

PALMERSTON NORTH CITY COUNCIL

AGENDA

MANAWATU

DISTRICT/PALMERSTON NORTH

CITY JOINT STRATEGIC PLANNING

COMMITTEE

1PM, THURSDAY 25 MARCH 2021

**COUNCIL CHAMBER,
MANCHESTER ST, FEILDING**



Joint Strategic Planning Committee Agenda

Thursday 25 March 2021, 1.00pm

Manawātū District Council Chambers, 135 Manchester Street, Feilding

www.mdc.govt.nz

MEMBERSHIP

Chairperson

Mayor Helen Worboys

Deputy Chairperson

Mayor Grant Smith

Members

Manawatū District Council representatives:

Her Worship the Mayor Helen Worboys and Councillors Steve Bielski, Michael Ford, Grant Hadfield and Phil Marsh

Palmerston North City Council representatives:

His Worship the Mayor Grant Smith and Councillors Susan Baty, Zulfiqar Butt, Leonie Hapeta and Aleisha Rutherford

Responsibilities

- a. To address strategic planning issues that impact on both Manawatū District and Palmerston North City, in particular issues relating to but not restricted to infrastructure, land use planning and economic development.
- b. To consider community planning and community outcomes implications. For the purpose of the Joint Committee's Terms of Reference, "Strategic Planning Issues" mean those that are referred to the Joint Committee by either MDC and/or PNCC, taking an inter-regional perspective.
- c. To consider and promote the creation and growth of economic wealth for Manawatū and beyond, with particular reference to the activities of the Central Economic Development Agency Limited.

Delegated Authority

The Joint Committee will have recommending status only, other than the power:

- a. To appoint and discharge subcommittees and working parties as it considers appropriate, and to delegate any of its functions or duties to subcommittees so appointed; and
- b. To make decisions on meeting procedures where such decisions are either required or permitted by Standing Orders or relevant legislation.
- c. In relation to the Central Economic Development Agency Limited (CEDA), the Joint Strategic Planning Committee has the following functions, powers, and duties under the Local Government Act 2002 and/or the Companies Act 1993:
 - i. To adopt a policy that sets out the process for the identification, appointment and remuneration of directors;
 - ii. To appoint and remove a person or persons to be directors of CEDA;
 - iii. To approve the remuneration to be paid to directors of CEDA;
 - iv. To undertake performance monitoring of CEDA, as per section 65 of the Local Government Act 2002;
 - v. To agree with the Statement of Intent of CEDA or, if the Joint Committee does not agree, to take all practical steps to require a Statement of Intent to be modified, as per section 65 of the Local Government Act 2002.
 - vi. To receive the half yearly report of CEDA, as shareholder;
 - vii. To receive the Annual Report of CEDA, as shareholder.

Recommendations made by the Joint Committee will be reported immediately to the Councils for adoption. Minutes of meetings of the Joint committee will be reported to the following ordinary meeting of the Joint Committee for confirmation as a correct record.



Shayne Harris
Acting Chief Executive

ORDER OF BUSINESS

PAGE

1. MEETING OPENING
2. APOLOGIES
3. CONFIRMATION OF MINUTES 5
Draft resolution
That the minutes of the Joint Strategic Planning Committee meeting held 10 December 2020 be adopted as a true and correct record.
4. DECLARATIONS OF INTEREST
Notification from elected members of:
 - 4.1 Any interests that may create a conflict with their role as a committee member relating to the items of business for this meeting; and
 - 4.2 Any interests in items in which they have a direct or indirect pecuniary interest as provided for in the Local Authorities (Members' Interests) Act 1968
5. NOTIFICATION OF LATE ITEMS
Where an item is not on the agenda for a meeting, that item may be dealt with at that meeting if:
 - 5.1 The Committee by resolution so decides; and
 - 5.2 The Chairperson explains at the meeting at a time when it is open to the public the reason why the item is not on the agenda, and the reason why the discussion of the item cannot be delayed until a subsequent meeting.
6. PRESENTATIONS
There are no presentations scheduled for this meeting.
7. OFFICER REPORTS
 - 7.1 QUARTERLY ECONOMIC MONITORING 13
Report of the Acting General Manager - Strategy and Planning dated 8 March 2021
 - 7.2 CEDA HALF-YEARLY REPORT TO 31 DECEMBER 2020 50
Report of the General Manager – Community and Strategy dated 2 March 2021
9. CONSIDERATION OF LATE ITEMS
10. NOTIFICATION OF ITEMS FOR NEXT MEETING
11. PUBLIC EXCLUDED BUSINESS
COMMITTEE TO RESOLVE:
That the public be excluded from the following parts of the proceedings of this meeting, namely:
 - a) Appointment of Directors - CEDA

That 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:

General subject of each matter to be considered	Reason for passing this resolution in relation to each matter	Grounds under Section 48(1) for the passing of this resolution
a) Appointment of Directors - CEDA	Section 7(2)(a) Protect the privacy of natural persons, including that of deceased natural persons.	Section 48(1)(a) - the public conduct of the relevant part of the proceedings would be likely to result in a disclosure of information for which good reason for withholding that information would exist, under Section 7 of the Local Government Official Information and Meetings Act 1987.

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

12. MEETING CLOSURE

MINUTES	MEETING	TIME
JOINT STRATEGIC PLANNING COMMITTEE	THURSDAY 10 DECEMBER 2020	1:00PM

Minutes of a meeting of the Manawātū District / Palmerston North City Joint Strategic Planning Committee held on Thursday 10 December 2020, commencing at 1:00pm in the Manawātū District Council Chambers, 135 Manchester Street, Feilding.

PRESENT:	Mayor Helen Worboys	(Chairperson)
	Cr Steve Bielski	(Manawātū District Council)
	Cr Michael Ford	(Manawātū District Council)
	Cr Grant Hadfield	(Manawātū District Council)
	Cr Phil Marsh	(Manawātū District Council)
	Mayor Grant Smith	(Palmerston North City Council)
	Cr Susan Baty	(Palmerston North City Council)
	Cr Zulfiqar Butt	(Palmerston North City Council)
	Cr Leonie Hapeta	(Palmerston North City Council)
	Cr Aleisha Rutherford	(Palmerston North City Council)
	IN ATTENDANCE:	
	Cr Alison Short	(Manawātū District Council)
	Cr Rachel Bowen	(Palmerston North City Council) (via Zoom)
	Cr Patrick Handcock	(Palmerston North City Council)
	Cr Billy Meehan	(Palmerston North City Council)
	Cr Bruno Petrenas	(Palmerston North City Council)
	Shayne Harris	(Acting Chief Executive, MDC)
	Karel Boakes	(Acting General Manager – Corporate and Regulatory)
	Hamish Waugh	(General Manager - Infrastructure, MDC)
	Brent Limmer	(General Manager – Community and Strategy, MDC)
	Frances Smorti	(General Manager – People and Culture, MDC)
	Stacey Bell	(Economist)
	Michael Hawker	(Project Delivery Manager, MDC)
	Janine Hawthorn	(Community Development Adviser, MDC)
	Allie Dunn	(Governance Team Leader, MDC)
	Heather Shotter	(Chief Executive, PNCC)
	Sheryl Bryant	(Acting Chief Infrastructure Officer, PNCC)
	David Murphy	(Acting General Manager Strategy and Planning, PNCC)
	Peter Crawford	(Economic Policy Advisor – Strategy and Planning, PNCC)
	Chris Dhyrberg	(Chief Customer Officer, PNCC)
	Sacha Haskell	(General Manager Marketing and Communications, PNCC)

JSP 20/066 MEETING OPENING

Her Worship the Mayor opened the meeting.

MINUTES	MEETING	TIME
JOINT STRATEGIC PLANNING COMMITTEE	THURSDAY 10 DECEMBER 2020	1:00PM

JSP 20/067 APOLOGIES

Apologies for non-attendance were noted for Councillors Vaughan Dennison, Lew Findlay, Renee Dingwall and Karen Naylor (Palmerston North City Council) and Councillor Hilary Humphrey (Manawatū District Council).

JSP 20/068 CONFIRMATION OF MINUTES

RESOLVED

That the minutes of the Joint Strategic Planning Committee meeting held 10 November 2020 be adopted as a true and correct record.

Moved by: Mayor Grant Smith

Seconded by: Councillor Aleisha Rutherford

CARRIED

JSP 20/069 DECLARATIONS OF INTEREST

There were no declarations of interest.

JSP 20/070 NOTIFICATION OF LATE ITEMS

There were no late items.

JSP 20/071 PUBLIC FORUM

There were no requests to speak in public forum at this meeting.

JSP 20/072 PRESENTATIONS

There were no presentations scheduled for this meeting.

JSP 20/073 ANNUAL MONITORING INDICATORS (CEDA), SUMMARY REPORT ON THE SEPTEMBER 2020 MANAWATŪ QUARTERLY ECONOMIC MONITOR, MAJOR DEVELOPMENTS, AND QUARTERLY RETAIL REPORT FOR OCTOBER 2020

Report of the Acting General Manager – Strategy and Planning dated 3 December 2020 presenting a summary of:

- a. the latest Manawatū Quarterly Economic Monitor for the September 2020 quarter;
- b. the Manawatū region Annual Population report;
- c. the Manawatū region Annual Employment report;
- d. Major construction projects; and
- e. CEDA Quarterly Retail report for October 2020.

Stacey Bell, Economist (MDC) and Peter Crawford, Economic Policy Advisor (PNCC), gave a presentation that outlined economic performance for the quarter noting in summary that the Manawatū regional economy had proven resilient in the face of global economic disruption.

MINUTES	MEETING	TIME
JOINT STRATEGIC PLANNING COMMITTEE	THURSDAY 10 DECEMBER 2020	1:00PM

Questions were asked regarding:

- Debt statistics;
- Opportunities for joint communications to take the messages regarding the strength of the region out to the region's communities;
- The decline in employment in the agricultural and fishing sectors, noting the decline in the agricultural sector was more related to productivity within the sector as it became more efficient;
- Potential benefits of highlighting the economic activity generated by New Zealand Defence at Ohakea;
- Population growth statistics and the need to challenge outdated data usage, noting the impact from delays by Statistics New Zealand in releasing census data;
- Impact on consenting data from Kainga Ora becoming a consent authority, noting that consenting data would be provided from Kainga Ora to both Statistics New Zealand and the relevant councils.

RESOLVED

That the Summary report of the September Quarterly Economic Monitor, Annual Population report, Annual Employment report, Major Construction Projects 2020 - 2035, and CEDA Quarterly Retail report for October 2020 is received.

Moved by: Councillor Leonie Hapeta

Seconded by: Councillor Aleisha Rutherford

CARRIED

JSP 20/074 SECTION 17A REVIEW OF ECONOMIC DEVELOPMENT

Report of the General Manager – Community and Strategy and Acting General Manager Strategy and Planning dated 19 November 2020 presenting the Section 17A Review of Economic Development (CEDA) and the report from Meneth Consulting Limited regarding the request from Palmerston North City Council members of the Joint Strategic Planning Committee to investigate delivering the destination marketing and regional tourism functions for Palmerston North in-house at Palmerston North City Council.

In response to questions seeking clarification of the Strategic Tourism Assets Protection Programme (STAPP) allocation for Regional Tourism Organisations, the Chairperson of the CEDA Board, Malcolm Bailey, and the CEDA Chief Executive, Linda Stewart, outlined the requirements in securing that funding and gave a presentation that outlined the scope of the Strategic Tourism Assets Protection Programme (STAPP) allocation for Regional Tourism Organisations that was developed in partnership with Tourism New Zealand and Regional Tourism New Zealand and was available for a programme of activity across the activities of:

- Destination Management and Planning;
- Industry capacity building and product development; and
- Domestic marketing.

MINUTES	MEETING	TIME
JOINT STRATEGIC PLANNING COMMITTEE	THURSDAY 10 DECEMBER 2020	1:00PM

Mayor Grant Smith tabled a set of recommendations proposed by the Palmerston North City Council, to be taken in addition to the three recommendations set out in the officer's report. These were as follows:

- "4. That the Joint Strategic Planning Committee recommends that Palmerston North City Council and Manawātū District Council direct the Chief Executives of both councils to negotiate and authorise a change to the CEDA contract as follows:
- a) In-house delivery by Palmerston North City Council of the Manawātū Business Awards, New Zealand AgriFood Week and Sort It Careers Expo and a corresponding reduction in the CEDA funding.
 - b) In-house delivery by Palmerston North City Council of destination marketing for Palmerston North and a corresponding reduction in the CEDA funding."

Councillor Phil Marsh left the meeting at 2:18pm and returned at 2:19pm.

The Chairperson advised she would take the proposed recommendations separately, including recommendations 4a and 4b.

RESOLVED

That the Joint Strategic Planning Committee receives the report Section 17A Review of Economic Development (CEDA).

Moved by: Mayor Helen Worboys

Seconded by: Councillor Michael Ford

CARRIED

A division was called with all members voting for the motion as follows:

Mayor Helen Worboys, Councillor Michael Ford, Councillor Steve Bielski, Councillor Grant Hadfield, Councillor Phil Marsh, Mayor Grant Smith, Councillor Aleisha Rutherford, Councillor Susan Baty, Councillor Zulfiqar Butt, Councillor Leonie Hapeta

RESOLVED

That the Joint Strategic Planning Committee notes that the report Section 17A Review of Economic Development (CEDA) proposes a preferred option of retaining the current CCO model.

Moved by: Mayor Helen Worboys

Seconded by: Councillor Michael Ford

CARRIED

A division was called with all members voting for the motion as follows:

MINUTES	MEETING	TIME
JOINT STRATEGIC PLANNING COMMITTEE	THURSDAY 10 DECEMBER 2020	1:00PM

Mayor Helen Worboys, Councillor Michael Ford, Councillor Steve Bielski, Councillor Grant Hadfield, Councillor Phil Marsh, Mayor Grant Smith, Councillor Aleisha Rutherford, Councillor Susan Baty, Councillor Zulfiqar Butt, Councillor Leonie Hapeta

RECOMMENDED

That Palmerston North City Council and Manawatū District Council retain the current Economic Development (CEDA) CCO model and that this recommendation be forwarded to both councils for their adoption.

Moved by: Mayor Helen Worboys

Seconded by: Councillor Aleisha Rutherford

CARRIED

A division was called with all members voting for the motion as follows:

Mayor Helen Worboys, Councillor Michael Ford, Councillor Steve Bielski, Councillor Grant Hadfield, Councillor Phil Marsh, Mayor Grant Smith, Councillor Aleisha Rutherford, Councillor Susan Baty, Councillor Zulfiqar Butt, Councillor Leonie Hapeta

MOVED

That the Joint Strategic Planning Committee recommends that Palmerston North City Council and Manawatū District Council direct the Chief Executives of both councils to negotiate and authorise a change to the CEDA contract as follows:

- a) In-house delivery of the Manawatū Business Awards, New Zealand AgriFood Week and Sort It Careers Expo and a corresponding reduction in the CEDA funding.

Moved by: Councillor Aleisha Rutherford

Seconded by: Mayor Grant Smith

LOST

A division was called:

Voting for the motion: Mayor Grant Smith, Councillor Aleisha Rutherford, Councillor Zulfiqar Butt and Councillor Leonie Hapeta.

Voting against the motion: Mayor Helen Worboys, Councillor Michael Ford, Councillor Susan Baty, Councillor Steve Bielski, Councillor Grant Hadfield and Councillor Phil Marsh.

MOVED

That the Joint Strategic Planning Committee recommends that Palmerston North City Council and Manawatū District Council direct the Chief Executives of both councils to negotiate and authorise a change to the CEDA contract as follows:

- b) In-house delivery by Palmerston North City Council of destination marketing for Palmerston North and a corresponding reduction in the CEDA funding.

MINUTES	MEETING	TIME
JOINT STRATEGIC PLANNING COMMITTEE	THURSDAY 10 DECEMBER 2020	1:00PM

Moved by: Councillor Aleisha Rutherford

Seconded by: Mayor Grant Smith

LOST

A division was called:

Voting for the motion: Mayor Grant Smith, Councillor Aleisha Rutherford, Councillor Zulfiqar Butt and Councillor Leonie Hapeta.

Voting against the motion: Mayor Helen Worboys, Councillor Michael Ford, Councillor Susan Baty, Councillor Steve Bielski, Councillor Grant Hadfield and Councillor Phil Marsh.

JSP 20/075 CEDA STATEMENT OF EXPECTATIONS

Report of the General Manager – Community and Strategy and Acting General Manager Strategy and Planning dated 19 November 2020 seeking approval for the 2021-2022 Statement of Expectations for the Central Economic Development Agency Limited (CEDA).

Mayor Grant Smith tabled an additional recommendation proposed by the Palmerston North City Council, to be taken in addition to the two recommendations set out in the officers' report. This was as follows:

"2 (c) accommodating any changes to the CEDA contract agreed to by the Chief Executive of the Manawātū District Council and Chief Executive of the Palmerston North City Council."

The Chairperson advised she would take the proposed recommendations separately, including recommendation 2(c).

RESOLVED

That the Joint Strategic Planning Committee approves the proposed 2021-2022 Statement of Expectations for the Central Economic Development Agency Limited.

Moved by: Mayor Helen Worboys

Seconded by: Councillor Grant Hadfield

CARRIED

RECOMMENDED

That the Mayor and Chief Executive of the Manawātū District Council and the Mayor and Chief Executive of the Palmerston North City Council be delegated authority to approve amendments to the Statement of Expectations prior to the document being signed, including:

a) **greater specificity regarding the destination marketing and regional tourism functions of CEDA.**

MINUTES	MEETING	TIME
JOINT STRATEGIC PLANNING COMMITTEE	THURSDAY 10 DECEMBER 2020	1:00PM

b) the way in which CEDA collaborates with Palmerston North City Council to profile and market Palmerston North.

c) accommodating any changes to the CEDA contract.

Moved by: Mayor Helen Worboys

Seconded by: Councillor Michael Ford

CARRIED

JSP 20/076 CONSIDERATION OF LATE ITEMS

There were no late items notified for consideration.

JSP 20/077 NOTIFICATION OF ITEMS FOR NEXT MEETING

It was noted that the next meeting of the Joint Strategic Planning Committee was scheduled for 11 March 2021.

JSP 20/078 PUBLIC EXCLUDED BUSINESS

RESOLVED

That the public be excluded from the following parts of the proceedings of this meeting, namely:

a) Confirmation of minutes

That 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:

General subject of each matter to be considered	Reason for passing this resolution in relation to each matter	Grounds under Section 48(1) for the passing of this resolution
a) Confirmation of minutes re CEDA Appointment of Directors	Section 7(2)(a) – to protect the privacy of natural persons, including that of deceased natural persons.	Section 48(1)(a) - the public conduct of the relevant part of the proceedings would be likely to result in a disclosure of information for which good reason for withholding that information would exist, under Section 7 of the Local Government Official Information and Meetings Act 1987.

MINUTES	MEETING	TIME
JOINT STRATEGIC PLANNING COMMITTEE	THURSDAY 10 DECEMBER 2020	1:00PM

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

Moved by: Mayor Helen Worboys

Seconded by: Councillor Steve Bielski

CARRIED

The meeting went into public excluded session at 2:47pm. For items JSP 20/079 to JSP 20/082 refer to public excluded proceedings. The meeting returned to open session at 2:49pm.

JSP 20/083 RESOLUTION CONFIRMED IN OPEN SESSION

The following public excluded resolution from the meeting held 10 November 2020 was confirmed in open session:

JSP 20/063 CEDA – APPOINTMENT OF DIRECTORS

RESOLVED

- 1 That the following resolution made at the Joint Strategic Planning Committee meeting of 10 September 2020 be revoked:**
 - That the recruitment process as per the “CEDA Appointment of Directors Policy” for the Directors whose terms expire on 18 December 2020 be commenced.
- 2 And the following resolutions be made in its place:**
 - That Blair O’Keefe and Sue Foley be reappointed as Directors of Central Economic Development Agency Limited for the period commencing 18 December 2020 and ending 31 March 2021, to provide CEDA Board continuity during the S17A CEDA Review.
 - That the recruitment process commence as per the “CEDA Appointment of Directors Policy” to appoint two (2) Directors on to the Central Economic Development Agency Limited board for the Directors whose terms expire on 31 March 2021.
- 3 The committee notes that the following resolution from the meeting of 10 September 2020 remains in place:**
 - That the recruitment process for CEDA directors be undertaken by the internal resources of the administering Council.

JSP 20/084 MEETING CLOSURE

The meeting was declared closed at 2:50pm.

MEMORANDUM

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

MEETING DATE: 25 March 2021

TITLE: Summary report on the December 2020 Manawātū Quarterly Economic Monitor, Annual Incomes report 2020, Major Construction Projects 2021 - 2035, and CEDA Quarterly Retail Report for January 2021

PRESENTED BY: Stacey Bell, Economist & Peter Crawford, Economic Policy Advisor

APPROVED BY: David Murphy, Acting General Manager - Strategy and Planning
Brent Limmer, General Manager – Community and Strategy

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

1. That the Summary report on the September Quarterly Economic Monitor, Annual Incomes report 2020, Major Construction Projects 2021 – 2035, and CEDA Quarterly Retail Report for January 2021 is received

-
- 1.1. This memorandum presents a summary of:
 - a. the latest Manawātū Quarterly Economic Monitor for the December 2020 quarter;
 - b. the Manawātū region Annual Incomes report 2020;
 - c. Major construction projects 2021 – 2035;
 - d. CEDA Quarterly Retail report for January 2021.
 - 1.2. Infometrics estimates that GDP in the region increased by 0.9% in the December quarter (compared with the December 2019 quarter), while New Zealand GDP declined by 0.2%. These estimates are provisional and will be revised once more data becomes available. Infometrics initially estimated that GDP in the region declined by 1.5% in the September quarter but has now revised this to an increase of 2.5%. It appears the estimates for the December quarter estimates may be too pessimistic because economic activity in the region in the September quarter was

impacted by the introduction of COVID Level-2 restrictions between 12 August – 21 September. This resulted in the loss of some significant events in Palmerston North in the September quarter, while retail spending was very strong in the December quarter because of events that were rescheduled from previous quarters.

- 1.3. The report notes the growth that is occurring in annual building consents, but no data is collected on construction projects where a building consent is not required, such as the \$400 million Turitea wind farm and \$650 million Te Ahu A Turanga highway (Manawatū Gorge replacement road). The impact of these projects is recorded in employment data for the region.

2. MANAWATŪ QUARTERLY ECONOMIC MONITOR – DECEMBER 2020

- 2.1. Estimated annual gross domestic product (GDP) in the Manawatū region declined by 0.6% in the year ended December 2020. New Zealand GDP is estimated to have declined by 2.6% in the year to December 2020.
 - a. Palmerston North GDP declined by 0.7%,
 - b. Manawatū District GDP declined by 0.2%.
- 2.2. Advance data for annual salaries and wages paid in the region in the year ended September 2020 shows annual earnings of \$3,039 million, increasing by 6.1% from the previous year, while earnings for New Zealand increased by 5.2%. The earnings data is based on place of residence for employees and not the workplace address.
 - a. Palmerston North residents' annual salaries and wages were \$1,960 million in the year ended September 2020, increasing by 5.2% from 2019.
 - b. Manawatū district salaries and wages were \$1,080 million, increasing by 7.7%.
- 2.3. Advance data for total filled jobs in the region (*based on workplace address*) shows there were 58,352 jobs in the September 2020 quarter, increasing by 4.6% from the previous year, while filled jobs for New Zealand increased by 0.2%. There were 2,590 additional jobs in the region in September 2020 compared with September 2019 while total filled jobs in New Zealand increased by 4,770.
 - a. Palmerston North filled jobs were 48,737 in the September 2020 quarter, increasing by 3.0% from 2019 (an annual increase of 1,407 jobs),
 - b. Manawatū district filled jobs were 9,615, an increase of 14% (1,183 more jobs). A revision to Defence Force employee numbers at Ohakea has contributed to this increase.

