



PALMERSTON NORTH CITY COUNCIL

AGENDA

MANAWATU DISTRICT/PALMERSTON NORTH CITY JOINT STRATEGIC PLANNING COMMITTEE

1PM, THURSDAY 8 JULY 2021
MANAWATŪ DISTRICT COUNCIL



Joint Strategic Planning Committee Agenda

Thursday 8 July 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
Chief Executive

ORDER OF BUSINESS

		PAGE
1.	MEETING OPENING	
2.	APOLOGIES	
3.	CONFIRMATION OF MINUTES	5
	<i>Draft resolution</i>	
	<i>That the minutes of the Joint Strategic Planning Committee meeting held 25 March 2021 and the extraordinary meeting held 8 April 2021 be adopted as a true and correct record.</i>	
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 were no presentations organised for this meeting.	
7.	OFFICER REPORTS	
7.1	QUARTERLY ECONOMIC MONITORING	11
	Report of the Acting Chief Planning Officer dated 21 May 2021	
7.2	CEDA STATEMENT OF INTENT 2021-22	26
	Report of the Acting General Manager – Community and Strategy dated 28 June 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) Confirmation of minutes	

PAGE

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 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 25 MARCH 2021	1:02PM

Minutes of a meeting of the Manawātū District / Palmerston North City Joint Strategic Planning Committee held on Thursday 25 March 2021, commencing at 1:02pm 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) (via Zoom)
	Cr Leonie Hapeta	(Palmerston North City Council)
APOLOGIES:	Cr Aleisha Rutherford	(Palmerston North City Council)
IN ATTENDANCE:	Cr Brent Barrett	(Palmerston North City Council) (via Zoom)
	Cr Rachel Bowen	(Palmerston North City Council) (via Zoom)
	Cr Lorna Johnson	(Palmerston North City Council) (via Zoom)
	Cr Karen Naylor	(Palmerston North City Council) (via Zoom)
	Cr Bruno Petrenas	(Palmerston North City Council)
	Shayne Harris	(Acting Chief Executive)
	Brent Limmer	(General Manager – Community and Strategy)
	Frances Smorti	(General Manager – People and Culture)
	Michael Hawker	(Project Delivery Manager)
	Stacey Bell	(Economist)
	Janine Hawthorn	(Community Development Adviser)
	Allie Dunn	(Governance Team Leader)
	Steph Skinner	(Governance Officer)
	Heather Shotter	(Chief Executive)
	Sheryl Bryant	(Acting General Manager Communications and Marketing)
	David Murphy	(Acting General Manager Strategy and Planning)
	Chris Dyhrberg	(Chief Customer Officer)

JSP 21/085 MEETING OPENING

Her Worship the Mayor declared the meeting open.

JSP 21/086 APOLOGIES

RESOLVED

That the apology from Councillor Aleisha Rutherford be accepted.

Moved by: Her Worship the Mayor

MINUTES	MEETING	TIME
JOINT STRATEGIC PLANNING COMMITTEE	THURSDAY 25 MARCH 2021	1:02PM

Seconded by: Councillor Grant Hadfield

CARRIED

Apologies for non-attendance were also noted for Councillors Pat Handcock (Palmerston North City Council) and Councillor Hilary Humphrey (Manawātū District Council).

JSP 21/087 CONFIRMATION OF MINUTES

RESOLVED

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

Moved by: Councillor Leonie Hapeta

Seconded by: Councillor Phil Marsh

CARRIED

JSP 21/088 DECLARATIONS OF INTEREST

There were no declarations of interest.

JSP 21/089 NOTIFICATION OF LATE ITEMS

There were no late items.

JSP 21/090 PUBLIC FORUM

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

JSP 21/091 PRESENTATIONS

There were no presentations scheduled for this meeting.

JSP 21/092 QUARTERLY ECONOMIC MONITORING

Report of the Acting General Manager - Strategy and Planning dated 8 March 2021 presenting a summary of:

- the latest Manawātū Quarterly Economic Monitor for the December 2020 quarter;
- the Manawātū region Annual Incomes report 2020;
- Major construction projects 2021 – 2035;
- CEDA Quarterly Retail report for January 2021.

Stacey Bell, Economist (MDC), gave a presentation that outlined economic performance for the quarter noting in summary that:

- Population growth and characteristics reflect the growing attraction of the region to new residents;
- Quarterly GDP, employment, earnings data and unemployment levels indicate the relative resilience of the regional economy;
- Jobseeker and CIRP beneficiaries continue to decline;

MINUTES	MEETING	TIME
JOINT STRATEGIC PLANNING COMMITTEE	THURSDAY 25 MARCH 2021	1:02PM

- Consumer spending compares well with the national average;
- New dwelling consents remain elevated across the wider region;
- Building consent values signal a strong increase in construction investment;
- Inward investment flows will support regional economic activity; and
- Export conditions for goods produced in the region remain favourable.

In response to questions asked, Stacey Bell undertook to investigate and advise committee members the reasons for the statistics for construction costs being deemed confidential, and also whether consumer debt had risen in the region, for example from large purchases made using interest free terms rather than from credit card debt.

RESOLVED

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.

Moved by: Her Worship the Mayor

Seconded by: Councillor Michael Ford

CARRIED

JSP 21/093 CEDA HALF-YEARLY REPORT TO 31 DECEMBER 2020

Report of the General Manager – Community and Strategy dated 2 March 2021 presenting 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).

Malcolm Bailey, Chairperson of the Central Economic Development Agency, introduced the report, noting the agency's focus on strategic items such as the logistics freight hub, the agri-food and agri-tech space along with the agency's work on talent attraction.

Linda Stewart, Chief Executive of the Central Economic Development Agency, attended via Zoom and highlighted achievements for the reporting period. Jacqui Middleton, Central Economic Development Agency's Finance Manager, gave an update via Zoom on financial information provided in the report.

RESOLVED

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

Moved by: Councillor Michael Ford

Seconded by: Councillor Leonie Hapeta

CARRIED

JSP 21/094 CONSIDERATION OF LATE ITEMS

There were no late items notified for consideration.

MINUTES	MEETING	TIME
JOINT STRATEGIC PLANNING COMMITTEE	THURSDAY 25 MARCH 2021	1:02PM

JSP 21/095 PUBLIC EXCLUDED BUSINESS

RESOLVED

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.

Moved by: Her Worship the Mayor

Seconded by: Councillor Michael Ford

CARRIED

The meeting went into public excluded session at 2:09pm. For items JSP 21/096 to JSP 21/098 refer to public excluded proceedings. The meeting returned to open session at 2:36pm.

JSP 21/099 MEETING CLOSURE

The meeting was declared closed at 2:37pm.

MINUTES	EXTRAORDINARY MEETING	TIME
JOINT STRATEGIC PLANNING COMMITTEE	THURSDAY 08 APRIL 2021	1:00PM

Minutes of an extraordinary meeting of the Manawātū District / Palmerston North City Joint Strategic Planning Committee held on Thursday 08 April 2021, 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 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)
APOLOGIES:	Cr Grant Hadfield	(Manawātū District Council)
IN ATTENDANCE:	Cr Andrew Quarrie	(Manawātū District Council)
	Cr Brent Barrett	(Palmerston North City Council) (via Zoom)
	Cr Patrick Handcock	(Palmerston North City Council) (via Zoom)
	Cr Billy Meehan	(Palmerston North City Council)
	Cr Bruno Petrenas	(Palmerston North City Council)
	Cr Orphée Mickalad	(Palmerston North City Council)
	Shayne Harris	(Acting Chief Executive)
	Brent Limmer	(General Manager – Community and Strategy)
	Frances Smorti	(General Manager – People and Culture)
	Michael Hawker	(Project Delivery Manager)
	Allie Dunn	(Governance Team Leader)
	Heather Shotter	(Chief Executive)
	Sheryl Bryant	(Acting General Manager Communications and Marketing)
	David Murphy	(Acting General Manager Strategy and Planning)

JSP 21/100 MEETING OPENING

Her Worship the Mayor declared the meeting open.

JSP 21/101 APOLOGIES

RESOLVED

That the apologies from Councillor Grant Hadfield be approved.

Moved by: Her Worship the Mayor

Seconded by: Councillor Michael Ford

CARRIED

MINUTES	EXTRAORDINARY MEETING	TIME
JOINT STRATEGIC PLANNING COMMITTEE	THURSDAY 08 APRIL 2021	1:00PM

Apologies for non-attendance were also noted for Councillors Renee Dingwall, Lorna Johnson and Lew Findlay (Palmerston North City Council), and for lateness from PNCC Chief Executive Heather Shotter.

JSP 21/102 DECLARATIONS OF INTEREST

There were no declarations of interest.

JSP 21/103 CENTRAL ECONOMIC DEVELOPMENT AGENCY DRAFT STATEMENT OF INTENT 2021-22

Report of the General Manager – Community and Strategy dated 29 March 2021 presenting the Central Economic Development Agency's (CEDA) Draft Statement of Intent 2021/22. The Chairperson of CEDA, Malcolm Bailey, and Chief Executive Linda Stewart, presented and spoke to their draft Statement of Intent for 2021-22.

RESOLVED

That the Central Economic Development Agency's Draft Statement of Intent 2021-22 be received.

Moved by: Her Worship the Mayor

Seconded by: Councillor Michael Ford

CARRIED

JSP 21/104 MEETING CLOSURE

In closing Her Worship the Mayor acknowledged the work of CEDA Chief Executive Linda Stewart, thanked her for her leadership role over the past few years and wished her well in the future.

The meeting was declared closed at 1:30pm.

MEMORANDUM

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

MEETING DATE: 8 July 2021

TITLE: Summary report on the March 2021 Manawatū Quarterly Economic Monitor

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

APPROVED BY: David Murphy, Acting Chief Planning Officer

RECOMMENDATION TO COUNCIL

1. That the Summary report on the March 2021 Manawatū Quarterly Economic Monitor is received
-

1. ISSUE

- 1.1 This memorandum presents a summary of the latest Manawatū Quarterly Economic Monitor for the March 2021 quarter.
- 1.2 Infometrics estimates that GDP in the region increased by 2.8% in the March quarter (compared with the March 2020 quarter), while New Zealand GDP declined by 0.3%. These estimates are provisional and will be revised once more data becomes available. Infometrics initially estimated that GDP in the region declined by 0.6% in the December quarter but has now revised this to an increase of 1.2%. The Leap Day in February 2020 contributed to the weakness in the March quarter.

2. MANAWATŪ QUARTERLY ECONOMIC MONITOR – MARCH 2021

- 2.1 Estimated annual gross domestic product (GDP) in the Manawatū region increased by 0.2% in the year ended March 2021. New Zealand GDP is estimated to have declined by 3.0% in the year to March 2021.
 - a. Palmerston North GDP was unchanged,
 - b. Manawatū District GDP increased by 1.0%.
- 2.2 Advance data for annual salaries and wages paid in the region in the year ended

March 2021 shows annual earnings of \$3,106 million, increasing by 4.9% from the previous year, while earnings for New Zealand increased by 2.9%. 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 \$1,996 million in the year ended March 2021, increasing by 3.7% from 2020.
 - 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 residential address*) shows there were 53,068 jobs in the March 2021 quarter, increasing by 0.9% from the previous year, while filled jobs for New Zealand declined by 0.7%. There were 481 additional jobs in the region in March 2021 compared with March 2020 while total filled jobs in New Zealand declined by 15,824.
- a. Palmerston North filled jobs were 33,788 in the March 2021 quarter, increasing by 0.4% from 2020,
 - b. Manawatū district filled jobs were 19,280, an increase of 1.9%.
- 2.4 Annual median salaries and wages paid in the region in the year ended March 2020 were \$54,029, increasing by 4.6% from the previous year, while median salaries and wages for New Zealand were \$56,180, increasing by 4.5% from the previous year.
- a. Palmerston North median salaries and wages were \$54,490, increasing by 4.6% from 2019,
 - b. Manawatū district median salaries and wages were \$51,540, also increasing by 4.6%.
- 2.5 The average quarterly worker turnover rate in the region in the year ended March 2020 was 13.6%, declining from 14.8% in the year to March 2019 year, while the average worker turnover rate for New Zealand was 15.5%, declining from 16.4% in the previous year.
- a. The average worker turnover rate in Palmerston North was 13.4%, declining from 14.8% in 2019,
 - b. The average worker turnover rate in Manawatū district was 14.7%, declining from 15.4% in the previous year.
- 2.6 Electronic card retail spending in the Manawatū region in the March quarter was \$368 million, an increase of 8.2% from the March 2020 quarter, while national spending declined by 1.4%. The Leap Day in 2020 accounts for most of the weakness in retail spending for New Zealand in the quarter.

- a. Annual electronic card retail spending in the region for the year ended March 2021 was \$1,425 million, an increase of 0.2% from 2020. This compares with a decline of 3.8% for New Zealand.
- 2.7 The total value of building consents issued in the region in the March 2021 quarter was \$140 million, compared with \$114 million in the March 2020 quarter, an increase of 23%. National consent values also increased by 23%.
- a. Building consents to the value of \$514 million were issued in the region in the year to March 2021, an increase of 35% from the previous year. National consent values increased by 7%. The value of building consents issued in Palmerston North was \$380 million, an increase of 36% from the previous year, while the value in Manawātū district was \$134 million, increasing by 30%.
 - b. Consents for 233 new residential dwellings were issued in the region in the March 2021 quarter, compared with 174 in the March 2020 quarter (an increase of 34%). National consents increased by 18%.
 - c. Consents for 757 new residential dwellings were issued in the region in the year ended March 2021, compared with 647 in the previous year (an increase of 17%). National consents increased by 9%.
 - d. Commercial/non-residential consents to the value of \$222 million were issued in the region during the year to March 2021, an increase of 82% from the previous year. National consent values increased by 5% over the same period.
- 2.8 Car registrations in the region declined by 9.2% in the year ended March 2021 (national registrations declined by 19.2%) while the number of commercial vehicles registered declined by 19.0% (compared to a national decline of 16.5%).
- 2.9 It is estimated the annual average unemployment rate in the Manawātū region in the year ended March 2021 was 4.0%, which was below the unemployment rate of 4.7% for New Zealand.
- 2.10 In March 2021 there were 4,245 people registered for the benefit in the Manawātū region, an increase of 21.3% from March 2020 (an increase of 744 people). Job Seeker benefit numbers in New Zealand increased by 32.7%. 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 Manawātū region in the year to March 2021 declined by 3.2% from 2020, while there was a decline of 9.6% for New Zealand.
- 2.12 Electronic card tourism spending in the Manawātū region in the March quarter was \$76 million, an increase of 14.0% from the March 2020 quarter. Total tourism spending in New Zealand declined by 9.7%.

