15 October 2015 under the Companies Act 1993 (NZEN 9112042001006). As the shareholders of CEDA are Palmerston North City Council (50%) and Manawatu District Council (50%) CEDA is a Council Controlled Organisation as defined in section 6 of the Local Government Act 2002.
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Joint Report of Chairman and Chief Executive

Tania Koutou Katsa

Our aim for this year has been to build upon the strong foundation we put in place in our first full year of operation. The focus on building our internal capability and capacity has enabled us to begin to tackle some of the big issues that have constrained our region over the years; our identity and sense of regional pride, our labour market and our ability to attract the skills and talent we need, our ability to attract investment into our region, and to position Manawatū as a destination of choice for visitors.

Manawatū is one of several regions around the country where the rate of economic growth is exceeding New Zealand’s major cities and current conditions show there are no signs of slowing. Our economy grew by 3.4 per cent, well ahead of the national average of 2.9 per cent, in the September 2018 quarter. High lamb and beef prices as well as favourable dairy supply conditions, strong global demand and a weaker New Zealand dollar have played a large role in this. Household incomes are rising, people are employed and, as reflected in growth in retail spending and strong levels of investment, households and businesses are confident to spend and invest in the local economy. We expect to see sustained economic growth over the next 10 to 15 years, primarily driven by high levels of central government capital investments and businesses increasingly recognise the benefits of investing here.

With projects such as the Manawatū Gorge replacement route, which is estimated to be worth $450–$500 million, the regional ring road, and more than $30 million worth of commercial and government construction and development projects, it’s not a wall of wood that is approaching our region, it is a well of work. We must consider how to position the region to take full advantage of this and preparation is key. Labour and talent constraints are already a very real issue for our businesses, our housing is at a premium with demand outstripping supply, and our infrastructure, healthcare, education and service sectors will come under increasing pressure to meet the needs of levels of growth not seen in our region for many, many years.

But these are positive issues to face. With the rise of the regions across New Zealand, a Government that is focused on supporting regional economic growth, and strong leadership from our local councils, we are well positioned to respond to the challenges that growth brings with it. Initiatives such as the National Driver Training Centre and the improved efficiencies of residential consenting processes are real examples of how our region is responding to and beginning to get ahead of some of the key pressure points.

As well as supporting our shareholders in their drive to secure funding for the regional freight ring road and multimodal hub, we have supported FoodHQ in their plans to develop the Food Precinct, a significant project that will, in time, position Manawatū as one of the top agrifood hubs in the world. We led a multi-stakeholder application to the Provincial Growth Fund to transform Te Apiti - Manawatū Gorge into a cultural, education, conservation and visitor destination like no other in New Zealand. And the launch of Te Aro Tamaika saw us taking the lead in connecting with our region’s greatest leaders and achievers, with the aim of developing leadership and mentoring opportunities, as well as investment and celebrating what it means to be made by Manawatū. A number of these projects and initiatives stem from our work with McKinsey and Company, and we will continue to lead and enable those that we believe will make the greatest positive impact on our community.

The perception of our region, from our cultural and commercial centre Palmerston North city, the vibrant and growing agricultural hub of Feilding, through to our rural communities such as Apiti and Kihikihi have long suffered due to a lack of a cohesive and compelling identity, from which they can base their story telling and marketing. We have been working with our shareholders, iwi, Air New Zealand and New Zealand...
“The opportunities that lie before our region are plentiful,” Zealand Story to tackle this long-standing issue, aiming to provide each individual place within our region a unified platform from which they can promote their own unique value proposition, their events and activities, and their own stories.

Along with this, we commenced the development of a visitor strategy for the region, which brings together destination management and marketing, product development, infrastructure planning and development, and events and conferences to produce a strategic road map that will guide investment and resources over the next ten years.

The opportunities that lie before our region are plentiful, and CEDA is well positioned to support our region to capitalise on them for the benefit of our community. Over the past six months much has been achieved, and we thank our shareholders and our many partners for their continued support and commitment to growing our region together.

Ngā mihimiuki ki a koutou katoa,

Malcolm Beiley
Chairperson

Linda Stewart
Chief Executive
Our Vision

Manawatū 2025; New Zealand’s most progressive region

Our vision is bold and purposefully so, it encompasses the ambitions of both our shareholder councils. It requires our region to move from comfortable to aspirational, from reactive to determined, and to move with an increased cadence and sense of resolve. We believe that Manawatū has the leadership and the ingredients to position itself on the national stage - a flourishing and evolving region that will be first choice for lifestyle and success.

Four key indicators that we are on our way to achieving this vision are:

1. Our regional story is embraced, promoted and stated proudly by residents, businesses and visitors
2. We are the renowned central hub for agribusiness
3. We are growing sustainably
4. Innovation is part of the fabric of our community and culture, and it’s celebrated

To achieve this vision CEDA must work in partnership with our shareholders, central government, iwi, industry and other regional stakeholders - it cannot be achieved alone.
Our Strategic Objectives

Powering our progress; achieving the vision

CEDA works across three strategic pillars of economic development: People, Place and Business. Our key objectives, programmes and activities are all aligned to these pillars, and are designed to create the environment, stimulus, outcomes and impact that will power our economic prosperity and achieve our vision for Palmerston North and Manawatū.

These key objectives guide the development of the short and medium-term programmes of work for CEDA as articulated through our Statement of Intent for 2018/19.

When considering how to prioritise our efforts, and based on our current resources and functions, CEDA focuses on programmes and activities that offer the greatest opportunities for economic growth. These are identified through research, monitored and reviewed using the latest data, and viewed through a regional, national and international lens.
What We Do
Grow and Retain
Education and Talent

Key to cultivating a competitive and innovative economy are our people; developing and growing our talent pool with the right skills, knowledge and expertise, and increasing the number of international students and their employability.

Talent and Skills
Building on our regional talent and skills action plan, CEDA is partnering with priority sectors, Talent Central and central government to deliver specific programmes to address regional skills shortages. We will continue to connect and inspire young people on the career opportunities that lie within our priority sectors through key events such as the Sort It Careers Expo, and through sector specific public relations campaigns.

International Education Market Development
Through the implementation of the Regional International Education Strategy 2016-20, CEDA supports the region’s schools and tertiary providers to increase the number of international students studying here. In partnership with Education New Zealand, CEDA drives collaborative activities in the priority target market of China while identifying other potential markets for development. CEDA provides marketing and communications support to help institutions tell the regional story.

Student Employability and Pathways to Employment
CEDA works in partnership with Talent Central, the Manawatū Chamber of Commerce and the Ministry of Business, Innovation and Employment, to identify regional skills gaps, help international tertiary students become more employable and identify opportunities for increased pathways into local employment.

Te Aho Tāmaka
Internationally there are many influential and highly successful leaders that were grown right here in Manawatū. From business and academia through to sports and arts, these are highly influential ambassadors for our region. CEDA is leading the development of a global network of these leaders to establish a strong base of Manawatū ambassadors that we, as a region, can partner with to reignite their connection with Manawatū, identifying community initiatives and developing regional investment opportunities for them to engage in.

Student Experience
To further enhance the desirability of Palmerston North and Manawatū as a study destination, CEDA works alongside education institutions, Palmerston North City Council and other key stakeholders to identify opportunities to help integrate international students into the local community.

40 Exhibitors booked to date for Sort It 2019
(2017/18 Annual Report total 73)

Te Aho Tāmaka
Manawatū Leaders programme launched
Te Aho Tāmaka

Te Aho Tāmaka was launched in December, following its design and development of the initiative. [ManawatuNZ.co.nz/te-aho-tamaka]

A Project Steering Group was engaged in July to assist with identifying Manawatu’s greatest achievers. As a regional project, having the input and guidance of local leaders and experts in their fields was a critical component to ensure the project’s success.

Te Aho Tāmaka is a first of its kind in New Zealand and its meaning is integral to what the programme is about. Tāmaka means distinguished leaders and Te Aho Tāmaka is symbolised by a round cord representing whakapapa (a connection to the region and the people), whakatu (to celebrate individual and collective success), whakarongo (to empower, enable and endorse), and whakawae (to influence, develop and grow).

At the time of the launch, eight leaders across multiple industries had accepted the invitation to be involved in Te Aho Tāmaka and all were excited to recognise the role that Palmerston North and Manawatu played in their lives and to have a platform through which they could give back to the people, city and region that helped them to achieve their success.

The launch of the programme resulted in digital and print news articles, a video news story and an editorial by Chief Executive Linda Stewart in the Manawatu Standard to highlight Te Aho Tāmaka’s purpose and what we aim to achieve for the region.

Te Aho Tāmaka aims to capture their stories and experiences to help inspire our younger people and grow regional pride. By strengthening our leaders’ connection or reconnection to the region, Te Aho Tāmaka provides a platform to explore ways in which their expertise could contribute to the region’s economic development and growth, including mentoring, internships or investment in projects or initiatives that are of mutual importance and interest. Having their support and involvement will help to put Manawatu on a national and international stage by building a network of global leaders and ambassadors for our region.

Te Aho Tāmaka will continually grow and evolve with the identification and inclusion of new leaders. It is a living project with endless opportunities around ways the leaders can help to grow the region, businesses and residents.

Hon. Steve Mahary, Former Minister of Education and Massey University Vice Chancellor

“Palmerston North is my tūrangawaewae. The city has opened opportunities for me throughout my life and been the place I return to after working/travelling around New Zealand and the world.”

Simon Moutter, Managing Director, Spark

“Growing up in Palmy rubbing shoulders with people from all walks of life, helped shape my approach to leadership and my determination to chase big dreams.”

Linda Jenkinson, Global Entrepreneur

“Coming from a Hiwinui farm in the Manawatū, I learned as a CEO apprentice to my father in his many ventures how to build a business. I then went to Massey University and did Computer Science to learn how to scale and Accounting and Finance to learn the numbers – and then I took that to the world!”
International Education

As part of the delivery of our strategic objective to grow and retain education and talent, and to showcase the region, CEDA hosted two groups of international education recruitment agents.

These visits showcase the city and region and help to familiarise agents with the tertiary institutions and lifestyle offering here.

The first group of eight Japanese agents, sponsored by Education New Zealand and Air New Zealand, visited in October. The group met the city’s Mayor Grant Smith and were introduced to schools that offer a technology component in their curriculum. Their aim is to send short and long-term students to local intermediate schools.

The second group, who visited in November, included five Auckland based agents and one agent from Guiyang, our Sister City in China. Of the five Auckland agents, four are recruiting students from China and the other from the Middle East. The agents visited several high schools and three tertiary institutes over a three-day period and following the visit, all said they are now more likely to send students to our region as a result of experiencing first-hand the lifestyle and quality of education offered here.

Several agents posted live videos while they were here, sharing their experience with their extensive network of social media followers.

To build on the profile of Palmerston North and Manawatu as a great place to study in New Zealand, CEDA has also driven promotion of our region in China via social media channels such as WeChat and through our central government funding partner, Education New Zealand. This work has resulted in increased awareness of our region as a study destination, with more than 700 hits on our Mandarin language stories over a two-month period.

Along with this, new marketing collateral was produced in two additional languages of Vietnamese and Thai – adding to the suite of English, Japanese and Chinese.

Student Experience

A second Mayoral Welcome was organised by CEDA in September 2018 to welcome 140 international secondary and tertiary students.

The event, held in the Palmerston North City Council chamber, provides the students with an opportunity to connect with one another, and to meet the city’s Mayor, Grant Smith. Students heard from CEDA, Palmerston North City Council, Palmerston North City i-SITE and Sport Manawatu about activities and events on offer in the city and region, and how to get involved in the community. Feedback from students was very positive, with many saying that these events help them to feel more connected to their host city. The event will be run twice a year moving forward, in conjunction with Palmerston North City Council’s Welcoming Communities programme.

Pathways to Employment

CEDA is working closely with Education New Zealand on an Employability Project that aims to ensure international students who are studying in Manawatu have the skills that meet the needs of local employers, when they graduate. This project will help these students be work ready, so they can extend their time in Manawatu and help to meet the region’s skills gaps.
Rise in International Student Numbers for Manawatū-Whanganui

Immigration New Zealand figures reveal that Manawatū-Whanganui was one of the few regions to experience double-digit growth in the number of new student visas issued in the year to December 2018. Manawatū numbers grew by 11 per cent compared to a national decline of four per cent. Auckland, Wellington and Southland figures all showed zero or backward growth. Official figures relating to actual student numbers for 2018 will not be released until late 2019, but early indications are that Manawatū is growing modestly against a downward national trend. Growth in the number of first-time visas is significant because those represent new students who have applied to come to New Zealand and have chosen to study and live in Manawatū, indicating that the strategy and approach taken, is delivering positive outcomes for the region.
Enhance the Brand and Experience

Building the reputation and experience of our region goes far beyond increasing visitor nights and their direct economic impact. A vibrant region that is welcoming to visitors also attracts new residents, businesses and investment, students and major events.

Regional Identity Strategy
A cohesive regional identity acts as a springboard for destination marketing, building national and international awareness of who we are as a region, what we offer and what our unique value proposition is. Through extensive target market research and collaboration with our stakeholders, CEDAN is developing a unified and interconnected identity that will enable us to showcase each part of our region - from the city through to our rural communities - to visitors, and to potential new residents through our talent attraction work.

Destination Marketing
In our role as the Regional Tourism Organisation for Manawatu, CEDAN works with key national organisations including Tourism New Zealand, NZ Motor Caravan Association, Air New Zealand and more, to maximise the exposure of our city and district through domestic and international channels, while establishing Manawatu as a desirable destination by ensuring we’re well equipped as a region to offer a welcoming and memorable visitor experience.

With a fast-growing visitor sector in Manawatu, CEDAN works with regional tourism operators to provide support, marketing tools and market insights through the CEDAN Resource Hub.

CEDAN’s management of the Palmerston North City i-SITE, and close alignment with the Feilding and Districts Information Centre means that we can offer both visitors and residents expert local knowledge, information and national travel booking services.

Destination Development
CEDAN’s role is to entice and attract visitors to our region by promoting Palmerston North and Manawatu as a destination for domestic and international travellers, event organisers and international students. CEDAN is taking leadership through the development of a destination management plan to fully leverage all that our region currently has to offer, to identify and address barriers and product gaps, and to initiate long-term, high impact projects that will capture a day in a tourist’s journey.

The Country Road experience continues to be managed and developed by CEDAN, enabling us to connect with operators and communities to offer expertise, support and connections. This ensures our region’s visitor experience is exceptional, and that our operators and communities are benefiting from increased, sustainable visitation.