- 2.4 Annual median salaries and wages paid in the region in the year ended December 2019 were \$53,311, increasing by 4.0% from the previous year, while median salaries and wages for New Zealand were \$55,420, increasing by 3.7% from the previous year.
- a. Palmerston North median salaries and wages were \$53,770, increasing by 4.0% from 2018,
 - b. Manawātū district median salaries and wages were \$50,750, increasing by 3.5%.
- 2.5 The average quarterly worker turnover rate in the region in the year ended December 2019 was 13.5%, declining from 16.3% in the year to December 2018 year, while the average worker turnover rate for New Zealand was 16.6%, declining from 15.8% in the previous year.
- a. The average worker turnover rate in Palmerston North was 13.3%, declining from 16.4% in 2018,
 - b. The average worker turnover rate in Manawātū district was 14.6%, declining from 16.0% in the previous year.
- 2.6 Electronic card retail spending in the Manawātū region in the December quarter was \$414 million, an increase of 6.0% from the December 2019 quarter, while national spending increased by 1.5%.
- a. Annual electronic card retail spending in the region for the year ended December 2020 was \$1,395 million, a decline of 1.5% from 2019. This compares with a decline of 3.7% for New Zealand. Retail prices increased by 0.1% in the year to December 2020, despite a large decline recorded in fuel prices.
- 2.7 The total value of building consents issued in the region in the December 2020 quarter was \$117 million, compared with \$95 million in the December 2019 quarter, an increase of 23%. National consent values increased by 12%.
- a. Building consents to the value of \$495 million were issued in the region in the year to December 2020, an increase of 42% from the previous year. National consent values increased by 1%. The value of building consents issued in Palmerston North was \$361 million, an increase of 49% from the previous year, while the value in Manawātū district was \$126 million, increasing by 24%.

- b. Consents for 144 new residential dwellings were issued in the region in the December 2019 quarter, compared with 168 in the December 2019 quarter (a decline of 14%). National consents increased by 19%.
 - c. Consents for 698 new residential dwellings were issued in the region in the year ended December 2020, compared with 620 in the previous year (an increase of 13%). National consents increased by 5%.
 - d. Commercial/non-residential consents to the value of \$219 million were issued in the region during the year to December 2020, an increase of 125% from the previous year. National consent values declined by 6% over the same period.
- 2.8 Car registrations in the region declined by 19.8% in the year ended December 2020 (national registrations declined by 24.9%) while the number of commercial vehicles registered declined by 33.4% (compared to a national decline of 25.3%).
- 2.9 It is estimated the annual average unemployment rate in the Manawatū region in the year ended December 2020 was 4.1%, which was below the unemployment rate of 4.6% for New Zealand.
- 2.10 In December 2020 there were 4,561 people registered for the benefit in the Manawatū region, an increase of 30.3% from December 2019 (an increase of 1,061 people). Job Seeker benefit numbers in New Zealand increased by 44.1%. The MSD benefit numbers reported in the Infometrics report are based on the average of the last four quarters.
- 2.11 Traffic flows in the Manawatū region in the year to December 2020 declined by 8.3% from 2019, while there was a decline of 10.8% for New Zealand.
- 2.12 Electronic card tourism spending in the Manawatū region in the December quarter was \$73 million, an increase of 7.3% from the December 2019 quarter. Total tourism spending in New Zealand declined by 9.9%.
- a. Total electronic card visitor spending in the region was \$225 million in the year ended December 2020 (\$198 million in Palmerston North and \$27 million in Manawatū district), declining by 7.2% from the previous year (New Zealand declined by 15.6%).
 - b. Domestic visitor spending in the region was \$210 million in the year ended December 2020, declining by 5.5% from the previous year (2.4% decline for New Zealand). There was an 16% decline in visitor spending from Auckland, Hawkes Bay declined by 10%, while there was a 9% decline from the Waikato.
 - c. International card spending in the region was \$14 million in the year ended December 2020, declining by 26% from the previous year (49% decline for

New Zealand). MBIE is unable to identify the amount of spending on international cards by New Zealanders returning from overseas, so is unable to distinguish between spending by visitors and returning residents.

- 2.13 Population estimates, based on primary health organisation registrations, suggest the region's population increased by 1,101 people between December 2019 and December 2020, an increase of 1.0% (2.0% increase for New Zealand). Statistics New Zealand estimates New Zealand's population increased by 1.4% between December 2019 and December 2020.
- 2.14 The Manawātū Economic Monitor report for the December 2020 quarter is attached (Attachment 1).

3 MANAWATŪ REGION ANNUAL INCOMES REPORT 2020

- 3.1 Total earnings from salaries, wages and self-employment income in the Manawātū region were \$3,670 million in the year ended March 2019, an increase of 5.3% from 2018 (\$185 million increase). National earnings increased by 4.7% over the same period.
 - a. Palmerston North earnings were \$3,027 million in the year to March 2019, increasing by 5.6% from 2018 (an annual increase of \$162 million).
 - b. Manawātū district earnings were \$644 million in the year to March 2019, increasing by 3.8% from 2018 (an annual increase of \$23 million).
- 3.2 The main contributors to the \$185 million increase in annual earnings in the year to March 2019 were:
 - a. Confidential sectors (Mining and Public Administration and Safety), \$53 million increase (12.6% increase from 2018),
 - b. Education and training, \$44 million increase (11.9%),
 - c. Logistics, \$29 million (7.3% increase),
 - d. Construction, \$27 million, (9.1% increase).
- 3.3 The Manawātū region Annual Incomes report 2020 is attached as Attachment 2.

4 MAJOR CONSTRUCTION PROJECTS 2020 - 2035

- 4.1 Major development and construction projects announced for Palmerston North and the Manawātū region amount to at least \$4 - \$5 billion of construction activity over the period to 2035. Projects which have been updated since the report to the 10 December Committee meeting are:

- a. The inclusion of the proposed Palmerston North City Council capital expenditure budget for the 2021-2031 long-term plan. The Council's 2018-28 capital budget was \$687 million, while the draft budget for 2021-31 is \$1,319 million
 - b. Estimated costings for the Palmerston North Integrated Transport Initiative of \$335 - \$370 million. The latest proposal excludes an upstream bridge.
- 4.2 A list of projects is attached (Attachment 3).

5 QUARTERLY RETAIL REPORT FOR JANUARY 2021

- 5.1 The latest CEDA quarterly retail report shows electronic card retail spending in the Manawātū region increased by 4.9% in the three months ended January 2021. New Zealand retail spending increased by 2.8% over the same period.
- 5.2 Spending by residents at Manawātū region retailers increased by 5.2% in the three months ended January 2021 and was the largest contributor to the growth in total spending in the region. Spending by residents in other regions increased by 0.4% in the three months ended January. In the three months ended January 2021 local cardholders spent 77.3% of their electronic card spending at local merchants, while the overall loyalty rate for New Zealand was 66.2%.
- 5.3 There was 6.5% increase in domestic visitor spending in the region in the latest period. Visitor spending from the rest of the Horizons region increased by 6.9% in the three months ended January 2021, while visitor spending from the rest of New Zealand increased by 5.0%. There was a 6.3% increase in spending from the Wellington region, a 4.2% increase from Auckland and a 2.9% increase from the Hawkes Bay. International visitor spending declined by 37% from the same period a year ago.
- 5.4 Retail precinct data shows a strong increase in spending in the Palmerston North city centre in the three months to January 2021. Spending in Broadway increased by 6.3%, the rest of the CBD increased by 7/9%, while the outer CBD increased by 9.4%. Terrace End was the only precinct recording a decline in the city, with a 4.8% decline in spending.
- 5.5 Retail spending in Feilding increased by 4.2% and Sanson grew by 12.5% over the three months to January, while spending across the remainder of the Manawātū District declined by 2.0% over the same period.
- 5.6 Changes in the partnership between Marketview and BNZ means that data on online spending by residents is no longer available.
- 5.7 A copy of the CEDA Quarterly Retail Report is attached (Attachment 4).

ATTACHMENTS

1. Manawātū region Quarterly Economic Monitor - December 2020
2. Annual Incomes report (2020)
3. Major Construction Projects 2021 - 2035
4. CEDA Quarterly Retail Report - January 2021

Overview of Manawātū

The Manawatu regional economy continues to recover from the effects of the COVID-19 pandemic with GDP down only 0.6% in the December 2020 year compared with a 2.6% fall nationwide. Across most key indicators, the Manawatu region is performing better than the national average. Consumer spending, for example, has almost fully bounced back following lockdown, down just 1.5% in the Manawatu region in the December 2020 year next to a 3.2% fall across New Zealand as a whole. Tourism spending in the region fell 7.2% in the December 2020 year, but even this compares well to a 16% fall nationwide.

House price inflation is taking off again, with house values growing 21%pa in the December 2020 quarter. House sales in the region fell 6.3% bucking the national trend of a 9.3% rise. Rising house prices in Manawatu Region are resulting in properties becoming less affordable. Our housing affordability index for the region has risen from 3.6 in September 2014 to 5.4 in September 2020.

Residential consents in the region grew 13% in the December 2020 year on the back of a strong June 2020 quarter. Meanwhile, non-residential consents are surging, growing 125% to an unprecedented \$219m for the December 2020 year.

At 4.1% for the December 2020 year, the region's unemployment rate remains below the national average of 4.6%. However, the number of Jobseeker Support recipients continues to climb, rising above 4,000 for the first time since our series began in 2010 to reach 4,179 for the year to December. This jump constitutes a 22% increase in the December 2020 year compared with a national increase of 36%.

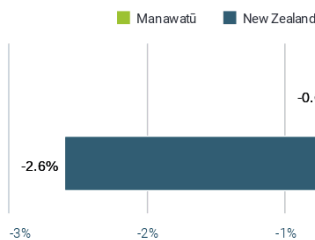
Indicator	Manawātū	New Zealand
Annual Average % change		
Gross domestic product (provisional)	-0.6 % ▼	-2.6 % ▼
Traffic flow	-8.3 % ▼	-10.8 % ▼
Health enrolments	1.0 % ▲	2.0 % ▲
Consumer spending	-1.5 % ▼	-3.2 % ▼
Residential consents	12.6 % ▲	4.8 % ▲
Non-residential consents	124.7 % ▲	-5.5 % ▼
House values *	21.2 % ▲	13.0 % ▲
House sales	-6.3 % ▼	9.3 % ▲
Tourism expenditure	-7.2 % ▼	-15.6 % ▼
Car registrations	-19.8 % ▼	-24.9 % ▼
Commercial vehicle registrations	-33.4 % ▼	-25.3 % ▼
Jobseeker Support recipients	22.3 % ▲	35.9 % ▲
Level		
Unemployment rate	4.1 %	4.6 %

* Annual percentage change (latest quarter compared to a year earlier)

Gross domestic product

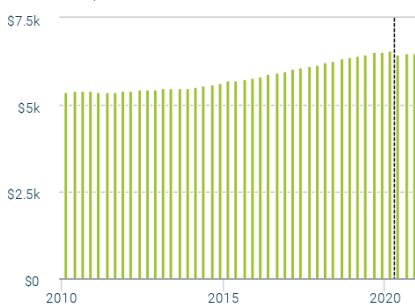
Gross domestic product growth (provisional)

Annual average % change December 2019 - December 2020



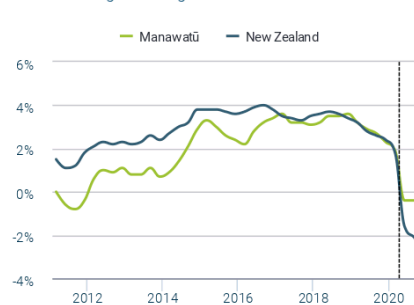
Gross domestic product (\$m)

Annual level, Manawātū



Gross domestic product growth

Annual average % change



Highlights for Manawātū

- GDP in Manawātū was provisionally down 0.6% for the year to December 2020 compared to a year earlier. Growth was higher than in New Zealand (-2.6%).
- Provisional GDP was \$6,500 million in Manawātū for the year to December 2020 (2020 prices).
- Annual GDP growth in Manawātū peaked at 3.6% in the year to December 2018.

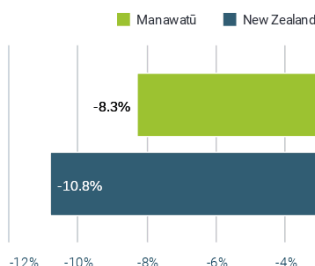
National overview

Economic activity remains on a more optimistic pathway in the December quarter as New Zealand's economy remains resilient in the face of the COVID-19 pandemic. Provisional estimates from Infometrics show activity edging up 0.2%pa in the December quarter – a slightly slower pace than in the September quarter as the post-lockdown surge pulled back. The large shock due to the Level 4 lockdown means that year-end activity is expected to be down 2.6%. Aside from a soaring housing market, economic indicators generally charted a stable path ahead. Regional economies with a strong international tourism-focus remain in a difficult economic position, but the underlying expectation for the New Zealand economy is undoubtedly upbeat.

Traffic flow

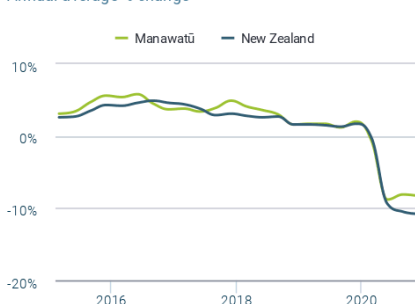
Annual change in traffic flows

Annual average % change December 2019 - December 2020



Traffic volume growth

Annual average % change



Highlights for Manawātū

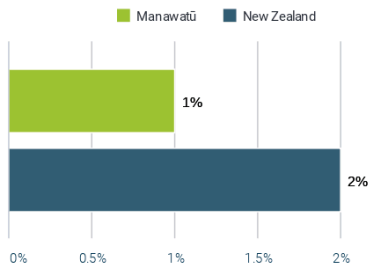
- Traffic flows in Manawātū decreased by 8.3% over the year to December 2020. This compares with a decrease of 10.8% in New Zealand.

National overview

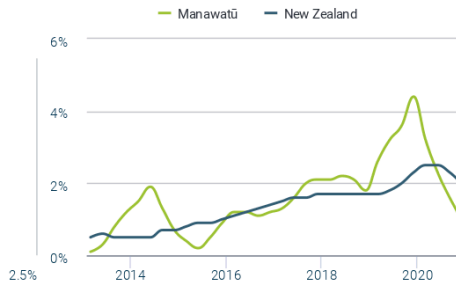
Traffic activity in the December quarter lifted 0.1%pa from a year earlier as vehicle movements continued to rebound, with year-end traffic activity sitting 11% lower. The lack of international tourism activity has seen traffic movements in some tourism hotspots fall further, although other areas have seen boosted traffic levels as domestic tourists favour driving to flying. Lower import volumes, coupled with supply chain disruptions, limited a further rebound in heavy traffic flows.

Health enrolments

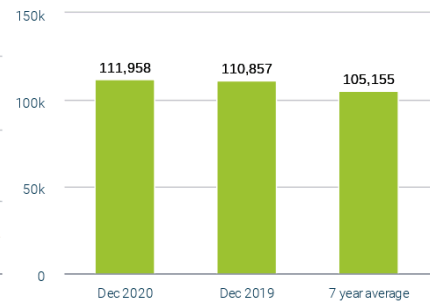
Annual change in health enrolments
Annual average % change December 2019 - December 2020



Health enrolments
Annual average % change



Health enrolments
Annual average, Manawātū



Highlights for Manawātū

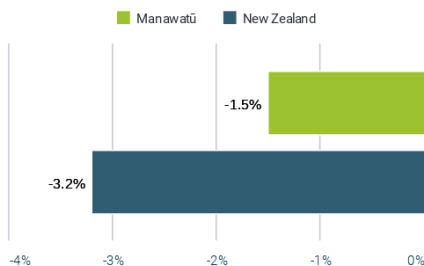
- The number of people enrolled with a primary health organisation in Manawātū in the year to December 2020 increased by 1% compared with previous year. Growth was lower relative to New Zealand (2.0%).
- An average of 111,958 people were enrolled with primary healthcare providers in Manawātū in the 12 months ended December 2020. This compares with an average of 105,155 since the start of the series in 2014.

National overview

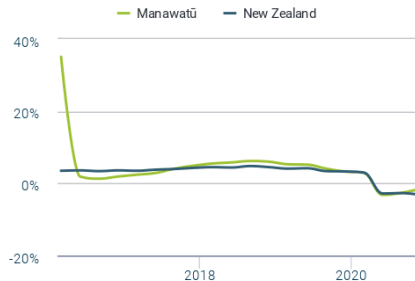
Population growth slowed further in the December 2020 quarter, with health enrolment figures up 1.5%, slowing year-end growth to 2.0%pa. This is the slowest increase in health enrolments since the end of 2016. National population estimates confirm this slowing growth, with Stats NZ showing a 1.4%pa rise. The collapse in net migration, from around 6,300 per month to 630 per month, has seen the growth in the working age population slow even more than the headline change, with challenges bringing in some skilled workers in various industries.

Consumer spending

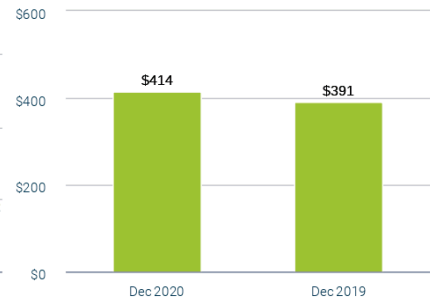
Growth in consumer spending
Annual average % change December 2019 - December 2020



Consumer spending
Annual average % change



Consumer spending
Quarterly spending (\$m), Manawātū



Highlights for Manawātū

- Electronic card consumer spending in Manawātū as measured by Marketview, decreased by 1.5% over the year to December 2020 compared to the previous year. This compares with a decrease of 3.2% in New Zealand.

National overview

Consumer spending continued to recover in the December 2020 quarter. Total spending in the quarter was 1.2% higher than in the December 2019 quarter, as Christmas and the domestic summer holidays kept the momentum going following the post-lockdown spend-up of the September 2020 quarter.

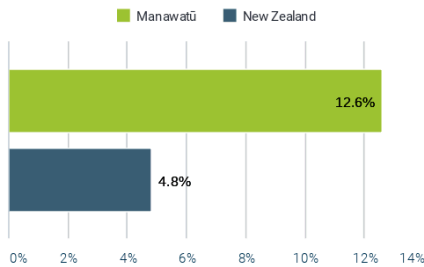
On an annual basis, however, the effects of the lockdown are obvious, as spending for the year to December 2020 declined by 3.2% from the December 2019 year.

Our outlook for spending in the upcoming quarters remains relatively bearish, as weekly spending data prior to the holiday period showed consistent declines from the corresponding weeks of 2019. The lack of international tourists over the traditional high season in late summer is likely to widen the spending gap compared to the March 2019 quarter. Similarly, the possibility of further COVID-19 lockdowns might well discourage discretionary spending.

Residential consents

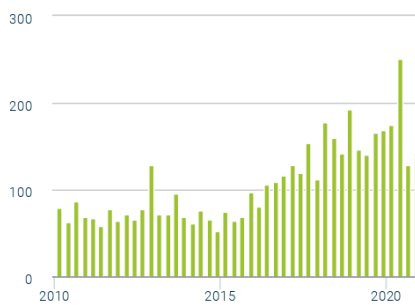
Growth in number of new dwelling consents

Annual average % change December 2019 - December 2020



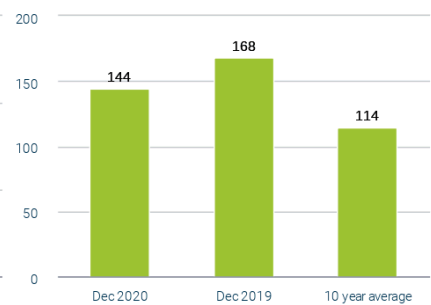
Residential consents

Quarterly number, Manawātū



Number of new dwelling consents

Quarterly number, Manawātū



Highlights for Manawātū

- A total of 144 new residential building consents were issued in Manawātū in the December 2020 quarter, compared with 168 in the same quarter last year.
- On an annual basis the number of consents in Manawātū increased by 12.6% compared with the same 12-month period a year ago. This compares with an increase of 4.8% in New Zealand over the same period.

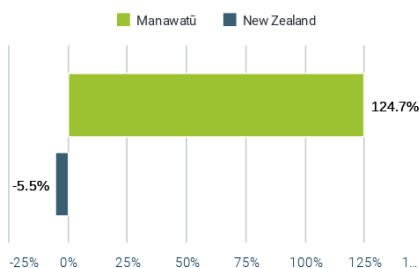
National overview

Annual residential building consents are now sitting at their highest level on record, with a total of 39,420 dwellings approved in the year to December 2020, up 4.8% on the 2019 year. Townhouses are responsible for most of the growth, with approvals over the year to December 2020 up 41% on the year prior. Apartments and retirement building consents, however, continue to drag growth down. The heat in the housing market is reinforcing the demand for new housing and responsible for record high consenting over the last year.

Non-residential consents

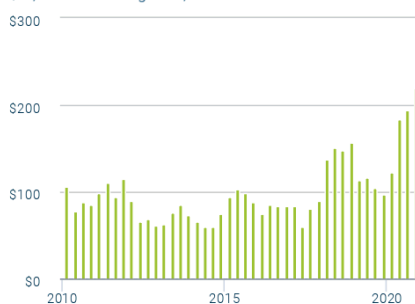
Growth in value of consents

Annual average % change December 2019 - December 2020



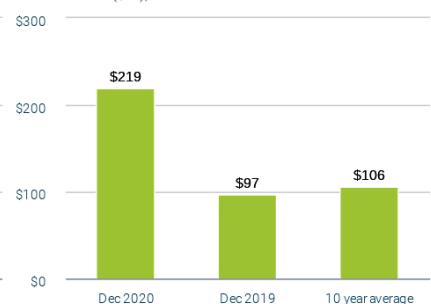
Non-residential consents, Manawātū

\$m, annual running total, Manawātū



Non-residential consents

Annual value (\$m), Manawātū



Highlights for Manawātū

- Non-residential building consents to the value of \$219 million were issued in Manawātū during the year to December 2020.
- The value of consents increased by 124.7% over the year to December 2020. By comparison the value of consents decreased by 5.5% in New Zealand over the same period.
- Over the last 10 years, consents in Manawātū reached a peak of \$151 million in the year to June 2018.

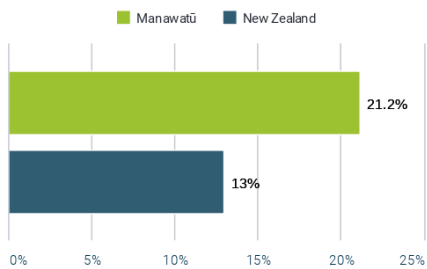
National overview

Non-residential building consents declined 5.5% in the year to December 2020. This weakness through the 2020 year was driven largely by weakness through lockdown and subsequent months. The second half of the year, however, has shown more resilience, with the non-residential consents in the six months to December sitting 7.0% higher than the same period a year prior. In recent months we have seen many positive economic indicators return to more normal levels, with GDP, employment, and inflation looking relatively stable. With these positive indicators, business confidence is likely to improve and with that, we could expect further business investment and stronger non-residential consents.