- a. Total electronic card visitor spending in the region was \$276 million in the year ended March 2021 (\$263 million in Palmerston North and \$29 million in Manawatū district), declining by 3.1% from the previous year (New Zealand declined by 16.6%).
 - b. Domestic visitor spending in the region was \$263 million in the year ended March 2021, increasing by 0.1% from the previous year (2.7% increase for New Zealand). There was an 11.9% decline in visitor spending from Auckland, Hawkes Bay declined by 3.0%, while there was a 8.5% decline from the Waikato. Spending from the rest of the Manawatū-Whanganui region increased by 3.3%.
 - c. International card spending in the region was \$13 million in the year ended March 2021, declining by 32% from the previous year (73% 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 1,402 people between March 2020 and March 2021, an increase of 1.3% (1.6% increase for New Zealand).
- 2.14 The Manawatū Economic Monitor report for the March 2021 quarter is attached (Attachment 1).

ATTACHMENTS

1. Manawatū region Quarterly Economic Monitor - March 2021

Overview of Manawātū

The Manawatu regional economy grew 0.2% in the March 2021 year, the first time the local economy has grown since March 2020. Consumer spending and employment both edged up in the March 2021 year, and the economic fundamentals of a strong primary sector, relatively low unemployment, and a significant pipeline of building work all point to better prospects ahead.

With national GDP declining 3.0% in the March 2021 year, Manawatu Region's 0.2% growth is an impressive result. So too for consumer spending with Marketview card spending in the region growing 0.2% next to a 3.8% decline nationally, and employment in the region rising 0.8% next to a national 0.2% fall. Despite 2020 being such a difficult year, the region's unemployment rate continues to edge down, reaching 4.0% in the year to March 2021 compared with a national average 4.7%.

Dairy prices and volumes remain strong contributing to a \$26m rise in the region's forecast 2020/21 dairy payout to \$352m compared with \$326m for the 2019/20 year. Meat export prices are also expected to remain strong as restaurants gradually reopen in our main European and US markets.

Non-residential consents grew 82% from \$122m for the March 2020 year to \$222m for in the March 2021 year. The biggest contributors to this rise were \$88m of storage building consents mainly in Palmerston North, and \$39m of factory/industrial building consents mainly in Manawatu District. Residential consents in Manawatu Region grew 17% in the March 2021 year following two very strong June 2020 and March 2021 quarters. House consents made up almost three-quarters all residential consents in the March 2021 year, but growth in residential consents has been driven by spikes in townhouse and retirement village unit consents.

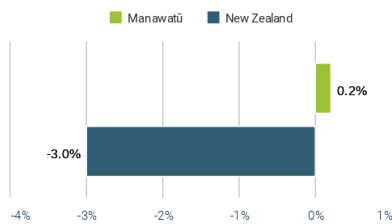
Indicator	Manawātū	New Zealand
Annual Average % change		
Gross domestic product (provisional)	0.2 % ▲	-3.0 % ▼
Traffic flow	-3.2 % ▼	-9.6 % ▼
Consumer spending	0.2 % ▲	-3.8 % ▼
Employment	0.8 % ▲	-0.2 % ▼
Jobseeker Support recipients	26.3 % ▲	39.8 % ▲
Tourism expenditure	-2.5 % ▼	-16.6 % ▼
Health enrolments	1.3 % ▲	1.6 % ▲
Residential consents	17.0 % ▲	9.1 % ▲
Non-residential consents	81.9 % ▲	5.3 % ▲
House values *	26.3 % ▲	18.2 % ▲
House sales	-6.5 % ▼	13.4 % ▲
Car registrations	-9.2 % ▼	-19.2 % ▼
Commercial vehicle registrations	-19.0 % ▼	-16.5 % ▼
Level		
Unemployment rate	4.0 %	4.7 %

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

Gross domestic product

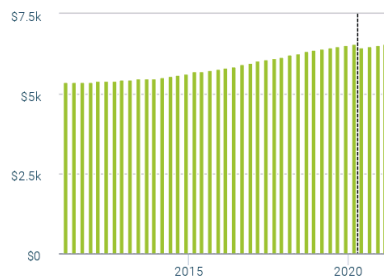
Gross domestic product growth (provisional)

Annual average % change March 2020 - March 2021



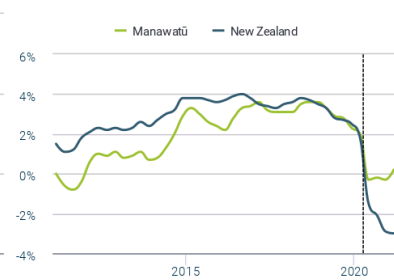
Gross domestic product (\$m)

Annual level, Manawātū



Gross domestic product growth

Annual average % change



Highlights for Manawātū

- GDP in Manawātū was provisionally up 0.2% for the year to March 2021 compared to a year earlier. Growth was higher than in New Zealand (-3.0%).
- Provisional GDP was \$6,563 million in Manawātū for the year to March 2021 (2020 prices).
- Annual GDP growth in Manawātū peaked at 3.6% in the year to December 2018.

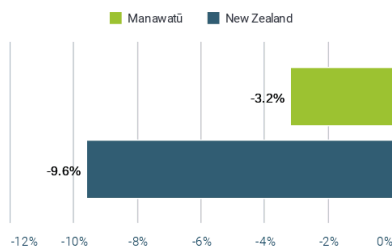
National overview

New Zealand's economic recovery likely faltered slightly at the start of 2021, as the loss of international tourists over the usual "peak" season combined with Alert Level changes to keep activity lower. Provisional estimates from Infometrics point to economic activity falling 0.3%pa in March 2021, following a surprisingly weak result in December, keeping the annual decline to 3.0%pa. More sluggish spending activity and a fall in the total number of hours worked reinforce this slightly weaker view. Although 2021 is set to show volatile economic data, better global economic activity and a domestic vaccine rollout in the second half of the year means there are solid expectations for a more upbeat path ahead.

Traffic flow

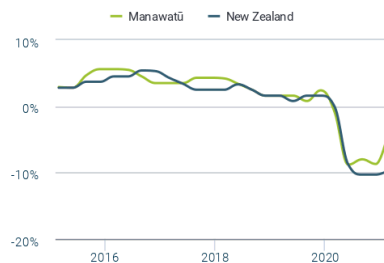
Annual change in traffic flows

Annual average % change March 2020 - March 2021



Traffic volume growth

Annual average % change



Highlights for Manawātū

- Traffic flows in Manawātū decreased by 3.2% over the year to March 2021. This compares with a decrease of 9.6% in New Zealand.

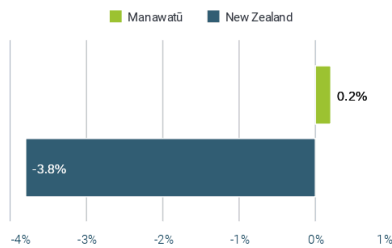
National overview

March 2021 quarter traffic activity lifted 2.4% from a year earlier to leave year-end traffic movements down 8.9%pa. Stronger traffic activity over the past six months has seen a change in traffic momentum, although traffic volumes are still lower than 2019 levels. Lower traffic flows on the West Coast and in Otago underscores lower tourism activity, but higher traffic across the central North Island and in the Wairarapa is encouraging.

Consumer spending

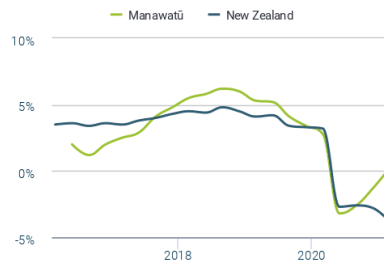
Growth in consumer spending

Annual average % change March 2020 - March 2021



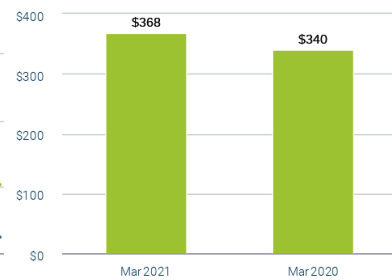
Consumer spending

Annual average % change



Consumer spending

Quarterly spending (\$m), Manawātū



Highlights for Manawātū

- Electronic card consumer spending in Manawātū as measured by Marketview, increased by 0.2% over the year to March 2021 compared to the previous year. This compares with a decrease of 3.8% in New Zealand.

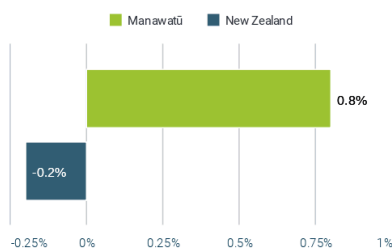
National overview

Consumer spending in the March 2021 quarter was down 1.4%pa, while year-end spending activity was 3.8% lower than a year earlier. Lower spending in the March quarter was driven by the continued lack of international tourism spending and the ten days that Auckland spent at COVID-19 Alert Level 3 in February and March. Spending in areas with higher exposure to international tourism was considerably lower, but areas close to urban centres and with strong primary sectors saw spending rise. A stronger labour market will boost spending activity going forward, although the timing of the vaccine rollout could limit spending intentions in the short term until public immunisations get going.

Employment

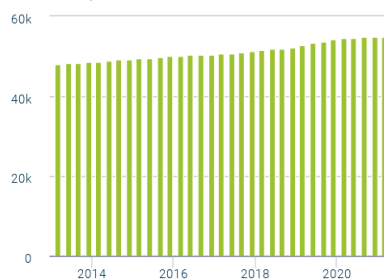
Employment (place of residence) growth

Annual average % change March 2020 - March 2021



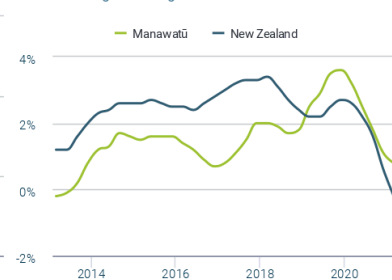
Employment (place of residence)

Annual level, Manawātū



Employment (place of residence) growth

Annual average % change



Highlights for Manawātū

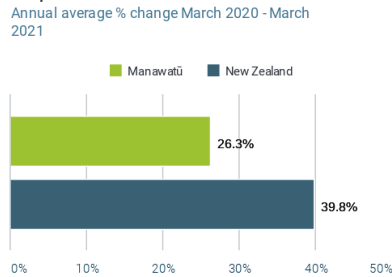
- Employment for residents living in Manawātū was up 0.8% for the year to March 2021 compared to a year earlier. Growth was higher than in New Zealand (-0.2%).
- An average of 54,990 people living in Manawātū were employed in the year to March 2021.
- Annual employment growth for Manawātū residents peaked at 3.6% in the year to December 2019.

National overview

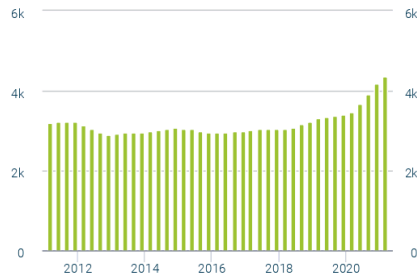
Employment is a new series for the Quarterly Economic Monitor, which represents the number of filled jobs held by residents of a given area (so where people live, not where their job is necessarily based). Nationally, filled jobs have fallen 0.2% over the year to March 2021 – far less than was anticipated in forecasts made this time last year. Although the wage subsidy helped to maintain jobs in the June and September 2020 quarters, there has been a slight unravelling of employment since. March 2021 quarter employment was 1.0% short of March 2020. Job losses have been concentrated in tourism-based industries such as accommodation and food services, arts and recreation services, and transport.

Jobseeker Support recipients

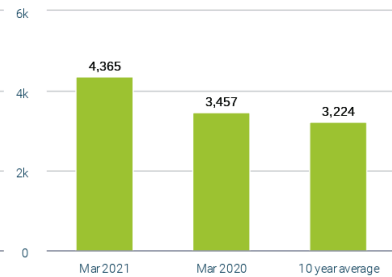
Annual change in Jobseeker Support recipients
Annual average % change March 2020 - March 2021



Jobseeker Support recipients
Annual average, Manawātū



Jobseeker Support recipients
Annual average, Manawātū



Highlights for Manawātū

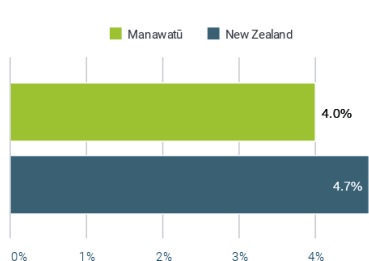
- Jobseeker Support recipients in Manawātū in the year to March 2021 increased by 26.3% compared with previous year. Growth was lower relative to New Zealand (39.8%).
- An average of 4,365 people were receiving a Jobseeker Support benefit in Manawātū in the 12 months ended March 2021. This compares with an average of 3,224 since the start of the series in 2012.

National overview

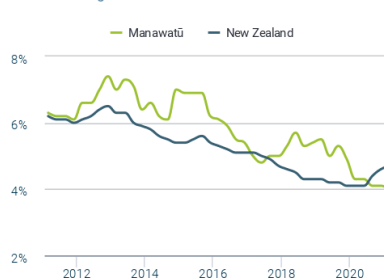
Average Jobseeker Support recipient numbers over the 12 months to March 2021 topped 202,000 – up 40% from a year earlier – but the tide is starting to turn. Jobseeker Support numbers have been trending down over the first few months of 2021, providing encouraging signs of a stronger jobs market. Benefit numbers usually fall between the December and March quarters as the summer peak rolls off, but the fall in 2021 has been more pronounced than normal, supporting more upbeat views. Jobseeker Support levels still remain significantly higher than pre-pandemic and will take time to go back to those levels, but the trend is moving in the right direction.