93%
I-SITE Net Promoter Score
(2017/18 Annual Report 90%)

51,913
I-SITE customer visits
(2017/18 Annual Report total 117,726)
Regional Brand and Visitor Strategy

Regional Identity
CEDA partnered with TRA, ‘The Research Agency’, an internationally renowned insight agency to help us solve one of our city and region’s more challenging issues, our perception. This issue has an impact on so many facets of what we are tasked to do as an economic development agency: attract business and investment, new residents, new talent and skilled employees, more visitors, conferences and events. We know that overcoming this has been attempted many times before, and we sought to understand why they have not been as successful as they aspired to be. One learning ran through them all: they were created internally, within our region. They were not driven by data and insights, or by the voice of those we wanted to bring here.

Through TRA, CEDA has worked with shareholders, ie, and national partners (Air New Zealand and New Zealand Story) over the last six months to distil the essence of our city and region, to capture the definition of our identity, using target market research, consumer insights and workshop results to inform this. We are now working closely with our shareholders on further refinement, ensuring the identity aligns with their bold and ambitious plans for growth, and is reflective of the voice of our community. The next stage of this project will be to bring to life the identity and profile of who we are as a city, a district, and a region, through design - style, imagery, colours, impact, and messaging. This design will help to showcase our personality and character and will underpin the development of a cohesive marketing identity for our region.

Visitor Strategy
CEDA has engaged Fresh Info consultancy to begin the development of a Visitor Strategy for Palmerston North and Manawatu, pulling together the data and insights available, the Regional Identity research and our work in product development to date. A workshop with our shareholders has set the direction of the Strategy through to 2028, which will be led by CEDA and delivered by many agencies and partners throughout the region.

The Visitor Strategy will inform future decision making in this sector, from investment and infrastructure to marketing, visitor experience and collaborative opportunities. The strategy will enable us to leverage and target investment into the region through central government, such as the Tourism Infrastructure Fund and Provincial Growth Fund and target commercial investors. To attract funding and investment, well researched and presented action plans are required to strengthen each case, which the strategy will help to deliver. Most importantly, the strategy will also enable stakeholders to contribute and engage in destination marketing and management and will create a platform for ongoing collaborative marketing initiatives.

The visitor economy is an important part of quality of life for residents, and therefore talent. A strong and vibrant visitor sector has significant positive flow-on effects for locals, with businesses such as restaurants, attractions, arts and entertainment, thriving and growing. Likewise, any activity aimed at making the region the best place to live and work will naturally make it more appealing to visit.
Visitor Sector Development
Capturing a Day in a Visitor’s Journey project was undertaken last year by CEDA to identify the region’s visitor industry gaps and opportunities, and to audit Manawatū’s existing visitor product. This was done by looking at the product offering in other New Zealand regions (the good and the bad), exploring funding options (including the Provincial Growth Fund), and identifying our visitor industry operators who have long term aspirations to grow. Outcomes from this project will be visible in 2019, with a product development framework being established that focuses on creating clusters, training, mentoring and undertaking further investigation into funding and investment options. This sector development project is an important strand within CEDA’s Visitor Strategy and is supported by the Regional Identity activity. It is one of many projects underway that supports our work to grow the region’s profile and ultimately increase visitation. We have worked with travel trade and sellers to look at what our short and medium-term opportunities are, as well as hosting agents specialising in independent travel, including Once Upon a Trip, and Off the Beaten Track.

Palmerston North City i-SITE recognised as NZ best
The Palmerston North City i-SITE team was recognised as a national leader in their field, winning the 2018 New Zealand Customer Service Award.

The Annual i-SITE Awards celebrate the best amongst the network and set a benchmark for i-SITE Visitor Centres across the country. The team places customers at the forefront of their decisions to ensure they not only gather feedback from them, but act on it.
Economic Impact - National Young Performers Awards

In 2018 the organisers of the National Young Performers Awards, deemed the country’s top performing arts competition, decided to make Palmerston North the awards’ permanent home, after previously shifting it around the country in five-year cycles. With Palmerston North’s growing reputation as an arts powerhouse, the decision strongly aligns with the city’s strengths.

For the past six years, CEDA has supported the organisers of the National Young Performers Awards with venue options, ideas and contacts for accommodation, activities and support services, and event promotion through regional social media channels. CEDA has also measured the economic impact for the past three years and supplied the feedback to the organisers to help with future planning.

“With the amazing support both locally and nationally and the positive feedback from attendees and supporters it was time to recognise Palmerston North was the most accessible city in New Zealand, which is imperative for a national event with attendees from Cape Reinga to Bluff,” says Performing Arts Competitions Association Executive Officer, Nikki Cunningham.

A CEDA Economic Impact Report for the 2018 event showed record numbers of competitors and supporters brought an estimated $820,000 in visitor spend to the regional economy during the three-day event.

This important event attracted more than 1,700 visitors from around New Zealand who spent an average of $170 per day, per person.

“The city’s infrastructure has coped with the steady increase in visitors and continues to provide a wide range of accommodation and hospitality options. The National Young Performers Awards brand is receiving greater recognition and businesses are now contacting us to see if they can add value to our event and for the visitors to the city.”

China Year of Tourism

In the lead up to the 2019 China - New Zealand Year of Tourism, CEDA has been working to profile Palmerston North and Manawatū to Chinese residents living in New Zealand, as research indicates they influence five to seven of their friends and family residing in China.

Although our region does not currently have a strong commissionable product base, our Sister City relationships, central location between Taupō and Wellington and having three tertiary institutions here means we do attract a share of the Chinese visitor market.

To raise the profile of our region to this market, CEDA exhibited at the Xiuyangyang Lifestyle and Travel Expo in Auckland at ASB Showgrounds in October. The expo attracted more than 14,500 visitors, largely domestic Chinese residents, over two days and involved a full media campaign through existing Chinese media channels. We were lucky enough to be joined by Palmerston North City Council Deputy Mayor Tangl Utikere for one of the days.

Following the expo, we secured a successful feature on the WeChat channel of Go_Kiwi. The post was a feature length article showcasing the best of Palmerston North and Manawatū, and received more than 37,000 views. This was a direct result of CEDA’s work with Go_Kiwi while we were at the Xiuyangyang Lifestyle and Travel Expo in October. CEDA continues to work with our regional partners to produce regional itineraries and feature imagery to appeal to the Chinese Free and Independent Traveller (FIT) market, which will be published and targeted through existing channels including the regional WeChat official account, ManawatūStories.
Digital Platforms

CEDA has a suite of digital channels to profile Palmerston North and Manawatū, aimed at inspiring people to come here to live, visit or study and to encourage our residents to explore and feel proud of their own region.

ManawatuNZ.co.nz

The new look ManawatuNZ.co.nz website went live in the first week of July with refreshed content, new imagery and improved user experience. Stage two was then implemented with the creation of Manawatu Stories, 16 new content articles which were tailored to our key audiences and featured topics such as Local Markets You’ll Love, Top Summer Instagram Spots, Hiking the Rangiwahia Hut Track, Little Shops that Spark Joy, Top Playgrounds and Where to Run like the Wind in Manawatu.

For Stage two, we worked to raise awareness of the relaunched website, and increase traffic through a partner campaign with MediaWorks called Face of Manawatu. The purpose of the campaign was to raise locals’ awareness of ManawatuNZ.co.nz and all there is to do and see in the region. As the region’s biggest visitor market is visiting friends and relatives, we want and need our residents to be positive advocates for Manawatu. The campaign encouraged locals to share their own “Face of Manawatu” photo, and included radio and social media content, supported by a mobile billboard that was moved around the city and district throughout the campaign.

The multi-channel campaign ran for eight weeks and was promoted via outdoor advertising, eight MediaWorks’ radio stations, MediaWorks and ManawatuNZ social media channels (Instagram and Facebook) and both websites.

Highlight campaign statistics:
- Radio promotion across eight MediaWorks radio stations
- MediaWorks Facebook reach 20,000+
- MyManawatu and ManawatuNZ Facebook reach – 36,000 people
- Instagram reach – 2,139 people
- Photo entries – 600

Further to this work, CEDA exhibited at the November Central Districts Wine and Food Show, which we used to showcase ManawatuNZ.co.nz and the many things to see and do in the city and region. The expo was attended by visitors and locals and was a great opportunity to showcase some of the lesser known gems and experiences that many locals do not know about. The stand was well received, with a high engagement and sign-ups to our email newsletter on the day.

109,928
Sessions on ManawatuNZ.co.nz website
(2017/18 Annual Report total 228,441)

3,252
Instagram followers
(2017 / 18 Annual Report total 2,870)
Media Features

Our work with local, national and international media continues to grow, ensuring a strong, consistent regional presence across various channels and media, including digital, social, ceda.nz and the regional website ManawatuNZ.co.nz.

From our visitor and events sectors, through to international education and business support services, telling our region’s story and building increased awareness of the breadth of what Palmerston North and Manawatu has to offer is a crucial role that we lead and manage. Targeted collaboration with third party websites and publications, along with attracting, supporting or facilitating national media coverage is just one way of shifting perceptions and raising awareness of the city and region.

Over the last six months, CEDA has secured significant coverage for the city and region including:

- AA Directions – double page spread on the city’s arts scene
- AA 101 Must Do’s this Summer – Te Apiti Manawatu Gorge and Limestone Creek Reserve Glow Worm Caves features
- AA Traveller digital – three feature articles
- Kia Ora Magazine – On the Menu
- Kia Ora Magazine – Agenda Section
- Korean news sites Nate News, Momo News, Property Journal and Doo Doo featured a Manawatu Farmstay in their NZ travel story

Kia Ora Magazine

As part of our relationship with Air New Zealand, CEDA has pitched key events for the monthly magazines’ Agenda Section, which has resulted in events such as IPU New Zealand International Spring Festival and Feilding Rural Day being featured.

Further to this, we worked with one of Kia Ora’s travel writers to connect them with local bars, cafes and restaurants in the city, which resulted in a three-page feature called On The Menu, in the October edition.
ITEM 9 - ATTACHMENT 1
Support the Growth of Business

Growing, retaining and attracting business to the region is at the core of economic development. Having strong, innovative and thriving businesses here drives job growth and increases regional confidence.

Regional Business Partner Network
CEDA’s team of Business Growth Advisors support businesses on their journey through the business lifecycle, enabling growth and development through the Regional Business Partner Network. CEDA works in conjunction with seven councils and holds strong working relationships with businesses throughout the Manawatū-Whanganui region. CEDA champions growth orientated businesses to help them achieve export readiness, be bold enough to explore research and development opportunities, and build their management capability. By partnering with New Zealand Trade and Enterprise, Business Mentors New Zealand and Callaghan Innovation, CEDA delivers an extensive programme of activities and support networks.

Business Growth and Development
CEDA actively identifies growth opportunities, and implements tailored support programmes, action plans and initiatives that can enable our businesses to develop and scale up. We work to support business growth, focusing on driving a vibrant, connected business community with programmes such as the Westpac Manawatū Business Awards and supporting Accelerate25 projects.

Business Attraction and Retention
A strategic approach to business attraction and inward investment, aligned to our priority growth sectors - distribution and logistics, agriculture including foodtech, government including defence, health and education, and digital/technology - is central to achieving the region’s growth aspirations. By partnering with our councils, central government agencies, iwi, The Factory and the private sector, CEDA works to ensure that Palmerston North and Manawatū are seen as investment ready and deliver compelling reasons for establishment in our region. Post investment or relocation support services to companies or individuals ensures ease of settlement, retention, and the identification of future expansion opportunities.

255
Business assisted through a CEDA intervention
(2017/18 Annual Report total 402)

$155,343
Business Capability Development vouchers issued
(2017/18 Annual Report total $449,662)

23
Businesses matched with a Business Mentor
(2017/18 Annual Report total 44)

6
Businesses engaged with for potential relocation to the region
Waireka Honey

Waireka Honey is a case study of how CEDA can provide support, resources and tools to help businesses grow.

It was on a trip to Australia that Kate Smith recognised the opportunity to tap into the tourism market with her honey business, Waireka Honey.

“I popped into a honey shop and thought, ‘Wow, it wouldn’t take a lot for me to make some changes and draw in the tourists that drive right past my door each day’.”

Her bright yellow honey shop on State Highway One just south of Levin, is enough to attract drivers’ attention, but she wanted to wrap a more strategic approach around making them stop and spend. Waireka produces and stocks an extensive range of honey products including natural honey, honey mead, health care and skincare products. They also stock a variety of bee keeping equipment for hobbyists through to commercial bee keepers.

Smith’s brother works in marketing and encouraged her to get professional help with marketing and sales – and he prepared her to spend some money.

On her return to New Zealand, she called Tourism New Zealand who connected her with CEDA. Through a CEDA Business Growth Advisor and the Regional Business Partner Network, Smith was connected to the consultancy Business Group who she worked with to create a marketing plan.

A two-year plan was developed and further guidance from CEDA’s Marketing and Communications Team meant Smith had a list of marketing must-dos, to ensure Waireka Honey was listed on all the right websites and connected with the relevant organisations.

CEDA’s team work together closely to connect clients with the right internal support within the organisation and Waireka Honey sits at the intersection of two focus areas: agriculture and the visitor sector.

Smith attended several workshops and training for social media such as Facebook, which was partially funded through RBP’s training vouchers. She says the most valuable part of connecting with CEDA was guidance and clarity on a direction forward.

“I popped into a honey shop and thought, ‘Wow, it wouldn’t take a lot for me to make some changes and draw in the tourists that drive right past my door each day’.”

“This process has really shown me the value of investing in training and having a planned approach to the development of my business and any projects I wish to undertake. CEDA has given me the direction and tools to allow me to drive the process, do the work and invest in what I need to take my business to the next level.”

In late 2018, Smith had just completed a rebranding phase of Waireka Honey, a step she is most proud of.

“We have almost finished the rebranding phase, which includes a new logo, colours, tag lines and repainting the exterior of the shop. We have worked through some big projects and we are proud of our achievements. We can’t wait to work through the next stages.”
Provincial Growth Fund

As a surge region, investment from the Provincial Growth Fund has brought significant opportunities for Manawatū.

To ensure applicants had localised support and guidance, CEDA took a lead on facilitating and triaging applications to the Provincial Growth Fund to help them progress. This was done in partnership with our shareholder councils and support included reviewing multiple applications and meeting with several applicants to provide guidance on their applications, ensuring they correlate to other Manawatū regional strategies, objectives and applications within the region and where appropriate, endorsing applications. This has ensured a cohesive approach from our region, and enabled us to identify and connect opportunities, linkages and duplications.