House values

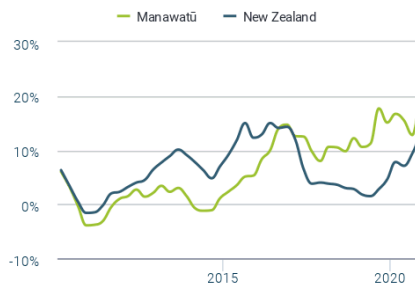
Annual change in house value

Annual % change in house value December 2019 - December 2020



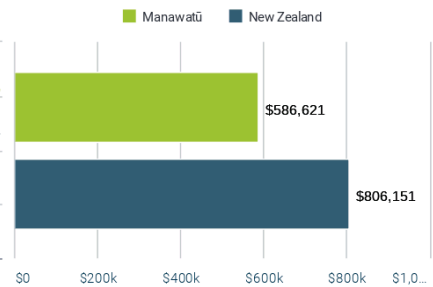
House value growth

Annual % change



Average current house value

Average house value in December 2020



Highlights for Manawātū

- The average current house value in Manawātū was up 21.2% in December 2020 compared with a year earlier. Growth outperformed relative to New Zealand, where values increased by 13%.
- The average current house value was \$586,621 in Manawātū in December 2020. This compares with \$806,151 in New Zealand.

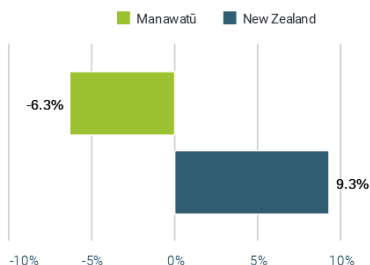
National overview

House price growth has been very strong in recent months, with prices across New Zealand over the year to December sitting 11% higher than a year prior. This incredibly strong growth has been felt across all regions, but with some of the highest growth rates being in the Hawke's Bay and Manawātū-Whanganui regions. These prices are being pushed up by record low interest rates prompting swathes of buyers into the market, with intense demand pushing up prices. We expect house price growth to continue into the new year but changes to loan-to-value ratio restrictions should help ease some demand pressures.

House sales

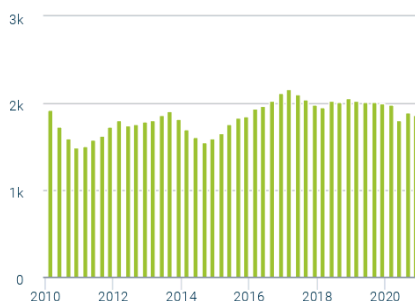
Annual change in house sales

Annual average % change December 2019 - December 2020



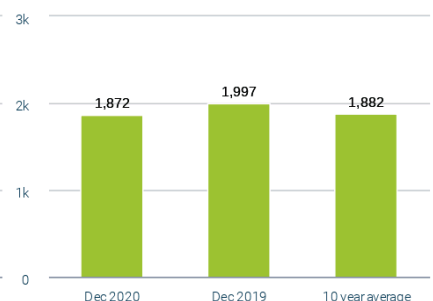
House sales

Annual number, Manawātū



House sales

Annual number, Manawātū



Highlights for Manawātū

- House sales in Manawātū in the year to December 2020 decreased by 6.3% compared with the previous year. Growth underperformed relative to New Zealand, where sales increased by 9.3%.
- A total of 1,872 houses were sold in Manawātū in the 12 months ended December 2020. This compares with the ten year average of 1,882.

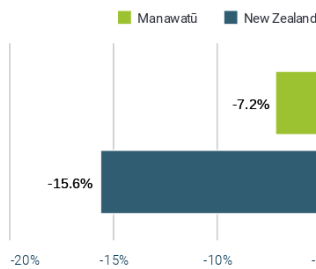
National overview

The number of houses sold in the year to December 2020 was up 9.9% on the 2019 year. This massive growth has largely been driven by growth in the last few months, with a massive number of sales in the December quarter. Record low interest rates have helped lower the mortgage cost of housing. Additionally, incredible house price growth has encouraged buyers into the market on their fear of missing out, while only adding further fuel to the fire. The return of loan-to-value ratio restrictions in the coming months should soften growth in sales in the coming months.

Tourism expenditure

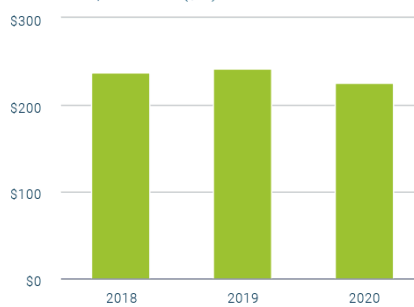
Tourism expenditure

Annual average % change December 2019 - December 2020



Tourism expenditure

Annual total, Manawātū (\$m)



Highlights for Manawātū

- Total tourism expenditure in Manawātū decreased by 7.2% in the year to December 2020. This compares with a decrease of 15.6% in New Zealand.
- Total tourism expenditure was approximately \$225 million in Manawātū during the year to December 2020, which was down \$242 million a year ago.

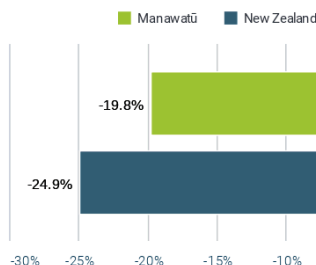
National overview

New Tourism Electronic Card Transactions (TECTs) are an interim replacement for the Monthly Regional Tourism Estimates (MRTes). We have removed our previous timeseries of MRTes and published the three annual snapshots provided in the TECTs. Despite the success of various campaigns aimed at getting New Zealanders to travel domestically during the December holidays, tourism expenditure continued to trend sharply downward as New Zealand's borders remain closed to all visitors. Over the year to December 2020, tourism spending declined by 15.6% nationally. Auckland, Otago, Wellington, and the West Coast remained the hardest hit regions. This trend is likely to be exacerbated over the remainder of the summer, with the March quarter traditionally the high season for international tourist arrivals.

Car registrations

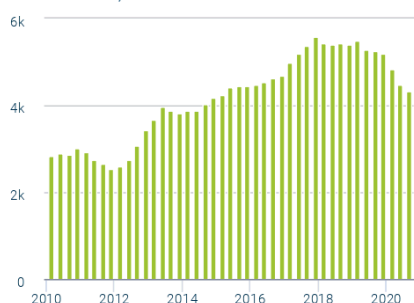
Car registrations

Annual average % change December 2019 - December 2020



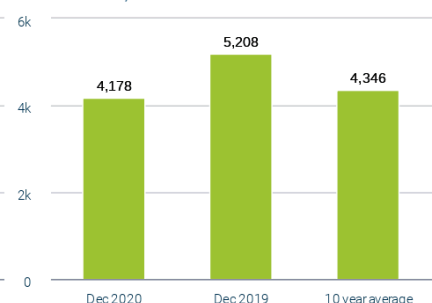
Car registrations

Annual number, Manawātū



Car registrations

Annual number, Manawātū



Highlights for Manawātū

- The number of cars registered in Manawātū decreased by 19.8% in the year to December 2020 compared with the previous 12 months. Growth was higher than in New Zealand (-24.9%).
- A total of 4,178 cars were registered in Manawātū in the year to December 2020. This compares with the ten year average of 4,346.

National overview

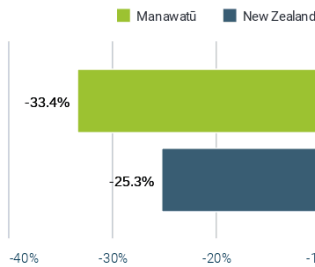
Car registrations retreated from their post-lockdown recovery, with the total number of registrations in the December 2019 quarter 20% below the same quarter a year earlier. Over the year to December 2020, registrations fell by 25% from the previous year, continuing a trend of long-term decline dating back to the December 2017 year.

We foresee this declining trend continuing, as the continued border closure limits new vehicle registrations for the holiday rental market. Similarly, both pent-up demand after lockdown and substitute vehicle purchases (instead of overseas travel for example) will continue to work their way out of the system. Finally, import delays for both new and used vehicles are likely to be a constraint on vehicle supply.

Commercial vehicle registrations

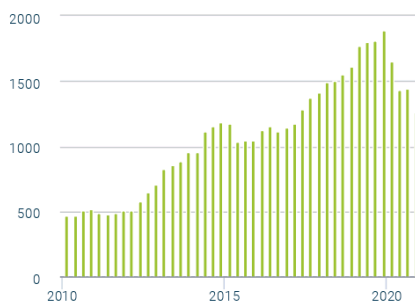
Commercial vehicle registrations

Annual average % change December 2019 - December 2020



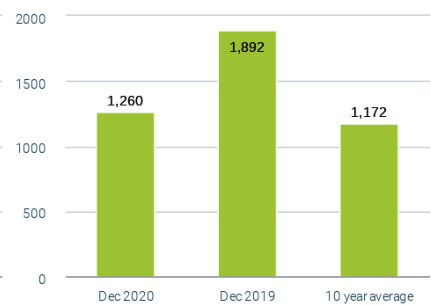
Commercial vehicle registrations

Annual number, Manawātū



Commercial vehicle registrations

Annual number, Manawātū



Highlights for Manawātū

- The number of commercial vehicles registered in Manawātū decreased by 33.4% in the year to December 2020 compared with the previous 12 months. Growth was lower than in New Zealand (-25.3%).
- A total of 1,260 commercial vehicles were registered in Manawātū in the year to December 2020. This is higher than the ten year annual average of 1,172.

National overview

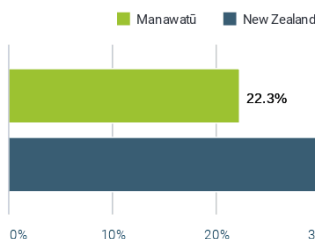
Commercial vehicle registrations declined somewhat in the quarter, following a post-lockdown recovery. Total registrations for the December 2020 quarter were 11% lower than in the December 2019 quarter, while over the year to December 2020, commercial registrations declined 25% compared to 2019. These figures represent a continuation of a long-term declining trend dating back to the December 2018 year.

Despite this decline, the continued resilience of New Zealand's primary sectors, along with increasing levels of activity in the construction sector, continue to provide a relatively upbeat picture for commercial registrations in 2021.

Jobseeker Support recipients

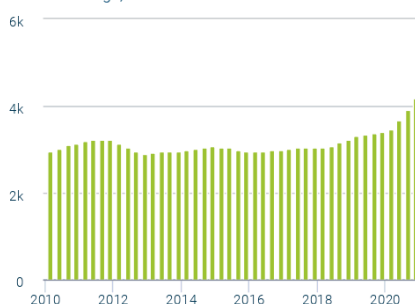
Annual change in Jobseeker Support recipients

Annual average % change December 2019 - December 2020



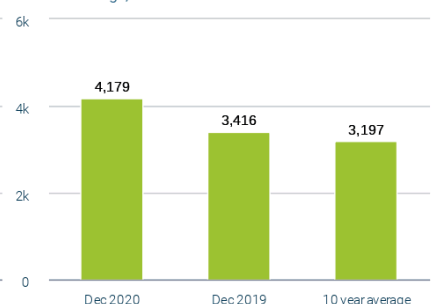
Jobseeker Support recipients

Annual average, Manawātū



Jobseeker Support recipients

Annual average, Manawātū



Highlights for Manawātū

- Jobseeker Support recipients in Manawātū in the year to December 2020 increased by 22.3% compared with previous year. Growth was lower relative to New Zealand (35.9%).
- An average of 4,179 people were receiving a Jobseeker Support benefit in Manawātū in the 12 months ended December 2020. This compares with an average of 3,197 since the start of the series in 2011.

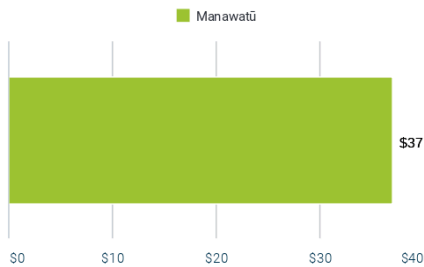
National overview

Jobseeker Support recipients rose again in the December quarter to 212,500 – 44% higher than a year earlier. Although Jobseeker Support figures have risen, the fall in COVID-19 Income Relief Payment (CIRP) recipients means the total number of people supported by either assistance is slightly down compared to September. Combined, Jobseeker Support and CIRP claims have edged lower, down from a peak of 222,000 in August. Benefit exits due to new employment are holding steady, with just under 31,000 benefit cancellations due to obtaining work in the quarter.

Dairy payout

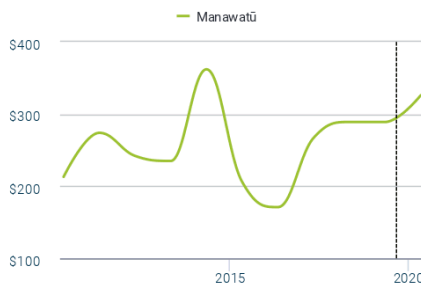
Total dairy payout (provisional)

Change (\$m) between 2019/2020 and 2020/2021 seasons



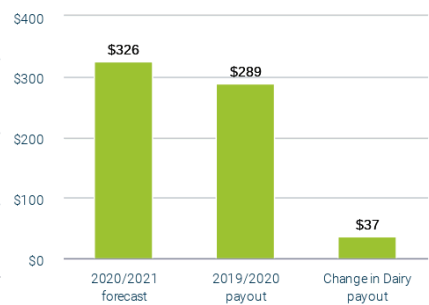
Total dairy payout

\$m each season, Manawātū



Total dairy payout

\$m each season, Manawātū



Highlights for Manawātū

- Manawātū total dairy payout for the 2019/2020 season is estimated to have been approximately \$289 million.
- Manawātū's dairy payout for the 2020/2021 season is expected to be approximately \$326 million, \$37 million higher than last season, assuming that production levels from last season are maintained.
- The total dairy payout for New Zealand is estimated to have been approximately \$11,964 million in the 2019/2020 season, and is expected to be \$1,573 million higher in the 2020/2021 season.

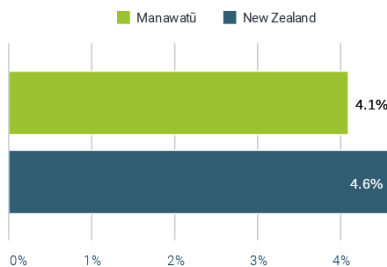
National overview

The dairy sector looks to be on track for a strong result in the current season, with a total pay-out of \$13.7b expected if current milk production and prices hold – a \$761m boost on our previous estimate and \$168m increase from last season. Fonterra has recently raised its mid-point estimate to \$7.20/kgms, which would deliver the second-best total pay-out since the record \$15.3b in 2014. Recent GlobalDairyTrade results have confirmed the strong price estimate, with whole milk powder prices at their highest since June 2014 off the back of rising demand from Asia. Our internal milk price estimate suggests prices could rise even higher, to between 7.30-7.40/kgms – a strong boost for New Zealand's primary sector.

Unemployment rate

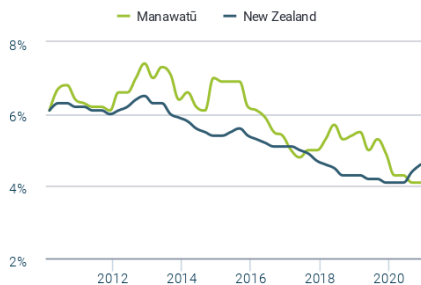
Unemployment rate

Annual average % change December 2019 - December 2020



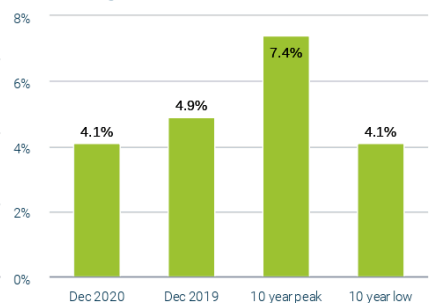
Unemployment rate

Annual average rate



Unemployment rate

Annual average, Manawātū



Highlights for Manawātū

- The annual average unemployment rate in Manawātū was 4.1% in December 2020, down from 4.9% 12 months earlier.
- The unemployment rate in Manawātū was lower than in New Zealand (4.6%) in December 2020.
- Over the last ten years the unemployment rate in Manawātū reached a peak of 7.4% in December 2012.

National overview

A strong employment result saw the unemployment rate fall to 4.9% from September's 5.3%. Underutilisation and underemployment both fell, as more people made it into full-time work. Softer tourism activity saw lower employment in related industries including accommodation and food services, but large increase in construction, health, and public sector roles outweighed these losses. The fall in the unemployment rate means unemployment over the last 12 months has averaged 4.6%. Strengthening job ads, and solid activity in growing industries, sets the scene for a more optimistic pathway for the labour market moving ahead. However, not all groups are performing well, with Māori and Pasifika unemployment rising in December, and women and young people still hard hit.

Technical Notes

Building Consents

Building consents data is sourced from Statistics New Zealand. The number of residential consents issued for new dwellings is the measure for residential consents. For non-residential consents, the measure is the value of both new buildings and alterations.

Consumer Spending

The consumer spending data is sourced from Marketview. It measures total electronic card spending using spending through the Paymark network and adding to it an estimate of non-Paymark network spending using the pattern of BNZ card holder spending at non-Paymark retailers. For further breakdown of the data by storetype and other variables contact Marketview.

Gross Domestic Product

Gross Domestic Product is estimated by Infometrics. A top down approach breaks national industrial production (sourced from production based GDP measures published by Statistics New Zealand) is broken down to TA level by applying TA shares to the national total. Each TA's share of industry output is based on earnings data from LEED. GDP growth in recent quarters is based on a model which uses the various partial economic indicators presented in this report as inputs. Estimates of GDP for these most recent quarters are provisional until Infometrics updates its annual GDP series in the Regional Economic Profile at the beginning of each year. Gross domestic product is measured in 2019 dollar terms.

Health Enrolments

Health enrolments are sourced from the Ministry of Health. They record the number of people in each area who are enrolled with a Primary Health Organisation (PHO). Enrolment is voluntary, but most New Zealanders enrol at a general practice for health reasons and for the benefits of enrolment, such as cheaper doctors' visits and reduced costs of prescription medicines. Changes to how the Ministry of Health recorded this data led to Infometrics revising our approach to health enrolment figures for the March 2019 Quarterly Economic Monitor onwards. Our new approach completely revises our timeseries of health enrolments, so care should be taken when comparing the March 2019 report with previously downloaded reports.

Previously, the data provided was only for those people whose addresses are able to be accurately recorded by the Ministry of Health. We have now switched to breaking down TA-level health enrolments based on trends in stated health enrolments by area, to ensure that the total number of enrollees published in the Monitor align with the national-level figures published by the Ministry of Health. A new system for classifying and recording health enrolment addresses from March 2019 onwards by the Ministry means significantly higher numbers of unallocated enrollees, resulting in the need to review our model.

House Sales

The number of house sales is sourced from REINZ. The indicator measures the number of house sales at the point when the sale becomes unconditional. The unconditional date is the date when all the terms of an agreement have been satisfied and the sale and purchase can proceed to settlement.

House Values

House values (dollar value) are sourced from QVNZ. The levels quoted in the report are average current values over the past 12 months. An average current value is the average (mean) value of all developed residential properties in the area based on the latest house value index from QVNZ. It is not an average or median sales price, as both of those figures only measure what happens to have sold in the period. These average current values are affected by the underlying value of houses (including those not on the market) and are quality adjusted based on the growth in each house's price between sales.

Jobseeker Support Recipients

In July 2013 the New Zealand's welfare system changed to better recognise and support people's work potential. As part of this the Jobseekers Support benefit was introduced. This benefit is for people who can usually look or prepare for work but also includes people who can only work part-time or can't work at the moment, for example, because they have a health condition, injury or disability.

Data presented for the September 2013 quarter onwards is provided by the Ministry of Social Development (MSD). Data prior to September 2013 are Infometrics estimates based on re-grouping pre-July 2013 benefit categories to be consistent with the post-July 2013 benefit categories. The pre-July 2013 benefit categories used to estimate the number of Jobseekers Support recipients are: Unemployment Benefit and Unemployment Benefit Hardship; Unemployment

Benefit Training and Unemployment Benefit Hardship Training; Sickness Benefit and Sickness Benefit Hardship; Domestic Purposes Benefit - Sole Parent (if youngest child is 14 or over); Women Alone and Widow's Benefit (without children or with children 14 or over)

Tourism Expenditure

Tourism expenditure data is sourced from the Ministry of Business, Innovation and Employment's (MBIE) Monthly Regional Tourism Estimates. These are estimated values for tourism spending that approximate values found in the International Visitor Survey (IVS) and Tourism Satellite Account (TSA), using modelling of a sample of electronic card spending throughout New Zealand from domestic and international accounts.

Traffic Flow

Traffic flow growth rates are calculated from the number of vehicles passing approximately 110 sites monitored by New Zealand Transport Agency. Each of the sites has been mapped to a territorial authority.

Unemployment Rate

Regional level unemployment rates are sourced from Statistics New Zealand's Household Labour Force Survey. Trends in the number of Jobseekers are used to break down regional unemployment rates to TA levels. The TA level unemployment rates are benchmarked on census following the release of each census. To reduce volatility the unemployment rate is presented as an average for the last four quarters.

Vehicle Sales

Car and commercial vehicle sales data are sourced from New Zealand Transport Authority. Sales are based on new registrations which include the first time registration of new vehicles and used vehicles imported from overseas.

Weekly Rents

Rents (\$ per week) are averaged across the quarter in question from monthly rental data sourced from MBIE. Rental data pertains to averages from data collected when bonds are lodged and does not control for specifications of the home (eg. size, number of bedrooms, age of home, etc).



Manawātū Region Annual Incomes Report 2020

Earnings (salaries, wages and self-employment income) in the Manawātū region in the year ended March 2019 were \$3,670 million, an increase of 5.3% from 2018 (\$185 million increase). National incomes increased by 4.7% over the same period. Income from salaries and wages in the region rose by 7.2% in the year to March 2019 while income from self-employment declined by 5.4%.

Statistics New Zealand data for incomes from salaries and wages and self-employment is drawn from employer payroll records supplied to IRD and IR3 tax returns for the self-employed. There is an 18-month lag before the data is published so the latest data we have is for 2019.

The data shows that total earnings in the Manawātū region in the year ended March 2019 were \$3,670 million, an increase of 5.3% from 2018 (\$185 million increase). National incomes increased by 4.7% from the previous year. Income from salaries and wages in the region rose by 7.2% in the year to March 2019 while income from self-employment declined by 5.4%.

The main contributors to the \$185 million earnings growth in the year to March 2019 were:

- Education and training, \$44 million increase (11.9% increase)
- Logistics, \$29 million (7.3% increase),
- Construction, \$27 million increase (9.1% increase),
- Manufacturing, \$18 million increase (6.1% increase)
- Financial and insurance services, \$17 million increase (22% increase)
- Confidential sectors¹, \$53 million increase (12.6% increase)

Agriculture, forestry and fishing sector earnings declined by \$41 million in the year to March 2019, a decline of 22.5% from the previous year. Earnings in the sector increased by 97% in the year to March 2018.

Between 2000 and 2019, total incomes in the region increased by \$2.1 billion, an increase of 140%, while national income growth was 163%. Major contributors to growth in the region were:

- health care and social assistance (\$308 million increase, 215% increase),
- logistics (\$278 million, 197% increase),

¹ Confidential sectors are Mining and Public administration and safety

- professional, scientific and technical services (\$163 million, 137% increase), and
- retail (\$197 million, 128% increase).