Unemployment rate

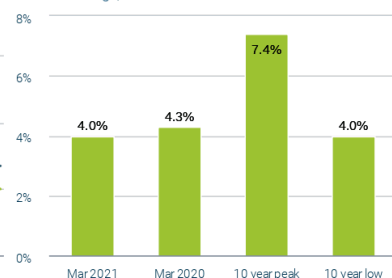
Unemployment rate
Annual average % change March 2020 - March 2021



Unemployment rate
Annual average rate



Unemployment rate
Annual average, Manawātū



Highlights for Manawātū

- The annual average unemployment rate in Manawātū was 4.0% in March 2021, down from 4.3% 12 months earlier.
- The unemployment rate in Manawātū was lower than in New Zealand (4.7%) in March 2021.
- Over the last ten years the unemployment rate in Manawātū reached a peak of 7.4% in December 2012.

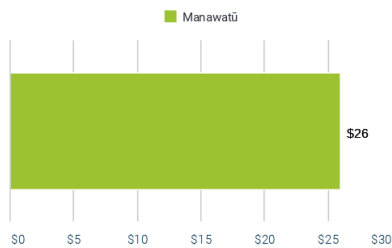
National overview

The unemployment rate fell further at the start of 2021, down to 4.7% on a seasonally adjusted basis and steady at 4.9% unadjusted. A more upbeat labour market will support local economies heading forward, although the hit to international tourism centres is also clear in the data. Higher underutilisation means more people are in work but want to be doing more, revealing that there is still spare resource in the economy. This view is supported by the 2.3% (seasonally adjusted) fall in total hours worked, as economic activity remains below pre-pandemic levels. Full-time employment dropped 0.2% in the March 2021 from December, countered by a 3.6% rise in part-time employment, and total hours.

Dairy payout

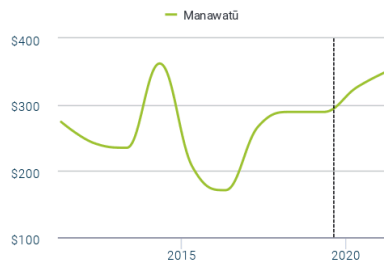
Total dairy payout (provisional)

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



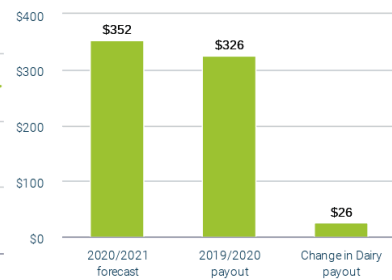
Total dairy payout

\$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 \$326 million.
- Manawātū's dairy payout for the 2020/2021 season is expected to be approximately \$352 million, \$26 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 \$13,537 million in the 2019/2020 season, and is expected to be \$1,080 million higher in the 2020/2021 season.

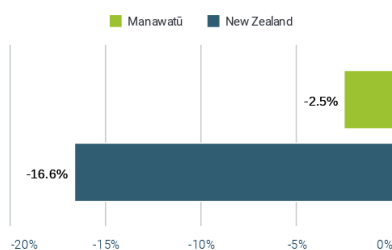
National overview

Dairy sector activity remains strong in the first quarter of 2021, with a total pay-out of just over \$14.6b possible this season – nearly \$1b higher than our previous estimate. Overall dairy production is higher, with milk solid volumes sitting 1.0% higher than our previous expectations after strong collections in the last few months. Fonterra have raised their farmgate milk price higher to a midpoint of \$7.60/kgms (from a \$7.20 midpoint). Our internal estimates suggest that the milk price could push higher, although we also expect prices to be tempered back later in 2021. Overall, the forecast pay-out nationally is now sitting 6.7% higher than what we last reported in February and is sitting at 95% of 2008's record pay-out.

Tourism expenditure

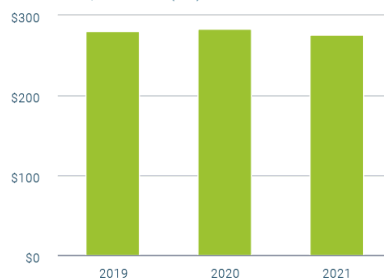
Tourism expenditure

Annual average % change March 2020 - March 2021



Tourism expenditure

Annual total, Manawātū (\$m)



Highlights for Manawātū

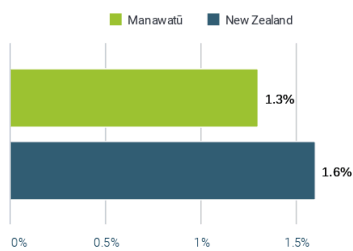
- Total tourism expenditure in Manawātū decreased by 2.5% in the year to March 2021. This compares with a decrease of 16.6% in New Zealand.
- Total tourism expenditure was approximately \$276 million in Manawātū during the year to March 2021, which was down \$283 million a year ago.

National overview

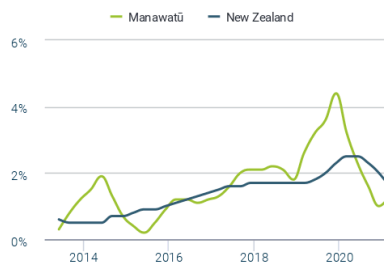
Annual tourism expenditure fell further over the year to March 2021, with domestic tourism unable to make up for the massive spending hole left by the lack of international arrivals through the tourism high season. Total tourism spending for the year declined by 16.6% nationally, with Auckland and key international tourism centres hardest hit. The opening of the trans-Tasman travel bubble may provide some relief to these regions, with the possibility of Australian tourists returning to New Zealand for the upcoming ski season. The decline in tourism spend is also likely to be less pronounced through the middle of 2021, as these are traditionally the low season for international tourism.

Health enrolments

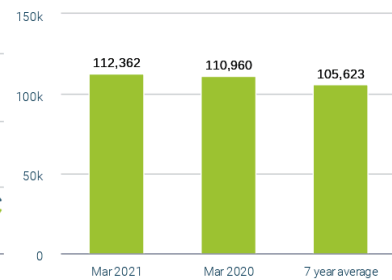
Annual change in health enrolments
Annual average % change March 2020 - March 2021



Health enrolments
Annual average % change



Health enrolments
Annual average, Manawātū



Highlights for Manawātū

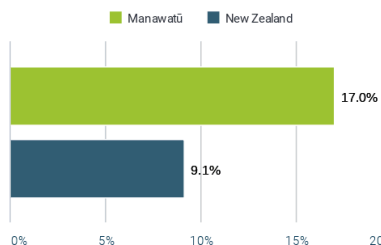
- The number of people enrolled with a primary health organisation in Manawātū in the year to March 2021 increased by 1.3% compared with previous year. Growth was lower relative to New Zealand (1.6%).
- An average of 112,362 people were enrolled with primary healthcare providers in Manawātū in the 12 months ended March 2021. This compares with an average of 104,873 since the start of the series in 2014.

National overview

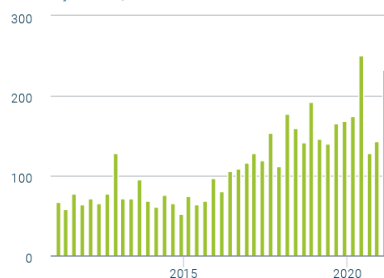
Health enrolment numbers show a continued slowdown in population growth across New Zealand as the plummet in net migration becomes clearer. Health enrolment growth slowed further to 1.1%pa in the March 2021 quarter, slowing average growth back to 1.6%pa over the last 12 months. Quarterly health enrolment growth is now the slowest since the end of 2015, which will drag annual growth lower over the next few quarters. Slower population growth provides some breathing room for stretched resources across New Zealand getting even more stretched but is also seeing some industries challenged by the lack of skilled workers coming into New Zealand.

Residential consents

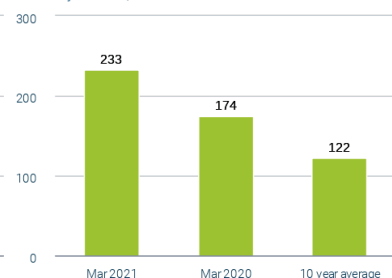
Growth in number of new dwelling consents
Annual average % change March 2020 - March 2021



Residential consents
Quarterly number, Manawātū



Number of new dwelling consents
Quarterly number, Manawātū



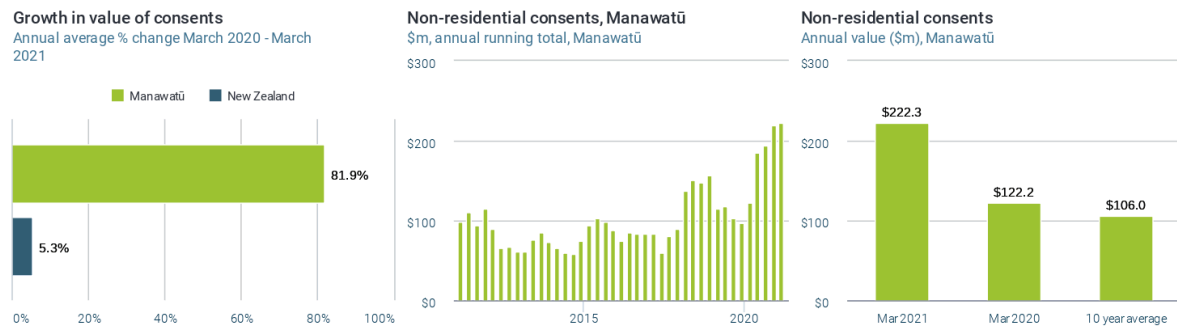
Highlights for Manawātū

- A total of 233 new residential building consents were issued in Manawātū in the March 2021 quarter, compared with 174 in the same quarter last year.
- On an annual basis the number of consents in Manawātū increased by 17% compared with the same 12-month period a year ago. This compares with an increase of 9.1% in New Zealand over the same period.

National overview

Annual residential building consents climbed to a record high, lifting 9.1% from a year prior to 41,028 new dwelling consents in the year to March 2021. Townhouses remain the driving force behind consent growth, with the number of townhouses approved climbing 40% over the year to March 2021. It is too early to ascertain for certain how the government's housing package will impact residential consents, with the package both incentivising investors to move to new builds, but also likely taking some of the heat out of house price growth that was encouraging record high consents.

Non-residential consents



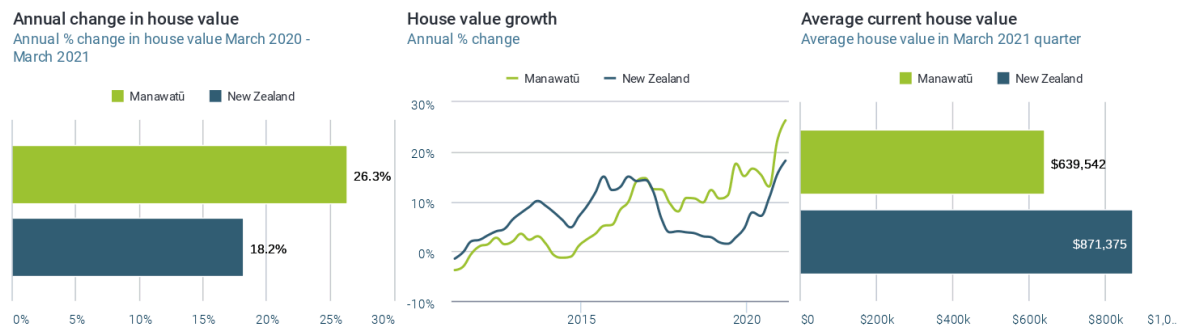
Highlights for Manawātū

- Non-residential building consents to the value of \$222.3 million were issued in Manawātū during the year to March 2021.
- The value of consents increased by 81.9% over the year to March 2021. By comparison the value of consents increased by 5.3% in New Zealand over the same period.
- Over the last 10 years, consents in Manawātū reached a peak of \$222.3 million in the year to March 2021.

National overview

Non-residential building consent values grew 5.3% over the year to March 2021, driven by growth in education, warehouse, and factory consents (up 46%, 26%, and 24% over the year, respectively). Consents have been stronger in recent months, particularly as we compare to March 2020, when the uncertainty of COVID-19 was starting to hamper new investment. The non-residential construction industry has begun to gain back significant confidence and momentum as the economic outlook has improved. However, capacity constraints and increasing cost pressures could limit future growth investment decisions.

House values



Highlights for Manawātū

- The average current house value in Manawātū was up 26.3% in March 2021 compared with a year earlier. Growth outperformed relative to New Zealand, where values increased by 18.2%.
- The average current house value was \$639,542 in Manawātū in March 2021. This compares with \$871,375 in New Zealand.

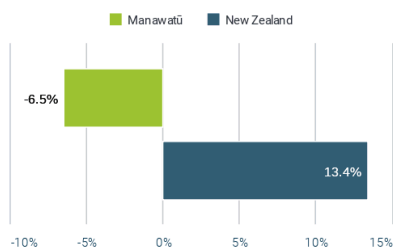
National overview

House values across New Zealand rose 18% in the March 2021 quarter, with strong growth across all regions and values in all regions now sitting at record highs. This wide-spread growth has been largely driven by incredibly low interest rates, coupled with a shortage of housing. House price growth remains particularly strong in Gisborne and Hawke's Bay, with values up 32% and 27% on average over the last 12 months. This growth has made it increasingly difficult for first home buyers without financial backing to enter the housing market. However, the government's Housing Package is expected to help slow growth by reducing investor demand and ability to pay.