Through ceda.nz, we provided applicants and those with potential projects and ideas with a comprehensive overview on what’s required, where to find out more, and our role in supporting applications.

Economic Development
New Zealand Successful Application

As a board member of Economic Development New Zealand (EDNZ), Chief Executive Linda Stewart was involved in a successful bid to the Provincial Growth Fund which resulted in EDNZ being granted almost $1 million to build the expertise of economic development agencies in regional New Zealand. The Government announced it will invest $865,000 over three years to enable EDNZ to roll out a comprehensive professional development programme and a suite of best practice resources for development agencies.

“CEDA connected us to other initiatives with complementary goals and their feedback helped us to improve the quality of our application.”
Heike Schiele, Manawatū River Source to Sea and Environment Network Manawatu

Te Apiti Opportunity

CEDA has submitted a Provincial Growth Fund application for Te Apiti - Manawatū Gorge, which seeks to undertake an initial feasibility study to consult on and assess the commercial, education, conservation and tourism opportunities that lie within Te Apiti. The aim is to then develop a business case for significant investment, with a purpose to develop and build on Te Apiti’s offering as a visitor destination for New Zealand.
Support the Growth of Business

Sector Development
CEDA lead the development and growth of our priority sectors; distribution and logistics, agriculture including foodtech, government including defence, health and education, and digital/technology.

In partnership with The Factory, FoodHQ, Massey University, our councils, iwi and industry, CEDA is leading the development of an agri cluster strategy for Manawatu which aims to achieve a virtuous dynamic cycle of attracting top academics, researchers, students, venture capitalists, and businesses that in turn encourage collaboration and partnerships with other relevant leading national and international peer organisations.

Building on our work to date in the distribution and logistics sector, we remain focussed on strengthening the talent pipeline, while further developing the business attraction and retention proposition for this sector. Partnering with Accelerate25 ensuring their infrastructure projects support the ongoing development of Manawatu as the central logistics hub for the North Island.

Over the medium term we’re researching the feasibility of a Manawatu trade zone – moving products direct from producers to global export markets and leveraging the opportunities of global digital trading platforms.

Our relationships with Massey University, UCOL, IPU New Zealand, as well as the New Zealand Defence Force through our chairing of the Regional Committee are a continued focus; delivering initiatives which foster connectivity and collaboration with the business and resident communities.

Advancing Innovation
Working with Massey University, crown research institutes and businesses, our focus is on building the skills and capabilities of regional businesses to engage and grow in the global digital environment. This ensures we can collectively support and capitalise on innovation opportunities at a national and global level. This is further enhanced by CEDA’s collaborative partnership with Calleighian Innovation, FoodHQ and The Factory, providing access to global expertise, accelerator programmes such as Innovate, as well as research and development funding avenues and support of technology businesses in the region, particularly where they align with core sectors e.g. agri-tech.

$432,022
Research & Development Grants issued
(2017/18 Annual Report total $1,711,311)

26
Research & Development student experience, fellowship or career grants facilitated, linking tertiary students directly to businesses
(2017/18 Annual Report total 9)
Westpac Manawatū Business Awards

The biennial Westpac Manawatū Business Awards were successfully delivered in 2018, recognising and celebrating the best in business in Palmerston North and Manawatū.
CEDA’s vision is for Manawatū to be New Zealand’s most progressive region by 2025 and includes this; our regional story being embraced, promoted and stated proudly by residents and businesses, sustainable growth and that innovation thrives and is celebrated in the community. The Westpac Manawatū Business Awards, the business entrants and their staff, embrace and promote this vision.
Twenty-two finalists were selected from 106 unique nominations and 10 businesses were named winners across 12 categories.
CEDA facilitated the entire awards process: sponsorship, promotion, business nominations, facilitating judging, communications and marketing and hosting of the finalist Gala Awards evening. A wide range of marketing channels were utilized to raise awareness within our wider business community, and included outdoor billboards, print, radio, digital and social media.
In the lead up to and throughout the awards, the Facebook campaign achieved 72,000 impressions, with almost 11,000 post engagements and 4,000 click-throughs to content. The audience on Facebook grew by 19 per cent and there were more than 2300 unique views of the awards’ website, and more than 1700 radio mentions between July and December across local NZME stations.

The awards are one example of how CEDA helps to grow and develop businesses, and entrants say the most valuable part of involvement is the judges’ fresh eyes and feedback on their business practices. The awards also provide an opportunity to celebrate why Manawatū is a great and supportive place to own and operate a business and the Gala Awards evening drew a crowd of more than 400 people.

2018 Westpac Manawatū Business Awards Winners

<table>
<thead>
<tr>
<th>Category/Media</th>
<th>Award Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Westpac – Manawatū Supreme Business Award winner</td>
<td>Westpac – Manawatū Supreme Business Award winner</td>
</tr>
<tr>
<td>Tui Early Learners</td>
<td>Tui Early Learners</td>
</tr>
<tr>
<td>Manawatū Standard – Lifetime Service Award winner</td>
<td>Manawatū Standard – Lifetime Service Award winner</td>
</tr>
<tr>
<td>Simon Barnett – OBO</td>
<td>Simon Barnett – OBO</td>
</tr>
<tr>
<td>Higgins – Spirit of the Manawatū Award winner</td>
<td>Higgins – Spirit of the Manawatū Award winner</td>
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<tr>
<td>Long Building Solutions</td>
<td>Long Building Solutions</td>
</tr>
<tr>
<td>Universal College of Learning (UCOL) – Small Business Award winner</td>
<td>Universal College of Learning (UCOL) – Small Business Award winner</td>
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<tr>
<td>Saigon Corner</td>
<td>Saigon Corner</td>
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<tr>
<td>Central Energy Trust – Medium Business Award winner</td>
<td>Central Energy Trust – Medium Business Award winner</td>
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<tr>
<td>RICOH</td>
<td>RICOH</td>
</tr>
<tr>
<td>Massey Business School – Large Business Award winner</td>
<td>Massey Business School – Large Business Award winner</td>
</tr>
<tr>
<td>Tui Early Learners</td>
<td>Tui Early Learners</td>
</tr>
<tr>
<td>Central Economic Development Agency (CEDA) – Distribution &amp; Logistics Award winner</td>
<td>Central Economic Development Agency (CEDA) – Distribution &amp; Logistics Award winner</td>
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<tr>
<td>Base Logistics</td>
<td>Base Logistics</td>
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<tr>
<td>FoodHQ – Agriculture and Food Award winner</td>
<td>FoodHQ – Agriculture and Food Award winner</td>
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<tr>
<td>Norwood</td>
<td>Norwood</td>
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<tr>
<td>Central Demolition – Construction &amp; Manufacturing Award winner</td>
<td>Central Demolition – Construction &amp; Manufacturing Award winner</td>
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<tr>
<td>Beca</td>
<td>Beca</td>
</tr>
<tr>
<td>Powerco – Education, Research and Technology Award winner</td>
<td>Powerco – Education, Research and Technology Award winner</td>
</tr>
<tr>
<td>Tui Early Learners</td>
<td>Tui Early Learners</td>
</tr>
<tr>
<td>BigaVision – Professional Services and Retail Award winner</td>
<td>BigaVision – Professional Services and Retail Award winner</td>
</tr>
<tr>
<td>Totally Vets</td>
<td>Totally Vets</td>
</tr>
<tr>
<td>Palmerston North City Council and Manawatū District Council – Not for Profit Award winner</td>
<td>Palmerston North City Council and Manawatū District Council – Not for Profit Award winner</td>
</tr>
<tr>
<td>MASH Trust</td>
<td>MASH Trust</td>
</tr>
</tbody>
</table>
Investing in Talent

Connecting Fonterra with students

Callaghan Innovation offers the Research and Development Experience Grant which provides funding to a company for a tertiary student to work on a project over the summer break. The funding is for 10 weeks and the number of grants that a company can get is related to the number of research and development staff they employ, with the maximum being 15.

CEDA, through the Regional Business Partner Network, connected Fonterra Research and Development Centre in Palmerston North with the programme, which resulted in 15 undergraduate students working on projects at the Palmerston North research facility over the university summer break. The projects are diverse, and range from food functionality, and processing plant hygiene studies through to the mechanical design of equipment used in the manufacture of dairy products.

The 15 students benefited from the experience gained in a world-class research facility where they worked with more than 300 researchers, many of whom have PhDs in Food Science, Microbiology, Molecular Biology and Genetics, Engineering, Information Technology and Mechatronics.

Fonterra Research Centre sees the scheme as an ideal stepping stone to give undergraduate students a real-life research and development experience, and this is an example of how CEDA connects businesses with talent to help retain the exceptional students in Manawatu and showcase the career opportunities within the region.

The projects are diverse, and range from food functionality, and plant hygiene studies through to the mechanical design of equipment used in the manufacture of dairy products.
How We Work

Insights and Analysis
CEDA strives to be the go-to experts for insights and data on the local economy and national trends across priority sectors including the visitor economy. We keep our finger on the pulse through research and partnerships that enable us to better understand the strengths our region can build on, the weaknesses we can improve on and barriers we can bring down.

We have a crucial role in enabling the coordination, connection and delivery of outcomes by striving for the transparency and alignment of the many economic development projects and initiatives that are occurring, or are planned across our region. In the 2017/18 year, more than 130 projects that are drivers or enablers of economic growth were identified. With this knowledge CEDA can ensure smart investment of resources, funds and expertise, and is able to achieve high impact results for our region.

Regular Meet the Board sessions held with local businesses and stakeholders assists CEDA to share these insights with our business community.

Our Partners
Connect, Enable and Create – CEDA brings our diverse stakeholders into one conversation, steering others in the same direction, and co-ordinating our region’s collective capability towards achieving great things together.

We’re here to ask the hard questions about economic growth and challenge stakeholders to deliver on a broader sense of economic, social, cultural and environmental wealth. While responsible for the prosperity of Palmerston North and Manawatū, CEDA is already working further afield and partnering with other regions, as to achieve success in a rational and global market, partnerships are something we’re going to need more of.

As part of our drive towards greater collaboration across entities involved in economic development throughout the wider region, we’ve led the development of a commercial business hub and co-working space. This venture will become a reality in 2018/19, a social place where community, businesses, and individuals can meet, connect and grow together.

See Appendix, Page 70, for a list of partners we currently work with.

Our Funding
CEDA receives funding from Palmerston North City Council and Manawatū District Council, its shareholders, in the form of contributions to operations as well as funds for specific contractual services or projects.
CEDA also receives funding from institutions and government partners for initiatives that bring benefit to the wider region and nationally. This additional funding enables CEDA to have additional resource, the ability to invest in local businesses, and engage in specific sector work important to the region and beyond.
Specific funding is received from commercial organisations for sponsorship of programmes and joint projects as identified.

Nāku te rourou nāu te rourou ka ora ai te iwi
With my basket and yours, the people will thrive
How We Operate

In keeping with best management practice, CEDA aims to operate efficiently and effectively. As a future-focused organisation we are committed to supporting initiatives that enhance and protect our natural and built environment.

CEDA is working to optimise existing funding and generate savings from within the current funding arrangements in its early stages of operation in order to deliver value for money to the shareholders and the rate payer.

CEDA will regularly review its internal processes, improving practices, removing duplication, and finding efficiencies. Continual review of processes will ensure CEDA has enough working capital to fulfil any project or service commitments and contribute to delivery on regional growth opportunities identified.

As a Council Controlled Organisation (CCO) CEDA is also aware that much of its funding is derived from public monies and therefore all expenditure should be subject to a standard of probity and financial prudence that is to be expected of a CCO and be able to withstand public scrutiny. CEDA recognises the principles of the Treaty of Waitangi and acknowledges the importance of partnering with local iwi and recognition of Tangata Whenua in the region.

Health and Safety

CEDA regards the promotion and maintenance of health and safety as a mutual objective for everyone who works, visits, or has business with CEDA. CEDA is committed to the health and safety of all workers, visitors and the public across all business premises and work sites by undertaking all measures reasonably practicable to provide a safe working environment. CEDA believes that creating and maintaining a healthy work environment is a shared, co-operative venture, where both employees and employers have roles and responsibilities, including the maintenance of a balance between work and non-work activities.

As such, CEDA will ensure it meets its obligations with respect to New Zealand laws and regulations and will undertake annual reviews based on established best practice guidelines.

As the region’s Regional Tourism Organisation, CEDA will ensure that its consumer communications and channels convey the appropriate health and safety messaging.

Our People

We are a team of thought leaders and enablers working together with a united purpose – prosperity for all our communities.

The team at CEDA are a passionate group of people driven to grow and develop the wider region. With expertise in marketing, communications, events, national travel, business advice and development, collectively they are an effective support team, all connecting with the community to foster regional and economic development. CEDAs focus is on building an organisation that has a culture, capacity and capability to deliver on expectations.

CEDAs success is underpinned by its people, connections and networks both locally and globally. Investment in this resource is critical to creating value and outcomes.

Our values when demonstrated every day, help to change individual and collective mindsets so that we can all deliver great outcomes and create a workplace in which people feel valued for delivering results.