Annual Earnings for the Manawātū Region (salaries, wages and self-employment income)					
Industry sector	Year ended March 2019	2018 - 2019 change		2000 - 2019 change	
	\$m	\$m	%	\$m	%
Health Care and Social Assistance	451	11	2.4%	308	215.3%
Logistics	419	29	7.3%	278	196.9%
Education and Training	419	44	11.9%	193	85.5%
Retail Sector	351	13	3.9%	197	127.8%
Construction	323	27	9.1%		
Manufacturing	312	18	6.1%	137	78.6%
Professional, Scientific and Technical Services	282	-5	-1.7%	163	137.0%
Agriculture, Forestry and Fishing; and Mining	140	-41	-22.5%	49	53.0%
Other Services	117	6	5.3%	70	152.2%
Administrative and Support Services	106	5	4.9%	72	218.0%
Financial and Insurance Services	94	17	22.0%	53	127.3%
Rental, Hiring and Real Estate Services	81	6	7.9%	43	111.1%
Arts and Recreation Services	38	2	6.3%	23	148.8%
Information Media and Telecommunications	31	-3	-8.1%		
Electricity, Gas, Water and Waste Services	22	4	23.1%	8	61.2%
Not elsewhere classified	6	-1	-17.1%		
Confidential ⁽¹⁾	467	53	12.6%		
Total	3,670	185	5.3%	2,140	139.9%

(1) Mining and Public administration and safety
Source: Statistics New Zealand

While growth in the education sector was just 86% between 2000 and 2019, it still contributed \$193 million to the total increase in income. The rate of increase in the consumer price index over this time period was 49.3%. Long term earnings growth data is not available for the construction sector because Manawātū District construction sector data was confidential between 2000 and 2015.

Data for the individual local authorities in the region shows that in the year ended March 2019:

- Annual earnings were \$644 million in Manawātū District, an increase of \$23 million (3.8% increase) from the previous year,
- Annual earnings were \$3,027 million in Palmerston North, an increase of \$162 million (5.6% increase) from the previous year.

Major construction and development projects in Palmerston North and the Manawatū region

Summary

Major development and construction projects announced or under development for Palmerston North and the Manawatū region amount to at least \$4 - \$5 billion of construction activity over the period to 2035. Some projects are still waiting for final approval, one of the largest being the construction of the MidCentral DHB acute services block. There are several projects under development where final values have not been put on project, such as the construction of the new KiwiRail freight hub, but estimates have been included in the summaries below.

New capital projects and renewals in the Palmerston North City Council 2021-31 10-year plan total \$1,319 million. The Palmerston North plan proposes that \$206 million (16%) of the capital budget of \$1,319 million will be funded externally. Some of this, such as the Council's contribution to the Palmerston North Integrated Transport Initiative (PNITI) (\$109 million), is counted twice in the list of projects below. The draft capital expenditure budget for the City Council will not be confirmed until late June this year. The Manawatū District 2018-28 10-year plan proposed capital expenditure of \$190 million, primarily on roading and water supply, wastewater and stormwater projects. The value of capital expenditure for its 2021-31 plan is still to be confirmed.

Key projects identified in the region are:

1. \$660¹ million (rough estimate) Linton and Ohakea Defence Estate Regeneration Implementation Plan 2019 – 2035 (projects listed on pages 3 and 4).
2. MidCentral DHB investment plan (2016 – 2026) – timing of investment for the \$370 million acute services block is still to be confirmed and has been delayed from the original plan. The original budget for the acute services block was \$197 million. The investment is subject to Ministry of Health and Treasury approval, but construction is probably 10 years away. Smaller projects which have been given funding are:
 - a. \$30 million mental health services facility
 - b. \$26 million expansion of the surgical services unit.
3. \$450 million for the construction of 60 wind turbines for Mercury Energy at Turitea, with construction work underway. Construction is expected to be completed in late 2021. A further 53 turbines in the Puketoi Range in Tararua District are planned, with a value of \$500 million.
4. \$230 million Massey University Capital Plan (2020 – 2030). Construction projects in progress. Projects approved since the beginning of 2020 are:

¹ Estimate is based on midpoint of project cost bands provided and \$50 million each for four projects identified as costing \$50 million or more

- a. \$18 million post-mortem and production animal hospital
 - b. \$5 million new dairy research and teaching facilities.
 - c. \$3 million structural frame and below ground services only for proposed new clinical teaching facilities at the School of Veterinary Sciences
 - d. \$19 million architectural and services fit out of new Clinical Teaching facilities at Massey University School of Veterinary Sciences,
- 5. \$245 million Powerco (Manawatū and Taranaki on growth and security projects and renewal programme.
- 6. Redevelopment of the Hōkōwhitu Campus – 130 housing lots over three stages, with an estimated value of \$90 - \$135 million – consents approved for the construction of housing.
- 7. \$350 million Totara Road Wastewater Treatment Plant - Consent Renewal Upgrade. Construction scheduled for 2024/25 to 2026/27.
- 8. \$66 million for construction of new Countdown distribution centre. Consent approved in May 2020
- 9. \$297 million PNCC capital renewals
- 10. \$99 million for strengthening of PNCC buildings
- 11. \$41 million wastewater, stormwater and water supply renewal and growth projects in Manawatū District 2018-28 10-year plan.
- 12. \$40 million BUPA retirement village, Napier Road – construction started in 2019.
- 13. \$23 million City Centre Streetscape upgrade. Projects planned throughout the 10-year plan.
- 14. \$15 million Arena grandstand. Construction scheduled for 2027 - 2031
- 15. \$20 million - construction of new Manukura School on Massey University campus.
- 16. \$20 million each - two new primary schools in Palmerston North over the next ten years to cater for population growth – Poutoa area unit has been identified as the priority area for the first new school.
- 17. Major regional roading investment:
 - a. Palmerston North Integrated Transport Initiative (PNITI) - total project estimated to be between \$335 and \$370 million (proposal excludes an upstream bridge).
 - b. Te Ahu A Turanga (Manawatū Taranaki highway) –\$650 million – construction started late 2020.

- c. Four-laning SH1 Otaki to north of Levin highway –\$817 million, construction expected to occur over 2024 - 2029.
- d. Manawatū District Council 10-year plan - \$95 million.

18. Rail investment:

- a. KiwiRail regional freight hub – which is estimated to attract \$4 billion in investment over the next 20 – 30 years.
- b. Improvements to the Wellington, Wairarapa and Palmerston North rail network and beyond, including upgraded tracks for the Wairarapa and Capital Connection lines, safety connections and refurbishment of Capital Connection carriages - \$217 million

19. \$15 million Countdown Awapuni supermarket – construction beginning 2021.

20. \$13 million Awapuni Racecourse synthetic track.

21. Tilt Renewables – replacing its 103 smallest turbines from the first two stages built with 40 larger ones. Resource consent to be lodged.

22. Multiple consents already received and expected for earthquake strengthening and refurbishment of buildings for schools, churches and commercial buildings in the region.

Background Information for Key Projects

Defence Estate Regeneration Implementation Plan 2019 – 2035 (rough order of cost)

Ohakea

Aviation refuelling section project, <\$1m, 2019 - 2021
 Covered tanker park project, \$10m – \$20m, 2020 - 2023
 Wastewater treatment plant upgrade stage 2 project, \$10m – \$20m, 2020 - 2023
 Fixed wing training and simulation facility, \$10m – \$20m, 2019 - 2021
 Air surveillance complimentary capability hangar and apron, \$10m – \$20m, 2021 - 2024
 Air surveillance complimentary capability operations centre, \$5m – \$10m, 2022 - 2025
 North east quadrant flight line support, \$5m – \$10m, 2021 – 2024
 Double hangar and offices, >\$50m, 2019 - 2024
 Investment in Ohakea Housing, >\$50m, 2020 - 2024
 Ohakea Consequential Works (Ohakea Loading), >\$50m, 2020 - 2024
 Fuel Storage Facility Expansion, \$10m – \$20m, 2022 – 2025
 Main gate, entrance and state highway connection, \$20m – \$50m, 2026 - 2032
 North-East quadrant consolidated parking, \$10m – \$20m, 2028 - 2032
 Forward firing weapons arming capability, \$1m – \$5m, 2030 - 2033
 Physiotherapy and medical facilities, \$10m – \$20m, 2020 - 2034
 Additional taxiway apron entry/exit point, <\$1m, 2031 - 2034
 Base headquarters and administration, \$20m – \$50m, 2029 - 2034
 Base operations centre, \$1m – \$5m, 2032 - 2035
 Hangar mid-life light refit, \$1m – \$5m, 2033 – 2035

Linton

Explosive store house project initiate, <\$1m, 2018 - 2021
 Queen Alexandra's Mounted Rifles combined headquarters project, \$5m – \$10m, 2019 - 2021
 Electrical network upgrade stage 1 project, \$1m – \$5m, 2018 - 2022
 Field workshop project, \$10m – \$20m, 2019 - 2022
 Logistics main fleet utilisation warehouse project, \$5m – \$10m, 2018 - 2021
 Stormwater network: logistics precinct, \$1m – \$5m, 2020 - 2021
 Consolidated logistics infrastructure investment at Linton, >\$50m, 2019 - 2026
 Operational unit precinct utilities including high voltage, \$1m – \$5m, 2021- 2024
 Protected mobility vehicle introduction to service - priority roads and heavy goods entrance, \$5m – \$10m, 2020 - 2023
 Protected mobility vehicle introduction to service - priority hardstanding, \$1m – \$5m, 2020 - 2023
 Protected mobility vehicle fleet – linked capability infrastructure, \$20m – \$50m, 2020 - 2023
 Counter measures introduction to service- equipment storage, \$5m – \$10m, 2020 - 2023
 Operational fuels infrastructure: logistics precinct, \$10m – \$20m, 2021 - 2024
 Medical centre & hospital relocation, <\$1m, 2022 - 2024
 10 Transport Company headquarters, \$5m – \$10m
 Consolidated parking: common logistics precinct, \$5m – \$10m, 2023 - 2026
 Heavy vehicle entrance gate, \$10m – \$20m, 2024 – 2027
 Protected mobility vehicle fleet – infrastructure phase 2, \$20m – \$50m, 2028 - 2032
 Command Signals Unit facility, \$20m – \$50m, 2027 - 2032
 Vehicle wash-down, \$5m – \$10m, 2028 - 2032
 Combined training centre (Training and Doctrine North), \$10m – \$20m, 2030 - 2034
 Dangerous goods storage – logistics, \$5m – \$10m, 2030 – 2034
 Combat School classroom, \$5m – \$10m, 2031 - 2035
 Firing range upgrades, \$5m – \$10m, 2031 - 2035
 Forest management and planting, \$1m – \$5m, 2033 - 2035

Palmerston North City Council 10-year Plan (current dollar values)

LTP 2021/31

(current dollar values)

\$m	2021/ 22	2022/ 23	2023/ 24	2024/ 25	2025/ 26	2026/ 27	2027/ 28	2028/ 29	2029/ 30	2030/ 31	TOTAL
628-Totara Road Wastewater Treatment Plant - Consent Renewal Upgrade			\$17	\$110	\$110	\$112	\$	\$	\$	\$	\$350
Palmerston North Integrated Transport Initiative (PNITI)	\$5	\$4	\$12	\$8	\$10	\$11	\$17	\$21	\$20	\$	\$109
902-Property - Seismic Strengthening of Council Properties	\$1	\$6	\$4	\$6	\$4	\$8	\$7	\$30	\$31	\$2	\$99
Shared Path Network Improvements	\$2	\$2	\$3	\$3	\$3	\$2	\$3	\$3	\$3	\$3	\$28
1686-CBD Streets for People	\$3	\$4	\$4	\$3	\$2	\$3	\$4	\$1	\$	\$	\$23
1559-City-wide - Urban Cycle Infrastructure Network improvements	\$2	\$2	\$2	\$2	\$2	\$2	\$2	\$2	\$2	\$2	\$21
Road to Zero - transport safety improvements	\$1	\$2	\$2	\$2	\$3	\$7	\$2	\$3	\$2	\$	\$24
990-Central Energy Trust Arena - Southern Grandstand (subject to part external funding)							\$1	\$7	\$7	\$	\$15
Remaining capital new	\$58	\$49	\$39	\$47	\$42	\$36	\$34	\$14	\$20	\$15	\$354
Renewals	\$26	\$29	\$29	\$34	\$32	\$30	\$30	\$27	\$29	\$31	\$297
Total	\$98	\$99	\$112	\$215	\$208	\$211	\$99	\$108	\$115	\$54	\$1,319
of which funded externally	\$11	\$14	\$22	\$20	\$19	\$22	\$27	\$31	\$31	\$11	\$206
% funded externally	12%	14%	19%	9%	9%	10%	27%	29%	27%	20%	16%

MANAWATU REGION CEDA QUARTERLY REPORT

For Period Ending January 2021

Date

26 February 2021

CONTENTS

JANUARY 2021 QUARTER

RETAIL OVERVIEW	3
WHERE ARE THE RETAIL HOTSPOTS?	4
WHO IS SPENDING AT OUR RETAILERS?	5
WHAT DOES OUR RETAIL CASHFLOW LOOK LIKE?	6
HOW ARE OUR RETAILERS PERFORMING?	7
DOES OUR LOCAL RETAIL MEET THE NEEDS OF CUSTOMERS?	8
HOW DO WE COMPARE TO COMPETITORS?	9
HOW HAS RETAIL ACTIVITY VARIED BY WEEK?	10
WHEN ARE OUR RETAILERS BUSIEST?	11
APPENDIX	12
DISCLAIMER	13

RETAIL OVERVIEW

FOR PERIOD ENDING JANUARY 2021 QUARTER

QUARTERLY ACTIVITY

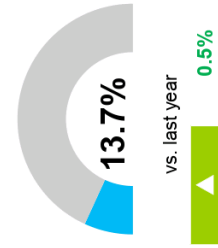
Changes over same time last year

SPENDING	TRANSACTIONS
\$404,405,672	8,858,656
▲ 4.9%	▲ 4.3%

Spending in your area grew by 4.9% over the same time last year. Transactions in your area grew by 4.3%. NZ spending grew by -2.8%, and transactions by -1.4%

MARKET SHARE

Your Share vs Key Competitors



Market share is your share of spending in the market (yourself and key competitors).

Your key competitors are based on areas you have chosen, in this case Rest of Horizons Region, Taranaki, Hawkes Bay, Hamilton, and Waikato territorial authorities

CARDHOLDER ORIGIN

	CARDHOLDER CONTRIBUTION	VALUE SPENT IN YOUR REGION	CHANGE (VS. SAME QUARTER LAST YEAR)
LOCALS	73.3%	\$296.32 mn	5.2%
REST OF HORIZONS	14.0%	\$56.57 mn	6.9%
REST OF NZ CARDHOLDERS	12.0%	\$48.44 mn	5.0%
INTERNATIONAL CARDHOLDERS	0.8%	\$3.08 mn	-37.2%

FASTEST GROWING STORETYPES

Based on Spending

IN YOUR REGION

vs. last year
▲ 31.0%

Appliances

Appliances in your area had the largest growth amongst storetypes, up 31.0%.

IN COMPETITOR LOCATIONS

vs. last year
▲ 23.0%

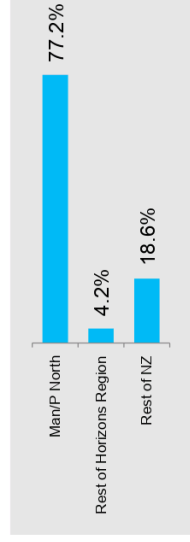
Appliances

Appliances had the largest growth in Key Competitor locations, up 23.0%.

LOYALTY AND OUTFLOW

Destination of Locals' Spending

Manawatu / Palmerston North residents conducted 77.2% of their retail spending in Man/P North and 4.2% in the Rest of Horizons Region.



WHERE ARE THE RETAIL HOTSPOTS?

How does this affect planning? Is it happening where we want it to happen?

TOP PERFORMING LOCATIONS

Based on percentage change in spending from same period last year

FOR ALL
CARDHOLDERS **SANSON** **INTERNATIONAL** **REST OF PALMERSTON NORTH**



** Map insert in Appendix

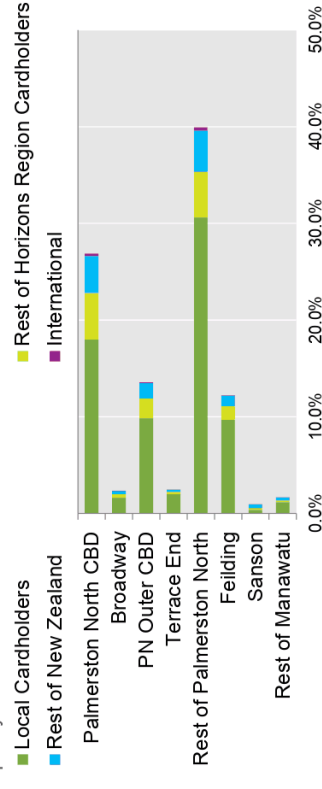
CHANGE IN SPENDING

Change in spending over same period last year

RANK	LOCATION	VALUE OF SPENDING	CHANGE IN SPENDING
1	Sanson	\$3,782,754	12.5%
2	PN Outer CBD	\$54,836,714	9.4%
3	Palmerston North CBD	\$108,692,867	7.9%
4	Broadway	\$9,543,658	6.3%
5	Feilding	\$49,438,630	4.2%
6	Rest of Palmerston North	\$161,475,903	2.5%
7	Rest of Manawatu	\$6,698,626	-2.0%
8	Terrace End	\$9,936,519	-4.8%
TOTAL		\$404,405,672	4.9%

DISTRIBUTION OF SPENDING

Split by cardholder location

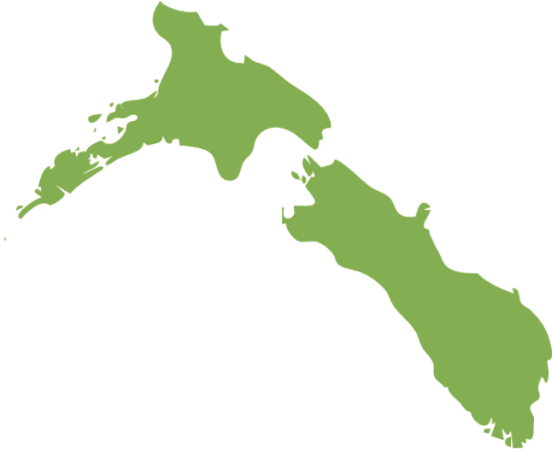


WHO IS SPENDING AT OUR RETAILERS?

Is this changing? How appealing are we to visitors/ tourists?

SPENDING BY CARDHOLDER LOCATION

Change in spending over same period last year

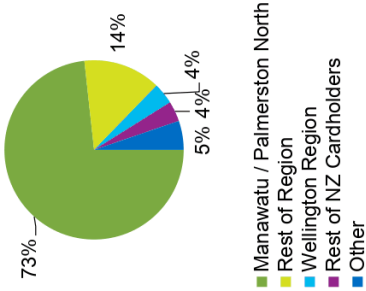


CARDHOLDER AREA	VALUE SPENT	CHANGE ON SAME QUARTER LAST YEAR
MANAWATU / PALMERSTON NORTH	\$296.32 mn	▲ 5.2%
REST OF REGION	\$56.57 mn	▲ 6.9%
WELLINGTON REGION	\$15.50 mn	▲ 6.3%
REST OF NZ CARDHOLDERS	\$14.77 mn	▲ 5.3%
AUCKLAND REGION	\$8.89 mn	▲ 4.2%
HAWKE'S BAY REGION	\$4.74 mn	▲ 2.9%
WAIKATO REGION	\$4.54 mn	▲ 3.6%
INTERNATIONAL	\$3.08 mn	▼ -37.2%

International cardholder spending within New Zealand is down -76.4% over the same period last year, and transactions are down -71.9%. Regions are chosen based on top spenders in Manawatu/Palmerston North for the quarter.

DISTRIBUTION OF CARDHOLDERS

Including international cardholders



FASTEST GROWING CONSUMER GROUP

Based on spending change from the same period last year



WHAT DOES OUR RETAIL CASHFLOW LOOK LIKE?

How much are we leaking to other areas?

OVERVIEW OF INFLOW AND OUTFLOW TO/FROM MANAWATU / PALMERSTON THE BREAKDOWN

Non-locals include international cardholders



HOW ARE OUR RETAILERS PERFORMING?

Are we keeping pace? Are our retailers maximising the available opportunities?

RETAIL CATEGORY CHANGE IN SPENDING AND PERFORMANCE

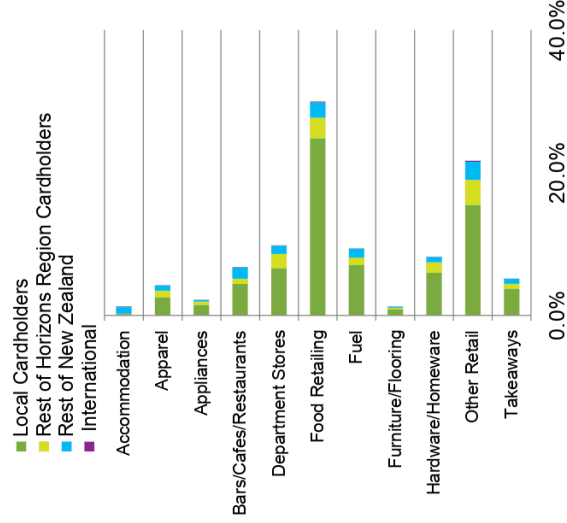
Spending change over same period last year

RETAIL CATEGORY	YOUR RESULT	\$ SPEND	YOU VS. COMPETITOR GROUP	
			RANK	CHANGE ON LAST
 ACCOMMODATION	▼ -9.6%	\$5.15 mn	4	-1
 APPAREL	▲ 4.3%	\$17.13 mn	2	1
 APPLIANCES	▲ 31.0%	\$8.74 mn	2	0
 BARS/CAFES /RESTAURANTS	▲ 13.2%	\$27.38 mn	1	4
 DEPARTMENT STORES	▲ 5.0%	\$39.74 mn	5	-3
 FOOD RETAILING	▲ 6.7%	\$121.32 mn	1	4
 FUEL	▼ -12.2%	\$37.98 mn	2	2
 FURNITURE /FLOORING	▲ 8.9%	\$4.96 mn	1	4
 HARDWARE /HOMEWARE	▲ 14.7%	\$33.40 mn	1	4
 OTHER RETAIL	▲ 3.2%	\$87.68 mn	1	1
 TAKEAWAYS	▲ 9.1%	\$20.92 mn	2	3

The competitor group is made up of retailers in Rest of Horizons Region, Taranaki, Hawkes Bay, Hamilton, and Waikato, and based on similar and/or neighbouring regions.

ORIGIN OF CARDHOLDERS

Including international cardholders



FASTEST GROWING CATEGORIES

Domestic/ International split

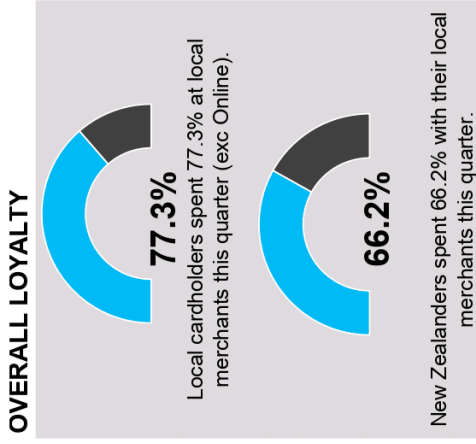


DOES OUR LOCAL RETAIL MEET THE NEEDS OF CUSTOMERS?