House sales

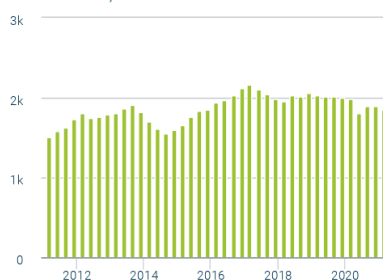
Annual change in house sales

Annual average % change March 2020 - March 2021



House sales

Annual number, Manawātū



House sales

Annual number, Manawātū



Highlights for Manawātū

- House sales in Manawātū in the year to March 2021 decreased by 6.5% compared with the previous year. Growth underperformed relative to New Zealand, where sales increased by 13.4%.
- A total of 1,856 houses were sold in Manawātū in the 12 months ended March 2021. This compares with the ten year average of 1,889.

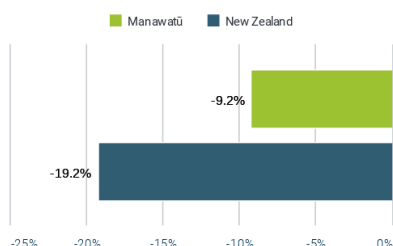
National overview

The number of houses sold in New Zealand grew 13% over the year to March 2021. This annual result has been bolstered by incredibly strong sales growth over the last six months, driven by record low interest rates and hot prices encouraging buyers, although momentum has slowed recently. Sales growth has been particularly strong in both the West Coast and Auckland regions. We expect the government's new housing package will decrease investor demand for existing property, and sales volumes looking forward. This package, coupled with the reintroduction of loan to value ratio (LVR) restrictions will limit investor activity.

Car registrations

Car registrations

Annual average % change March 2020 - March 2021



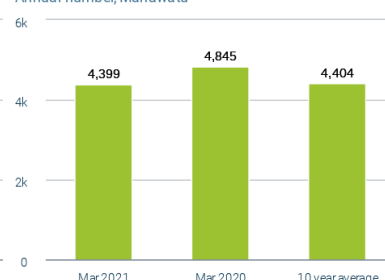
Car registrations

Annual number, Manawātū



Car registrations

Annual number, Manawātū



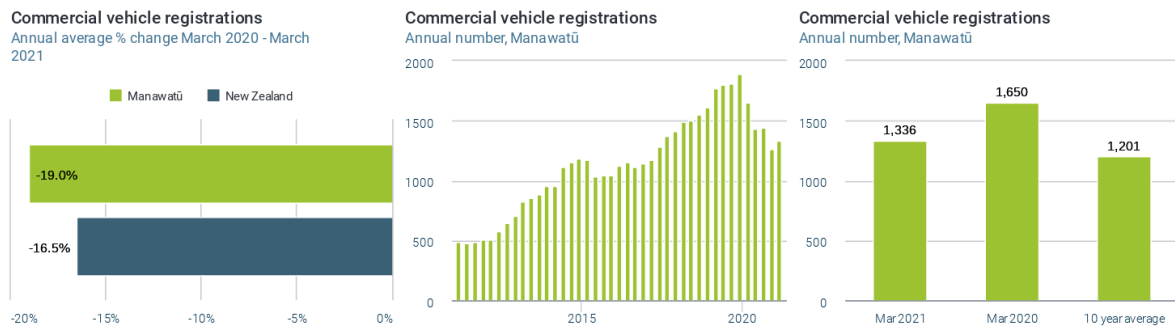
Highlights for Manawātū

- The number of cars registered in Manawātū decreased by 9.2% in the year to March 2021 compared with the previous 12 months. Growth was higher than in New Zealand (-19.2%).
- A total of 4,399 cars were registered in Manawātū in the year to March 2021. This compares with the ten year average of 4,404.

National overview

Car registrations recovered some ground in the March 2021 quarter, up 8.9%pa. Higher import numbers boosted vehicle availability, and rental registrations saw an uptick. Comparative March 2020 quarter figures were likely affected by the early stages of the pandemic, but registrations are still sitting 12% below March 2019 levels. Over the year to March 2021, registrations were 19% down on the previous year. Car stocks remain low despite the recent increase in car import numbers, meaning that there could be more strength in registrations going forward if supplies hold up. However, a shift in spending priorities towards overseas travel could also dampen enthusiasm for further spending on cars.

Commercial vehicle registrations



Highlights for Manawātū

- The number of commercial vehicles registered in Manawātū decreased by 19% in the year to March 2021 compared with the previous 12 months. Growth was lower than in New Zealand (-16.5%).
- A total of 1,336 commercial vehicles were registered in Manawātū in the year to March 2021. This is higher than the ten year annual average of 1,201.

National overview

Commercial vehicle registrations in the March 2021 quarter climbed sharply, up 17%pa, to see the highest number of quarterly registrations since the September 2019 quarter. This increase likely reflects of continued strength in the construction industry and primary sectors, particularly over the harvest season. However, the effects of the June 2020 quarter lockdown remain with registrations over the year to March 2020 down by 16.5% compared to the previous year. Commercial registrations strength is expected to continue, driven by increased availability of commercial vehicle stock, along with continued construction activity and international demand for New Zealand's primary products.

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.

Employment (place of residence)

Employment data is based off a range of Stats NZ employment datasets, and represents the number of filled jobs, based on the area of residential address for the employee (rather than workplace address). This place of residence location means that the employment series reflects trends in employment of an area's residents, which may be different to trends in employment at businesses in an area, particularly when there are strong commuting flows. The most recent quarter is based off the average of Monthly Employment Indicator (MEI) filled jobs from Statistics New Zealand for the past three months, with previous quarters being backcasted using the percentage change in the quarterly Business Data Collection dataset published by Statistics New Zealand.

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 2020 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 enrolees 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 enrolees, 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 CoreLogic. The levels quoted in the report are average values for the quarter.

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

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. The TECTs reflect the expenditure for all electronic card transactions (ECTs) in New Zealand related to tourism. Marketview use a base of spending on the Paymark network (approximately 70 per cent of total ECT spend) to scale up to total ECT spend.

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).



Joint Strategic Planning Committee

Meeting of 08 July 2021

Business Unit: Community and Strategy
Date Created: 28 June 2021

CEDA Statement of Intent 2021-2022

Purpose Te Aronga o te Pūrongo

To present the CEDA Final Statement of Intent 2021-22 for agreement.

Significance of Decision Te Hira o te Whakataunga

Both Councils' Significance and Engagement Policy are not triggered by matters discussed in this report. No stakeholder engagement is required.

Recommendations Ngā Tūtohunga

That the CEDA Final Statement of Intent 2021-22 be agreed.

Report prepared by:
David Murphy
General Manager Strategy, Palmerston North City Council

Michael Hawker
Acting General Manager - Community and Strategy

Approved for submission by:
Michael Hawker
Acting General Manager - Community and Strategy

1 Background Ngā Kōrero o Muri

- 1.1 CEDA is a Council Controlled Organisation (CCO) under the Local Government Act 2002 and is jointly owned by Palmerston North City Council and Manawātū District Council. A CCO must deliver a draft Statement of Intent (SOI) to shareholders by 1 March each year and a final SOI by 30 June.
- 1.2 The 10 September 2020 Joint Strategic Planning Committee Workshop considered the content of the CEDA Statement of Expectations. The 10 December 2020 Joint Strategic Planning Committee meeting considered the draft Statement of Expectations.

- 1.3 The Joint Strategic Planning Committee meeting of 10 December 2020 resolved:
- “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.”
- 1.4 PNCC passed a series of resolutions in December 2020 that authorised the PNCC Chief Executive to negotiate in-house delivery of destination marketing and a corresponding reduction in the CEDA funding as part of the process of renewing the current CEDA Services Funding Agreement. These negotiations resulted in a \$200,000 reduction of funding by PNCC and in-house delivery of city marketing, business conferences and events and international education. CEDA and PNCC have been working together to ensure the smooth transition of these functions from 1 July 2021.
- 1.5 Normally, the Draft SOI is delivered by 1 March and considered at a March Joint Strategic Planning Committee meeting. The Final SOI is usually received in May and considered at a June meeting.
- 1.6 The consequence of these resolutions was the later than usual completion and delivery of the Statement of Expectations to CEDA. A one (1) month extension to the CEDA SOI timeline was decided by both Councils.
- 1.7 The revised CEDA SOI timeline has been:
- CEDA Draft SOI delivered by 1 April 2021;
 - An extraordinary Joint Strategic Planning Committee meeting called on April 8 to consider the Draft SOI;
 - CEDA had until 30 June 2021 to deliver the Final SOI;
 - An extraordinary Joint Strategic Planning Committee meeting in July to consider the Final SOI.
- 2 Discussion and Options considered Ngā Matapakinga me ngā Kōwhiringa i Wānangahia**
- 2.1 After the Committee considered the draft SOI, the CEDA Board had until 1 June to consider any comments of the shareholders including the Statement of Expectations before delivering its Final SOI. At that stage, the Councils agree to the SOI, or if they do not agree, take all practicable steps to require the SOI to be modified.
- 2.2 After reviewing the Statement of Expectations, CEDA updated the SOI.
- Page 16 updated with the Food and Fibre Strategy;

- Page 28 updates the Statement of Service Performance with a measure in relation to the strategy.
- The Statement of Expectations is added to the SOI.

3 Te Kīwai (o te kete)

- 3.1 There are no known cultural considerations associated with the matters addressed in this report. No engagement with Māori is necessary.

4 Community Engagement Te Whai Wāhitanga mai o te Hapori

- 4.1 There are no consultation requirements as a result of this report. CEDA have been consulted in the development of the Statement of Expectations.

5 Operational Implications Te Whai Pānga Atu ki ngā Kaupapa Mahi

- 5.1 CEDA uses the Statement of Expectations as a key input into the development of its Statement of Intent. The draft SOI must be delivered on or before 1 March 2021 and the final SOI must be delivered. Both Councils have decided that the CEDA SOI process will be allowed to take 1 month longer to allow for the completion of the Statement of Expectations.

6 Financial implications Te Whai Pānga Atu ki ngā Kaupapa Ahumoni

- 6.1 There are no financial implications as a result of this report. Manawātū District Council and Palmerston North City Council have both made financial provision for a services contract with CEDA.

7 Statutory Requirements Ngā Here ā-Ture

- 7.1 Under the provisions of the Local Government Act 2002, Part 5 (Council – Controlled Organisations and Council Organisations), section 64 (Statement of Intent), CEDA has a statutory obligation to provide a Statement of Intent for the coming financial year that is consistent with its constitution.

8 Delegations Te Mana Whakatau

- 8.1 In relation to the Central Economic Development Agency Limited (CEDA), the Joint Strategic Planning Committee has the function, power, and duty under the Local Government Act 2002 and/or the Companies Act 1993:
- “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.”

9 Conclusion Whakatepenga

- 9.1 The CEDA Statement of Intent 2021-22 is consistent with its constitution, the Statement of Expectations and complies with statutory requirements.

10 Attachments Ngā Āpitihanga

- CEDA Final Statement of Intent 2021-2022
- CEDA Statement of Expectations 2021-2022

Statement of Intent

for the year ending 30 June 2022

1 April 2021

Company Directory

Central Economic Development Agency Limited

Level 1, TSB Towers
1-19 Fitzherbert Avenue
Palmerston North 4410

06 350 1830

CEDA.nz

Chief Executive

David Wright (Interim CEO)

Directors

Malcolm Bailey (Chairperson)
Arthur Chin
Margo Maré
Robyn O'Fee (Bobbie)
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 Statement of Intent 1 April 2021

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Front Page image: AgResearch

Foreword

Tēnā koutou katoa

We present our Statement of Intent for 2021/21 with feelings of confidence and optimism regarding the local economy.

The latest Infometrics data indicates that Manawatu's economy continues to recover and build from the effects of the COVID-19 pandemic, better than the New Zealand average across almost every economic indicator. Our diversified and unique economy has kept our region strong through the turmoil, and the collaborative leadership shown has kept us agile in our response, but we did not lose sight of the long-term strategic projects that will ultimately deliver the greatest benefits to our community. These projects remain crucial to the ongoing recovery, growth and confidence in our city and district, creating employment opportunities for our people, contracts for our businesses, and encouraging innovation in how we work and do business.

CEDA has made strong progress towards achieving our three big goals for the region by 2025; Manawatu is recognised as one of the top three agrifood hubs in the world, Manawatu is a leading distribution hub and leverages off its role in central New Zealand, and Manawatu is renowned for its exceptional lifestyle, competitive advantages and is a magnet for investment, business, and talent.

Over the coming year we will continue to focus our efforts and resources in these

areas. We will continue to accelerate the progress of the Central New Zealand Distribution Hub and attracting investment and businesses. We will proactively roll out the strategic positioning of our region in collaboration with regional and national partners as the agrifood hub of New Zealand and global leader in our field. We will work collaboratively with stakeholders on the first year of implementation of the Manawatu Talent Attraction and Retention Strategy to help address some of the critical talent and skills issues facing our city and district.

Until New Zealand's borders re-open, we will continue to face even stronger domestic competition for investment, visitation, talent, events, and conferences. Our ability as a region to focus on outcomes, work collaboratively, and pool our resources and expertise to achieve results will be what ensures our success. CEDA is one part of our regional development ecosystem, and our work over the past year with iwi, and organisations such as Sprout Agritech, The Factory, FoodHQ, Rural Innovation Lab, Massey University, UCOL and Manfield have helped us to make real progress in attracting investment, accelerating innovation, developing talent, and improving the perception of our region nationally. These partnerships and the results we are delivering together remain a priority for us. We are projecting a deficit in 2021/22.

This is indicative of our need to realign our business to meet the altered needs of our shareholders, as well as our ongoing

investment into significant programmes of work such as the Central New Zealand Freight Hub, the ongoing implementation of the Manawatu Agritech Strategy and support for positioning the region as a global agrifood hub, and continuing to build on the momentum created by the injection of the Strategic Tourism Asset Protection Programme funding into the implementation of the Manawatu Destination Management Plan.

Our work is made possible through the strength of our partnerships. We thank our shareholder councils, iwi, central government agencies and our many partners across the region and country. Your support, expertise, and commitment to delivering inclusive growth for our community is invaluable. Lastly, thank you to the Board of Directors and the whole team at CEDA who, no matter what comes their way, see the opportunities to deliver meaningful outcomes that will support the growth and prosperity of Manawatu and beyond.