Our Values:

- **Work Together**
  
  Actively work together to deliver exceptional outcomes for all our stakeholders

- **Be Bold**
  
  Back ourselves so that we make individual and collective decisions that take the region to a new level

- **Own It**
  
  Take ownership of our work and make great things happen
Statement of Service Performance

CEDAs performance measure framework identifies quantifiable measures of our programmes and activities aligned to our key strategic outcomes. Performance measures and outcomes to December 2018

1. Grow and Retain Education and Talent

<table>
<thead>
<tr>
<th>Service Level Statement</th>
<th>Performance Measure</th>
<th>2018/19</th>
<th>Outputs/achievements Jul – Dec 18</th>
</tr>
</thead>
</table>
| Deliver information, advice, programmes and initiatives to attract more international students to the region by implementation of the Regional International Education Strategy 2016-2020 | Increase the value of international students in the region | Increase on 2016 baseline ($72.5m* 2016) Result: 2017/18 year to June is $115m** | Showcasing the Region
CEDA hosted six international education recruitment agents, five from Auckland and one from Guiyang, our Sister City in China. The agents all reported they were more likely to send students to Palmerston North as a result of this visit. Student Experience
Mayoral Welcome event held for 140 international secondary and tertiary students, resulting in international students feeling more connected to their host city. “Student Connect” event held where international students met up for pizza and a walk to watch the city fireworks display. Pathways to Employment
A CEDA staff member attended an “Employability Masterclass” hosted by Education NZ as a prerequisite to their funding of a cross-regional employability scoping study due to be completed in early 2019. |
## Grow and Retain Education and Talent

<table>
<thead>
<tr>
<th>Service Level Statement</th>
<th>Measure</th>
<th>2017/18</th>
<th>Outputs/achievements Jul – Jun 18</th>
</tr>
</thead>
<tbody>
<tr>
<td>Grow a skilled workforce and talent pipeline that meets the needs of priority sectors</td>
<td>Programmes and initiatives developed and delivered to meet needs identified through regional skills gap analysis</td>
<td>2 programmes delivered</td>
<td>CEDA funded Talent Central $50k to identify and connect talent, particularly youth, with employment opportunities across our region. Outcomes as a result of note:</td>
</tr>
<tr>
<td></td>
<td></td>
<td>YTD Result: 2 programmes delivered/implemented</td>
<td>- Delivery of the Work Ready Portfolio in schools, the development of a work experience programme for the Logistics and Distribution Advisory Cluster and for organisations that exhibited at JobFest.</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>- Two Distribution and Logistics business and education events, one of which was to investigate an apprenticeship for Class 2.5 licences.</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>- Partnership developed with National Driver Training Centre to deliver Class 1 licences to school students – a key component of being work ready and the Work Ready Portfolio.</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>- Awesome Summer Jobs – a summer work programme for graduates was delivered (75 graduates applied, 32 successfully interviewed and 8 were placed into roles), with some grade doing the Work Ready programme and receiving help with CV writing and interview techniques.</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Research has been undertaken to understand the challenges and opportunities that we face as a region when it comes to attracting talent. Engagement with 7 businesses in key sectors (including recruitment agencies) and 5 in depth interviews with couples or families that have relocated to the region in the last few years, has provided us with key insights on the factors people consider when relocating. This work has provided the platform for profiling our region and has resulted in several feature articles on Stuff.co.nz and Manawatu Standard.</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Active role in the Accelerate25 Talent and Skills Subcommittee. Results:</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>- Proposal developed to establish a Skills and Employment Hub on Manfield focused on Distribution and Logistics Sector, including civil engineering and construction in 2019. This aims to deliver in part to the labour market requirements of major road projects coming to our region.</td>
</tr>
</tbody>
</table>

*Based on Value Added plus Tax - Infometrics Report, March 2017

**Based on Value Added plus Tax – Education New Zealand Report, October 2018 (using revised methodology)**
2. Build the Reputation and Experience of the Region

<table>
<thead>
<tr>
<th>Service Level Statement</th>
<th>Performance Measure</th>
<th>2018/19</th>
<th>Outputs/achievements Jul – Dec 18</th>
</tr>
</thead>
<tbody>
<tr>
<td>Enhance and grow awareness of the region to inspire visitors to travel here, new residents to live here, businesses to choose here and students to learn here.</td>
<td>Year on Year growth of unique visitors to the regional website ManawatuNZ.co.nz</td>
<td>10% growth</td>
<td>ManawatuNZ.co.nz regional website: 109,928 sessions, 0.1% decrease on 2017. 68.94% were new users, an increase of 0.6% on 2017. ManawatuNZ.co.nz was relaunched in July 2018 with a new look, improved visibility and additional content. As a result, there has been a slight increase in web traffic (common with website relaunches). However, the three months from October to December saw both users and sessions increase by 10.6% primarily through organic traffic. We are confident we will reach our year end target as a result. 16 new articles were published on ManawatuNZ.co.nz as part of our work to increase web traffic. These articles were tailored content based on what our users are looking for and include stories such as: Local Markets You’ll Love, Country Cuisine Puts and Cafes, Gardens to Visit This Season, Family Friendly Farm Stays and Top Winter Day Trips.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Consumer social media and e-Newsletter growth</th>
<th>10% growth</th>
<th>Consumer Social Media</th>
</tr>
</thead>
<tbody>
<tr>
<td>Result YTD: Social media average 12% increase, eNewsletter 23.9% increase</td>
<td>Facebook: As at 31 December 2018 the MyManawatu Facebook had 8,507 page likes (7.6% increase on previous 6 months) and ManawatuNZ Facebook 10,220 page likes (9.1% increase on previous 6 months).</td>
<td>- Facebook: As at 31 December 2018 the MyManawatu Facebook had 8,507 page likes (7.6% increase on previous 6 months) and ManawatuNZ Facebook 10,220 page likes (9.1% increase on previous 6 months).</td>
</tr>
<tr>
<td></td>
<td>Instagram: As at 31 December 2018 ManawatuNZ had 3,252 followers (13.3% increase on previous 6 months)</td>
<td>- Instagram: As at 31 December 2018 ManawatuNZ had 3,252 followers (13.3% increase on previous 6 months).</td>
</tr>
<tr>
<td></td>
<td>Our regional hashtag #ThisIsManawatu was used 10,866 times (18.3% increase on previous 6 months)</td>
<td>- Our regional hashtag #ThisIsManawatu was used 10,866 times (18.3% increase on previous 6 months).</td>
</tr>
<tr>
<td></td>
<td>What’s On eNewsletter: Our consumer email database grew by 23.9% increase to 4,254 subscribers</td>
<td>- What’s On eNewsletter: Our consumer email database grew by 23.9% increase to 4,254 subscribers</td>
</tr>
</tbody>
</table>

To better understand our audiences within our digital channels, CEDA undertook research through an incentivized survey in December. The data and insight from this will inform our future activities for 2019 to ensure we can better leverage this growing audience.
# Build the Reputation and Experience of the Region

<table>
<thead>
<tr>
<th>Service Level Statement</th>
<th>Performance Measure</th>
<th>2018/19</th>
<th>Outputs/achievements Jul – Dec 18</th>
</tr>
</thead>
<tbody>
<tr>
<td>Successful media results for the visitor sector.</td>
<td>5 direct media publications</td>
<td></td>
<td><strong>Media Results</strong>&lt;br&gt;Ten Direct Media Features profiling the city and region, including a 3-page spread in Kia Ora Magazine (357k readership) and a 2-page spread in AA Directions Winter edition (900k readership). Digital results included three travel story features on AA Traveller, GoKiwi, a WeChat feature length post, and a feature article on The Spinoff. Some indirect results included a 2-page spread in OnBoard magazine (200k readership) which features on all KiwiRail and Interislander passenger services.</td>
</tr>
<tr>
<td>Destination Management Plan and Strategy developed</td>
<td>Plan and Strategy Developed</td>
<td></td>
<td><strong>Plan and Strategy</strong>&lt;br&gt;CEDA has engaged Fresh Info consultancy to begin the development of a Visitor Strategy for Palmerston North and Manawatū, pulling together the data and insights available, the Regional Identity research and our work in product development to date. A workshop with our shareholders has set the direction of the Strategy through to 2026, which will be led by CEDA and delivered by many agencies and partners throughout the region. <strong>Visitor Sector Support</strong>&lt;br&gt;Ongoing support in the visitor sector with our growing operator community, including the design of an Operator Marketing Guide to provide operators with the tools and information to help them with their marketing. CEDA has also partnered with Hospitality Association New Zealand to present to their members on the work CEDA does and provide marketing support and opportunities.</td>
</tr>
<tr>
<td>Conference / Business Events</td>
<td>Grow Manawatū’s share of national delegate days through targeted bids</td>
<td>10% growth Results YTD:</td>
<td>Results to December 2018 not yet available.</td>
</tr>
<tr>
<td>Business events bids win/loss ratio (based on results received in the financial year)</td>
<td>33% win/loss ratio</td>
<td>Result YTD: 2 bids, with 100% win ratio</td>
<td>Two bids submitted and were successful for hosting of the 2020 World Biketart Championships and NZ Airport Association Conference. These will have an estimated combined economic impact to the region of $4.725m. CEDA has engaged and provided support to 15 conferences that have potential of being held in the region. These conferences have an estimated combined economic benefit of over $2.2 million. To support this process a new Conference Planner for 2018/19 was developed to showcase our region as a desirable and competitive destination for conference and business events.</td>
</tr>
</tbody>
</table>
### Build the Reputation and Experience of the Region

<table>
<thead>
<tr>
<th>Service Level Statement</th>
<th>Performance Measure</th>
<th>2018/19</th>
<th>Outputs/achievements Jul – Dec 18</th>
</tr>
</thead>
<tbody>
<tr>
<td>Provide visitors and locals expert information on accommodation, activities, events and travel throughout Manawatu and New Zealand.</td>
<td>Percentage of customers satisfied with visitor information services in the region</td>
<td>80% satisfaction</td>
<td><strong>Customer excellence</strong></td>
</tr>
<tr>
<td></td>
<td>Result YTD:</td>
<td>50% satisfaction</td>
<td>Palmerston North City i-SITE was awarded the 2018 TripAdvisor certificate of excellence, alongside winning the SkyCity sponsored 2018 i-SITE New Zealand Customer Service award. This is awarded to the i-SITE with the highest aggregate customer rating score across three feedback channels, TripAdvisor, Google business listing and Customer Radar.</td>
</tr>
<tr>
<td>Coordination and promotion of key events, with Partners, to add value to the visitor experience</td>
<td></td>
<td></td>
<td><strong>Signage Programme</strong></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Four new visitor information signs in key locations have been installed in northern Manawatu. These projects are done in partnership with local community groups, and feature The Country Road map and guide, local attractions and key area information.</td>
</tr>
</tbody>
</table>

*Calculated as wins divided by wins plus losses. Does not account for bids pending, not proceeded with, cancelled or not submitted.*
3. Support the Growth of Business in the Region

<table>
<thead>
<tr>
<th>Service Level Statement</th>
<th>Performance Measure</th>
<th>2018/19</th>
<th>Outputs/achievements Jul – Dec 18</th>
</tr>
</thead>
<tbody>
<tr>
<td>Through the Regional Business Partner Programme, deliver information, advice, and support to businesses</td>
<td>Number of businesses actively engaged in the Regional Business Partner Programme</td>
<td>400</td>
<td><strong>Regional Business Partners</strong>&lt;br&gt;Year to date CEDA has actively engaged with 255 businesses. This includes 117 businesses through the Regional Business Partner Programme, which have benefitted from receipt of a targeted action plan, aimed at guiding them towards the expertise, mentors, advice and connections to help them grow, or expand their research and development capability.&lt;br&gt;$155,343 in capability development vouchers were issued to 68 businesses to access expert training and business development services.&lt;br&gt;$432,022 in Calleighan Innovation research and development grants were awarded to businesses by way of:&lt;br&gt;- Two project grants&lt;br&gt;- Two getting started grants&lt;br&gt;- 26 other CEDA facilitated grants including student experience, fellowship and career grants, linking tertiary students (nationally) directly to the region’s businesses.&lt;br&gt;We have also worked to develop our pool of mentors in partnership with Business Mentors New Zealand, by connecting and engaging with them, providing a platform to learn from one another, and how we work together to help businesses grow. Two Mentor connect sessions have been held year to date.</td>
</tr>
</tbody>
</table>

| Business Growth and Development Initiatives | Number of unique businesses that have accessed CEDAs additional support services | 100 | **Additional Support Services**<br>138 businesses have accessed CEDAs additional support services, from start-ups through to more established businesses. This includes operator support and one to many capability development workshops i.e. Activate in conjunction with the Mansawati Art Trail and Square Edge Community Arts, where CEDAs Business Team delivered four business courses to help Art Trail artists get ready for the commercial and customer engagement opportunities brought to their doorstep with the trail.<br><br><strong>Start-up Clinics</strong><br>Monthly Start-up Clinics were held rotating between lunchtime and evening sessions to help new businesses and entrepreneurs with insights, information and resources aimed at taking their ideas to the next level. Five clinics have been held year to date. |

<table>
<thead>
<tr>
<th></th>
<th>Result YTD:</th>
<th>138</th>
<th></th>
</tr>
</thead>
</table>
Support the Growth of Business in the Region

<table>
<thead>
<tr>
<th>Service Level Statement</th>
<th>Performance Measure</th>
<th>2018/19</th>
<th>Outputs/achievements Jul – Dec 18</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td><strong>Westpac Manawatū Business Awards</strong></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>CEDA delivered the 2018 Westpac Manawatū Business Awards including facilitation of the judging process. The Awards received 115 unique nominations, 48 of which progressed through to preliminary judging, with 22 named as finalists for the Awards. The Gala Awards evening was held with over 300 guests in attendance.</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td><strong>Provincial Growth Fund Support</strong></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>CEDA provided advice and support to 12 Provincial Growth Fund submissions by advising how they align with regional strategic priorities and providing additional information and links to the Ministry of Business, Innovation and Employment’s Provincial Development Unit.</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td><strong>Economic Updates</strong></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>An Economic Update was held in conjunction with the Manawatū Chamber of Commerce with a panel discussion and facilitated Q&amp;A on ‘A future-proofing discussion: preparing for what’s ahead’ to help businesses to better understand the commercial and growth opportunities on our near horizon, programmes in place/being developed to assist with the talent and skills we’ll need, and the accommodation and services required to welcome and retain them.</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td><strong>Work with local iwi to identify opportunities to unlock potential of local iwi businesses and investment</strong></td>
</tr>
<tr>
<td></td>
<td><strong>Engage with businesses that identify as Māori through the Regional Business Partner Programme</strong></td>
<td>12 Result YTD: 7</td>
<td>CEDA has employed a Business Growth Advisor Māori to have a focused approach in providing leadership and support in our engagement with Māori business. We have engaged with 10 businesses that identify as Māori in the year to date (this includes start-ups, businesses and entrepreneurs seeking Research and Development assistance). Seven engagements through the Regional Business Partner Programme and three additional support service engagements.</td>
</tr>
<tr>
<td></td>
<td><strong>Development of a Local Iwi Engagement Strategy</strong></td>
<td>Strategy developed Result YTD: Strategy developed</td>
<td>A local Iwi Engagement Strategy has been developed to provide a clear understanding in CEDA’s way forward.</td>
</tr>
</tbody>
</table>
## Support the Growth of Business in the Region