Have we got gaps? Where should be target development?

PROPORTION OF LOCAL CARDHOLDER'S SPENDING THAT GOES TO LOCAL MERCHANTS

High percentages presume that local cardholders are happy with local options

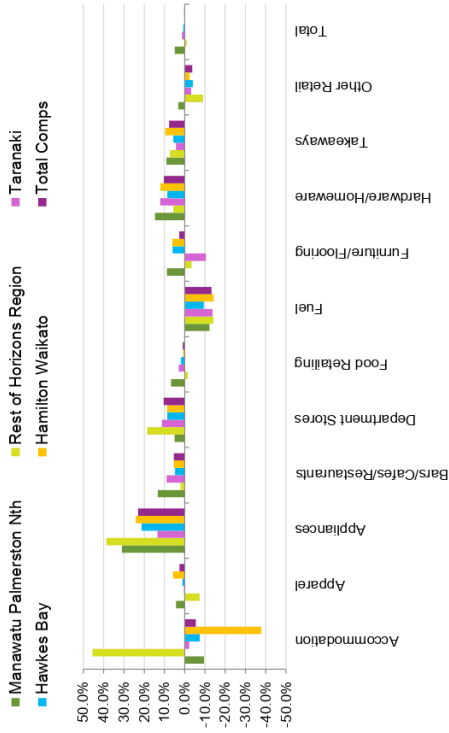


HOW DO WE COMPARE TO COMPETITORS?

Is your local offering sufficient? How to you compare against competitors?

CHANGE IN SPENDING BY RETAIL CATEGORY

Over Same Period last year



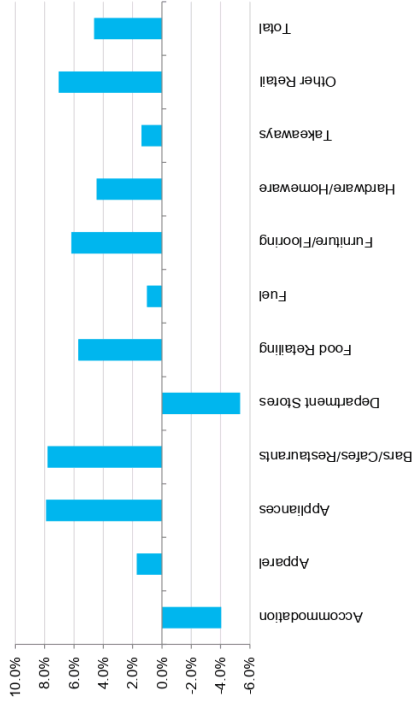
BEST COMPARED TO AVERAGE PEER

Based on change in spending this year over same time last year

APPLIANCES

The competitor group is made up of retailers in Rest of Horizons Region, Taranaki, Hawkes Bay, Hamilton, and Waikato, and based on similar and/or neighbouring regions.

MANAWATU / PALMERSTON NORTH CHANGE COMPARED TO PEER GROUP AVERAGE



WORST COMPARED TO AVERAGE PEER

Based on change in spending this year over same time last year

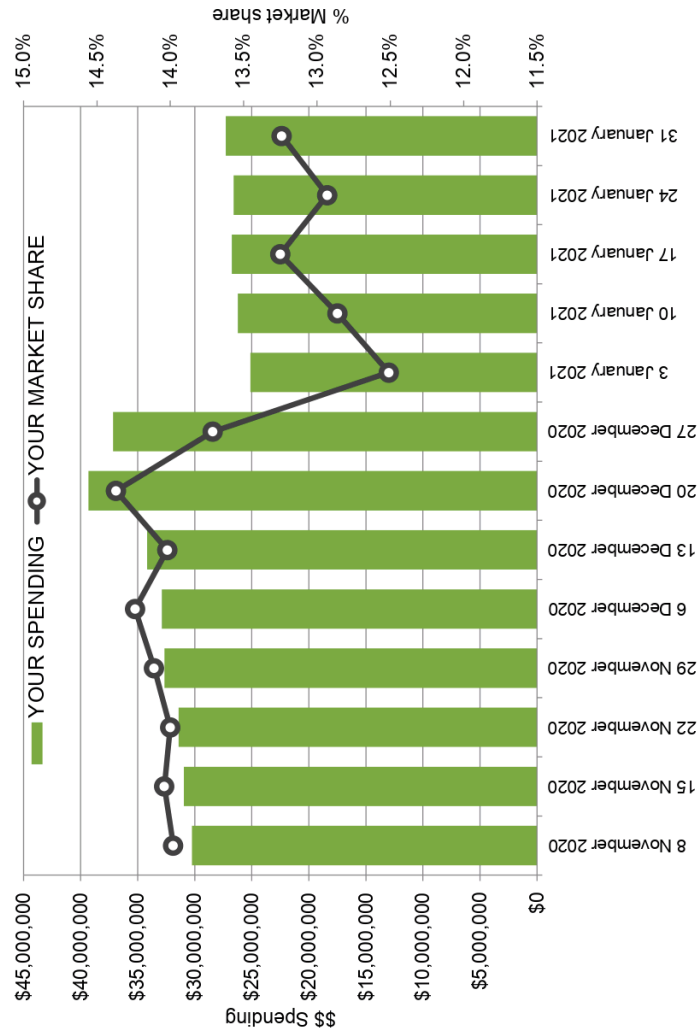
DEPARTMENT STORES

HOW HAS RETAIL ACTIVITY VARIED BY WEEK?

How does this affect planning? Has any event stimulated activity?

SPENDING DONE IN MANAWATU / PALMERSTON NORTH AND SHARE OF THE MARKET

By Week Ending:



BEST PERFORMERS

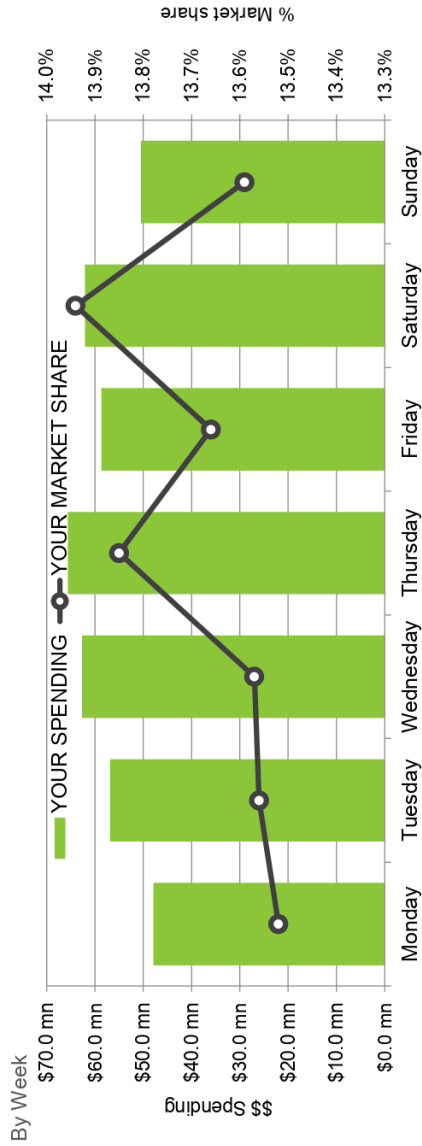


Total market is based on spending at yourself and competitors. The competitor group is made up of retailers in Rest of Horizons Region, Taranaki, Hawkes Bay, Hamilton, and Waikato, and based on similar and/or neighbouring regions.

WHEN ARE OUR RETAILERS BUSIEST?

Are we managing council resources effectively to match these busy periods?

SPENDING DONE IN MANAWATU / PALMERSTON NORTH AND SHARE OF THE MARKET



YOUR BEST PERFORMERS



DISTRIBUTION OF SPENDING AT MERCHANTS IN YOUR REGION - BY TIME OF DAY

The darker the box, the higher the proportion of spending

	MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY	SATURDAY	SUNDAY	Avg. for Period
Midnight - 4am	0.2%	0.2%	0.3%	0.3%	0.4%	0.6%	1.3%	0.5%
4am - 8am	2.9%	2.9%	3.1%	3.3%	2.9%	1.7%	1.4%	2.6%
8am - Midday	27.7%	27.1%	26.1%	27.1%	25.6%	30.6%	27.8%	27.4%
Midday - 4pm	39.5%	37.7%	36.9%	37.0%	37.3%	39.4%	42.1%	38.4%
4pm - 8pm	25.4%	26.7%	27.6%	26.4%	26.8%	21.4%	23.1%	25.4%
8pm - Midnight	4.3%	5.4%	6.1%	5.9%	7.1%	6.3%	4.3%	5.7%
Avg. for Day	12.0%	14.2%	15.6%	16.0%	14.6%	15.0%	12.6%	100.0%

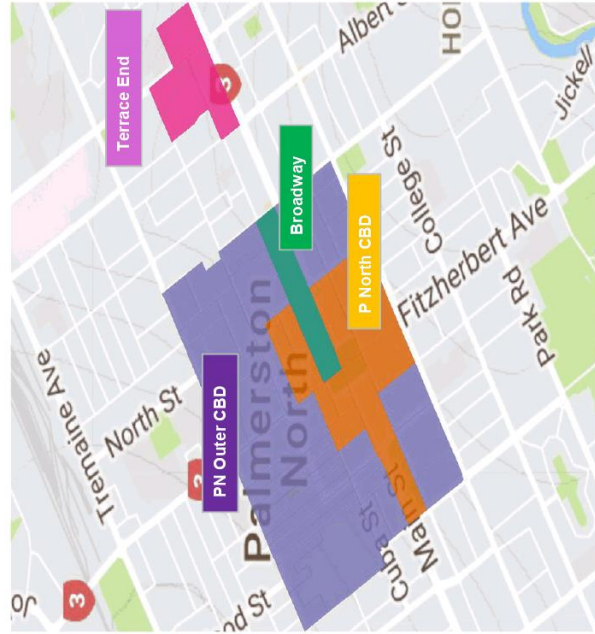
APPENDIX

STORETYPE DEFINITIONS- BASED ON ANZSIC CATEGORIES

Accommodation:	Accommodation
Apparel:	Clothing Retail, Footwear Retail
Appliances:	Domestic Appliances
Bars/Cafes/Restaurants:	Cafes and Restaurants, Pubs Taverns and Bars
Department Stores:	Department Stores
Food Retailing:	Bread and Cake Retailing, Fresh Meat, Fish and Poultry Retailing, Fruit and Vegetable Retailing, Specialised Food Retailing, Supermarket and Grocery Stores
Fuel:	Automotive Fuel Retailing
Furniture/Flooring:	Floor Covering Retailing, Furniture Retailing
Hardware/Homeware:	Domestic Hardware and Houseware Retailing, Building Supplies
Other Retail:	Antique and Used Goods, Automotive Electrical Services, Automotive Repair and Service, Clubs (Hospitality), Fabric and Other Soft Good Retailing, Flower Retailing, Funeral Directors, Crematoria, and Cemeteries, Garden Equipment Retailing, Gardening Services, Hairdressing and Beauty Salons, Household Equipment Repair, Laundries and Drycleaners, Liquor Retailing, Marine Equipment, Newspaper, Books and Stationery, Personal and Household Goods, Personal Services, Pharmaceutical, Cosmetic and Toiletry Retailing, Photographic Equipment, Photographic Film Processing, Photographic Studios, Recorded Music Retailing, Retailing nec, Smash Repairs, Sport and Camping Equipment, Toy and Game Retailing, Travel Agency, Tyre Retailing, Video Hire Outlets, Watch and Jewellery Retailing
Takeaways:	Takeaways

APPENDIX

Map Insert for Palmerston North breakdown. The map is indicative and the boundaries may vary, due to street/meshblock split. Broadway is inline with council definitions.



INPUT DATA AND DEFINITIONS

Marketview specialises in the management and analysis of electronic card transactional data as a tool for measuring and analysing the spending and behaviours of consumers. Since 2001, Marketview's transactional data has become a trusted source of market intelligence and is now used extensively by organisations throughout New Zealand. Clients include retailers - national chains through to single site stores, commercial property owners and developers, manufacturers, and local and central government.

The data is received from:

- Paymark – the largest electronic card payment network in New Zealand, covering all transactions made at merchants on this network.

Through a combination of source data and methodologies developed from projects completed over the last 15 years we are able to accurately quantify the:

- value of spending in the majority of business to consumer ANZSIC categories
- source and origin of those payments (e.g. domestic (by territorial authority or region) vs. international) to determine accurately where a cardholder is from
- date of purchases
- retail category of the merchants, as defined by 2006 Australian and New Zealand Standard Industry Classification (ANZSIC) codes.

Confidentiality

No individual merchant data is shown or can be derived, thereby ensuring the sales performance of any individual merchant is not disclosed.

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Joint Strategic Planning Committee

Meeting of 25 March 2021

Business Unit: Community and Strategy

Date Created: 02 March 2021

CEDA Half-Yearly Report to 31 December 2020

Purpose

To present the Central Economic Development Agency's (CEDA) Half-Yearly Report to 31 December 2020, in accordance with Section 66 of the Local Government Act (2002).

Significance of Decision

The Council's Significance and Engagement policy is not triggered by matters discussed in this report.

Recommendations

That the Central Economic Development Agency's Half-Yearly Report to 31 December 2020 be received.

Report prepared by:

Brent Limmer

General Manager - Community and Strategy

Manawātū District Council

David Murphy

General Manager – Strategy and Planning

Palmerston North City Council

Approved for submission by:

Brent Limmer

General Manager - Community and Strategy

David Murphy

General Manager – Strategy and Planning

1 Background

- 1.1 CEDA's Statement of Intent for 2020/21 was considered and formally agreed by the Committee in June 2020.

2 Discussion and Options considered

- 2.1 The half-yearly report provides an interim update on the performance of CEDA against objectives, measures and targets included within the Statement of Intent (SOI) 2020/21. The interim report also includes an assessment of financial performance. The report for the period ending 31 December 2020 is attached.

3 Operational Implications

- 3.1 There are no operational implications as a result of this report.

4 Financial implications

- 4.1 There are no additional financial implications as a result of this report.

5 Statutory Requirements

- 5.1 Under the Local Government Act 2002, section 66 titled "Half-yearly or quarterly reports" requires that *"During each financial year, the board of a council-controlled organisation must report on the organisation's operations to its shareholders."*

6 Delegations

- 6.1 In relation to the Central Economic Development Agency, the Joint Strategic Planning Committee has the function, power, and duty: *"To undertake performance monitoring of CEDA, as per section 65 of the Local Government Act 2002"*.

7 Consultation

- 7.1 There are no consultation requirements as a result of this report.

8 Cultural Considerations

- 8.1 There are no cultural considerations as a result of this report.

9 Conclusion

- 9.1 The CEDA Half-Yearly Report to 31 December 2020 is ready for consideration by the Committee.

10 Attachments

- CEDA Half-Yearly Report to 31 December 2020

Half Yearly Report

to 31 December 2020

28 February 2021



Company Directory

Central Economic Development Agency Limited

TSB Tower, Level One, 06 350 1830
1-19 Fitzherbert Avenue, CEDA.nz
Palmerston North 4410

Chief Executive

Linda Stewart

Directors

Malcolm Bailey (Chairperson)
Susan Foley
Robyn O'Fee (Bobbie)
Blair O'Keefe
Robbie Pickford
Francene Wineti

Registered Office

Morrison Creed Advisory
236 Broadway Avenue, Palmerston North 4410

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 9429042001096). 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 Half yearly report to December 2020

Contents

Joint Report of Chairman and Chief Executive	3
What We Have Achieved	4
Purpose of the Half Yearly Report	19
Our Vision	20
Our Strategic Objectives	20
Statement of Service Performance	21
Monitoring Indicators	30
About CEDA	31
Financial Performance	32
Partner Organisations	44

Joint Report of Chairman and Chief Executive

Tēnā koutou katoa

Uncertainty is the key word to describe the last six months. While the New Zealand economy, and the Manawatu region in particular have coped remarkably well with COVID-19, nervousness remains about essential business supplies and the risk of another lock down should community transfer re-emerge. The CEDA team has continued to work hard to support local businesses through these difficult times. CEDA itself is facing some uncertainty as our shareholders work through the options following a reduction in in our funding.

Unfortunately, while we have lost some key staff because of this uncertainty, we remain committed to doing the best we can with the resources we have to help grow the region.

Building the capability of our business community is paramount to developing a resilient and sustainable economy. The team provided one-on-one support to 613 businesses, investing \$1.8m in their capability development via the Regional Business Partner Programme. Active management of the research and development pipeline has seen over \$750,000 of grants invested into local projects, alongside the placement and funding of thirty five of our tertiary students into businesses to further their research and development projects.

The regional goal of positioning Manawatu as a leading distribution hub, leveraging its role in central New Zealand has progressed well. In partnership with Palmerston North City Council, CEDA has led the

stakeholder engagement workstream, and the development and roll out of the communications and advocacy plan for this significant investment. The growing acknowledgement of the city and district as the fourth node of distribution in New Zealand has attracted commercial interest, with Hiringa Energy committing to an investment in Palmerston North.

It was positive to quantify the impact created from the past year of implementing the Manawatu Agritech Strategy. Over \$12 million was invested in agritech companies, six new companies created, and two new tertiary courses created to support talent development for the sector. The collaborative approach across business, government, academia and the research institutes to developing our global agrifood hub is beginning to demonstrate tangible outcomes.

The recognition of Regional Tourism Organisations such as CEDA as strategic assets by the Ministry of Business, Innovation and Employment was welcomed. Securing \$700,000 of government funding to accelerate our work in developing the regions visitor sector has seen the roll out of the Google digital capability programme to all operators, the launch of the Neat Places partnership, and the release of the 'Anything But Square' spring and summer campaign, which reached over 3.5 million people through digital and print media. This level of coverage continues to build the positive perception of our city and district through the eyes of visitors, talent, businesses and investors.

As an organisation we place a high emphasis on our partnerships, especially with iwi. The signing of a Memorandum of Understanding with Rangitāne o Manawatu was an important milestone in confirming our mutual commitment to working together for the benefit of our community. Practically, CEDA is providing financial and resource support to the Māori Tourism Working Group and partnering on the development of the regional identity and destination management plan.

We are looking forward to the next six months where we have continued emphasis on delivering to our big goals, and our priority projects including the Central New Zealand Distribution Hub, the Manawatu Agritech Strategy and programmes of work from the recently refreshed Manawatu International Education Strategy.

Our ongoing work with our shareholders, iwi and stakeholders such as The Factory, Sprout, FoodHQ, Massey University, UCOL, and the National Driver Training Centre will continue to be crucial, and we value and appreciate these highly productive relationships.

Ngā mihi nui ki a koutou katoa,



Malcolm Bailey
Chairperson

Linda Stewart
Chief Executive

What We Have Achieved



Attract, retain and develop talent in the region

Kia whakamanea, kia mau, kia whakawhanake i nga taranata o te rohe

Through our data and research, we know that the biggest barrier to business growth in the region is the ability to attract the right people for the job. The development of a talent pipeline for the region that includes the attraction of those with the skills and experience our businesses need, the

training and development of the people they already have, the recruitment of domestic and international students to the region, along with an understanding of the future needs of our sectors and businesses is key to the region becoming recognised.

What we have achieved*

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

Attracting talent to the region

through working with recruitment agencies, human resource professionals and real estate agents to connect them to CEDAs Manawatu Toolkit, a free resource to support these organisations and employers to attract people to the Manawātū. The online resource was shared with 14,000 people, with over 230 people using the toolkit.



Whenuapai workforce relocation

project was coordinated across four central region districts support the New Zealand Defence Force Whenuapai workforce who will be relocating to Ohakea, including marketing collateral to promote the region. 100 impacted personnel attended a Civic Visit at Whenuapai with 102 visiting ManawatuNZ.co.nz.

Partnership with MyMahi

to create 35 online business profiles and 175 local newsfeed posts by October 2021. This national web platform, developed locally, is about supporting students to broaden their horizons, improve their wellbeing, discover their strengths and become work ready, and connecting them with local employment opportunities.

Pathways to Employment

partnership agreements in development with Talent Central, Central Skills Hub and National Driver Training Centre to support the development of Pathways to Employment for Primary Sector; Dairy, Beef and Sheep and Horticulture and Logistics, Distribution and Transport.

Dr David Kirk inducted into Te Aho Tāmaka

as the regions thirteenth Te Aho Tāmaka Leader, supporting global recognition of the programme and our region. Seven leader engagements have been delivered, connecting the prominent leaders to local businesses and community.



Leader engagements included: a celebration of the UN's Sustainable Development Goals (in partnership with Palmerston North City Council), Vanisa Dhiru as keynote speaker at IPU's 30th Graduation Celebration, and Gerard Gillespie mentoring of a local family business.

Connecting Migrant Employees and Students to employers

webinar was delivered for prospective migrant employees and students, and employers, to help in 'Getting Work Ready' with 42 people attending on-line. The webinar along with other employability resources were also provided to six organisations and online at ManawatuNZ.co.nz.

What we have achieved*

Lead and develop programmes and initiatives to attract more international students to the region

New International Education Strategy developed

with industry and key stakeholders, focused on creating a resilient International Education Sector that helps Manawātū thrive, through a diverse community, rich international connections and a strong global network.

The strategy sets out the key objectives for the next four years recognising the opportunity to reposition our international education sector to be more integrated and connected into our region, our community, and our businesses.

Enhancing the experience of International Students

ten cross institutional events were delivered, and support provided to two Massey University Student Association events, as part of the regions Summer Programme of activities and events delivered to create a positive experience for international students in the region, to keep them engaged and wanting to stay on in Manawātū for further study or employment opportunities.

*Further information can be found in the Statement of Service Performance, pages 22 to 24 of this report.



Webinar to Attract Students to the region

was delivered for prospective domestic and existing international students from around the country, showing tertiary education options available, reasons to study here, student experiences and pathways to employment. It was also provided as a resource along with the Manawātū Toolkit to six organisations and on-line at ManawatūNZ.co.nz.

Memorandum of Understanding with Ho Chi Minh

secondary schools and schools from Palmerston North and Feilding, along with Education New Zealand and Massey University, was facilitated by CEDA to support study pathways in the future.

25 local secondary school students graduated

from a Global Competency Certificate course through scholarships co-funded by CEDA and Palmerston North City Council. The course had students from Manawātū and Ho Chi Minh city, and provided them the opportunity to examine intercultural issues and increase their understanding and appreciation of the perspectives and world views of others.



Our New Zealand magazine – Interislander and KiwiRail

Attract, retain and develop business and investment in the region

Kia whakamanea, kia mau tonu, ka whakawhanake i nga pakihi me nga haumi o te rohe

Business development and expansion in the region, and attracting business and investment to the region, is at the core of economic development and at the forefront of CEDA's objectives for Manawatū to be a leading distribution hub, be recognised as one of the top three agrifood hubs in the world, and

a magnet for investment, business and talent. We have a strong competitive edge to achieve these outcomes with our central location, comparatively affordable land and development costs, a diverse labour pool, and a growing culture of innovation and entrepreneurship.

What we have achieved*

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

CEDA Half yearly report to December 2020

Manawatū Destination Management Plan

year one foundation activities underway, including securing new data and insights to understand our New Zealand travellers ensuring our marketing is targeted and provides good return on investment, support and development of local tourism businesses, and what we have on offer for visitors in the region, including the new cross-regional Coastal Arts Trail being established.