Ngā mihi nui ki a koutou katoa,



Malcolm Bailey
Chairperson

Purpose of the Statement of Intent

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

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

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

CEDA Statement of Intent 1 April 2021

COVID-19 Impact

We as a country are continuing to work in a challenging and seemingly constantly changing environment as we work through the impacts of COVID-19. As an organisation whose primary objective is to support business and grow the regional economy, CEDA has had to approach our work with flexibility and have been required to be responsive to the dynamic environment and changing needs and demands of our community. Although an end may now seem in sight, we are aware that we need to be prepared to adapt our programmes of work in the short to medium term to achieve the outcomes required to successfully lead and support the economic response for Manawātū.

The objectives and outcomes presented in this Statement of Intent include response and recovery projects to assist our businesses, industries, and our people through the ongoing impacts locally, nationally, and internationally of COVID-19.

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Feilding Farmers' Market

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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 Statement of Intent 1 April 2021

Our Strategic Objectives

Achieving our vision

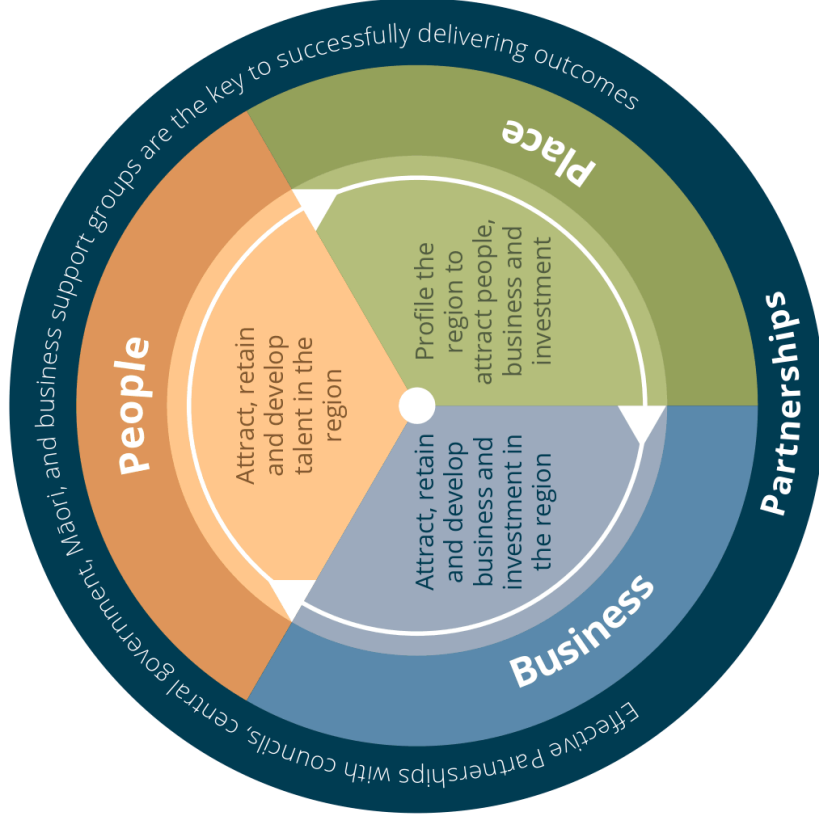
CEDA works across the three strategic pillars of economic development; People, Place and Business, and our success is underpinned and enabled by the strength of our relationships with our regional and national partners.

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 this Statement of Intent for 2021/22.

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.



What We Do

CEDA Statement of Intent 1 April 2021

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Mainfreight Distribution

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Manawatū: New Zealand's most progressive region 2025

VISION

- 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
- Shared Vision, Diversified Funding, Agrihub Establishment

GOALS

3-YEAR STRATEGY

STRATEGIC PILLARS

SOI OUTCOMES

STRATEGIES/ PROGRAMMES

PROJECTS/ ACTIVITIES

People	Business	Place	Partnerships
Attract, retain, and develop talent in the region	Attract, retain, and develop, business and investment in the region	Profile the region to attract people, business, and investment	Effective relationships with councils, central government, Māori, local iwi, and business support groups
Talent & Skills Attraction and Retention Strategy, Te Aho Tāmaka Strategy	Destination Management Plan, Agritech Strategy, Business Expansion and Retention Strategy, Regional Business Partner Programme, business start-up and innovation, Inward Investment Strategy, Central New Zealand Distribution Hub Strategy, Food and Fibre Strategy	Regional Identity, Agrihub PR Machine, featuring the region through media	Service Level Agreement, Partnership and Funding Agreements
Pathways to employment and career development programme, leader attraction, leader engagements, facilitation of leaders aligning support to regional projects	Develop visitor sector capability, grow media and tourism trade engagement, develop a Rangitane o Manawatū Māori Tourism Plan, Agritech Strategy implementation, deliver NZ AgriFood Week	Regional marketing, direct media features, ManawatuNZ.co.nz and social media engagement	Outcomes aligned with partnership agreements, research, data and insights, economic updates (incl. Māori business), stakeholder and business community e-newsletters, business planning, reporting to councils

Attract, retain and develop talent in the region

Kia whakamanaea, 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 students to the region, along with an understanding of the future needs of our sectors and businesses is key to the region being able to grow and prosper by 2025, becoming recognised for our exceptional lifestyle and competitive advantages.

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

As the region works towards the Manawatu positioning itself as one of the top three agrifood hubs in the world and strengthening our place as a distribution and logistics hub it's vital that we have the right talent and skills in the region. We know through the development of the Manawatu Talent and Skills Framework that we need to take a multi-pronged approach, from

attracting the talent, developing the skills of Manawatu's existing workers, integrating new workers and their families into Manawatu's community, and making it easier for new arrivals, both from overseas and elsewhere in retaining talent to maintain a diverse and skilled workforce across Manawatu.

Lead and support the regions attraction and retention of talent, skills, and investment

Attract Talent and Investment for the Manawatu's Future Success

Key to CEDAs leadership is working with our partners to collaboratively develop approaches to overcome the challenges the region faces in attracting and retaining talent, skills, and investment and to leverage the opportunities that will address labour force needs, whether in the short or long term.

CEDA has established the Central Region Talent and Skills Advisory Group with representatives from iwi, education, community stakeholders and central government. The Advisory Group will lead the implementation of the Manawatu Talent and Skills Attraction and Retention Strategy, including the formation of sector specific Working Groups.

The Working Groups will co-create Sector Profiles and Plans, and Pathways to Employment initially for the Primary Sector; Dairy, Beef and Sheep, Horticulture and AgriTech/AgriFood, and Infrastructure and Construction sectors.

We will work with our partners to co-design tools to empower organisations to understand their brand and reputation

and how to use this as part of their overall strategy to attract people and to build organisations capabilities in workforce planning, social procurement, capability development planning and succession planning.

Develop the skills of Existing Workers and Residents

While attracting and retaining talent is important, so too is the need to develop the existing workforce. This supports career development and progression and ensures workers skills and knowledge keeps pace with change in their work.

CEDA will lead the creation of a series of regional micro-credentials for people and workplaces including partnering with iwi to develop training tools on Te Tiriti o Waitangi.

Additionally, CEDA will enable, connect and facilitate people and employers to Pathways to Employment and Career Development activities, that create opportunities for inspiration, information, motivation and a call to action, whether entering the workforce, looking at changing career or looking at career and professional development.

Integrate New Workers and Their Families into the Community

Integrating new workers and their families into Manawātū's community is about making it easier for new arrivals, both from overseas and elsewhere in New Zealand, to settle in Manawātū and build the connections that they will need to thrive.

Our first step in the talent reception and integration space is to facilitate the development of tools and an action learning workshop that will empower organisations to build a reception and integration programme for their business that is connected to the region's reception and integration approaches.

Te Aho Tāmaka Programme - Growing the Region

The high calibre group of leaders that are now part of Te Aho Tāmaka continue to be strong ambassadors for our region while the profile of the kaupapa rises. The addition of former All Black captain and business leader Dr David Kirk, MBE, to Te Aho Tāmaka in October 2020 reinforced the importance of the programme and the desire of our high achieving leaders to give back to the region that has played a significant role in

their journey. Te Aho Tāmaka reaches out to highly accomplished individuals, who have a strong connection to Manawātū. It celebrates our leaders who are making a difference, both globally and in New Zealand, who are positively contributing to their communities and industries.

Te Aho Tāmaka is an integral part of CEDA's commitment to attract, retain and develop talent in the region, as well as raising the national and international profile of Manawātū. We are building a network of renowned leaders and advocates, who can foster pride in the region, raise our profile, connect, develop, and grow our future leaders and ultimately support us to build a stronger and more prosperous economy and region. This is achieved through the identification of new leaders, engagement with current leaders and connecting them to people and business in the region through mentoring, engagement, and investment opportunities.

The kaupapa has become more recognised throughout the region through engagements and the production of content such as videos, leader Q&A's and webinars. This will be built upon over the next year and Te Aho Tāmaka will continue to be a kaupapa that connects to and supports all the work CEDA does.

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Sort It Careers Expo 10

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 Manawātū 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.

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

CEDA Statement of Intent 1 April 2021

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Developing our priority sectors through sector strategy implementation, cluster development and partnerships with Māori.

Destination Management Plan

The Destination Management Plan was developed to establish a shared vision and plan on what the future of the visitor sector for Palmerston North city and Manawātū district will look like, taking into consideration the perspectives of the visitor, mana whenua and iwi, our residents, the business community, and central and local government. A cohesive approach to managing the growth of the visitor sector in our region will enable us to leverage and target investment into the region through central government funding channels, as well as commercial investors.

CEDA will focus on implementing year two and three of the action plan including partnering with Rangitāne o Manawātū to implement the co-developed Māori Tourism Strategy, identification and development of opportunities and experiences, and stimulating visitation from New Zealanders and ultimately from around the world.

A specific focus will be given to building the capability of key visitor sector operators who work in the tourism trade space, which in turn will stimulate growth in the visitor economy and provide quality experiences

for visitors and residents alike. This includes the continued development and growth of trade and industry partnerships, driving the development of cultural tourism, and our core functions as the Regional Tourism Organisation for Palmerston North and Manawātū.

The Destination Management Plan will remain a 'live' document to ensure we can respond to changing trends and opportunities while keeping the vision and purpose front and centre. Working with key stakeholders and partners including councils, mana whenua, national body organisations such as Air New Zealand and Tourism New Zealand, will ensure a coordinated and targeted approach now and into the future.

Manawātū Agritech Strategy

Manawātū's deep agritech innovation ecosystem is being developed as part of our goal to strategically position the region as one of the top three agrifood hubs in the world by 2025. The Agritech Strategy gives life to this goal, with various stakeholders responsible for delivery including FoodHQ, Sprout Agritech and The Factory.

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CEDA will lead the implementation of the Agritech Strategy next 3-year action plan and will support a number of initiatives such as the Roaming Networker Programme, which gathers market intelligence on the activity in region, including research and development, investment, and businesses created, and the Sprout Agritech global accelerator. Partners to the strategy will support the implementation of key projects each year, including Massey University, The Factory, the Rural Innovation Lab, FoodHQ and others.

CEDA will lead an 'agrifood communications and public relations cluster' to collectively profile and cement our position as the leading agrifood hub in New Zealand, and ultimately being recognised as one of the top three in the world. Through targeted and systemic media campaigns, we will ensure our city and region becomes synonymous with the words 'agrifood hub', collectively showcasing the depth of expertise and activity that is happening here, building our profile and recognition as a top global agrifood hub, therefore lifting our ability to attract investment, business, and talent.

CEDA Statement of Intent 1 April 2021

New Zealand AgriFood Week

New Zealand AgriFood Week is a pivotal lever in the regions strategic positioning as a global agrifood hub. Sitting at the intersection of agriculture, science and technology, the Week is about excellence in agrifood and agritech, inspiring the next generation of scientists, change makers, innovators, leaders, and consumers. Key partners include our shareholder councils, AgResearch, Rangitāne o Manawatu, Ministry of Business, Innovation and Employment, ASB, New Zealand Trade and Enterprise, FoodHQ, Fonterra, The Factory, Sprout Agritech and Beef + Lamb NZ.

CEDA will continue to lead the implementation of the 3-year strategy, positioning the event to become nationally and then globally recognised. This includes working with a steering group of industry leaders to develop a topical, thought provoking theme for 2022, building a deepened events programme, enhanced marketing and media profile, greater audience focused content, and strategically selected partnerships to increase funding and participation.

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Fonterra 13

Retaining businesses in the region through engagement and identification of barriers to growth

Business Retention Strategy

Cities and regions that are competitive in attracting and retaining businesses and investors have well defined retention strategies. CEDA is an important link between businesses, local government, and support institutions, and having developed the Manawātū Business Retention and Expansion Strategy in partnership with stakeholders, we now move into leadership of its implementation.

The Strategy includes support for businesses expanding in the region through helping businesses to overcome barriers to investment and expansion, investor after-care, and monitoring business sentiment and confidence to ensure that an enabling business environment is being created. This will ensure that existing investors and businesses continue to play a vital part in our local economy; both in terms of contribution to growth in regional Gross Domestic Product and employment creation.

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

Supporting innovation and start-ups in the region

Fueling innovation is key to fostering our competitive advantage as a region, and in creating jobs and investment opportunities. The Innovate Programme, delivered by The Factory, and supported by CEDA, has been designed to help potential entrepreneurs transform ideas into early-stage start-up businesses. Our work includes funding and mentoring support to help facilitate and grow the next generation of innovators and entrepreneurs.



CEDA Statement of Intent 1 April 2021

AgResearch

Supporting research and development

Businesses that enter the research and development phase are supported by CEDA through the Regional Business Partner Programme facilitating access to research and development grants and expertise through Callaghan Innovation, Massey University and Crown Research Institutes. Research and development is key to building innovation capability in the region and potential job creation. CEDA connects businesses from around the region into the grant process and supports their applications.

Student experience, fellowship or career grants facilitated through Callaghan Innovation, link tertiary students directly to businesses to further support their research and development activities. CEDA connects students to the opportunities to support business research and development, along with developing their own academic capability, supporting the development of regional capability.