<table>
<thead>
<tr>
<th>Service Level Statement</th>
<th>Performance Measure</th>
<th>2018/19</th>
<th>Outputs/achievements Jul – Dec 18</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ongoing engagement with Māori business support agencies/whi representatives</td>
<td>8 engagements</td>
<td>CEDA has regular engagement with stakeholders to find mutual areas of interest and collaboration in the support of the Māori business sector and Māori entrepreneurial development. 27 engagements for the year to date were held with Te Puna Kokiri (5), Te Tii (Wharekura Ora, Manawatu (3), Pouataua Trust (5), Te Au Paketi (4), Ngapiti Raukawa, Te Manu Atatu (6), Tū te Manawa trail developers (2) and Te Au Rangiheke. A sector development plan has been initiated to understand opportunities for growth and collaboration with key partners and to better support potential from Māori business and entrepreneurs.</td>
<td></td>
</tr>
<tr>
<td>Development of Ag Cluster strategy</td>
<td>Strategy developed</td>
<td>In partnership with the Sprout AgTech accelerator, we have initiated the development of the AgTech strategy, first defining the regional AgTech sector, and then progressing the work into a sector enablement plan. The objective is to better position Manawatu as a national and international source of AgTech expertise.</td>
<td></td>
</tr>
<tr>
<td>Distribution and Logistics business attraction plan developed and initiated</td>
<td>Plan initiated</td>
<td>Worked has commenced with council and commercial landowners surrounding the proposed multimodal hub and regional freight ring road to support the development of the north east industrial park. The business attraction plan for this sector will be combined within the inward investment strategy and implementation plan.</td>
<td></td>
</tr>
<tr>
<td>Partnership agreements and workplans in place with tertiary sector, and defence committee</td>
<td>Partnership and workplans agreed and actioned</td>
<td>Two Defence Issues in the Manawatū group meetings have been Chaired. The Statement of Intent has been refined and approved by all parties, and the workplan agreed. Partnership agreements are in place with Education New Zealand, Massey University, UCOL, IPU New Zealand, and English Teaching College along with Palmerston North Girls’ and Boys’ High Schools, Awarua College, St Peter’s College, Freyberg High School and Fielding High School.</td>
<td></td>
</tr>
<tr>
<td>Define opportunity in the Health sector</td>
<td>Opportunities scoped</td>
<td>Health sector scoping to commence in quarter three.</td>
<td></td>
</tr>
<tr>
<td>Development of a Digital/Technology sector plan</td>
<td>Plan developed</td>
<td>Digital Technology sector stocktake and scoping underway.</td>
<td></td>
</tr>
</tbody>
</table>

---

**CEDA** Half-yearly report to December 2018
## Support the Growth of Business in the Region

<table>
<thead>
<tr>
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<th>Performance Measure</th>
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</tr>
</thead>
<tbody>
<tr>
<td>Attract and retain business and investment in priority sectors</td>
<td>Number of businesses assisted by CEDA to relocate to the region</td>
<td>3</td>
<td><strong>Business relocation</strong>&lt;br&gt;Continued assistance with the retention of one significant business in the region. Engaged or continued to engage with six businesses around potential relocation to the region. Continued activity towards the development and negotiation of the proposed multi modal freight hub.</td>
</tr>
<tr>
<td></td>
<td>Result YTD: 0</td>
<td></td>
<td><strong>Supporting new investment</strong>&lt;br&gt;CEDA provided support to Zero Emission Vehicle Technologies with their delegation of key researchers and leaders from the Chongqing Vocational College of Transportation, China.</td>
</tr>
<tr>
<td>Development of Inward Investment strategy and Implementation plan</td>
<td>Strategy and plan developed</td>
<td></td>
<td>Strategy development has commenced, with a full stocktake of current and historical activity undertaken.</td>
</tr>
<tr>
<td></td>
<td>Result YTD: Strategy development initiated</td>
<td></td>
<td><strong>Facilitate collaboration and innovation in AgTech in partnership with BCC</strong>&lt;br&gt;<strong>Note the BCC has since been renamed to The Factory.</strong></td>
</tr>
<tr>
<td>Facilitate collaboration and innovation in AgTech in partnership with BCC*</td>
<td>% satisfaction with BCC* support / services provided</td>
<td>80% or higher satisfaction&lt;br&gt;Result YTD: Survey to be completed</td>
<td></td>
</tr>
</tbody>
</table>

*Note the BCC has since been renamed to The Factory.*
4. Build an Environment conducive to Economic Growth

<table>
<thead>
<tr>
<th>Service Level Statement</th>
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<th>Outputs/achievements Jul – Dec 18</th>
</tr>
</thead>
<tbody>
<tr>
<td>Stakeholder engagement</td>
<td>% of stakeholder satisfaction with the performance of CEDA</td>
<td>Set baseline</td>
<td>Stakeholder mapping completed (including Māori business support groups and local iwi). Stakeholder groups to be confirmed by councils for survey by year end.</td>
</tr>
<tr>
<td>Iwi Economy</td>
<td>Iwi and wider Māori satisfaction with quality of engagement by CEDA</td>
<td>Set baseline</td>
<td></td>
</tr>
<tr>
<td>Work plan aligned to delivery of Statement of Service Performance</td>
<td>Development of Business Plan</td>
<td>Business Plan developed</td>
<td>Business unit annual plans completed</td>
</tr>
</tbody>
</table>
Monitoring Indicators

In addition to our performance measures, the shareholders have identified a further set of monitoring indicators. These indicators reflect outcomes at the regional level which are impacted by a range of factors outside of our control, for example, exchange rates, natural disasters, government policy. As the region’s economic development agency, we have a role in monitoring and influencing these indicators where we can, however we do not measure the performance of our organisation against them.

The Palmerston North City Council and Manawatu District Council have the responsibility to report on these indicators.

<table>
<thead>
<tr>
<th>Indicator</th>
<th>2019</th>
<th>2020</th>
<th>2021</th>
<th>Regional target</th>
</tr>
</thead>
<tbody>
<tr>
<td>Change in total number of jobs</td>
<td>1.9% increase</td>
<td>1.9% increase</td>
<td>1.9% increase</td>
<td>1.9% average annual increase over three years.</td>
</tr>
<tr>
<td>Change in average salaries and wages</td>
<td>2.6% increase</td>
<td>2.6% increase</td>
<td>2.6% increase</td>
<td>2.6% pa increase.</td>
</tr>
<tr>
<td>Change in total earnings (salaries, wages and self-employment income)</td>
<td>3.7% increase</td>
<td>3.7% increase</td>
<td>3.7% increase</td>
<td>3.7% pa increase, average annual increase of $104 million.</td>
</tr>
<tr>
<td>Change in total GDP and per capita GDP</td>
<td>1.8% GDP</td>
<td>1.8% GDP</td>
<td>1.8% GDP</td>
<td>1.8% average annual increase in total GDP.</td>
</tr>
<tr>
<td>Estimated population change - 65 years and over population (for demographic monitoring)</td>
<td>1,350 increase</td>
<td>1,350 increase</td>
<td>1,350 increase</td>
<td>1,350 population increase pa, 1.2% average increase pa. Estimated 530 population increase pa, 3.3% pa.</td>
</tr>
<tr>
<td>Net overseas migration</td>
<td>660 gain</td>
<td>660 gain</td>
<td>660 gain</td>
<td>660 average annual net migration gain.</td>
</tr>
<tr>
<td>Number of visitor nights in Manawatu region</td>
<td>1.6% increase</td>
<td>1.6% increase</td>
<td>1.6% increase</td>
<td>1.6% pa increase.</td>
</tr>
<tr>
<td>Change in MSD benefit numbers</td>
<td>1.6% decline</td>
<td>1.6% decline</td>
<td>1.6% decline</td>
<td>1.6% pa decline, average annual decline of 130 people.</td>
</tr>
<tr>
<td>Reputation of Manawatu / Palmerston North as a great place to live and do business**</td>
<td>1% increase</td>
<td>1% increase</td>
<td>1% increase</td>
<td>3% increase over 3 years.</td>
</tr>
</tbody>
</table>

*excludes any annual inflation increase  
**as measured by UMR Research compiled 3 yearly, first measured 2016
About CEDA

The Central Economic Development Agency (CEDA) is a Limited Liability Company incorporated and registered under the Companies Act 1993. CEDA commenced full operations is September 2016 and is a Council controlled organisation jointly owned by the Palmerston North City Council (50%) and the Manawatū District Council (50%).

CEDA’s Purpose and Principal Activities
The primary objective of CEDA is to drive and facilitate the creation and growth of economic wealth for Manawatū and beyond. CEDA’s principal activities are directed by its Statement of Intent for the current year.

CEDA’s Constitution Objectives
(a) The principal objectives of the Company are to achieve the objectives of the shareholders, both commercial and non-commercial as specified from time to time in the Statement of Intent and, in particular, to drive and facilitate the creation and growth of economic wealth for Manawatū and beyond;
(b) be a good employer;
(c) exhibit a sense of social and environmental responsibility by having regard to the interests of the community in which the Company operates and by endeavouring to accommodate or encourage these when reasonably able to do so.

CEDA’s Structure and Governance
The Board of up to seven (currently six) independent directors is responsible for the strategic direction and control of CEDA’s activities.

The Board guides and monitors the business and affairs of CEDA, in accordance with the Companies Act 1993, the Local Government Act 2002, the Company’s Constitution and this Statement of Intent.

The Board’s approach to governance is to adopt “good practice” with respect to:
- the operation and performance of the Board
- managing the relationship with the Chief Executive
- being accountable to all shareholders and reporting to the Joint Strategic Planning Committee of Manawatū District Council and Palmerston North City Council.

The Chief Executive is responsible for the day-to-day operations of CEDA, engaging and oversight of staff and reporting to the directors on performance against CEDA’s objectives.
## Financial Performance

**Central Economic Development Agency Limited**  
**Group Statement of Comprehensive Revenue & Expense**

For the 6 Months to December

<table>
<thead>
<tr>
<th></th>
<th></th>
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<th></th>
<th></th>
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</tr>
</thead>
<tbody>
<tr>
<td><strong>Revenue</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Council Funding</td>
<td>4</td>
<td>1,311,003</td>
<td>1,296,801</td>
<td>2,408,045</td>
<td>2,575,964</td>
</tr>
<tr>
<td>Other Services Revenue</td>
<td></td>
<td>304,000</td>
<td>309,991</td>
<td>740,652</td>
<td>792,703</td>
</tr>
<tr>
<td>Project Revenue</td>
<td></td>
<td>171,283</td>
<td>123,825</td>
<td>457,142</td>
<td>284,050</td>
</tr>
<tr>
<td>Major Event Fund Revenue</td>
<td>0</td>
<td>57,000</td>
<td>100,000</td>
<td>65,000</td>
<td></td>
</tr>
<tr>
<td><strong>Total Revenue</strong></td>
<td></td>
<td>1,876,386</td>
<td>1,876,617</td>
<td>3,705,839</td>
<td>3,827,717</td>
</tr>
<tr>
<td><strong>Cost of Sales</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other Services Expenses</td>
<td></td>
<td>419,276</td>
<td>395,044</td>
<td>862,826</td>
<td>811,780</td>
</tr>
<tr>
<td>Project Expenses</td>
<td></td>
<td>267,716</td>
<td>195,296</td>
<td>559,542</td>
<td>621,270</td>
</tr>
<tr>
<td>Major Event Fund allocations</td>
<td>0</td>
<td>57,000</td>
<td>100,000</td>
<td>65,000</td>
<td></td>
</tr>
<tr>
<td><strong>Total Cost of Sales</strong></td>
<td></td>
<td>686,993</td>
<td>647,340</td>
<td>1,522,368</td>
<td>1,498,051</td>
</tr>
<tr>
<td><strong>Gross Surplus (Deficit)</strong></td>
<td></td>
<td>1,189,393</td>
<td>1,229,278</td>
<td>2,183,471</td>
<td>2,329,667</td>
</tr>
<tr>
<td><strong>Other Revenue</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Interest Revenue</td>
<td>9,615</td>
<td>10,074</td>
<td>18,000</td>
<td>26,177</td>
<td></td>
</tr>
<tr>
<td>Sundry Revenue</td>
<td>373</td>
<td>3,430</td>
<td>880</td>
<td>7,486</td>
<td></td>
</tr>
<tr>
<td><strong>Total Other Revenue</strong></td>
<td>9,988</td>
<td>13,504</td>
<td>18,880</td>
<td>27,643</td>
<td></td>
</tr>
<tr>
<td><strong>Expenses</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Depreciation</td>
<td>13,071</td>
<td>12,741</td>
<td>21,000</td>
<td>27,081</td>
<td></td>
</tr>
<tr>
<td>Directors’ Fees</td>
<td>90,000</td>
<td>77,500</td>
<td>180,000</td>
<td>168,300</td>
<td></td>
</tr>
<tr>
<td>Employee Expense</td>
<td>5</td>
<td>834,534</td>
<td>729,960</td>
<td>1,931,715</td>
<td>1,475,802</td>
</tr>
<tr>
<td>Financing Expenses</td>
<td></td>
<td>410</td>
<td>143</td>
<td>500</td>
<td>4,979</td>
</tr>
<tr>
<td>Other Operating Expenses</td>
<td>6</td>
<td>189,421</td>
<td>218,563</td>
<td>312,172</td>
<td>497,562</td>
</tr>
<tr>
<td><strong>Total Expenses</strong></td>
<td></td>
<td>1,127,435</td>
<td>1,038,908</td>
<td>2,445,387</td>
<td>2,173,815</td>
</tr>
<tr>
<td><strong>Surplus (Deficit) Before Taxation</strong></td>
<td>71,946</td>
<td>203,874</td>
<td>(243,036)</td>
<td>183,495</td>
<td></td>
</tr>
</tbody>
</table>
## Financial Performance

<table>
<thead>
<tr>
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</tr>
</thead>
<tbody>
<tr>
<td><strong>Taxation</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Income Tax Expense</td>
<td>7</td>
<td>20,144</td>
<td>83,590</td>
<td>0</td>
<td>48,797</td>
</tr>
<tr>
<td><strong>Total Taxation</strong></td>
<td></td>
<td><strong>20,144</strong></td>
<td><strong>83,590</strong></td>
<td><strong>0</strong></td>
<td><strong>48,797</strong></td>
</tr>
<tr>
<td><strong>Surplus (Deficit) after tax</strong></td>
<td></td>
<td>51,802</td>
<td>120,284</td>
<td>(243,036)</td>
<td>134,698</td>
</tr>
<tr>
<td><strong>Other comprehensive revenue and expense</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Items that could be reclassified to surplus (deficit)</td>
<td></td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td><strong>Total Other comprehensive revenue and expense</strong></td>
<td></td>
<td><strong>0</strong></td>
<td><strong>0</strong></td>
<td><strong>0</strong></td>
<td><strong>0</strong></td>
</tr>
<tr>
<td><strong>Total comprehensive revenue and expense</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total comprehensive revenue and expense</td>
<td></td>
<td>51,802</td>
<td>120,284</td>
<td>(243,036)</td>
<td>134,698</td>
</tr>
</tbody>
</table>

**Total comprehensive revenue and expense attributable to:**

<p>| | | | | | |</p>
<table>
<thead>
<tr>
<th></th>
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<th></th>
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<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Palmerston North City Council</td>
<td>25,901</td>
<td>60,142</td>
<td>(121,518)</td>
<td>67,349</td>
<td></td>
</tr>
<tr>
<td>Manawatu District Council</td>
<td>25,901</td>
<td>60,142</td>
<td>(121,518)</td>
<td>67,349</td>
<td></td>
</tr>
<tr>
<td><strong>Total comprehensive revenue and expenses</strong></td>
<td></td>
<td><strong>51,802</strong></td>
<td><strong>120,284</strong></td>
<td>(243,036)</td>
<td><strong>134,698</strong></td>
</tr>
</tbody>
</table>

The accompanying accounting policies and notes form part of and are to be read in conjunction with these financial statements.