Rangitāne Māori Tourism Working Group established

to develop a Three-Year Māori Tourism Strategy and lead the implementation of actions developed from the strategy. The group is also engaged to advise in the development of Te Āpiti, Destination Management Plan and Regional Identity projects.

\$700k Strategic Tourism Asset Protection funding secured

to accelerate the implementation of the Manawatū Destination Management Plan, support the visitor sector to recover and grow from the impacts of COVID-19, lift the regions businesses digital capability, and increase visitation from around the country.

This funding has enabled, in addition to the Destination Management Plan activity, CEDA to facilitate targeted digital capability training for 99 businesses, deliver a significant tourism campaign and create new media partnerships and appoint a part-time facilitator for the Māori Tourism Working Group.

\$375k Regional Events Fund secured

from the Ministry of Business, Innovation and Employment to fund events in the region to stimulate domestic tourism and visitor numbers to the region, and help recovery from the impacts of COVID-19



Regional Agritech activity ramping up in the region

as detailed in the CEDA funded Roaming Networker Annual Report.

Highlights to date: The first \$1 million invested by Sprout Agritech into an accelerator graduate company. \$160 thousand investment in companies by private sector investors. A new joint dairy research facility underway between Massey and AgResearch. NZ Agricultural Greenhouse Gas Research Centre launching a \$2 million Innovation Fund for solutions to methane and nitrous oxide. Renewed NZ Centre of Research Excellence funding of \$38.25 million awarded to the Riddet Institute. Fonterra produced and released NZ's first carbon-zero milk product, "Simply Milk". 30% of Manawatū high schools offering agritech classes.



613 Businesses Supported to Grow

61

to support businesses impacted by COVID-19 in business continuity planning, digital enablement and to develop capability in sales and marketing, accounting, business operations, export and leadership development. (2019/20 Annual Report total \$854,918*)



Congratulations to the 2020 Award winners: DC Power Batteries, The Herb Farm, Fonterra Research and Development Centre, BioFarm, Ear Shots, OraKinetics Clinic, the Westpac Supreme Winner OBO, and Alistair Davis, former Toyota New Zealand CEO the recipient of the Lifetime Services Award.

with CEDA as a major sponsor and on the cohort selection panel to shortlist 21 businesses to progress to the next stage of the programme. Seven finalists will be selected in the new year to undergo a 12-week intensive mentorship programme to accelerate their business innovations. (2019/20 Annual Report total 77*)

to support business research and development capability (2019/20 Annual Report total \$85,510*) bringing a total of over \$4 million investment in R&D capability in the region through the Callaghan Innovation programme (including grants and research and development loans).

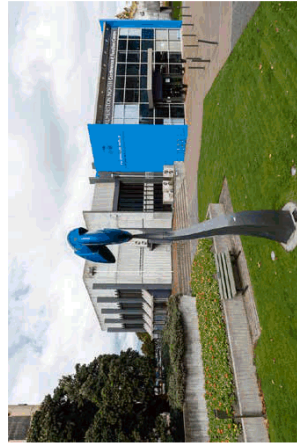
facilitated that link tertiary students directly to into businesses to increase research and development capacity as part of the Callaghan Innovation Programme. (2019/20 Annual Report total 33*)

Te Āpiti – Manawatu Gorge; Opportunities Identified

through a successful application to the Provincial Growth Fund for the development of Te Āpiti into a significant lower North Island tourism destination by reinvigorating the Old Gorge Road as a walking/cycling track, incorporating a skywalk that transverse the Gorge from north to south, and the development of a predator free, environmental eco-sanctuary.

What we have achieved*

Attract business and investment to the region



Conference and Business Events Strategy

under development with key stakeholders, the city and district, defining why organisations would host their conferences in the region, and key initiatives needed to grow the sector over the next three years. A 'Meet in Manawatu' initiative, targeting local business and conference organisers was delivered through a partnership with Meeting Newz with a readership of 20,095.

*Further information can be found in the Statement of Service Performance, pages 25 to 27 of this report.

*YTD figures are reported against full year figures from the previous years annual report. The 2019/20 period also included additional funding received from central government to support additional resource and targeted funding to support businesses impacted from the effects of COVID-19

CEDA Half yearly report to December 2020



4 Investment Opportunities for the Region

being supported by CEDA including support of an international organisation with a Defence Force tender, which if successful, will result in their relocation from Auckland to Palmerston North. Along with Circular Resources/ETECH investment in e-waste processing, a hydrogen heavy vehicle refuelling centre facilitated by Hiringa Energy, and the potential investments in bioforestry and processing plants that are being facilitated by NZ Bioforestry within the wider region.



Central New Zealand Distribution Hub

strategy development underway being led by CEDA. A targeted communications plan developed with Palmerston North City Council is in place, to deliver information and key messages to local and national stakeholders, ensuring visibility and profile of the Hub and help drive further investment and opportunities. KiwiRail has designated a site for a new rail hub which forms part of the strategy.



Neat Pages on-line feature showcasing people in our region

Profile the region to attract people, business and investment

Tohu ki te rohe hei kukume i te iwi,
pakihi me te haumi

Profiling the region to highlight our strengths, our people and our places through a shared regional identity, targeted storytelling and partnerships ensures Palmerston North city and Manawatū district is renowned for its exceptional lifestyle, competitive

advantages and is a magnet for investment, business and talent. A coordinated approach to better showcasing the strengths of our region and profiling our successes is key to achieving recognition as one of the top three global agrifood hubs by 2025.

What we have achieved*

Profile Palmerston

North city and

Manawatu district

locally, nationally and

globally

'Anything But Square' Spring & Summer Marketing Campaign gained 3,620,632 impressions

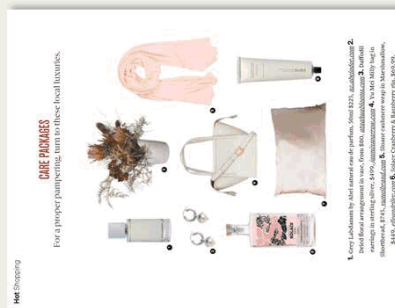
with 1.5million people reached on digital channels, Facebook and Instagram, and NZ Herald and Stuff.co.nz. The campaign was designed to profile the city and region with engaging content designed to champion the things to do in the region and inspire kiwis to plan their spring and summer adventures here.

'Paddock to Plate' Marketing Campaign reach 1 million +

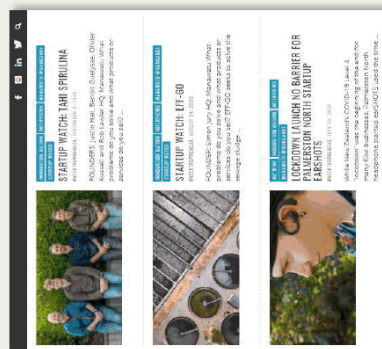
and 11 media features and interviews across New Zealand was designed to provide support to our hospitality sector after the impacts of COVID-19. The 6-week campaign targeted Wellington as a key market of the region, through radio, print, outdoor (bus-back) and digital marketing.



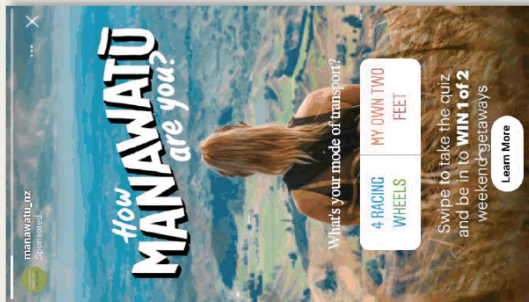
Our New Zealand Magazine - Interislander and KiwiRail



Kia Ora Magazine



Innovation Nation Feature



@Manawatu_NZ Instagram



Toys to Teens Magazine

What we have achieved* Profile Palmerston North city and Manawatū district locally, nationally and globally



Increased Presence on Google Maps

for the city and district. Through a partnership with Google, new images and video were taken of key locations in the region to significantly improve visibility of the experiences on offer in the city and district, supporting the increasing perception of the region and the attraction of people and business.

City Locations included Te Marae o Hine, Fitzherbert Avenue, Junior Road Safety park, Wildbase Recovery Centre, Dugald Mackenzie Rose Gardens, He Ara Kotahi Bridge, Urban eels, Turitea Pa Lookout, Ahimate Reserve, Manawatū River pathway, Bledisloe Park

District locations included Manchester Square, Manfield Park, Kowhai Park, Peep-o-Day, Cheltenham, and Kimbolton village.

Partnership with WellingtonNZ,

Wellington on a Plate, and Wellington Mayor Andy Foster to further support the Paddock to Plate marketing campaign by showcasing the city and districts hospitality, including Mayor Helen Worboys hosting Mayor Andy Foster in the region during the competition. This supports the concept of ‘population swap’ to encourage visitor spending from Wellington here.



Business Central Magazine



Regional News Wellington

Neat Places partnership launch; campaign reach of 11,000

people in the first three-weeks and a 102% increase in Manawatu_NZ Instagram audience reach. This included the creation of new online content to showcase and celebrate the people, places and businesses in our region including '12 hours in Palmerston North' guide, The Herb Farm story, and '7 things you should eat in Manawatu'.

15,000 Neat Places pocket guides

were published for distribution across New Zealand, with a high concentration throughout the lower North Island, in addition to the Neat Places online content.



Neat places
Manawatu brochure
and online

What we have achieved*

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

*Further information can be found in the Statement of Service Performance, page 28 of this report.

*YTD figures are reported against full year figures from the previous years annual report. The 2019/20 period also included additional funding received from central government to support additional resource and targeted funding to support businesses impacted from the effects of COVID-19

CEDA Half yearly report to December 2020

37.9% increase on ManawatuNZ.co.nz

or visitors to the 'shop window' to the city and district, with 157,847 'sessions' over the six-month period, profiling the city and region as a brilliant place to live, work, visit and play. (2019/20 Annual Report total 229,586*)

31,392 followers on social media

with growth across key social media channels including Instagram, Facebook (ManawatuNZ and MyManawatu) up 8.1% from July, with information on walks and hikes, activities, events, places to eat and drink, cycling and mountain biking receiving the most views and engagement on ManawatuNZ.co.nz. (2019/20 Annual Report total 29,030*)

59 Media features published with 3,197,536 million reach

profiling the city and region through print, radio, online and video, and additional to the media reach achieved through Paddock to Plate, Neat Places and the Anything But Square spring campaign.

Including features in: NZ Entrepreneur, AA Traveller, NZ Life & Leisure Insider's Guide to NZ, NZ Trucking, Business Central, The Country, Magic Talk, NZ Manufacturer, NewsHub, Regional News Wellington, Kia Ora Magazine, Tots to Teens Magazine, The Great New Zealand Bingo Bonanza, and Our New Zealand.

Lead inclusive and sustainable economic development for the region

Te arahi i te whanaketanga ohanga me
te pumau mo te rohe

Our work cannot be done in isolation, and the strengths of our region rely on working together to use our combined strengths, connections and skills to compete nationally and globally. Collaborative relationships

and partnerships with key regional and national stakeholders, central and local government, Māori and iwi are key to ensuring our strategic outcomes for the city and district.

What we have achieved*

Develop strategic partner relationships, leveraging opportunities

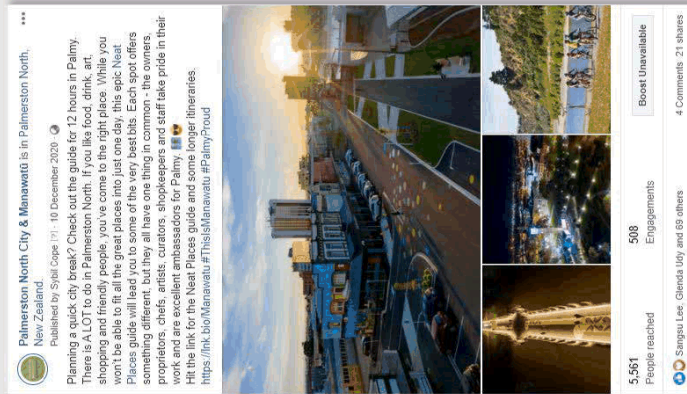
with Rangitāne o Manawātū, The Factory, Sprout Agritech, Manawātū Young Professionals Network, and Rural Innovation Lab (for delivery of the NZAgriFood long lunch held in December).

Partnered with Māori and Iwi

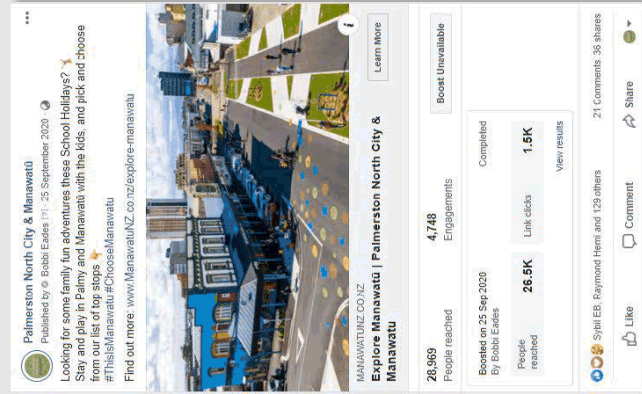
on formation of the Rangitāne Tourism Working Group which is working to support Te Āpiti Tourism Potential project, the Manawātū Destination Management Plan development and implementation and the Regional Identity development.

Tourism New Zealand pilot partnership

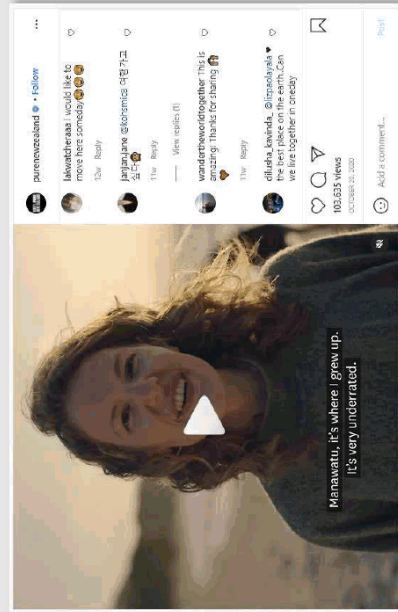
initiated - the first RTO in New Zealand to do so – which included several priority projects including the NewFinder domestic tourism tool, increasing our regions Qualmark businesses, engaging with Rangitāne o Manawātū on their tourism aspirations and opportunities, and several media features.



Palmerston North City & Manawātū Facebook



Palmerston North City & Manawātū Facebook



Tourism New Zealand Campaign partnership post on Instagram, with 100,000+ views

What we have achieved*

Data and Insights

CEDA Half yearly report to December 2020

64 Business Community and Stakeholder Communications

shared in the last six months, including Quarterly Economic Updates, '60 Seconds with CEDA' news bulletins, Visitor Sector Updates to tourism businesses, and Training and Development guides to provide our business community with access to training and support opportunities.

74.46% increase in sessions to CEDA.nz website

in the year to date, showing the continued increase in demand for business support, interest in the regions data and insights, and a growing stakeholder engagement across the city, region and New Zealand.

Māori Economic
Insights

developed specifically for the Māori business sector in partnership with Te Au Rangahau and Palmerston North City Council.

69



Meeting Newz



NZEntrepreneur Digital Magazine -
Innovation Showcase

Meeting Newz



Restaurant & Café Digital Magazine

Purpose of the Half Yearly Report

This Half Yearly Report 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 report publicly states the activities and progress for the year to date against objectives set in the CEDA Statement of Intent for the 2019-20 financial year.

COVID-19 Impact

Whilst recently New Zealand has been able to relatively operate under less restrictions than the rest of the world over the past six months we have continued to work in a challenging and changing environment. As an organisation whose primary objective is to support business and grow the regional economy, we have had to approach our work with flexibility in order to be responsive to the dynamic environment and changing needs and demands of our community. In doing that we have adapted our programmes of work in the short to medium term to achieve the outcomes required to successfully lead and support the economic response for Manawatu.

The outcomes presented in this Half Yearly Report include the initial response and recovery projects changed or implemented to assist our businesses, industries and our people through the impact locally, nationally and internationally of COVID-19.

Note some of the 2019/20 comparative figures include support given to business through the Regional Business Partner Programme, due to additional government funding allocated to CEDA to support businesses through the impacts of COVID-19, so will appear overinflated in comparison to standard funding and related resource capability.



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 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.

Our three big goals that show we are on our way to achieving this vision are:



Manawatū is recognised as one of the top three agrifood hubs in the world



Manawatū is a leading distribution hub, and leverages off its role in central New Zealand



Manawatū is renowned for its exceptional lifestyle, competitive advantages, and is a magnet for investment, business and talent

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.

CEDA Half yearly report to December 2020

Our Strategic Objectives

Achieving our vision

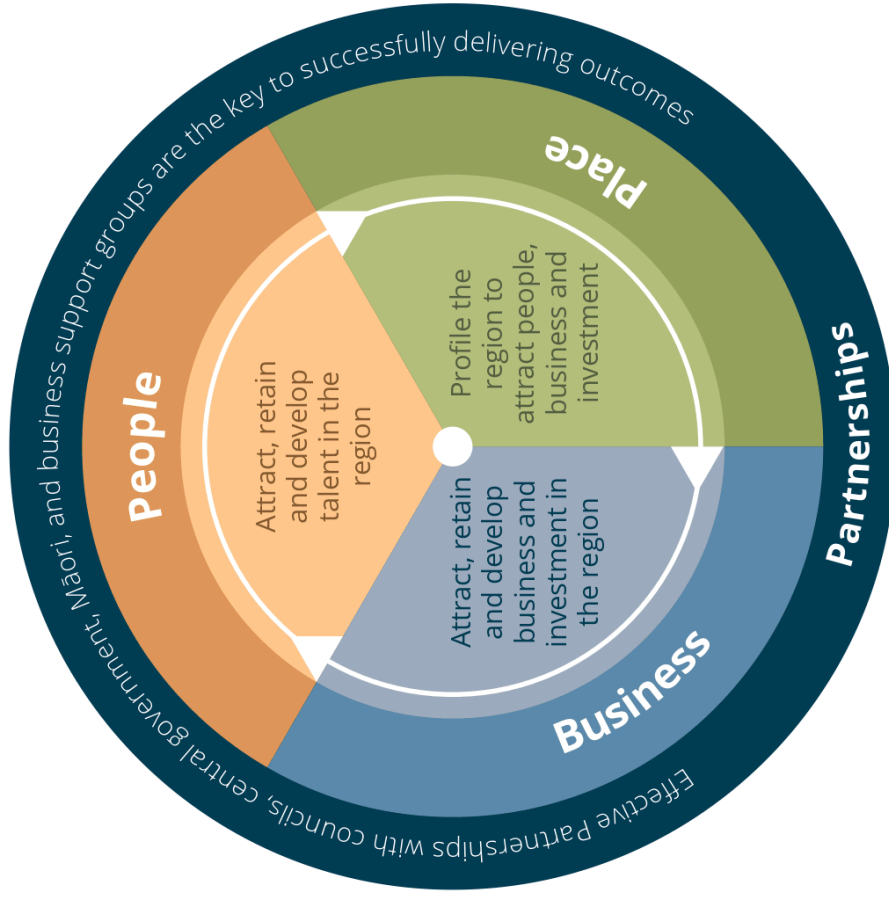
CEDA works across the three strategic pillars of economic development; People, Place and Business, and our success is underpinned and enabled by the strength of our relationships with our regional and national partners.

Our core 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 city and Manawatū district.

These key objectives guide the development of our short and medium-term programmes of work as articulated through our Statement of Intent for 2020/21.

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

These are identified through research, monitored and reviewed using the latest data, and viewed through a regional, national and international lens.



Statement of Service Performance

CEDA's performance measure framework identifies quantifiable measures of our programmes and activities aligned to our key strategic outcomes.

Performance measures and outcomes to December 2020 are as follows.

1. Attract, retain and develop talent in the region

Service Level Statement	Performance Measure	2020/21 SOI*	Outcomes to Dec 20
Develop the talent pipeline to grow a skilled workforce, and better utilise the existing labour market	Understanding of the future of work in the region and how best to prepare the region for change	Develop a Manawātū future of work project, in collaboration with Massey, UCOL, employers and Infometrics	A draft terms of reference for the future of work project has been created to develop sector profiles and plans for the regions sectors of strengths that will put a lens on the labour market and the future talent opportunities in the region.
	Implementation of the talent attraction and retention strategy	Talent attraction campaign delivered in partnership with sector stakeholders	<p>A talent outreach programme was commenced to connect employers, human resource professionals, real estate agents, and recruitment agencies to enable the opportunity to access the Manawātū Toolkit, created last year, to support their work in attracting talent to the region. The online information was sent to 14,000 people with an open rate of 32.8% and 230 linking to the toolkit.</p> <p>Developed and led the implementation of a multi-regional partnership to support the NZ Defence Force with the relocation of their Whenuapai workforce to Ohakea. This included the creation of video, a micro-website and collateral to provide the Defence Force with key information and compelling lifestyle messaging to support their people relocating here. 100 impacted personnel attended a Civic Visit at Whenuapai, with 102 visiting ManawatuNZ.co.nz.</p> <p>CEDA lead a review of the Manawātū and Tararua Talent and Skills Working Group which resulted in the formation of the Central Region Talent and Skills Advisory Group, created to have a more strategic role for the region and as a mechanism to report on the actions and outcomes of the regions Talent and Skills strategy.</p>
		Grow career opportunity engagement aligned to recommendations of the review of Manawātū NXTStep	A review of the pilot programme with NXTStep and the impact and outcomes achieved to date has resulted in a move away from this programme and into a partnership with MyMahi, a work ready platform that gets students 'work ready' and connects them with businesses. To date PNCC, Higgins and CEDA have their business profiles on MyMahi and work is underway with Global HQ, Horizons, Toyota, Fonterra/Farm Source, MidCentral DHB and Te ahu a Turanga.
		Deliver the Te Aho Tāmaka 3-year strategy year one action plan including 6 leader engagements	Dr David Kirk MBE was inducted into Te Aho Tāmaka, supporting global recognition of the programme and the region. Seven leader engagements have been delivered including a celebration of the UN's Sustainable Development Goals in partnership with PNCC, contributing a keynote speaker for IPU's 30th Graduation Celebration, two webinars, one mentoring relationship between a leader and a local business, and a celebration welcoming David Kirk to the programme. Four new leader videos and four inspirational leader Q&A articles have been developed and weekly social media posts to ensure an ongoing national presence of the region.