The Sprout Agritech global accelerator selects national and international start-ups and businesses to undergo an intensive mentorship process to accelerate innovation with a view to commercialising technology. The Accelerator is rapidly becoming a highly effective mechanism to attract start-up interest in the region, and as a key partner of Sprout, CEDA provides funding and support, and works with Sprout on the selection process to ensure successful outcomes for the programme and highlight the capability we have within the region.

Sprout and the Innovate Programme are important contributors to the strategic positioning of the region as a global agrihub and centre of innovation, making us a magnet for investment, business, and talent.

Develop and grow businesses by delivering information, advice, and support

Regional Business Partner Programme

CEDA supports small to medium businesses through the delivery of the Regional Business Partner programme on behalf of New Zealand Trade and Enterprise, Callaghan Innovation and Business Mentors New Zealand, for the Manawatu-Whanganui region.

The programme's purpose is to build the capability of businesses through connections to expertise and resources. This includes development in business planning and sustainability, financial management and systems, marketing and sales, exports, succession planning and governance, and

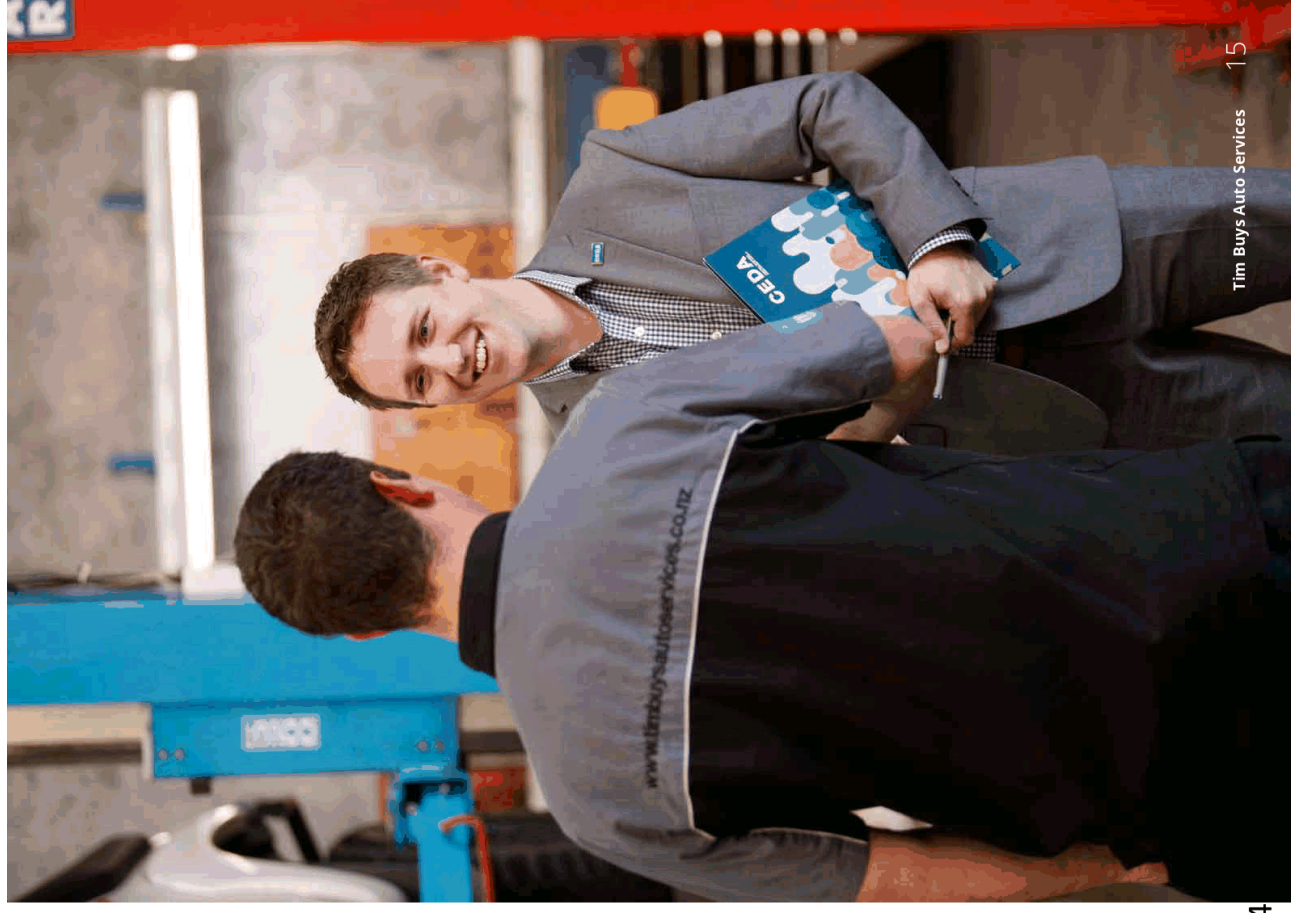
access to research and development grants and support. The programme also offers one-to-one mentorship through Business Mentors New Zealand.

Increased business capability leads to increased staff retention, business competitiveness, expansion, and growth.

We are focusing on increased Māori Business uptake in the programme, and will work with regional district councils, economic development agencies and approved service providers to increase awareness of the programme across the region and in addition, strategically focus the programme at developing our priority sectors.

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Tim Buys Auto Services 15

Attract business and investment to the region

CEDA Statement of Intent 1 April 2021

Inward Investment Strategy Implementation, with regional partners

Attracting domestic and international investors is a core part of CEDA's goal for Manawātū to become a magnet for investment, business, and talent. International best practice in investment promotion requires strategic marketing, proactive targeting of carefully identified investors and intermediaries, investment facilitation to ensure that prospects are converted into realised projects and a targeted approach to investor after-care. CEDA's work will focus on our sectors of strength in agrifood, transport and logistics and the visitor sector, profiling the region for investment, developing a targeted pipeline, and removing barriers to investment.

Investment profile of the region

Through the investment profiles of the five priority investment zones across the city and region, CEDA will lead the positioning of Manawātū as a strategic investment location, targeting public and private investment opportunities and leveraging our relationships with central government to further advocate for our region's significant strengths and opportunities.

The priority zones include the Central New Zealand Distribution Hub (which includes North East Industrial Zone), Kawakawa Road precinct in Feilding, Palmerston North CBD, Longburn Industrial Park, and the Food Precinct. While specific focus will be placed on these zones, CEDA will remain agile in

responding to further opportunities that benefit our regions strengths and vision. CEDA will work alongside our shareholders, regional partners, New Zealand Trade and Enterprise, and relevant commercial parties, to enable targeted information to be used for specific investment attraction opportunities and ensure a consistent and strategic approach to raising the profile and recognition of our city and region's collective strengths, and successes, as a competitive, compelling investment destination.

Te Āpiti – Manawātū Gorge tourism opportunity

Te Āpiti – Manawātū Gorge presents the region with an opportunity to create significant tourism activities to cement Te Āpiti as a North Island visitor icon, bringing significant economic benefit to the region and leveraging off the investment and development of Te Āhu a Turanga over the next five years.

Following a successful feasibility study and evaluation of the tourism development opportunity in and around Te Āpiti, and a subsequent Business Case outlining two priority areas of focus, CEDA will work with key partners and stakeholders to identify and attract targeted investment into Te Āpiti focused on built infrastructure that will drive the development of visitor experiences and commercial product into the area. This work will be done in conjunction with Te Āpiti's Master Plan, led by Palmerston North City Council.

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Central New Zealand Distribution Hub

Linked to our investment profiling initiatives, Manawātū offers exceptional locational advantages for businesses, giving the region significant potential to become a leading national distribution hub.

The Central New Zealand Distribution Hub Strategy builds on the region's comparative advantages to increase distribution capabilities and freight volumes, significantly contributing to economic growth of the region. The Strategy, led by CEDA, will be a priority focus with the execution of a targeted funding strategy, identification and targeting of investment from the transport and logistics sector, and central government advocacy priority activities.

Regional Food and Fibre Strategy

In conjunction with regional stakeholders and partners, CEDA will lead the development of a regional Food Strategy to position Palmerston North and Manawātū to accelerate government and private investment into food innovation in the region, including for FoodHQ. Food science and innovation is an area of city and regional competitive strength and vital to being a top three global agrifood hub, and the food innovation capital of New Zealand.

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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.

Profile Manawatū locally, nationally, and globally

Positioning our region as one of the top three agrifood hubs in the world and cementing our position as the primary distribution hub for the lower North Island will ensure we are leveraging our collective strengths while carving out our place in New Zealand and beyond with a unique and compelling narrative.

CEDA will lead a coordinated public relations and communications approach to profiling our regions

strengths and successes, building pride and awareness in our people, New Zealanders and beyond, to lift our region's ability to attract people, business, and investment here.

This work interlinks across CEDA's core focus areas of People, Place and Business ensuring a strategic approach to our regional profile

Lead and develop stories of Manawatū, creating a narrative and a unified positioning, incorporating the cultural heritage of iwi

Regional Identity Project

Leveraging the Regional Identity and the strategic positioning of Palmy as the innovation capital of New Zealand, CEDA will work with our shareholders and partners to raise the profile of the city and region as a compelling destination for investment, business and talent through targeted story telling.

This work will be carried out through CEDA's projects and strategic plans including inward investment, destination management, talent and skills attraction and retention, and business attraction and retention. Using CEDA's key channels, and working with regional stakeholders and media partners, we will positively build the profile of our city and region, and collectively build on our distinct and respected value proposition through the Regional Identity to build momentum and awareness of the city, district, and region.

The messaging and tone, imagery, campaign work, digital presence and every touch point we have going forward, will support our ongoing work to profile the region's distinctive and compelling proposition.

Featuring the region through media

Our work with local, national, and international media ensures a strong and consistent regional presence and rhetoric across all traditional and digital channels. CEDA will continue to leverage existing media relationships and proactively build new ones to pitch stories and features to national and local media organisations and publications to attract investment, business, visitation, and talent.

In our role as the Regional Tourism Organisation for Palmerston North and Manawatū, CEDA works with key national organisations including Tourism New Zealand, Air New Zealand, Tourism Industry Aotearoa and more to ensure we are maximising our relationships and opportunities to build the profile and reputation of the city and region as a desirable place to live, visit, work and do business.

Grow engagement on regional web and digital platforms for increased promotion of and information on the region

ManawatuNZ.co.nz and social media

Digital marketing plays a key role in connecting with our main audiences and profiling the region's strengths to attract talent and investment to the region, showcase our lifestyle advantages, tell our region's story, and build increased awareness of the breadth of what Palmerston North and Manawatu has to offer.

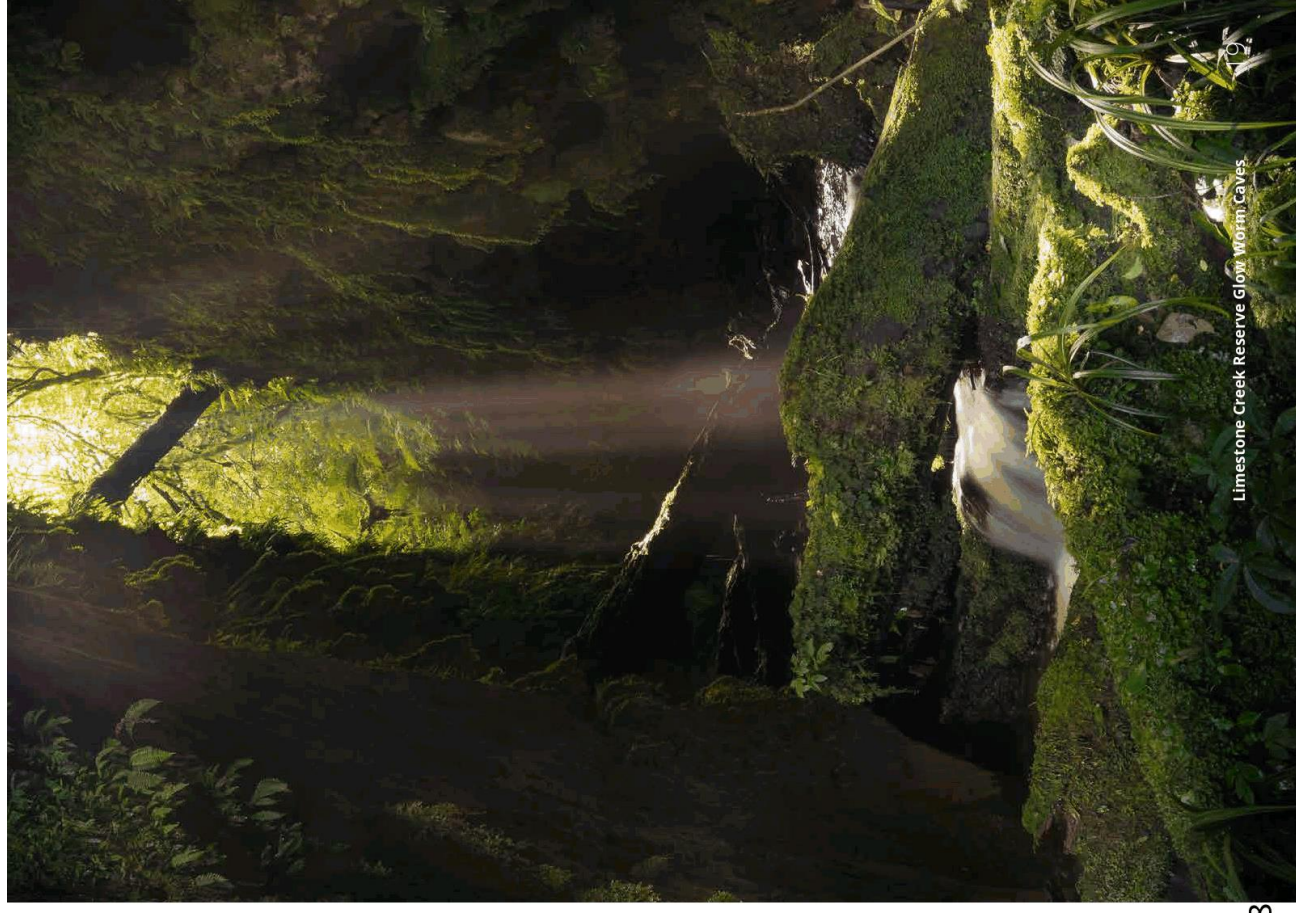
Digital platforms are one of our biggest, most efficient, tools in owning our narrative as a region, and in achieving our ambition

of being recognised as a top three global agrifood hub, from our regional social media channels and the regional website ManawatuNZ.co.nz, through to partner websites and national platforms.