Variations on comparatives from the previous Half Yearly Report, December 2017 are due to asset capitalisation, lease reclassification and adjustments as part of the year end process. Income tax expense for December 2017 calculated prior to reclassification of BCC expenditure resulting in a reduced tax expenses in December 2017 to a total of $57,085.
Financial Performance

Central Economic Development Agency Limited
Group Statement of Financial Position

As at 31 December

<table>
<thead>
<tr>
<th></th>
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<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Assets</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Current Assets</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash and Cash Equivalents</td>
<td>8</td>
<td>1,195,955</td>
<td>1,422,470</td>
<td>1,023,792</td>
<td>1,180,967</td>
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<tr>
<td>Receivables and Accruals</td>
<td>9</td>
<td>173,754</td>
<td>122,091</td>
<td>345,707</td>
<td>138,300</td>
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<tr>
<td>Prepayments</td>
<td></td>
<td>5,757</td>
<td>5,517</td>
<td>5,517</td>
<td>18,921</td>
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<tr>
<td>Inventories</td>
<td>10</td>
<td>13,721</td>
<td>12,265</td>
<td>12,265</td>
<td>14,663</td>
</tr>
<tr>
<td>Total Current Assets</td>
<td></td>
<td>1,389,187</td>
<td>1,562,343</td>
<td>1,387,281</td>
<td>1,352,851</td>
</tr>
<tr>
<td>Non-Current Assets</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Property, Plant and Equipment</td>
<td>11</td>
<td>91,729</td>
<td>82,445</td>
<td>44,768</td>
<td>91,276</td>
</tr>
<tr>
<td>Total Non-Current Assets</td>
<td></td>
<td>91,729</td>
<td>82,445</td>
<td>44,768</td>
<td>91,276</td>
</tr>
<tr>
<td>Total Assets</td>
<td></td>
<td>1,480,916</td>
<td>1,644,788</td>
<td>1,432,049</td>
<td>1,444,127</td>
</tr>
<tr>
<td><strong>Liabilities</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Current Liabilities</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Payables and Deferred Revenue</td>
<td>12</td>
<td>301,048</td>
<td>529,851</td>
<td>512,214</td>
<td>331,373</td>
</tr>
<tr>
<td>Employee Entitlements</td>
<td></td>
<td>55,419</td>
<td>51,819</td>
<td>51,819</td>
<td>56,706</td>
</tr>
<tr>
<td>Other Current Liabilities</td>
<td></td>
<td>52,286</td>
<td>57,171</td>
<td>29,609</td>
<td>33,686</td>
</tr>
<tr>
<td>Total Current Liabilities</td>
<td></td>
<td>408,753</td>
<td>638,841</td>
<td>593,669</td>
<td>423,765</td>
</tr>
<tr>
<td>Total Liabilities</td>
<td></td>
<td>408,753</td>
<td>638,841</td>
<td>593,669</td>
<td>423,765</td>
</tr>
<tr>
<td><strong>Net Assets</strong></td>
<td></td>
<td>1,072,163</td>
<td>1,005,947</td>
<td>838,380</td>
<td>1,020,361</td>
</tr>
<tr>
<td><strong>Equity</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Contributed Capital</td>
<td>13</td>
<td>1,000</td>
<td>1,000</td>
<td>1,000</td>
<td>1,000</td>
</tr>
<tr>
<td>Retained Earnings</td>
<td></td>
<td>1,071,163</td>
<td>1,004,947</td>
<td>837,380</td>
<td>1,019,361</td>
</tr>
<tr>
<td>Total Equity</td>
<td></td>
<td>1,072,163</td>
<td>1,005,947</td>
<td>838,380</td>
<td>1,020,361</td>
</tr>
</tbody>
</table>

The accompanying accounting policies and notes form part of and are to be read in conjunction with these financial statements.

Variations on comparatives from the previous Half Yearly Report, December 2017 are due to asset capitalisation, lease reclassification and adjustments as part of the year end process.
## Financial Performance

**Central Economic Development Agency Limited**

**Group Statement of Changes in Equity Position**

For the 6 Months to December

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Equity</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Opening Balance</td>
<td>1,020,361</td>
<td>885,663</td>
<td>1,081,416</td>
<td>885,663</td>
</tr>
<tr>
<td><strong>Increases</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total comprehensive revenue and expense for the period</td>
<td>51,802</td>
<td>120,284</td>
<td>(243,036)</td>
<td>134,698</td>
</tr>
<tr>
<td><strong>Total Increases</strong></td>
<td>51,802</td>
<td>120,284</td>
<td>(243,036)</td>
<td>134,698</td>
</tr>
<tr>
<td>Total Equity</td>
<td>1,072,163</td>
<td>1,005,947</td>
<td>838,380</td>
<td>1,020,361</td>
</tr>
</tbody>
</table>

**Total comprehensive revenue and expense attributable to:**

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Palmerston North City Council</td>
<td>536,082</td>
<td>502,974</td>
<td>419,190</td>
<td>510,181</td>
</tr>
<tr>
<td>Manawatu District Council</td>
<td>536,082</td>
<td>502,974</td>
<td>419,190</td>
<td>510,181</td>
</tr>
<tr>
<td><strong>Total comprehensive revenue and expense</strong></td>
<td>1,072,163</td>
<td>1,005,947</td>
<td>838,380</td>
<td>1,020,361</td>
</tr>
</tbody>
</table>

The accompanying accounting policies and notes form part of and are to be read in conjunction with these financial statements.

Variations on comparatives from the previous Half Yearly Report, December 2017 are due to asset capitalisation, lease reclassification and adjustments as part of the year end process.
### Financial Performance

#### Central Economic Development Agency Limited

**Statement of Cash Flows**

For the 6 Months to December

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Cash Flows from Operating Activities</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Receipts of council funding</td>
<td>1,386,003</td>
<td>1,435,801</td>
<td>2,573,454</td>
<td>2,806,802</td>
</tr>
<tr>
<td>Interest received</td>
<td>6,067</td>
<td>7,161</td>
<td>20,700</td>
<td>18,258</td>
</tr>
<tr>
<td>Receipts from other operating activities</td>
<td>799,750</td>
<td>795,116</td>
<td>1,356,640</td>
<td>1,559,110</td>
</tr>
<tr>
<td>Income tax refunded/(paid)</td>
<td>(5,282)</td>
<td>(24,992)</td>
<td>0</td>
<td>(124,974)</td>
</tr>
<tr>
<td>GST</td>
<td>21,426</td>
<td>55,285</td>
<td>(238,245)</td>
<td>7,360</td>
</tr>
<tr>
<td>Payments to suppliers and employees</td>
<td>(2,152,532)</td>
<td>(1,941,443)</td>
<td>(4,302,233)</td>
<td>(4,170,780)</td>
</tr>
<tr>
<td>Finance costs</td>
<td>(410)</td>
<td>(143)</td>
<td>(500)</td>
<td>(4,979)</td>
</tr>
<tr>
<td><strong>Total Cash Flows from Operating Activities</strong></td>
<td>42,914</td>
<td>326,805</td>
<td>(590,184)</td>
<td>90,597</td>
</tr>
<tr>
<td><strong>Cash Flows from Investing Activities</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Proceeds from sales of property, plant and equipment</td>
<td>0</td>
<td>200</td>
<td>0</td>
<td>350</td>
</tr>
<tr>
<td>Payment for property, plant and equipment</td>
<td>(27,925)</td>
<td>(8,773)</td>
<td>0</td>
<td>(14,218)</td>
</tr>
<tr>
<td><strong>Total Cash Flows from Investing Activities</strong></td>
<td>(27,925)</td>
<td>(8,573)</td>
<td>0</td>
<td>(13,868)</td>
</tr>
<tr>
<td><strong>Net Cash Flows</strong></td>
<td>14,989</td>
<td>318,232</td>
<td>(590,184)</td>
<td>76,729</td>
</tr>
</tbody>
</table>

**Cash Balances**

- Cash and cash equivalents at beginning of period | 1,180,967 | 1,104,238 | 1,613,976 | 1,104,238 |
- Cash and cash equivalents at end of period | 1,195,955 | 1,422,470 | 1,023,732 | 1,180,967 |

**Net change in cash for period** | 14,989 | 318,232 | (590,184) | 76,729 |

The accompanying accounting policies and notes form part of and are to be read in conjunction with these financial statements.

Variances on comparatives from the previous Half Yearly Report, December 2017 are due to asset capitalisation, lease reclassification and adjustments as part of the year end process.
Appendices

Accounting Policies

1. Reporting Entity

Central Economic Development Agency Ltd (CEDA) was established and commenced operations in New Zealand on 15 October 2015 under the Companies Act 1993 (NZBN 94290420011096). As the shareholders of CEDA are Palmerston North City Council (50%) and Manawatu District Council (50%) CEDA is a Council Controlled Organisation as defined in section 6 of the Local Government Act 2002.

CEDA has designated itself as a public benefit entity (PBE) for financial reporting purposes. The financial statements of CEDA are for the 6 months ended 31 December 2018.

2. Statement of Accounting Policies

Basis of Preparation

The financial statements are prepared on the going concern basis, and the accounting policies have been applied consistently throughout the period, unless otherwise stated.

Statement of Compliance

The financial statements of CEDA have been prepared in accordance with the requirements of the Local Government Act 2002, the Companies Act 1993, and the Financial Reporting Act 2013. This includes the requirement to comply with generally accepted accounting practice in New Zealand (NZ GAAP).

These financial statements comply with Public Benefit Entity International Public Sector Accounting Standards (PBE IPSAS) Reduced Disclosure Regime (RDR). CEDA is eligible and has elected to report in accordance with Tier 2 PBE standards RDR on the basis the entity has no public accountability and has expenses > $2m and < $300m.

Presentation Currency

The financial statements are presented in New Zealand dollars (NZ$) and all values are rounded to the nearest NZ$, except when otherwise indicated.

Historical Cost

These financial statements have been prepared on a historical cost basis.

Changes in Accounting Policies

There have been no changes in accounting policies. Policies have been applied on a consistent basis with those of the previous reporting period.

Revenue Recognition

Revenue is measured at the fair value of the consideration received or receivable for the sale of goods and services, excluding goods and services tax rebates and discounts, to the extent it is probable that the economic benefits will flow to the entity and revenue can be reliably measured.
Specific accounting policies for significant revenue items are explained below:

Sales of goods are recognised when the goods are sold to the customer.

Sales of services are recognised in the period by reference to the stage of completion of the services delivered at balance date as a percentage of the total services to be provided.

Lease revenue is recognised on a straight-line basis over the life of the lease.

Interest received is recognised using the effective interest method. Interest revenue on an impaired financial asset is recognised using the original effective interest method.

Grants are recognised as revenue when they become receivable unless there is an obligation in substance to return the funds if conditions of the grant are not met. If there is such an obligation, the grants are initially recorded as grants received in advance and recognised as revenue when conditions of the grant are satisfied.

Donated assets. Where a physical asset is gifted to or acquired by CEDA for nil consideration or at a subsidised cost, the asset is recognised at fair value. The difference between the consideration provided and fair value of the asset is recognised as revenue. The fair value of donated assets is determined as follows:

- For new assets, fair value is usually determined by reference to the retail price of the same or similar assets at the time the asset was received.
- For used assets, fair value is usually determined by reference to market information for assets of a similar type, condition, and age.

**Inventories**

Inventories held for use in the provision of goods and services on a commercial basis are valued at the lower of cost and net realisable value.

The amount of any write-down for the loss of service potential or from cost to net realisable value is recognised in the surplus (deficit) in the period of the write-down.

**Property, Plant and Equipment**

Property, plant and equipment are stated at historical cost less any accumulated depreciation and impairment losses. Historical cost includes expenditure directly attributable to the acquisition of assets and includes the cost of replacements that are eligible for capitalisation when these are incurred.

An item of property, plant and equipment is derecognised upon disposal or when no further future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the year the asset is derecognised.

**Depreciation**

<table>
<thead>
<tr>
<th>Account</th>
<th>Method</th>
<th>Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Leasehold Improvements</td>
<td>Diminishing Value</td>
<td>10% - 40%</td>
</tr>
<tr>
<td>Office Furniture &amp; Equipment</td>
<td>Diminishing Value</td>
<td>0% - 67%</td>
</tr>
<tr>
<td>Office Furniture &amp; Equipment</td>
<td>Straight Line</td>
<td>10.5%</td>
</tr>
<tr>
<td>Plant &amp; Equipment</td>
<td>Diminishing Value</td>
<td>10% - 20%</td>
</tr>
<tr>
<td>Vehicles</td>
<td>Diminishing Value</td>
<td>30%</td>
</tr>
<tr>
<td>Websites</td>
<td>Straight Line</td>
<td>40%</td>
</tr>
</tbody>
</table>
Accounting Policies

From 1 July 2018 all Office Furniture and Equipment purchases (excluding computer/IT equipment) has been depreciated using the straight line method of depreciation to better represent the reduction of the value of these assets over their useful life. This change will apply to all purchases of Office Equipment and Furniture (excluding Computer equipment) in future accounting periods.

As this change is a change in accounting estimates, no changes have been made to previously purchased assets in prior financial years, or the depreciate method on these assets in the current or future years.

Income Tax
Income tax expense includes components relating to current tax and deferred tax.