Service Level Statement	Performance Measure	2020/21 SOI*	Outcomes to Dec 20
Lead and develop programmes and initiatives to attract more international students to the region	Driving the development of skills in the region and supporting linkages to job opportunities	Support Special Projects Skills Hub in developing pathways for employment	CEDA is working on formal agreements with Central Skills Hub (formerly Special Projects Skills Hub), Talent Central and the National Driver Training Center, to enable facilitation across the region in partnership to build an integrated and coordinated approach to the talent pipeline for the region, and development of pathways to employment.
	Implementation of the action plan as a result of the primary sector skills gaps analysis	Sort It Expo Careers Expo 3-Year strategy and action plan developed and implemented for 2021	An in-depth review of Sort It Careers Expos was completed in consultation with schools, tertiary providers, key stakeholders, students and parents, and as a result a refreshed and revitalised Sort It career event will be held in May 21.
	Increase the value of international students in the region	Development of talent pathways to employment for the primary sector Increase the employability of migrants in the region through improvement of employer capability	CEDA's partnership agreement with Talent Central has been reviewed and updated to include the co-development of employment pathways for; Primary Sector; Dairy, Beef and Sheep and Horticulture and Logistics, Distribution and Transport, with industry. Connecting Migrant Employees and International Students to employers webinar was delivered for prospective migrant employees and international students, and employers, to help in 'Getting Work Ready' with 42 people attending on-line. The webinar along with other employability resources were also provided to six organisations and online at ManawatuNZ.co.nz.
Enhance the experience of international students while they are here	Increase the value of international students in the region	Lead the review and refresh of the regional strategy, and the development and implementation of the annual workplan with a focus on stabilising the existing international student market	A new regional international education strategy to 2024 has been completed with industry partners with the aspiration to create a resilient International Education Sector that helps Manawātū thrive, through a diverse community, rich international connections and a strong global network. The strategy sets out the key objectives for the next four years. A new terms of reference has been drafted for the International Education Leadership Group to assist in delivering on this strategy. CEDA lead the coordination and delivery of an event hosted in Auckland with International Agents. Secondary Schools and Tertiary providers were able to connect with over 60 agents. 100% of these agents said they would promote Manawātū as a study destination.
	Enhance the experience of international students while they are here	Deliver 6 cross institutional engagement activities with tertiary sector partners	CEDA has delivered the following student engagement activities to enhance the experience of students while they are in the region; <ul style="list-style-type: none"> Mayoral Welcome hosted in Palmerston North City Council Chambers on Monday 12th October with over 50 registrations. Specialised tour of Massey University's Engineering and Food Technology facilities for international students aged years 11 to 13 studying appropriate courses was attended by 19 students.

Service Level Statement	Performance Measure	2020/21 SOI*	Outcomes to Dec 20
			<ul style="list-style-type: none"> Summer programme of activity launched online at www.ManawatuNZ.co.nz. This was promoted at Education New Zealand's Summer Fair on Saturday 31st October. Ten events organised by CEDA and two we supported the Massey University student Association as part of the regions Summer Programme of activities and events. 25 students from secondary schools graduated from a virtual certificate course on Global competencies which they completed with peer students in Vietnam. This led to a Memorandum of Understanding being signed between the secondary schools in Vietnam and the Manawātū region to work collaboratively on future activities, including study pathways.
	Increase the employability of international students	Assist students into employment opportunities in essential sectors including delivery of 4 webinars and development of employability resources, linking students with employers or industry	<p>A webinar was delivered for prospective students and international students to the region showing, tertiary education options available, reasons to study here, student experiences and pathways to employment. It was also provided as a resource along with other employability resources to six organisations and on-line at ManawatuNZ.co.nz.</p> <p>The employability resources have also been provided to tertiary providers, Manawātū Network of Skilled Migrants, English Teaching College, Tertiary Providers, English Language Partners and Welcoming Communities.</p>

*these objectives or outcomes may be impacted by CEDA's requirements to be adaptable and responsive to the needs of the regional economy due to the impact of COVID-19

2. Attract, retain and develop business and investment in the region

Service Level Statement	Performance Measure	2020/21 SOI*	Outcomes to Dec 20
Support our sectors of strength to grow through targeted business development and retention initiatives and activities	Assess and support opportunities for growth through key business engagement; cluster development and sector strategies and relationships with Māori	Implementation of the Destination Management Plan year one actions, including operator capability and product development	<p>Secured \$700,000 to accelerate the implementation of the Manawātū Destination Management Plan including:</p> <ul style="list-style-type: none"> Funding a Google Destination Management programme to lift the city and regions digital footprint and assist visitor sector businesses, with 99 businesses receiving support in the year to date including more than 70 workshop attendees. The development of a three-year Māori Tourism Strategy in partnership with Rangitāne o Manawātū Tourism Working Group underway. Coastal Arts Trail development in partnership with Whanganui and Taranaki to create a multi-region itinerary and touring route. Secured \$375,000 from the Ministry of Business, Innovation and Employment from the Regional Events Fund for the purpose of stimulating domestic tourism. Commenced final stages of bringing the Regional Identity to complement the new Palmy brand, and with input and co-design support of Rangitāne o Manawātū. Research undertaken to understand the 'new' domestic visitor with resources developed for tourism businesses to better understand existing and potential markets. New Visitor Flow data acquired will provide a base to inform future planning and decisions including visitor signage, and Regional Tourism Sentiment Index shows the areas we are performing well as a destination, as well as areas of concern we can build upon through product development, operator capability and providing councils and businesses insights to inform long term decisions.
		Implement year three of the Agritech Strategy 3-year action plan	Funding for Sprout Roaming Networker programme finalised, and the Annual Roaming Networker report for 2019/20 completed which captures regional Agritech activity. Quarterly Reports completed for the current financial year with ongoing engagement between Sprout Agritech and CEDA to ensure a sustained integrated approach for the region. Funding was support provided to the Sprout Accelerator, and The Factory Innovate programmes
		Implement year two of the New Zealand AgriFood Week Foundational Strategy	New Zealand AgriFood Week Collaboration Lunch held in November with 40 senior leaders across the agri value chain, providing an opportunity for stakeholders to connect and building momentum for the 2021 event. The discussion at the Collaboration Lunch focussed on traceability in the AgriFood sector to identify actionable outcomes for the region. As a result, the Rural Innovation Lab will be providing a thought leadership article on traceability, and key private sector companies have been invited to join the AgriFood Week 2021 Steering Committee to deepen the events programme and strengthen private sector participation. Key events for the week have been secured for including the Beef and Lamb AgInnovation Conference.

Service Level Statement	Performance Measure	2020/21 SOI*	Outcomes to Dec 20
	Retain businesses in the region through engagement and identification of barriers to growth	Business Retention Strategy developed and implemented	Research commenced to develop a strategy that will ensure structured and regular engagement with existing investors in the region to identify blockages to investments and facilitate retention and business expansion.
	Develop and grow businesses by delivering information, advice, and support	550 businesses supported through CEDA business development and support activities including the Regional Business Partner Programme.	613 unique businesses received support through engagement with CEDA including 409 businesses (68 Māori owned) impacted by COVID-19, and 18 businesses supported through the government Tourism Transitions Fund. This also includes 19 Businesses were matched with a Business Mentor through the NZ Business Mentor programme. \$1,891,645 vouchers issued through COVID-19, Tourism and Regional Business Partner Capability Development funding. Four Navigating COVID-19 webinars were delivered with 53 people attending the online webinars and 101 views on CEDA.nz. Westpac Choose Manawatu Business Awards were successfully delivered in December. The awards recognised business resilience especially through the impacts of COVID-19. There were 81 entries from businesses across a number of the region's priority sectors with 24 finalists selected and 10 winners announced at an awards dinner of 330 attendees.
	Facilitate access to specialist innovation, business development and startup expertise	Provide support to the Factory including the Innovate Programme Partner with the Global Sprout Accelerator	The Factory attracted 61 entries to Innovate 20. With CEDA as a major sponsor, seven finalists were selected, and underwent a 12-week mentorship programme with The Factory, cumulating in an awards night held in November. Partnership agreement with Sprout Agritech including funding for the Sprout Programme, to support profiling the capability and expertise within the region to attract talent and investment. CEDA was part of the 2021 cohort selection process, along with partners such as Callaghan Innovation, Gallagher LIC and Fonterra, shortlisting 21 applicants from a total of 112 entries from New Zealand, UK, USA, Canada, Ghana, India, Argentina and Jordan across a range of agritech disciplines. Callaghan Innovation portfolio of managed companies: 39 Regional Callaghan Research & Development funding support to businesses totaling \$767,449, made up of the following: <ul style="list-style-type: none"> • 2 x Getting Started Grants • 2 x Project Grants • 2 x Student Fellowship Grants • 3 x Student Career Grants • 30 x Student Experience Grants (see below)

Service Level Statement	Performance Measure	2020/21 SOI*	Outcomes to Dec 20
Attract business and investment to the region	Implementation of Inward Investment strategy with regional partners, targeting the Agriculture, and Distribution and Logistics sectors	<p>30 student opportunities to support business research and development through Callaghan Innovation student grants</p> <p>Investment profile for the region developed and investment ready opportunities identified</p> <p>Support the development of the PNCC Transport and Logistics Master Plan, by development of roadmap and plan for strategy execution.</p> <p>Te Āpiti – Manawatū Gorge tourism investment profile and business case developed.</p> <p>Targeted conference attraction strategy for region implemented, including development of a local to local initiative to re-establish the conference sector</p> <p>Attraction of Conference and Business Events that bring economic benefit to the region</p>	<p>In addition, CEDA supported 12 businesses in receiving research and development loans from Callaghan Innovation totaling \$3,240,129 in response to COVID-19.</p> <p>30 Student Experience Grants facilitated, linking tertiary students directly to businesses, resulting in increased research and development capacity for 15 businesses.</p> <p>CEDA supported Palmerston North City Council in the development of a city focused Investment Prospectus with key messaging and insights. This will form the basis to the development of a comprehensive, compelling suite of prospectus that highlight the investment opportunities under key sectors and land areas in early 2021.</p> <p>Four investment opportunities for the region are being supported by CEDA including Circular Resources/ETECH investment in e-waste processing, a hydrogen heavy vehicle refueling centre facilitated by Hiringa Energy, potential investments in bioforestry plants being facilitated by NZ Bioforestry within the wider region and support of an international organisation with a Defence Force tender, which if successful, will result in their relocation from Auckland to Palmerston North.</p> <p>The Central New Zealand Distribution Hub draft strategy has been developed and stakeholder and community engagements are underway. A communications plan has been developed in partnership with Palmerston North City Council to support information sharing and profile of the Hub. Work on the Regional Freight Ring Road undertaken following KiwiRail's notice of requirement to for the acquisition of land for the planned site for the freight hub, with stakeholder workshops being held.</p> <p>Following the successful Provincial Growth Fund application earlier this calendar year, CEDA undertook the development of an extensive business case for investment in Te Āpiti's tourism potential, engaging with key stakeholders, landowners and commercial entities. The business case identified two anchor attractions in and around Te Āpiti, and the next steps and cost analysis of each.</p> <p>Finalised draft Conference and Business Events Strategy, with stakeholders and industry, which defines the strategic regional value proposition and the key initiatives needed for business conference attraction over the next three years - included stakeholder workshop.</p> <p>Meet in Manawatū local to local initiative, targeting businesses and conference organisers within a three-hour drive time, delivered through a partnership with Meeting Newz; with a readership of 20,095.</p> <p>Attended the BE Reconnected Business Events Industry Aotearoa event in Auckland.</p> <p>Submitted three bids to attract conferences to the region.</p>

*these objectives or outcomes may be impacted by CEDA's requirements to be adaptable and responsive to the needs of the regional economy due to the impact of COVID-19

3. Profile the region to attract people, business and investment

Service Level Statement	Performance Measure	2020/21 SOI*	Outcomes to Dec 20
Profile Manawatu locally, nationally and globally	Lead and develop the stories of Manawatu, creating a narrative and a unified positioning, incorporating the cultural heritage of iwi	Implement the Regional Identity project outcomes across sectors including talent attraction and retention and visitation (business and leisure)	<p>Spring/Summer campaign 'Anything But Square', to drive visitation to the region through Spring and Summer delivered 3,620,632 impressions across the campaign. Partnering with social influencer platform Wellington LIVE gained a reach of 16,000+ people through a targeted partnership giveaway.</p> <p>'Paddock to Plate' six-week campaign targeting potential visitors from Wellington, to support the hospitality sector through the impacts of COVID19, had a digital reach of more than 1 million people, while media partnerships resulted in 11 features and interviews.</p> <p>200 photographs added to Google Maps as Places of Interest across the city and district, and two days of content capture curated for Google to create new Google Maps footage.</p>
	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.	20 direct media features published profiling the region	<p>59 media features profiling the city and region were achieved. These covered our economic strengths and performance, profiles on new investments and sector developments, and profiles of innovative businesses who choose to call Manawatu home. Publications included Kia Ora Magazine, New Zealand Herald, NZ Entrepreneur, Business Central, The Country, Magic Talk, NZ Manufacturer, The Spinoff, Radio New Zealand and NZ Trucking. The calculated reach across all of the publications is 3.197 million readers, viewers and listeners.</p> <p>Neat Places partnership launched, with a campaign reach of over 11,000. To support the online content 15,000 pocket guides were published for distribution across motels, venues and activities throughout the lower North Island including Manawatu, Taranaki and Whanganui with newly created content that profiles some of the best places to visit in the city and region.</p> <p>New ManawatuNZ Media Library launched, creating a free resource of high-quality images and videos for businesses and media to use. In the first four months more than 1,000 downloads were made by businesses and organisations accessing the library for video and imagery that was used in marketing, media, and recruitment.</p>
	Grow engagement on regional web and digital platforms for increased promotion of and information on the region	10% increase in 'sessions' on ManawatuNZ.co.nz, and social media engagement across all channels	<p>ManawatuNZ.co.nz has had a 37.88% increase on 'sessions' year to date (114,483 to 157,847).</p> <p>Palmerston North city & Manawatu Facebook followers up 2.06% year to date (13,343 to 13,619).</p> <p>MyManawatu Facebook followers up 0.55% year to date (10,581 to 10,639).</p> <p>Manawatu NZ Instagram followers up 39.72% year to date (5,106 to 7,134).</p>

*these objectives or outcomes may be impacted by CEDA's requirements to be adaptable and responsive to the needs of the regional economy due to the impact of COVID-19

4. Lead inclusive and sustainable economic development for the region

Service Level Statement	Performance Measure	2020/21 SOI*	Outcomes to Dec 20
Develop strategic partner relationships, leveraging opportunities	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	Stakeholder satisfaction survey increased percentage on 2019/20 year to 70% Partnership agreements and workplans reviewed and new plans in place including PNCC, MDC, and iwi Two partnership projects identified in conjunction with iwi	Stakeholder satisfaction survey to be completed at year end. Partnership agreements with Rangitāne o Manawātū, Sprout Agritech, The Factory, My Young Professionals Network and Rural Innovation Lab completed. Rangitāne Tourism Working Group established and is working to support Te Āpiti Tourism Potential project, the Manawātū Destination Management Plan development and implementation and the Regional Identity development. Tourism New Zealand pilot partnership initiated which included several priority projects including the NewFinder domestic tourism tool, increasing the regions Qualmark businesses, engaging with Rangitāne o Manawātū on their tourism aspirations and opportunities, and several media features.
Data and insights communications on the performance of the region's economy	Economic impact information regularly communicated to stakeholders and business, including iwi and Māori business sector	70 stakeholder engagements/communications delivered Māori economy data and insights developed in partnership with shareholders	64 communications have been delivered to CEDA's stakeholders and business community consisting of: <ul style="list-style-type: none"> • 60 seconds: 51 • Quarterly Economic Updates: 2 • Training & Development Guide: 7 • Visitor Industry Updates: 4 CEDA.nz had an 74.46% increase in sessions year to date (6,808 to 11,877). Māori business data and insights developed with Te Au Rangahau and Palmerston North City Council to support Māori sector development.
Work plan aligned to delivery of Statement of Service Performance	Development of Business Plan with outcomes on delivery of the Statement of Intent	Business Plan developed and delivered to shareholders by 31 October**	Business Plan developed and delivered

*these objectives or outcomes may be impacted by CEDA's requirements to be adaptable and responsive to the needs of the regional economy due to the impact of COVID-19

** Dependent on Statement of Intent being signed off by 30 June

CEDA Half yearly report to December 2020

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 Councils have the responsibility to report on these indicators.

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

*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 in September 2016 and is a Council controlled organisation jointly owned by the Palmerston North City Council (50%) and the Manawātū 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 Manawātū 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 Manawātū 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 Manawātū District Council and Palmerston North City Council

The Chief Executive Officer 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

Account	Notes	Jul-Dec 2020 (Unaudited)	Jul-Dec 2019 (Unaudited)	30 Jun 2021 (SOI)	30 Jun 2020 (Audited)
Revenue					
Council Funding	4	1,274,724	1,254,866	2,492,980	2,469,382
Other Services Revenue		675,865	328,947	630,928	731,594
Project Revenue		173,967	76,000	321,591	169,992
Total Revenue		2,124,555	1,659,813	3,445,499	3,370,968
Cost of Sales					
Other Services Expenses		739,502	440,182	1,084,978	1,328,158
Project Expenses		182,485	260,384	306,591	112,108
Total Cost of Sales		921,987	700,566	1,391,569	1,440,266
Gross Surplus (Deficit)		1,202,569	959,247	2,053,930	1,930,702
Other Revenue					
Interest Revenue		1,417	5,103	6,000	7,349
Sundry Revenue		1,213	420	0	2,847
Total Other Revenue		2,630	5,523	6,000	10,196
Expenses					
Depreciation		4,930	7,149	9,469	14,218
Directors' Fees		90,000	90,000	180,000	180,000
Employee Expense	5	880,770	756,665	1,703,854	1,474,969
Financing Expenses		117	235	500	470
Loss on Sale of Property Plant and Equipment		15,250	3,388	0	3,876
Other Operating Expenses	6	251,398	255,139	348,968	458,026
Total Expenses		1,242,465	1,112,575	2,242,719	2,131,559
Surplus (Deficit) Before Taxation		(37,266)	(147,805)	(182,861)	(190,662)

Group Statement of Comprehensive Revenue & Expense

For the 6 Months to December

Account	Notes	Jul-Dec 2020 (Unaudited)	Jul-Dec 2019 (Unaudited)	30 Jun 2021 (SOI)	30 Jun 2020 (Audited)
Taxation					
Income Tax Expense	7	0	0	0	0
Total Taxation		0	0	0	0
Surplus (Deficit) after tax		(37,266)	(147,805)	(182,861)	(190,662)
Other comprehensive revenue and expense					
Items that could be reclassified to surplus (deficit)		0	0	0	0
Total Other comprehensive revenue and expense		0	0	0	0
Total comprehensive revenue and expense					
Total comprehensive revenue and expense		(37,266)	(147,805)	(182,861)	(190,662)
Total comprehensive revenue and expense attributable to:					
Palmerston North City Council		(18,633)	(73,903)	(91,431)	(95,331)
Manawatu District Council		(18,633)	(73,903)	(91,431)	(95,331)
Total comprehensive revenue and expenses		(37,266)	(147,805)	(182,861)	(190,662)

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 2019 are due to adjustments as part of the year end process.

Group Statement of Financial Position

As at 31 December

Account	Notes	31 Dec 2020 (Unaudited)	31 Dec 2019 (Unaudited)	30 Jun 2021 (SOI)	30 Jun 2020 (Audited)
Assets					
Current Assets					
Cash and Cash Equivalents	8	1,368,182	938,323	722,802	878,163
Receivables and Accruals	9	169,011	155,238	366,571	151,459
Prepayments		5,480	17,212	17,211	49,907
Total Current Assets		1,542,674	1,110,773	1,106,584	1,079,530
Non-Current Assets					
Property, Plant and Equipment	10	34,088	39,937	22,202	48,962
Total Non-Current Assets		34,088	39,937	22,202	48,962
Total Assets		1,576,762	1,150,710	1,128,786	1,128,492
Liabilities					
Current Liabilities					
Payables and Deferred Revenue	11	755,096	310,086	578,446	306,231
Employee Entitlements		117,910	56,746	56,745	81,240
Total Current Liabilities		873,006	366,831	635,191	387,471
Total Liabilities		873,006	366,831	635,191	387,471
Net Assets		703,755	783,879	493,595	741,021
Equity					
Contributed Capital	12	1,000	1,000	1,000	1,000
Retained Earnings		702,755	782,879	492,595	740,021
Total Equity		703,755	783,879	493,595	741,021

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 2019 are due to adjustments as part of the year end process.

Group Statement of Changes in Equity

For the 6 Months to December

Account	Jul-Dec 2020 (Unaudited)	Jul-Dec 2019 (Unaudited)	30 June 2021 (SOI)	30 Jun 2020 (Audited)
Equity				
Opening Balance	741,021	931,683	676,456	931,683
Increases				
Total comprehensive revenue and expense for the period	(37,266)	(147,805)	(182,861)	(190,662)
Total Increases	(37,266)	(147,805)	(182,861)	(190,662)
Total Equity	703,755	783,879	493,595	741,021
Total comprehensive revenue and expense attributable to:				
Palmerston North City Council	(18,633)	(73,903)	(91,431)	(95,331)
Manawatū District Council	(18,633)	(73,903)	(91,431)	(95,331)
Total comprehensive revenue and expense	(37,266)	(147,805)	(182,861)	(190,662)

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 2019 are due to adjustments as part of the year end process.

Group Statement of Cash Flows

For the 6 Months to December

Account	Jul-Dec 2020 (Unaudited)	Jul-Dec 2019 (Unaudited)	30 June 2021 (SOI)	30 Jun 2020 (Audited)
Cash Flows from Operating Activities				
Receipts of council funding	1,324,724	1,304,866	2,607,918	2,584,982
Interest received	1,033	3,763	6,000	5,450
Receipts from other operating activities	1,290,033	596,665	1,089,173	992,581
Income tax refunded/(paid)	-	(15,106)	52,465	35,897
GST	7,754	23,863	(246,714)	3,470
Payments to suppliers and employees	(2,128,102)	(2,269,394)	(3,742,462)	(4,050,222)
Finance costs	(117)	(235)	(500)	(470)
Total Cash Flows from Operating Activities	(495,325)	(355,578)	(204,120)	(428,312)

Cash Flows from Investing Activities

Proceeds from sales of property, plant and equipment	722	0	0	28,157
Payment for property, plant and equipment	(6,027)	0	0	(16,583)
Total Cash Flows from Investing Activities	(5,306)	0	0	11,574
Net Cash Flows	(490,019)	(355,578)	(204,120)	(416,738)

Cash Balances

Cash and cash equivalents at beginning of period	878,163	1,294,901	691,953	1,294,901
Cash and cash equivalents at end of period	1,368,182	938,323	487,833	878,163
Net change in cash for period	(490,019)	(355,578)	(204,120)	(416,738)

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 2019 are due to adjustments as part of the year end process.

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 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 2020.

2. Statement of Accounting Policies

Basis of Preparation

The financial statements have been prepared on a going concern basis. The contracts for funding from the shareholder Councils will expire on 30 June 2021. The Group is significantly reliant on this funding. The Statement of Intent for 2021, including financial forecasts to 2023, has been prepared on the assumption that our Council funding continues. The Statement of Intent has been signed off by shareholders being the Joint Strategic Committee of Palmerston North City Council and Manawatu District Council. Funding for CEDA is included in both the Councils current 10 year Long term plans. The Councils have concluded a section 17A review (a review of the current contractual arrangements between Councils and CEDA) in the lead up to the next Long-term plan in 2021. Palmerston North City Council after a further review have decided to remove the destination marketing and event delivery services CEDA provides to the city, along with the relevant funding. This has yet to be finalised. Both Councils have provided a letter of support to 31 December 2021 indicating they will fund CEDA for the contract payments for 6 months post the expiry date of the contract in line with the notice period and the shareholder agreements. Beyond this date there is no certainty of funding changes and should these changes be substantial it will have a significant impact on CEDA's operations.

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:

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

Account	Method	Rate
Leasehold Improvements	Diminishing Value	10% - 40%
Office Furniture & Equipment	Diminishing Value	0% - 67%
Office Furniture & Equipment	Straight Line	8.5 - 10.2%
Plant & Equipment	Diminishing Value	10% - 20%
Vehicles	Diminishing Value	30%
Websites	Straight Line	40%

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 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

CEDA Half yearly report to December 2020

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 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, theIRD is included as part of receivables or payables in the statement of financial position.