The ManawatuNZ.co.nz Visual Library will continue provide new, fresh content and assets to provide our partners, stakeholders and media with fresh, engaging imagery and content of the city and region. This works to ensure we can collectively profile the region on a local, national, and global stage under a consistent rhetoric.

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Limestone Creek Reserve Glow Worm Caves

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.

Develop strategic partner relationships, leveraging opportunities

One of CEDA's major roles is the aligning of shared outcomes of key stakeholders in our region, connecting shared opportunities, providing a shared voice, and co-ordinating our region's collective capability. We believe this is key to achieving the vision and goals for the region.

Building on relationships with shareholders, central government agencies, key regional stakeholders, local iwi and Māori, and business support groups

Strategic relationships with local partners, other regions, and national organisations such as Rangitāne o Manawatu New Zealand Trade and Enterprise, Callaghan Innovation, Tourism New Zealand, Regional Tourism Organisations New Zealand, Education New Zealand, The Factory, Sprout Agritech, Manawātū Chamber of Commerce, Talent Central and Immigration New Zealand, enable CEDA to connect, discover and leverage mutual opportunities.

We regularly review our current partnership agreements and workplans and ensure new plans where relevant are in place to ensure that we are working effectively together in identifying opportunities and reducing barriers across all that we do.

Iwi partnerships and engagement

Further to our support of Māori business through the Regional Business Partner programme and Māori sector development, CEDA continues to work collaboratively with local iwi through our strategic projects

including the ongoing profile and use of the Regional Identity, Manawātū Destination Management Plan, the Rangitāne o Manawātū Tourism Strategy, and Te Āpiti – Manawātū Gorge tourism opportunity.

The development of partnership agreements with iwi and Māori business networks continues to enable the support of iwi partnership projects to increase employment opportunities and skill development for Māori. Further to this, the focus this year will be to support the Māori business sector, and iwi social procurement targets and support programs, that build capability for Māori business to be well positioned to tender for contracts for regional infrastructure development projects.

We will also continue to work on developing CEDA's internal capability to support the strategic relationship with Tangata Whenua, ensuring we have meaningful relationships with iwi and Māori organisations.

Data and Insights communications on the performance of the region's economy

Through our partnerships and research CEDA are the 'go to' for insights and data on the local economy and national trends across priority sectors including the visitor economy. We have a crucial role in enabling the coordination, connection, and delivery of outcomes by striving for the transparency and alignment of the many economic development projects and initiatives that are underway or are planned across our region. To ensure best practice and smart investment of resources, funds, and expertise, all of CEDA's areas of work are underpinned with data and insight, enabling us to achieve high impact results for our city and region.

Economic impact information regularly communicated to stakeholders and business, including iwi and Māori business sector

CEDA works with national agencies including MarketView, Statistics New Zealand, Destination Think!, Tourism New Zealand, Infometrics and Ministry of Business, Innovation and Employment to provide the latest information from the visitor and retail sectors, our sectors of strength and key growth indicators such as GDP, population, housing prices, consents, visitor spend and more. These relationships ensure CEDA, and our region, has a voice in the discussions for addressing and future proofing the data gaps that we face as a nation, and in key sectors including the visitor sector.

Business and stakeholder communications

Providing comprehensive regional data and insights is crucial to help businesses, investors and residents make informed decisions and providing easy to understand

overview of the region's economy, from the drivers through to barriers to growth. Partnering with Palmerston North City Council and Manawātū District Council, and key industry leaders, CEDA works to analyse the data and insights of our economy and provide context and commentary around how the region's economy is performing in a local and national context, in an easily absorbable manner.

This includes publishing this information on a regular basis through targeted communication channels such as 60 Seconds (e-newsletter) and Quarterly Economic Updates, and engaging media to help profile our economic pulse. This will cover data, insights and trends on the visitor and retail sectors, our sectors of strength and key growth indicators, and updates on regional projects and economic development activities, ensuring our stakeholders,

businesses and communities have access to and understanding of what is happening in the local economy, the impact it may have on their businesses, and even identify shared project opportunities.

Māori economy data and insights

CEDA is working closely with Palmerston North City and Manawātū District Council's economists, key Māori sector leaders and iwi, to provide analysis and commentary around how the Māori economy is performing in the region and in a national context. We will communicate and publish this information on a six-monthly basis to better engage with our Māori businesses and community, and to provide greater insight and visibility into what is happening specifically in the local Māori economy as a way of identifying barriers, trends and opportunities.

Business Plan development to ensure alignment with shareholders

Delivery of CEDA's annual business plan to Palmerston North City Council and Manawātū District Council to ensure delivery on the outcomes of the Statement of Intent and alignment with shareholder objectives.

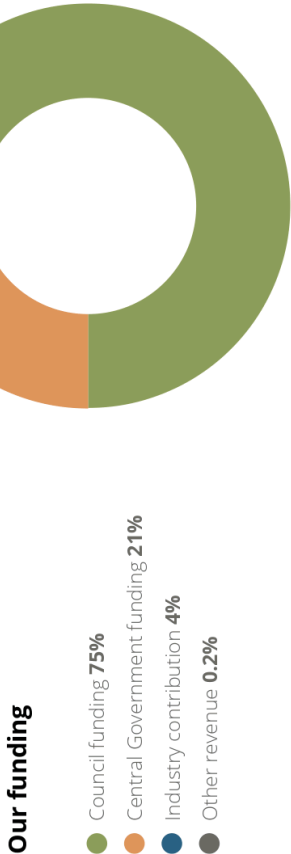
Where we focus our time and money

CEDA receives funding from Palmerston North City Council and Manawatu District Council, its shareholders, and also funding from institutions and central government partners for initiatives that bring benefit to the wider region and New Zealand.

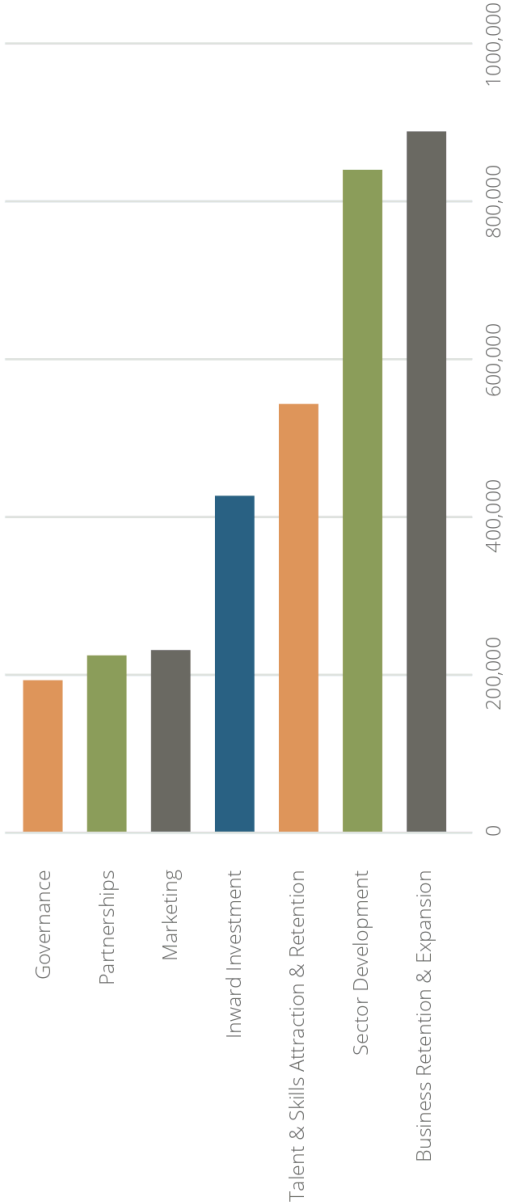
All of this funding gives us the ability to invest in local businesses and engage in specific sector work that is important to the region and beyond.

Further specific funding is also received from commercial organisations for sponsorship of programmes and joint projects that assist to highlight the regions strengths, and attract talent, business, and investment to the region.

Additional central government funding has been received for specific sector support after the impacts of COVID-19, to be spent in this financial year.



How we're going to allocate our funding



- Note:
- Marketing costs where directly related to an activity are included in the budgeted costs for that activity
 - Sector Development expenses include expenses in relation to additional central government funding for COVID-19 impact support
 - Business Retention and Expansion includes the Regional Business Partner programme costs
 - Employee and operating expenses where not directly related to an activity have been allocated on a percentage of expenditure basis

Who we are

CEDA is a team of people who are passionate about our region. We are thought leaders, subject matter experts, and doers, working together with the common purpose of prosperity for all our communities. Our success is underpinned by our people, connections, and networks locally and globally.

We are committed to operating efficiently and effectively, and as a future-focused organisation, to supporting initiatives that enhance and protect our natural and built environment.

Our values:

OUR PURPOSE	Believe in what you do and how you do it	Be proud and take ownership	Together we can achieve more
Drive and facilitate the creation and growth of economic wealth in Manawātū and beyond	Mauria te pono Believe in yourself	Whāia te iti kahurangi, ki te tuohu koe, me he maunga teitei Seek the treasure that you value most dearly, if you bow your head, let it be to a lofty mountain	Naku te rourou naku te rourou ka ora ai te iwi With my food basket and yours the people will thrive

CEDA Statement of Intent 1 April 2021

Te Tiriti o Waitangi

We recognise the principles of the Treaty of Waitangi and acknowledge the importance of partnering with local iwi and recognition of Tangata Whenua in the region through localised partnering. Our focus will continue to be on Participation through our growing relationships with regional iwi and mana whenua. Through Partnerships, we aim to work together with our regional iwi for agreed outcomes that benefit the region, and we will ensure Protection is a priority focus by incorporating te reo and tikanga across our projects and programmes.

Sustainable Development Goals

We are also committed to sustainable practices in both our office environment and the environment within which we work and live and value diversity in both our team at CEDA and our commitment to promoting diversity in age, culture, ethnicity, and gender in all that we do.

The Sustainable Development Goals or Global Goals are a collection of 17 interlinked global goals designed to be a "blueprint to achieve a better and more sustainable future for all". The Goals were set in 2015 by the United Nations General Assembly and are intended to be achieved by the year 2030.

The CEDA team have worked together to come up with CEDA's top three Sustainable Development Goals that we will work on implementing across CEDA and all the activities and projects that we undertake to make the most impact.

Our top three Sustainable Development Goals:



Naku te rourou noku rourou ka ora ai te iwi

With my food basket and yours
the people will thrive

CEDA Statement of Intent 1 April 2021

He Ara Kotahi Bridge

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Our Performance Measures for 2021-22

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

Service Level Statement	Performance Measure	2021/22*	2022/23*	2023/24*
Attract, retain and develop talent in the region				
Develop the talent pipeline to grow a skilled workforce, and better utilise the existing labour market	Lead and support the regions attraction and retention of talent, skills, and investment	Lead the delivery of the Manawātū Talent and Skills Attraction and Retention Strategy, year one action plan, including the creation of a pathways to employment and career development programme	Lead the delivery of the year two action plan through the establishment of a regional brand ambassadors programme	Lead the delivery of the year three action plan through the development of a programme to integrate people into the region and/or workplace
		Deliver year two of the Te Aho Tāmaka three-Year strategy, including two leaders aligning their support to relevant regional projects, building business or talent capability	Deliver the year three action plan in leveraging leaders support to enable investment in the region	Review and update the strategy based on the three-year outcomes
Attract, retain, and develop business and investment in the region				
Support our sectors of strength to grow through targeted business development and retention initiatives and activities	Development of priority sectors through sector strategy implementation, cluster development and partnerships with Māori.	Implementation of the Destination Management Plan year two actions, to lift visitor sector business capability, and develop the Māori Tourism Plan	Implement the year three action plan, to monitor community sentiment, and deliver campaigns for visitor attraction	Review of the Destination Management Plan, and Conference Sector Strategy with iwi and stakeholders based on outcomes
		Implementation of year four of the Agritech Strategy action plan, to grow the sector, attract investment, increase research and development activity, develop talent and skills, and increase the national and global profile of the region, including delivery of NZ AgriFood Week	Implement the year five action plan including outcomes to support positioning the region as a global agrihub, including delivery of NZ AgriFood Week	Implement the year six action plan including delivery of NZ AgriFood Week
	Retain businesses in the region through engagement and identification of barriers to growth	Implement year one of the Business Retention and Expansion Strategy through structured business engagements, identifying specific business expansion constraints and facilitating resolutions	Implement year two of the strategy through structured business engagements and facilitating the resolution of constraints	Implement year three of the strategy, to ensure that business expansions occur