Current tax is the amount of income tax payable based on the taxable profit for the current year, and any adjustments to income tax payable in respect of prior years.

Deferred tax is the amount of income tax payable or recoverable in future periods in respect of temporary differences and unused tax losses. Temporary differences are differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit.

Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which the deductible temporary differences or tax losses can be utilised.

Deferred tax is not recognised if the temporary difference arises from the initial recognition of goodwill or from the initial recognition of an asset or liability in a transaction that affects neither accounting profit nor taxable profit.

Current tax and deferred tax are measured using tax rates (and tax laws) that have been enacted or substantively enacted at balance date.

Current and deferred tax is recognised against the profit or loss for the period, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Cash and cash equivalents
Cash and cash equivalents comprise cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities in the statement of financial position.

Receivables
Receivables are recorded at their face value, less any provision for impairment.

Impairment of financial assets
Financial assets are assessed for evidence of impairment at each balance date. Impairment losses are recognised in the surplus or deficit.

Loans and receivables
Impairment is established when there is evidence CEDA will not be able to collect amounts due according to the original terms of the receivable. Significant financial difficulties of the debtor, probability that the debtor will enter into bankruptcy, receivership, or liquidation and default in payments are indicators that the asset is impaired. The amount of the impairment is the difference
Accounting Policies

between the asset’s carrying amount and the present value of estimated future cash flows, discounted using the original effective interest rate. For debtors and other receivables, the carrying amount of the asset is reduced through the use of an allowance account, and the amount of the loss is recognised in the surplus or deficit. When the receivable is uncollectible, it is written-off against the allowance account. Overdue receivables that have been renegotiated are reclassified as current (that is, not past due). Impairment in term deposits or bonds are recognised directly against the instrument’s carrying amount.

Loans and receivables
Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than 12 months after the balance date, which are included in non-current assets.

After initial recognition, they are measured at amortised cost, using the effective interest method, less impairment. Gains and losses when the asset is impaired or derecognised are recognised in the surplus or deficit.

Payables
Short-term creditors and other payables are recorded at their face value.

Equity
Equity is the shareholders’ interest in CEDA and is measured as the difference between total assets and total liabilities.

Good and Services Tax
All items in the financial statements are stated exclusive of GST, except for receivables and payables, which are presented on a GST inclusive basis. Where GST is not recoverable as input tax, it is recognised as part of related asset or expense.

The net amount of GST recoverable from, or payable to, the IRD is included as part of receivables or payables in the statement of financial position.

The net GST paid to, or received from, the IRD, including the GST relating to investing and financing activities, is classified as operating cash flow in the statement of cashflows.

Commitments and contingencies are disclosed exclusive of GST.

Employee Entitlements
Employer contributions to KiwiSaver are accounted for as defined contribution superannuation schemes and are expensed in the surplus or deficit as incurred.

Short-term employee entitlements - Employee benefits that are due to be settled within 12 months after the end of the year in which the employee provides the related service are measured based on accrued entitlements at current rates of pay. These include salaries and wages accrued up to balance date, and annual leave earned but not yet taken at balance date, and sick leave. These are classified as a current liability.

A liability and an expense are recognised for bonuses where there is a contractual obligation or where there is past practice that has created a constructive obligation and a reliable estimate of the obligation can be made.

CEDA does not provide for long service or retirement leave entitlements.
Accounting Policies

Leases - Where CEDA is the Lessee
An operating lease is a lease that does not transfer substantially all the risks and rewards incidental to ownership of an asset to the lessee. Lease payments under an operating lease are recognised as an expense on a straight-line basis over the lease term. Lease incentives received are recognised in the surplus or deficit as a reduction of rental expense over the lease term.

Critical accounting estimates and assumptions
In preparing these financial statements CEDA has made judgements, estimates and assumptions concerning the future.
These judgements, estimates and assumptions may differ from the subsequent actual results. Judgements, estimates and assumptions are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are:
• Useful lives and residual values of property, plant, and equipment – refer to Note 11.
• Fair value of property, plant and equipment – refer to Note 11.

Critical judgements in applying accounting policies
Management has exercised the following critical judgements in applying accounting policies:
• Funding received – refer to Note 4.

3. Subsidiaries
CEDA consolidates in the group financial statements all entities where CEDA has the capacity to control their financing and operating policies so as to obtain benefits from the activities of the subsidiary. This power exists where CEDA controls the majority voting power on the governing body or where such policies have been irreversibly predetermined by CEDA or where the determination of such policies is unable to materially affect the level of potential ownership benefits that arise from the activities of the subsidiary.
CEDA has the power to appoint 100% of trustees of the Events Manawatū Trust. The consolidation of the Events Manawatū Trust into CEDA’s financial statements has resulted in no change to the reported financial statements.

<table>
<thead>
<tr>
<th>Account</th>
<th>Jul-Dec 2018</th>
<th>Jul-Dec 2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Palmerston North City Council</td>
<td>(1,000,004)</td>
<td>(996,538)</td>
</tr>
<tr>
<td>Manawatū District Council</td>
<td>(311,003)</td>
<td>(299,263)</td>
</tr>
<tr>
<td>Total Council Funding</td>
<td>(1,311,003)</td>
<td>(1,295,801)</td>
</tr>
</tbody>
</table>

4. Council Funding
Project income, as disclosed in the Statement of Comprehensive Revenue and Expense, includes income from Council’s specifically received for project or other services delivery. This income is not included in Council Funding income.
Accounting Policies

<table>
<thead>
<tr>
<th>Account</th>
<th>Jul-Dec 2018</th>
<th>Jul-Dec 2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Council Funding included in Project Revenue</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Palmerston North City Council</td>
<td>27,521</td>
<td>128,881</td>
</tr>
<tr>
<td>Manawatu District Council</td>
<td>4,234</td>
<td>26,236</td>
</tr>
<tr>
<td><strong>Total Council Funding included in Project Revenue</strong></td>
<td><strong>31,755</strong></td>
<td><strong>155,117</strong></td>
</tr>
</tbody>
</table>

Critical judgements in applying accounting policies - funding received
CEDA must exercise judgement when recognising project revenue to determine when conditions of the funding contract have been satisfied. As at 31 December 2018 $43,245 (2017: $94,219) has been recognised as a liability as the conditions attached to the receipt of this funding have not yet been met.

5. Employee Expenses

<table>
<thead>
<tr>
<th>Description</th>
<th>Jul-Dec 2018</th>
<th>Jul-Dec 2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Salaries and wages</td>
<td>810,408</td>
<td>711,241</td>
</tr>
<tr>
<td>Employer contribution to KiwiSaver</td>
<td>20,525</td>
<td>18,796</td>
</tr>
<tr>
<td>Movement in employee entitlements</td>
<td>3,600</td>
<td>(77)</td>
</tr>
<tr>
<td><strong>Total Employee Expenses</strong></td>
<td><strong>834,534</strong></td>
<td><strong>729,960</strong></td>
</tr>
</tbody>
</table>

6. Other Operating Expenses

<table>
<thead>
<tr>
<th>Description</th>
<th>Jul-Dec 2018</th>
<th>Jul-Dec 2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fees to Audit New Zealand for the audit of the financial statements</td>
<td>9,036</td>
<td>9,711</td>
</tr>
<tr>
<td>Consultants and legal fees</td>
<td>6,011</td>
<td>5,475</td>
</tr>
<tr>
<td>Other operating expenses</td>
<td>171,573</td>
<td>203,376</td>
</tr>
<tr>
<td><strong>Total Other Operating Expenses</strong></td>
<td><strong>189,421</strong></td>
<td><strong>218,563</strong></td>
</tr>
</tbody>
</table>

7. Income Tax Expense

<table>
<thead>
<tr>
<th>Description</th>
<th>Jul-Dec 2018</th>
<th>Jul-Dec 2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net Profit (Loss) Before Tax</td>
<td>71,046</td>
<td>203,874</td>
</tr>
<tr>
<td><strong>Tax at 28%</strong></td>
<td><strong>20,145</strong></td>
<td><strong>57,085</strong></td>
</tr>
<tr>
<td>Plus (less) tax effect of:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Non deductible expenditure</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Non-taxable income</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Tax loss not recognised</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Deferred tax adjustment</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td><strong>Tax expense</strong></td>
<td><strong>20,145</strong></td>
<td><strong>57,085</strong></td>
</tr>
</tbody>
</table>

Change in 2017 comparative tax amount - Income tax expense for December 2017 was previously calculated prior to reclassification of BCC expenditure resulting in a reduced tax expenses in December 2017 of $57,085.
Accounting Policies

<table>
<thead>
<tr>
<th>Account</th>
<th>Jul-Dec 2018</th>
<th>Jul-Dec 2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Components of tax expense</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Current year</td>
<td>20,145</td>
<td>0</td>
</tr>
<tr>
<td>Deferred tax</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Total Deductions from Tax Payable</td>
<td>20,145</td>
<td>0</td>
</tr>
<tr>
<td>8. Cash and Cash equivalents</td>
<td></td>
<td></td>
</tr>
<tr>
<td>CEDA Current Account</td>
<td>113,685</td>
<td>198,170</td>
</tr>
<tr>
<td>CEDA Money Market Account</td>
<td>1,000,000</td>
<td>1,050,000</td>
</tr>
<tr>
<td>CEDA Trust Account</td>
<td>81,471</td>
<td>173,500</td>
</tr>
<tr>
<td>i-SITE Petty Cash</td>
<td>890</td>
<td>890</td>
</tr>
<tr>
<td>Total Cash and Cash equivalents</td>
<td>1,195,955</td>
<td>1,422,470</td>
</tr>
<tr>
<td>9. Receivables and Accruals</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Accounts Receivable</td>
<td>133,706</td>
<td>121,940</td>
</tr>
<tr>
<td>Less: Provision for impairment</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Accrued Interest</td>
<td>48</td>
<td>151</td>
</tr>
<tr>
<td>Funding Accruals</td>
<td>40,000</td>
<td>0</td>
</tr>
<tr>
<td>Total Receivables and Accruals</td>
<td>173,754</td>
<td>122,091</td>
</tr>
<tr>
<td>Total Receivables and Accruals Comprise</td>
<td>67,348</td>
<td>9,685</td>
</tr>
<tr>
<td>Receivables from non-exchange transactions</td>
<td>106,406</td>
<td>112,406</td>
</tr>
<tr>
<td>Total Receivables and Accruals Comprise</td>
<td>173,754</td>
<td>122,091</td>
</tr>
<tr>
<td>10. Inventory</td>
<td></td>
<td></td>
</tr>
<tr>
<td>i-SITE Retail Stock</td>
<td>13,721</td>
<td>12,265</td>
</tr>
<tr>
<td>Total Inventory</td>
<td>13,721</td>
<td>12,265</td>
</tr>
</tbody>
</table>

No inventories are pledged as security for liabilities.
Accounting Policies

11. Property, Plant & Equipment

<table>
<thead>
<tr>
<th>Description</th>
<th>Opening Value</th>
<th>Accum Depn</th>
<th>Carrying Amount</th>
<th>Additions</th>
<th>Disposals</th>
<th>Depn</th>
<th>Closing Value</th>
<th>Accum Depn</th>
<th>Carrying Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Leasehold Equipment</td>
<td>19,993</td>
<td>(4,101)</td>
<td>14,892</td>
<td>3,307</td>
<td>-</td>
<td>(970)</td>
<td>22,401</td>
<td>(5,071)</td>
<td>14,022</td>
</tr>
<tr>
<td>Office Furniture &amp; Equipment</td>
<td>71,956</td>
<td>(30,903)</td>
<td>40,063</td>
<td>692</td>
<td>-</td>
<td>(5,226)</td>
<td>72,648</td>
<td>(36,220)</td>
<td>35,736</td>
</tr>
<tr>
<td>Plant &amp; Equipment</td>
<td>26,257</td>
<td>(4,360)</td>
<td>21,897</td>
<td>9,525</td>
<td>-</td>
<td>(1,725)</td>
<td>35,793</td>
<td>(6,085)</td>
<td>29,173</td>
</tr>
<tr>
<td>Vehicles</td>
<td>20,382</td>
<td>(9,682)</td>
<td>10,701</td>
<td>-</td>
<td>-</td>
<td>(1,605)</td>
<td>20,382</td>
<td>(11,287)</td>
<td>9,096</td>
</tr>
<tr>
<td>Websites</td>
<td>17,725</td>
<td>(1,478)</td>
<td>16,248</td>
<td>-</td>
<td>-</td>
<td>(3,545)</td>
<td>17,725</td>
<td>(5,023)</td>
<td>12,703</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>155,414</strong></td>
<td><strong>(50,613)</strong></td>
<td><strong>104,801</strong></td>
<td><strong>13,525</strong></td>
<td>-</td>
<td><strong>(13,071)</strong></td>
<td><strong>168,939</strong></td>
<td><strong>(63,684)</strong></td>
<td><strong>91,729</strong></td>
</tr>
</tbody>
</table>

There are no restrictions on title of CEDA’s property, plant and equipment. No property, plant and equipment has been pledged as securities for liabilities.

12. Payables and Deferred Income

<table>
<thead>
<tr>
<th>Description</th>
<th>Jul-Dec 2018</th>
<th>Jul-Dec 2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Accounts Payable</td>
<td>44,529</td>
<td>195,377</td>
</tr>
<tr>
<td>Accruals General</td>
<td>142,992</td>
<td>54,997</td>
</tr>
<tr>
<td>Funding in Advance</td>
<td>10,582</td>
<td>10,313</td>
</tr>
<tr>
<td>Funding in Advance - Major Events Fund</td>
<td>0</td>
<td>8,000</td>
</tr>
<tr>
<td>Funding in Advance - NZ AgriFood Week</td>
<td>43,245</td>
<td>35,905</td>
</tr>
<tr>
<td>Funding in Advance - International Education</td>
<td>0</td>
<td>40,000</td>
</tr>
<tr>
<td>GST</td>
<td>52,915</td>
<td>56,781</td>
</tr>
<tr>
<td>Income Tax</td>
<td>2,333</td>
<td>127,032</td>
</tr>
<tr>
<td>Operations Credit Card</td>
<td>4,454</td>
<td>1,445</td>
</tr>
<tr>
<td><strong>Total Payables and Deferred Income</strong></td>
<td><strong>301,049</strong></td>
<td><strong>529,851</strong></td>
</tr>
</tbody>
</table>

**Total Payables and Deferred Income Comprise**

- Payables under exchange transactions | 71,229 | 182,371 |
- Payables under non-exchange transactions | 229,820 | 347,480 |

**Total Payables and Deferred Income Comprise** | **301,049** | **529,851** |
## Accounting Policies

<table>
<thead>
<tr>
<th>Account</th>
<th>Jul-Dec 2018</th>
<th>Jul-Dec 2017</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>13. Equity</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Share Capital</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Opening Balance</td>
<td>1,000</td>
<td>1,000</td>
</tr>
<tr>
<td>Total Share Capital</td>
<td>1,000</td>
<td>1,000</td>
</tr>
<tr>
<td><strong>Retained Earnings</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Opening Balance</td>
<td>1,019,361</td>
<td>884,663</td>
</tr>
<tr>
<td>Current Year Earnings</td>
<td>51,802</td>
<td>120,284</td>
</tr>
<tr>
<td><strong>Total Retained Earnings</strong></td>
<td>1,071,163</td>
<td>1,004,947</td>
</tr>
<tr>
<td>Total Equity</td>
<td>1,072,163</td>
<td>1,005,947</td>
</tr>
</tbody>
</table>

Each fully paid ordinary share confers on the holder one vote at a meeting of the company, a share in distributions approved by the Directors, and a share in distribution of the surplus assets of the company on dissolution.