The net GST paid to, or received from, theIRD, 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.

Provisions

A provision is recognised for future expenditure of uncertain amount or timing when there is a obligation (either legal or constructive) as a result of a past event, it is probable that an outflow of future economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to the passage of time is recognised as an interest expenses and is included in 'finance costs'.

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 Manawatu Trust. The consolidation of the Events Manawatu Trust into CEDA's financial statements has resulted in no change to the reported financial statements.

	Jul-Dec 2020	Jul-Dec 2019
4. Council Funding		
Palmerston North City Council	(958,689)	(958,910)
Manawatu District Council	(316,035)	(295,956)
Total Council Funding	(1,274,724)	(1,254,866)

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.

Council Funding included in Project Revenue

Palmerston North City Council	43,334	43,334
Manawatu District Council	6,666	6,666
Total Council Funding included in Project Revenue	50,000	50,000

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 2020 nil (2019:nil) has been recognised as a liability as the conditions attached to the receipt of this funding have not yet been met.

	Jul-Dec 2020	Jul-Dec 2019
5. Employee Expenses		
Salaries and wages	799,217	737,347
Employer contribution to Kiwisaver	20,388	17,991
Movement in employee entitlements	61,165	1,327
Total Employee Expenses	880,770	756,665
6. Other Operating Expenses		
Fees to Audit New Zealand for the audit of the financial statements	13,377	9,986
Consultants and legal fees	3,601	7,787
Other operating expenses	234,420	237,366
Total Other Operating Expenses	251,398	255,139
7. Income Tax Expense		
Net Profit (Loss) Before Tax	(37,266)	(147,805)
Tax at 28%	(10,434)	(41,385)
Plus (less) tax effect of:		
Non-deductible expenditure	0	0
Non-taxable income	0	0
Tax loss not recognised	10,434	41,385
Deferred tax adjustment	0	0
Tax expense	0	0
Components of tax expense		
Current year	0	0
Deferred tax	0	0
Total Deductions from Tax Payable	0	0

	Jul-Dec 2020	Jul-Dec 2019
8. Cash and Cash equivalents		
CEDA Current Account	167,182	160,521
CEDA Money Market Account	1,200,000	700,000
CEDA Trust Account	1,000	77,802
Total Cash and Cash equivalents	1,368,182	938,323
9. Receivables and Accruals		
Accounts Receivable	114,783	91,754
Less: Provision for impairment	0	0
Income Tax	2,416	52,465
Accrued Interest	8	19
Funding Accruals	51,804	11,000
Total Receivables and Accruals	169,011	155,238
Total Receivables and Accruals Comprise		
Receivables from exchange transactions	56,987	39,742
Receivables from non-exchange transactions	112,024	115,496
Total Receivables and Accruals Comprise	169,011	155,238

10. Property, Plant & Equipment

	Opening Value	Accum Depn	Carrying Amount	Additions	Dispos-als	Depn	Closing Value	Accum Depn	Carrying Amount
Leasehold Improvements	10,851	(4,500)	6,351	6,027	(6,351)	(251)	10,527	(4,751)	5,776
Office Furniture & Equipment	58,879	(23,911)	34,968	0	(9,621)	(1,492)	49,258	(25,403)	23,856
Vehicles	20,382	(15,139)	5,243	0	0	(787)	20,382	(15,926)	4,456
Websites	17,725	(15,325)	2,400	0	0	(2,400)	17,725	(17,725)	0
Total	107,837	(58,875)	48,962	6,027	15,972	(4,930)	97,982	(63,805)	34,088

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.

	Jul-Dec 2020	Jul-Dec 2019
11. Payables and Deferred Income		
Accounts Payable	162,402	145,924
Accruals General	25,035	120,350
Funding in Advance	78	373
Funding in Advance - STAPP Funding	541,574	0
GST	23,967	39,893
Operations Credit Card	2,039	3,545
Total Payables and Deferred Income	755,096	310,086

Total Payables and Deferred Income Comprise	
Payables under exchange transactions	189,105
Payables under non-exchange transactions	565,991
Total Payables and Deferred Income Comprise	755,096

	Jul-Dec 2020	Jul-Dec 2019
12. Equity		
Share Capital		
Opening Balance	1,000	1,000
Total Share Capital	1,000	1,000
Retained Earnings		
Opening Balance	740,021	930,683
Current Year Earnings	(37,266)	(147,805)
Total Retained Earnings	702,755	782,879
Total Equity	703,755	783,879

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.

13. Key personnel compensation		
Directors	2020	2019
Remuneration	90,000	90,000
Full-time equivalent members	6	6

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

14. 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.	

Related party disclosures have not been made for transactions with related parties that are:

- within a normal supplier or client/recipient relationship; and
- on terms and conditions no more or less favourable than those that it is reasonable to expect CEDA and the group would have adopted in dealing with the party at arm's length in the same circumstances.

	Jul-Dec 2020	Jul-Dec 2019
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15. Financial Instruments

Financial Assets		
Loans and Receivables		
Accounts Receivable	114,782	91,754
Accrued Interest	8	19
Cash and cash equivalents	1,368,182	938,323
Funding Accruals	51,804	11,000
Total Loans and Receivables	1,534,777	1,041,096
Total Financial Assets	1,534,777	1,041,096

Financial Liabilities

Financial Liabilities at amortised cost		
Payables	(211,027)	(257,248)
Total Financial Liabilities at amortised cost	(211,027)	(257,248)
Total Financial Liabilities	(211,027)	(257,248)

16. Operating leases as lessee

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

Operating leases as lessee		
Not later than one year	127,401	50,084
Later than one year and not later than five years	297,482	0
Later than five years	0	0
Total non-cancellable operating leases	424,883	50,084

CEDA Half yearly report to December 2020

The office space located at Level 1, 478 Main Street, Palmerston North, had a lease term to June 2020. 3 months' notice was given as per the lease conditions and the lease ceased on 8 July 2020.

In April 2020, a lease agreement was signed for premises located at Level 1, TSB Towers, 1-19 Fitzherbert Avenue, Palmerston North. The lease is to commence 1 July 2020 and has a lease term of four years to 30 June 2024, with two rights of renewal of three years each. This disclosure has included lease payments up to the end of the term, being 30 June 2024, as it is uncertain whether CEDA will exercise the option to renew the lease.

17. Events after balance date

There are no significant events after balance date.

18. COVID-19 impact

COVID-19 has had an impact to CEDA in relation to its non-financial performance and impact on its financial performance mostly by way of events and programmes unable to be held or in their usual format due to Alert Level requirements. CEDA also received additional funding support through the Regional Business Partner Programme for COVID affected business support and additional resource, and Strategic Tourism Asset Protection Programme funding to support the Visitor Sector and additional resource. There has been no impact to core funding and council grants, or to the ability for CEDA to continue its operations.

Partner Organisations

Current partner organisations that CEDA works with:

Local

Central Skills Hub
Feilding and District Promotions
FoodHQ
IPU New Zealand
Lamberts
Manawatu Chamber of Commerce
Manawatu District Council
Manawatu Standard
Manfeild
Massey University
MediaWorks
National Driver Training Centre
Palmerston North City Council
Palmerston North Airport
Rangitane o Manawatu
Regional Schools
Spearhead Manawatu
Sport Manawatu
Sprout Agritech
Talent Central
Te Au Pakihi
Te Manawa
The Factory
UCOL
Venues and Events Palmerston North

Regional

Accelerate 25
Te Pae Tawhiti
Business Central and Export NZ
Horizons Regional Council
Horowhenua and Company
Horowhenua District Council
Ruapehu District Council
Rangitikei District Council
Taranaki District Council
Te Mana Atatu
Whanganui and Partners
Whanganui Chamber of Commerce
Whanganui District Council

National

Air New Zealand
ASB
Business Events Industry Aotearoa
Business Mentors New Zealand
Callaghan Innovation
Economic Development New Zealand
Education New Zealand
Fairfax
New Zealand Chef's Association
New Zealand Events Association
New Zealand Trade and Enterprise
New Zealand Media and Entertainment
New Zealand Motor Caravan Association
Regional Tourism New Zealand
Regional Business Partners Network
Regional Tourism Organisations New Zealand
Te Puni Kōkiri
Tourism New Zealand
Westpac

MINUTES	MEETING	TIME
JOINT STRATEGIC PLANNING COMMITTEE	THURSDAY 10 DECEMBER 2020	1:00PM

Minutes of a meeting of the Manawātū District / Palmerston North City Joint Strategic Planning Committee held on Thursday 10 December 2020, commencing at 1:00pm in the Manawātū District Council Chambers, 135 Manchester Street, Feilding.

PRESENT:	Mayor Helen Worboys	(Chairperson)
	Cr Steve Bielski	(Manawātū District Council)
	Cr Michael Ford	(Manawātū District Council)
	Cr Grant Hadfield	(Manawātū District Council)
	Cr Phil Marsh	(Manawātū District Council)
	Mayor Grant Smith	(Palmerston North City Council)
	Cr Susan Baty	(Palmerston North City Council)
	Cr Zulfiqar Butt	(Palmerston North City Council)
	Cr Leonie Hapeta	(Palmerston North City Council)
	Cr Aleisha Rutherford	(Palmerston North City Council)
	IN ATTENDANCE:	Cr Alison Short (Manawātū District Council)
	Cr Rachel Bowen	(Palmerston North City Council) (via Zoom)
	Cr Patrick Handcock	(Palmerston North City Council)
	Cr Billy Meehan	(Palmerston North City Council)
	Cr Bruno Petrenas	(Palmerston North City Council)
	Shayne Harris	(Acting Chief Executive, MDC)
	Karel Boakes	(Acting General Manager – Corporate and Regulatory)
	Hamish Waugh	(General Manager - Infrastructure, MDC)
	Brent Limmer	(General Manager – Community and Strategy, MDC)
	Frances Smorti	(General Manager – People and Culture, MDC)
	Stacey Bell	(Economist)
	Michael Hawker	(Project Delivery Manager, MDC)
	Janine Hawthorn	(Community Development Adviser, MDC)
	Allie Dunn	(Governance Team Leader, MDC)
	Heather Shotter	(Chief Executive, PNCC)
	Sheryl Bryant	(Acting Chief Infrastructure Officer, PNCC)
	David Murphy	(Acting General Manager Strategy and Planning, PNCC)
	Peter Crawford	(Economic Policy Advisor – Strategy and Planning, PNCC)
	Chris Dhyrberg	(Chief Customer Officer, PNCC)
	Sacha Haskell	(General Manager Marketing and Communications, PNCC)

JSP 20/066 MEETING OPENING

Her Worship the Mayor opened the meeting.

MINUTES	MEETING	TIME
JOINT STRATEGIC PLANNING COMMITTEE	TUESDAY 10 NOVEMBER 2020	1:01PM

JSP 20/067 APOLOGIES

Apologies for non-attendance were noted for Councillors Vaughan Dennison, Lew Findlay, Renee Dingwall and Karen Naylor (Palmerston North City Council) and Councillor Hilary Humphrey (Manawatū District Council).

JSP 20/068 CONFIRMATION OF MINUTES

RESOLVED

That the minutes of the Joint Strategic Planning Committee meeting held 10 November 2020 be adopted as a true and correct record.

Moved by: Mayor Grant Smith

Seconded by: Councillor Aleisha Rutherford

CARRIED

JSP 20/069 DECLARATIONS OF INTEREST

There were no declarations of interest.

JSP 20/070 NOTIFICATION OF LATE ITEMS

There were no late items.

JSP 20/071 PUBLIC FORUM

There were no requests to speak in public forum at this meeting.

JSP 20/072 PRESENTATIONS

There were no presentations scheduled for this meeting.

JSP 20/073 ANNUAL MONITORING INDICATORS (CEDA), SUMMARY REPORT ON THE SEPTEMBER 2020 MANAWATŪ QUARTERLY ECONOMIC MONITOR, MAJOR DEVELOPMENTS, AND QUARTERLY RETAIL REPORT FOR OCTOBER 2020

Report of the Acting General Manager – Strategy and Planning dated 3 December 2020 presenting a summary of:

- a. the latest Manawatū Quarterly Economic Monitor for the September 2020 quarter;
- b. the Manawatū region Annual Population report;
- c. the Manawatū region Annual Employment report;
- d. Major construction projects; and
- e. CEDA Quarterly Retail report for October 2020.

Stacey Bell, Economist (MDC) and Peter Crawford, Economic Policy Advisor (PNCC), gave a presentation that outlined economic performance for the quarter noting in summary that the Manawatū regional economy had proven resilient in the face of global economic disruption.

MINUTES	MEETING	TIME
JOINT STRATEGIC PLANNING COMMITTEE	THURSDAY 10 DECEMBER 2020	1:00PM

Questions were asked regarding:

Debt statistics;

Opportunities for joint communications to take the messages regarding the strength of the region out to the region's communities;

The decline in employment in the agricultural and fishing sectors, noting the decline in the agricultural sector was more related to productivity within the sector as it became more efficient;

Potential benefits of highlighting the economic activity generated by New Zealand Defence at Ohakea;

Population growth statistics and the need to challenge outdated data usage, noting the impact from delays by Statistics New Zealand in releasing census data;

Impact on consenting data from Kainga Ora becoming a consent authority, noting that consenting data would be provided from Kainga Ora to both Statistics New Zealand and the relevant councils.

RESOLVED

That the Summary report of the September Quarterly Economic Monitor, Annual Population report, Annual Employment report, Major Construction Projects 2020 - 2035, and CEDA Quarterly Retail report for October 2020 is received.

Moved by: Councillor Leonie Hapeta

Seconded by: Councillor Aleisha Rutherford

CARRIED

JSP 20/074 SECTION 17A REVIEW OF ECONOMIC DEVELOPMENT

Report of the General Manager – Community and Strategy and Acting General Manager Strategy and Planning dated 19 November 2020 presenting the Section 17A Review of Economic Development (CEDA) and the report from Meneth Consulting Limited regarding the request from Palmerston North City Council members of the Joint Strategic Planning Committee to investigate delivering the destination marketing and regional tourism functions for Palmerston North in-house at Palmerston North City Council.

In response to questions seeking clarification of the Strategic Tourism Assets Protection Programme (STAPP) allocation for Regional Tourism Organisations, the Chairperson of the CEDA Board, Malcolm Bailey, and the CEDA Chief Executive, Linda Stewart, outlined the requirements in securing that funding and gave a presentation that outlined the scope of the Strategic Tourism Assets Protection Programme (STAPP) allocation for Regional Tourism Organisations that was developed in partnership with Tourism New Zealand and Regional Tourism New Zealand and was available for a programme of activity across the activities of:

Destination Management and Planning;

Industry capacity building and product development; and

Domestic marketing.

Mayor Grant Smith tabled a set of recommendations proposed by the Palmerston North City Council, to be taken in addition to the three recommendations set out in the officer's report. These were as follows:

MINUTES	MEETING	TIME
JOINT STRATEGIC PLANNING COMMITTEE	TUESDAY 10 NOVEMBER 2020	1:01PM

“4. That the Joint Strategic Planning Committee recommends that Palmerston North City Council and Manawātū District Council direct the Chief Executives of both councils to negotiate and authorise a change to the CEDA contract as follows:

- a) In-house delivery by Palmerston North City Council of the Manawātū Business Awards, New Zealand AgriFood Week and Sort It Careers Expo and a corresponding reduction in the CEDA funding.
- b) In-house delivery by Palmerston North City Council of destination marketing for Palmerston North and a corresponding reduction in the CEDA funding.”

Councillor Phil Marsh left the meeting at 2:18pm and returned at 2:19pm.

The Chairperson advised she would take the proposed recommendations separately, including recommendations 4a and 4b.

RESOLVED

That the Joint Strategic Planning Committee receives the report Section 17A Review of Economic Development (CEDA).

Moved by: Mayor Helen Worboys

Seconded by: Councillor Michael Ford

CARRIED

A division was called with all members voting for the motion as follows:

Mayor Helen Worboys, Councillor Michael Ford, Councillor Steve Bielski, Councillor Grant Hadfield, Councillor Phil Marsh, Mayor Grant Smith, Councillor Aleisha Rutherford, Councillor Susan Baty, Councillor Zulfiqar Butt, Councillor Leonie Hapeta

RESOLVED

That the Joint Strategic Planning Committee notes that the report Section 17A Review of Economic Development (CEDA) proposes a preferred option of retaining the current CCO model.

Moved by: Mayor Helen Worboys

Seconded by: Councillor Michael Ford

CARRIED

A division was called with all members voting for the motion as follows:

Mayor Helen Worboys, Councillor Michael Ford, Councillor Steve Bielski, Councillor Grant Hadfield, Councillor Phil Marsh, Mayor Grant Smith, Councillor Aleisha Rutherford, Councillor Susan Baty, Councillor Zulfiqar Butt, Councillor Leonie Hapeta

RECOMMENDED

MINUTES	MEETING	TIME
JOINT STRATEGIC PLANNING COMMITTEE	THURSDAY 10 DECEMBER 2020	1:00PM

That Palmerston North City Council and Manawatū District Council retain the current Economic Development (CEDA) CCO model and that this recommendation be forwarded to both councils for their adoption.

Moved by: Mayor Helen Worboys

Seconded by: Councillor Aleisha Rutherford

CARRIED

A division was called with all members voting for the motion as follows:

Mayor Helen Worboys, Councillor Michael Ford, Councillor Steve Bielski, Councillor Grant Hadfield, Councillor Phil Marsh, Mayor Grant Smith, Councillor Aleisha Rutherford, Councillor Susan Baty, Councillor Zulfiqar Butt, Councillor Leonie Hapeta

MOVED

That the Joint Strategic Planning Committee recommends that Palmerston North City Council and Manawatū District Council direct the Chief Executives of both councils to negotiate and authorise a change to the CEDA contract as follows:

- a) In-house delivery of the Manawatū Business Awards, New Zealand AgriFood Week and Sort It Careers Expo and a corresponding reduction in the CEDA funding.

Moved by: Councillor Aleisha Rutherford

Seconded by: Mayor Grant Smith

LOST

A division was called:

Voting for the motion: Mayor Grant Smith, Councillor Aleisha Rutherford, Councillor Zulfiqar Butt and Councillor Leonie Hapeta.

Voting against the motion: Mayor Helen Worboys, Councillor Michael Ford, Councillor Susan Baty, Councillor Steve Bielski, Councillor Grant Hadfield and Councillor Phil Marsh.

MOVED

That the Joint Strategic Planning Committee recommends that Palmerston North City Council and Manawatū District Council direct the Chief Executives of both councils to negotiate and authorise a change to the CEDA contract as follows:

- b) In-house delivery by Palmerston North City Council of destination marketing for Palmerston North and a corresponding reduction in the CEDA funding.

Moved by: Councillor Aleisha Rutherford

Seconded by: Mayor Grant Smith

LOST

MINUTES	MEETING	TIME
JOINT STRATEGIC PLANNING COMMITTEE	TUESDAY 10 NOVEMBER 2020	1:01PM

A division was called:

Voting for the motion: Mayor Grant Smith, Councillor Aleisha Rutherford, Councillor Zulfiqar Butt and Councillor Leonie Hapeta.

Voting against the motion: Mayor Helen Worboys, Councillor Michael Ford, Councillor Susan Baty, Councillor Steve Bielski, Councillor Grant Hadfield and Councillor Phil Marsh.

JSP 20/075 CEDA STATEMENT OF EXPECTATIONS

Report of the General Manager – Community and Strategy and Acting General Manager Strategy and Planning dated 19 November 2020 seeking approval for the 2021-2022 Statement of Expectations for the Central Economic Development Agency Limited (CEDA).

Mayor Grant Smith tabled an additional recommendation proposed by the Palmerston North City Council, to be taken in addition to the two recommendations set out in the officers' report. This was as follows:

"2 (c) accommodating any changes to the CEDA contract agreed to by the Chief Executive of the Manawātū District Council and Chief Executive of the Palmerston North City Council."

The Chairperson advised she would take the proposed recommendations separately, including recommendation 2(c).

RESOLVED

That the Joint Strategic Planning Committee approves the proposed 2021-2022 Statement of Expectations for the Central Economic Development Agency Limited.

Moved by: Mayor Helen Worboys

Seconded by: Councillor Grant Hadfield

CARRIED

RECOMMENDED

That the Mayor and Chief Executive of the Manawātū District Council and the Mayor and Chief Executive of the Palmerston North City Council be delegated authority to approve amendments to the Statement of Expectations prior to the document being signed, including:

- a) **greater specificity regarding the destination marketing and regional tourism functions of CEDA.**
- b) **the way in which CEDA collaborates with Palmerston North City Council to profile and market Palmerston North.**
- c) **accommodating any changes to the CEDA contract.**

MINUTES	MEETING	TIME
JOINT STRATEGIC PLANNING COMMITTEE	THURSDAY 10 DECEMBER 2020	1:00PM

Moved by: Mayor Helen Worboys

Seconded by: Councillor Michael Ford

CARRIED

JSP 20/076 CONSIDERATION OF LATE ITEMS

There were no late items notified for consideration.

JSP 20/077 NOTIFICATION OF ITEMS FOR NEXT MEETING

It was noted that the next meeting of the Joint Strategic Planning Committee was scheduled for 11 March 2021.

JSP 20/078 PUBLIC EXCLUDED BUSINESS

RESOLVED

That the public be excluded from the following parts of the proceedings of this meeting, namely:

a) Confirmation of minutes

That 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:

General subject of each matter to be considered	Reason for passing this resolution in relation to each matter	Grounds under Section 48(1) for the passing of this resolution
a) Confirmation of minutes re CEDA Appointment of Directors	Section 7(2)(a) – to protect the privacy of natural persons, including that of deceased natural persons.	Section 48(1)(a) - the public conduct of the relevant part of the proceedings would be likely to result in a disclosure of information for which good reason for withholding that information would exist, under Section 7 of the Local Government Official Information and Meetings Act 1987.

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

MINUTES	MEETING	TIME
JOINT STRATEGIC PLANNING COMMITTEE	TUESDAY 10 NOVEMBER 2020	1:01PM

Moved by: Mayor Helen Worboys

Seconded by: Councillor Steve Bielski

CARRIED

The meeting went into public excluded session at 2:47pm. For items JSP 20/079 to JSP 20/082 refer to public excluded proceedings. The meeting returned to open session at 2:49pm.

JSP 20/083 RESOLUTION CONFIRMED IN OPEN SESSION

The following public excluded resolution from the meeting held 10 November 2020 was confirmed in open session:

JSP 20/063 CEDA – APPOINTMENT OF DIRECTORS

RESOLVED

1 That the following resolution made at the Joint Strategic Planning Committee meeting of 10 September 2020 be revoked:

That the recruitment process as per the “CEDA Appointment of Directors Policy” for the Directors whose terms expire on 18 December 2020 be commenced.

2 And the following resolutions be made in its place:

That Blair O’Keefe and Sue Foley be reappointed as Directors of Central Economic Development Agency Limited for the period commencing 18 December 2020 and ending 31 March 2021, to provide CEDA Board continuity during the S17A CEDA Review.

That the recruitment process commence as per the “CEDA Appointment of Directors Policy” to appoint two (2) Directors on to the Central Economic Development Agency Limited board for the Directors whose terms expire on 31 March 2021.

3 The committee notes that the following resolution from the meeting of 10 September 2020 remains in place:

That the recruitment process for CEDA directors be undertaken by the internal resources of the administering Council.

JSP 20/084 MEETING CLOSURE

The meeting was declared closed at 2:50pm.