At balance date there were 1,000 shares on issue.

### 14. Key personnel compensation

<table>
<thead>
<tr>
<th>Directors</th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Remuneration</td>
<td>90,000</td>
<td>77,500</td>
</tr>
<tr>
<td>Full-time equivalent members</td>
<td>6</td>
<td>5</td>
</tr>
</tbody>
</table>

Due to the difficulty in determining the full time equivalent for Directors the full time equivalent figure is taken as the number of Directors.

### 15. Related Parties

CEDA is a council-controlled organisation as defined in section 6 of the Local Government Act 2002. As per the constitution the shareholders of CEDA being Palmerston North City Council and Manawatu District Council, are responsible for the appointment of the Board of Directors.

All transactions conducted with related parties, other than as detailed below, have been under normal supplier/client relationship terms and at arm’s length.

#### Revenue

<table>
<thead>
<tr>
<th>Revenue</th>
<th>28,750</th>
<th>0</th>
</tr>
</thead>
<tbody>
<tr>
<td>Westpac is naming sponsor of the Manawatu Business Awards, Malcolm Bailey and Sue Foley are Directors of Westpac. Money was received for sponsorship of the awards. GST Inclusive.</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total Revenue</strong></td>
<td>28,750</td>
<td>0</td>
</tr>
</tbody>
</table>

#### Accounts Receivable

<table>
<thead>
<tr>
<th>Westpac</th>
<th>28,750</th>
<th>0</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Total Accounts Receivable</strong></td>
<td>28,750</td>
<td>0</td>
</tr>
</tbody>
</table>
Accounting Policies

16. Financial Instruments

Financial Assets

<table>
<thead>
<tr>
<th>Account</th>
<th>Jul-Dec 2018</th>
<th>Jul-Dec 2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Loans and Receivables</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Accounts Receivable</td>
<td>133,706</td>
<td>121,940</td>
</tr>
<tr>
<td>Accrued Interest</td>
<td>48</td>
<td>151</td>
</tr>
<tr>
<td>Cash and cash equivalents</td>
<td>1,195,955</td>
<td>1,422,470</td>
</tr>
<tr>
<td>Funding Accruals</td>
<td>40,000</td>
<td>0</td>
</tr>
<tr>
<td>Total Loans and Receivables</td>
<td>1,369,709</td>
<td>1,544,561</td>
</tr>
<tr>
<td>Total Financial Assets</td>
<td>1,369,709</td>
<td>1,544,561</td>
</tr>
</tbody>
</table>

Financial Liabilities

<table>
<thead>
<tr>
<th>Financial Liabilities at amortised cost</th>
<th>Jul-Dec 2018</th>
<th>Jul-Dec 2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Payables</td>
<td>(247,222)</td>
<td>(442,460)</td>
</tr>
<tr>
<td>Unsettled Tickets</td>
<td>(52,286)</td>
<td>(57,171)</td>
</tr>
<tr>
<td>Total Financial Liabilities at amortised cost</td>
<td>(299,508)</td>
<td>(499,631)</td>
</tr>
<tr>
<td>Total Financial Liabilities</td>
<td>(299,508)</td>
<td>(499,631)</td>
</tr>
</tbody>
</table>

17. Operating leases as lessee

The future aggregate minimum lease payments to be paid under non-cancellable operating leases are as follows:

<table>
<thead>
<tr>
<th>Operating leases as lessee</th>
<th>Jul-Dec 2018</th>
<th>Jul-Dec 2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Not later than one year</td>
<td>128,013</td>
<td>129,011</td>
</tr>
<tr>
<td>Later than one year and not later than five years</td>
<td>49,177</td>
<td>126,915</td>
</tr>
<tr>
<td>Later than five years</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Total non-cancellable operating leases</td>
<td>177,190</td>
<td>255,926</td>
</tr>
</tbody>
</table>

The i-SITE building is rented from the Palmerston North City Council. The lease expires on 31 August 2019, with three rights of renewal of three years each. This disclosure has included the lease payments up to the expiry date of 31 August 2019 as it is uncertain as to whether CEDA will exercise the option to renew the lease.

The office space located at Level 1, 475 Main Street, Palmerston North, has a lease term to June 2020. The current conditions are a monthly lease charge with a notice period of 3 months.

18. Events after balance date

There are no significant events after balance date.
Partner Organisations

Current partner organisations that CEDA works with:

**Local**
- Feilding and District Promotions
- FoodHQ
- IPU New Zealand
- Lamberts
- Manfield
- Manawatu Chamber of Commerce
- Manawatu District Council
- Manawatu Standard
- Massey University
- Media Works
- Palmerston North City Council
- Palmerston North Airport
- Spearhead
- Sport Manawatu
- Talent Central
- Te Aiu Pakhi
- Te Maraawa
- The Factory
- UCOL
- Venues and Events Palmerston North

**Regional**
- Accelerate25
- Business Central
- Horizons Regional Council
- Horowhenua District Council
- Ruapehu District Council
- Rangitikei District Council
- Tararua District Council
- Whanganui and Partners
- Whanganui Chamber of Commerce
- Whanganui District Council

**National**
- Air New Zealand
- ASB
- Business Mentors New Zealand
- Callaghan Innovation
- Conventions and Incentives New Zealand
- Economic Development New Zealand
- Education New Zealand
- Fairfax
- Immigration New Zealand
- i-SITE New Zealand
- Ministry of Business, Innovation & Employment
- New Zealand Events Association
- New Zealand Motor Caravan Association
- New Zealand Trade & Enterprise
- New Zealand Media and Entertainment
- Regional Tourism Organisations New Zealand
- Tourism New Zealand
- Westpac
MEMORANDUM

TO: Manawatu District/Palmerston North City Joint Strategic Planning Committee

MEETING DATE: 27 March 2019

TITLE: Presentation of the Letter of Expectations 2019/20

DATE: 10 March 2019

PRESENTED BY: Sheryl Bryant, General Manager - Strategy & Planning, Strategy and Planning
Brent Limmer, General Manager, Community and Strategy, Manawatu District Council

APPROVED BY: Heather Shotter, Chief Executive

RECOMMENDATION(S) TO COMMITTEE


1. ISSUE

The Letter of Expectations sets out the shareholders’ expectations of the Central Economic Development Agency (CEDA). The purpose of the Letter of Expectations is to provide guidance to the CEDA Board when it is developing its Statement of Intent. A draft Letter of Expectations was provided to the Board. This report presents the final Letter of Expectations for formal approval by the Committee.

2. BACKGROUND

Both Councils and the Joint Committee have reviewed what its expectations are of CEDA for the new financial year. This has been achieved through a number of workshops, including with the CEDA Board and Chief Executive. The Letter of Expectations for 2019 provides greater clarity to the Board with a focus on:

- Inward investment, national and international
- Retention and expansion of business in the Manawatu region, and
- Developing a talent pipeline
3. NEXT STEPS

Once the Letter of Expectations has been adopted, it will be formally presented to the Board.

4. COMPLIANCE AND ADMINISTRATION

<table>
<thead>
<tr>
<th>Question</th>
<th>Answer</th>
</tr>
</thead>
<tbody>
<tr>
<td>Does the Committee have delegated authority to decide?</td>
<td>Yes</td>
</tr>
<tr>
<td>If Yes quote relevant clause(s) from Delegations Manual – clause 184.5</td>
<td></td>
</tr>
<tr>
<td>Are the decisions significant?</td>
<td>No</td>
</tr>
<tr>
<td>If they are significant do they affect land or a body of water?</td>
<td>No</td>
</tr>
<tr>
<td>Can this decision only be made through a 10 Year Plan?</td>
<td>No</td>
</tr>
<tr>
<td>Does this decision require consultation through the Special Consultative procedure?</td>
<td>No</td>
</tr>
<tr>
<td>Is there funding in the current Annual Plan for these actions?</td>
<td>Yes</td>
</tr>
<tr>
<td>Are the recommendations inconsistent with any of Council’s policies or plans?</td>
<td>No</td>
</tr>
<tr>
<td>Contribution to strategic direction</td>
<td>This report contributes to the constitutional purpose of CEDA, being driving and facilitating the creation and growth of economic wealth in the Manawatu region and beyond.</td>
</tr>
</tbody>
</table>

ATTACHMENTS

1. CEDA Letter of Expectations 2019/20 📄
Expectations of CEDA 2019/20

The purpose of this Letter of Expectation is to provide CEDA with the Shareholders’ focus and priorities for delivery, against its purpose of driving and facilitating the creation and growth of economic wealth in the Manawatu region and beyond. When working beyond the Manawatu, there must be a causal link of the outcomes or benefits back to the Manawatu region based on the core functions and measures of success outlined below. It is also expected that CEDA will use this letter to guide the development of the Statement of Intent for 2019/20.

Taking a leadership position and building strategic relationships in the Manawatu region, and beyond, is fundamental for CEDA to achieve its purpose. CEDA should be relationship-driven at all levels and we appreciate your commitment to this. From our perspective, this means CEDA developing a deep understanding of the roles of its strategic partner organisations, what their priorities and strengths are, and how CEDA can add value to the relationship (and vice versa) to achieve better economic outcomes for the region.

CEDA formalising these strategic relationships, is important to us as shareholders, to ensure we have cohesion in the region around economic development activities. We would like this to be driven further by CEDA through mutually agreed partnership agreements or similar, to ensure everyone is on the same page and provide the basis for a consistent and collective approach with measurable outcomes. We would like this strategic relationship agreement process to be concluded by 30 June 2019.

Strategic partners we have identified include Palmerston North City Council1, Manawatu District Council2, Iwi, Chamber of Commerce, Talent Central, The Factory, and key central government agencies. We look forward to agreeing with CEDA the list of strategic partners and there may be opportunities for CEDA to leverage existing strategic relationship agreements entered into by the shareholders, e.g. Between Councils and NZ Defence Force.

We understand that to be effective, CEDA must be able to focus on key outcomes within a well-defined mandate. We also recognize this is a challenge given historical expectations and activities undertaken by CEDA’s antecedent organisations, along with differing stakeholder expectations.

CEDA will have our support with stakeholders in reinforcing the focus on key agreed functions and outcomes. This means CEDA focusing on the delivery of its core functions of:

- Inward investment, national and international
- Retention and expansion of business in the Manawatu region, and
- Developing a talent pipeline

Action plans to deliver on these core functions should identify KPIs based on clear intervention logic.

As we have discussed, it is expected that CEDA will play to the region’s strengths of research/ agri-food/business/land/horticulture, distribution and logistics, defence, health, visitor, education, digital and technology, and a growing Māori economy, working with key stakeholders in these sectors.

---

1 Note: important there is clear understanding of Councils as shareholders partners and funders so that appropriate partnerships are developed.
CEDA is expected to scan for new opportunities, whether or not it is a key strength, where this can benefit the region.

We know that CEDA has undertaken some work to date around regional reputation and branding. We propose this work be refocused on developing the “stories or propositions” in the short term that will underpin CEDA’s success in its three core function areas, and that an overarching marketing exercise be completed once those have been tested in the coming year.

CEDA’s success will be measured as follows by the shareholders:

- Job growth
- Increase in median household income
- Number of investment leads and deals secured
- Strength of the relationship with strategic partners

The Shareholders recognise that some of these measures are not directly under CEDA’s control, however, they are indicative of the health of the economy in the region. With all strategic partners working together, we can make a collective difference.

Please note that significant changes in international and national economic factors that affect the region will be taken into account when measuring CEDA’s performance.

The Shareholders require CEDA to provide an activity-based budget so the Councils can effectively communicate levels of service and value for money to their ratepayers. The Councils have a key role in setting the economic environment for businesses to flourish and CEDA acts on our behalf in facilitating opportunities for improved economic outcomes and is our Agency for the delivery of economic development across the region. Understanding the strategic drivers of the Councils and aligning core function activity to those drivers is critical to the partnership between the Councils and CEDA.

Therefore, it is expected that CEDA will engage with the Councils in the development of their strategies and plans (such as Inward Investment Strategy, Labour Market Plan, Visitor Strategy and Māori Engagement Plan). It is also expected there will be consultation with other strategic partners.

The Councils are obliged to ensure that our services are delivered effectively and efficiently. This expectation extends to CEDA. There are many opportunities where shared resourcing, expertise and services should be explored and we would like to discuss these opportunities from both a short-term and long-term perspective.

To ensure the Shareholders and CEDA are on the same page, the focus, scope of activity, and priorities will be set through the Statement of Intent, and delivery managed through the contractual relationship.

To maintain the partnership between CEDA and the shareholders we would like to continue the monthly Lead Team meeting between the Mayors, Council CE’s and contract managers with the CEDA Chairman and CE.

We would also like a quarterly slot on your Board agenda where we can attend to further build relationships and understanding between us. We would also like to move to quarterly reporting to the Joint Strategic Planning Committee, and also provide this as a forum for you to discuss proposed new initiatives with us.
There are a number of activities that CEDA currently undertakes that are beyond the focus, scope and priority expressed by the Shareholders in this letter. In the spirit of partnership we would like to discuss with the CEDA Board over the coming months its role in activities such as events and visitor services, to ensure CEDA is able to focus on its key outcomes without being encumbered with historical operational areas or expectations.

We look forward to working with CEDA as collectively we continue to develop an economic development model that successfully delivers. We thank the Board and staff at CEDA for their continued commitment to economic growth in the Manawatu region.