Service Level Statement	Performance Measure	2021/22*	2022/23*	2023/24*
Attract business and investment to the region	Facilitate access to specialist innovation, and start-up expertise	Partner with The Factory, Sprout Agritech and Callaghan Innovation to deliver start-up and innovation support	Partner with The Factory, Sprout Agritech and Callaghan Innovation to deliver start-up and innovation support	Partner with The Factory, Sprout Agritech and Callaghan Innovation to deliver start-up and innovation support
	Develop and grow businesses by delivering information, advice, and support	580 businesses supported through CEDA business development programmes and activities including the Regional Business Partner Programme**	620 businesses supported through CEDA business development programmes and activities including the Regional Business Partner Programme**	670 businesses supported through CEDA business development programmes and activities**
	Implementation of Inward Investment strategy with regional partners, through the attraction of investment to the region including key regional projects	Identify and support three key investments to the region including Te Apiti development project	Identify and support five key investments to the region including Te Apiti development project	Identify and support five key investments to the region including Te Apiti
		Central New Zealand Distribution Hub strategy implementation through development of business cases for multiple infrastructure projects	Strategy year three implementation in the development of funding options and solutions for projects	Strategy year three implementation
Profile the region to attract people, business, and investment				
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	Leverage the regional identity to attract people business and investment to the region, with 8 content pieces published	Grow profile and narrative of the city and region, with 10 content pieces published targeting key audiences	Grow profile and narrative of the city and region, with 12 content pieces published targeting key audiences
		40 direct media features published profiling the region across people, place, and business with a reach of more than 2.5 million***	50 direct media features published profiling the region, with a reach of more than 2.7 million***	55 direct media features published profiling the region, with a reach of more than 2.8 million***
	Grow engagement on regional web and digital platforms for increased promotion of and information on the region	11% increase in 'sessions' on ManawatuNZ.co.nz, and social media engagement****	12% increase in 'sessions' on ManawatuNZ.co.nz, and social media engagement	13% increase in 'sessions' on ManawatuNZ.co.nz, and social media engagement

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Service Level Statement	Performance Measure	2021/22*	2022/23*	2023/24*
Lead inclusive and sustainable economic development for the region				
Develop strategic partner relationships, leveraging opportunities	Continue to build on relationships with shareholders, central government agencies, key regional stakeholders, local iwi and Maori, and business support groups	Partnership agreements and workplans reviewed and agreements in place with key central government agencies Iwi partnership projects implementation underway	Partnership agreements and workplans reviewed Iwi partnership projects implementation, including identification of additional project(s) Stakeholder satisfaction survey increase on previous year to 75%	Partnership agreements and workplans reviewed Iwi partnership project implementation underway
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	Set baseline for audience engagement across key communications including economic updates, Maori economy data and regional news Set baseline now from 20-21 year	Grow audience engagement across key communications including economic updates, Maori economy data and regional news	Grow audience engagement across key communications including economic updates, Maori economy data and regional news
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 to shareholders by 31 October*****	Business Plan developed and delivered to shareholders by 31 October*****

*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

** assuming continued funding of the Regional Business Partner programme by NZTE and Callaghan Innovation

***each measured by media and/or publication audience/readership

**** increase in sessions for 2021/22 to be based on a baseline of 250,000 because of additional activity in the 2020/21 financial year due to Strategic Tourism Assets Protection Programme funding received in response to COVID-19

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

Alignment with Our Shareholders

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

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

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

 Support an 'innovation economy' to underpin growth into the future	• Develop a talent pipeline to grow a skilled workforce, and better utilise the existing labour market • Deliver information, advice, programmes, and initiatives to attract more students to the region • Support our sectors of strength to grow through targeted business development and retention initiatives and activities • Attract business and investment to the region • Profile Manawātū locally, nationally, and globally • Develop strategic partner relationships, leveraging opportunities • Data and insights communicated on the performance of the region's economy
 Transform the economy to a low carbon economy	• Support our sectors of strength to grow through targeted business development and retention initiatives and activities • Attract business and investment to the region • Develop strategic partner relationships, leveraging opportunities • Data and insights communicated on the performance of the region's economy
MDC Long Term Plan Outcomes	CEDA Service Level Statement alignment
 Manawātū District attracts and retains residents and businesses.	• Develop a talent pipeline to grow a skilled workforce, and better utilise the existing labour market • Support our sectors of strength to grow through targeted business development and retention initiatives and activities • Attract business and investment to the region • Profile Manawātū locally, nationally, and globally • Develop strategic partner relationships, leveraging opportunities • Data and insights communicated on the performance of the region's economy
 Manawātū District develops a broad economic base from its solid foundation in the primary sector.	• Develop a talent pipeline to grow a skilled workforce, and better utilise the existing labour market • Deliver information, advice, programmes, and initiatives to attract more international students to the region • Support our sectors of strength to grow through targeted business development and retention initiatives and activities • Attract business and investment to the region • Profile Manawātū locally, nationally, and globally • Develop strategic partner relationships, leveraging opportunities • Data and insights communicated on the performance of the region's economy
 Manawātū District is connected via quality infrastructure, services, and technology.	• Attract business and investment to the region • Support our sectors of strength to grow through targeted business development and retention initiatives and activities

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	2022	2023	2024	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 - 65 years and over population (for demographic monitoring)	1,350 increase 530 increase	1,350 increase 530 increase	1,350 increase 530 increase	1,350 population increase pa, 1.2% average increase pa. 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 Manawatu 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 Manawatu 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 Manawatu / 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) was incorporated with the Companies Office in October 2015 and began full operations in September 2016. CEDA is a Council Controlled Organisation jointly owned by the Palmerston North City Council and the Manawatu District Council.

CEDA's Purpose

To drive and facilitate the creation and growth of economic wealth for Manawātū and beyond.

CEDA's Constitution Objectives

- (a) The principal objectives of the Company are to achieve the objectives of the shareholders, both commercial and non-commercial as specified from time to time in the Statement of Intent and, in particular, to drive and facilitate the creation and growth of economic wealth for 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 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 & Expenses

For the 12 Months to June

Income	Notes	2021-22 Budget	2022-23 Forecast	2023-24 Forecast
Council Funding	1	2,347,379	2,380,242	2,413,566
Other Services Income	2	697,928	557,928	557,928
Project Income		230,000	230,000	230,000
Total Income		3,725,307	3,168,170	3,201,494

Cost of Sales

Other Services Expenses	1,080,280	977,466	940,654
Project Expenses	231,500	230,000	230,000
Total Cost of Sales	1,311,780	1,207,466	1,170,654

Gross Surplus (Deficit)

Gross Surplus (Deficit)	1,963,527	1,960,704	2,030,840
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Other Income

Sundry Income	6,000	3,000	2,000
Total Other Income	6,000	3,000	2,000

Group Statement of Comprehensive Revenue & Expenses

For the 12 Months to June

	Notes	2021-22 Budget	2022-23 Forecast	2023-24 Forecast
Expenses				
Depreciation		4,200	2,940	2,058
Directors' Fees		180,000	180,000	180,000
Employee Expense		1,419,715	1,448,109	1,477,071
Financing Expenses		200	200	200
Other Operating Expenses		608,359	512,595	553,769
Total Expenses		2,032,274	2,013,925	2,046,334
Net Surplus (Deficit) Before Tax				
		(62,747)	(50,221)	(13,494)
Taxation				
Income Tax Expense		-	-	-
Total Taxation		-	-	-
Net Surplus (Deficit) after tax				
		(62,747)	(50,221)	(13,494)

1. Assumes renewed services agreement with Councils post 30 June 2021. Excludes project funding for NZ AgriFood Week and Sort It Careers Expo included in Project Income.

2. Assumes continuation of government programme funding post 30 June 2021.

Group Statement of Financial Position

As at 30 June

	30 June 2022 Budget	30 June 2023 Forecast	30 June 2024 Forecast
Assets			
Current Assets			
Cash and Cash Equivalents	492,527	434,583	417,339
Receivables and Accruals	300,474	303,624	306,817
Prepayments	8,250	8,250	8,250
Total Current Assets	801,251	746,457	732,406
Non-Current Assets			
Property, Plant and Equipment	27,033	24,093	22,035
Total Non-Current Assets	27,033	24,093	22,035
Total Assets	828,284	770,550	754,441

Liabilities

Current Liabilities			
Payables and Deferred Revenue	244,123	236,610	233,995
Employee Entitlements	97,172	97,172	97,172
Total Current Liabilities	341,295	333,782	331,167
Total Liabilities	341,295	333,782	331,167

Net Assets	486,989	436,768	423,274
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Equity

Contributed Capital	1,000	1,000	1,000
Retained Earnings	485,989	435,768	422,274
Total Equity	486,989	436,768	423,274

Group Statement of Cash Flows

For the 12 Months to June

	2021-22 Budget	2022-23 Forecast	2023-24 Forecast
Cash Flows from Operating Activities			
Receipts of Council funding	2,711,414	2,734,128	2,772,408
Interest received	6,000	3,000	2,000
Receipts from other operating activities	1,022,639	906,117	906,117
GST	(197,153)	(207,418)	(218,754)
Payments to suppliers and employees	(3,964,803)	(3,493,571)	(3,478,815)
Finance costs	(200)	(200)	(200)
Total Cash Flows from Operating Activities	(422,103)	(57,944)	(17,244)

Net Cash Flows	(422,103)	(57,944)	(17,244)
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Cash Balances

Cash and cash equivalents at beginning of period	914,630	492,527	434,583
Cash and cash equivalents at end of period	492,527	434,583	417,339

Net change in cash for period	(422,103)	(57,944)	(17,244)
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See Appendix for Accounting Policies

Shareholder requirements

Joint Strategic Planning Committee

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

The role of the Joint Strategic Planning Committee is to:

- Review the performance of CEDA, and report to shareholders on that performance on a periodic basis
- Undertake performance monitoring of CEDA, as per section 65 of the Local Government Act
- Approve the appointment, removal, replacement, and remuneration of directors
- Review and approve any changes to policies, or the SOI, requiring their approval

The Board aims to ensure that the Joint Strategic Planning Committee and the shareholders are informed of all major developments affecting CEDA's state of affairs, while at the same time recognising that commercial sensitivity may preclude certain information from being made public. CEDA will adhere to a 'no surprises' approach in its dealings with its shareholders and Joint Strategic Planning Committee.

Statement of Expectations

By 1 December in each year the shareholders will deliver to CEDA a Statement of Expectations. The Statement of Expectations is intended to provide direction on issues that are important to both Councils, and to assist in the development of CEDA's next SOI. A Statement of Expectations for 2020/21 has been delivered to CEDA.

Statement of Intent

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

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

Half Yearly Report

By the end of February each year, CEDA will provide to the Joint Strategic Planning Committee a Half Yearly Report complying with Section 66 of the Local Government Act 2002. The Half Yearly Report will include the following information:

- Director's commentary on operations for the relevant six-month period
- Comparison of CEDA's performance

regarding the objectives and performance targets set out in the SOI, with an explanation of any material variances

- Un-audited half-yearly Financial Statements incorporating a Statement of Financial Performance, Statement of Financial Position, Statement of Changes in Equity and Statement of Cashflows

Annual Report

By 30 September each year, CEDA will provide to the Joint Strategic Planning Committee and its shareholders an Annual Report complying with Sections 67, 68 and 69 of the Local Government Act 2002 and the Companies Act.

The Annual Report will contain the information necessary to enable an informed assessment of the operations of the company, and will include the following information:

- Directors' Report
- Financial Statements incorporating a Statement of Financial Performance, Statement of Financial Position, Statement of Changes in Equity, Statement of Cashflows, Statement of Accounting Policies and Notes to the Accounts
- Comparison of CEDA's performance regarding the objectives and performance targets set out in the SOI, with an explanation of any material variances

- Auditor's Report on the financial statements and the performance targets
- Any other information that the directors consider appropriate

Shareholder Meetings

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

Shareholder Approval

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

Dividend policy

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

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.

2. Statement of Accounting Policies

Basis of Preparation

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

Statement of Compliance

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

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

Presentation Currency

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

Historical Cost

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

Changes in Accounting Policies

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

Revenue Recognition

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

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%

Income Tax

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

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

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

Deferred tax liabilities are generally recognised for all taxable temporary differences.

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

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

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

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

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts.

Bank overdrafts are shown within borrowings in current liabilities in the statement of financial position.

Receivables

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

Impairment of financial assets

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

Loans and receivables

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

Impairment in term deposits or bonds are recognised directly against the instrument's carrying amount.

Loans and receivables

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

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

Payables

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

Equity

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

Good and Services Tax

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

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

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

Commitments and contingencies are disclosed exclusive of GST.

Employee Entitlements

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

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

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

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

Provisions

A provision is recognised for future expenditure of uncertain amount or timing when there is an 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.



The shareholders have identified the following strategic partners for CEDA: Palmerston North City Council, Manawatu District Council, Iwi, Manawatu Chamber of Commerce, Talent Central, The Factory, and key central government agencies.

The Shareholders and CEDA will continue to work together to update the existing list of strategic partners.

There may be opportunities for CEDA to leverage existing strategic relationship agreements entered into by the shareholders, e.g. Councils and NZ Defence Force.

Key Agreed Functions and Outcomes

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

This means CEDA focusing on the delivery of its core functions and outcomes in:

- Inward investment (both national and international), retention and expansion of business in the Manawatu region, along with survival and recovery of businesses due to COVID-19.
- Developing a talent pipeline.
- Domestic Visitation (due to impacts from COVID-19).

Top priorities for MDC are:

- Promotion and development of key tourism and visitor destinations, including the country road tourism route.
- Increase Inward investment for Manawatu district.
- Promote Manfield as a venue for business conferences and events and where appropriate integrate this with the promotion of business conferences and events undertaken by PNCC.
- Regional Identity project completed, and implementation started.
- CEDA to respond with identified ways for CEDA to contribute to the labour supply for farms.

Top priorities for PNCC are:

- Implementation of the Central NZ Distribution Hub Strategy.
- Support advocacy on the Palmerston North Integrated Transport Investment project.
- Increased investment in Palmerston North city.
- Assist with a smooth transition of specified functions to PNCC.

A specific joint priority of MDC and PNCC is:

- Develop a Food and Fibre Strategy that addresses the total value chain from primary production, farmers and growers to agri-business clusters, e.g. rural



18 May 2021

Malcolm Bailey
Chair
Central Economic Development Agency Ltd
Level 1/1-19 Fitzherbert Avenue
PALMERSTON NORTH 4410

Dear Malcolm

CEDA Statement of Expectations 2021-2022

The purpose of this Statement of Expectations is to provide CEDA with the Shareholders' focus and priorities for delivery, against its purpose of driving and facilitating the creation and growth of economic wealth in the Manawatu region and beyond.

When working beyond the Manawatu, there must be a causal link of the outcomes or benefits back to the Manawatu region based on the core functions and measures of success outlined below.

It is also expected that CEDA will use this letter to guide the development of the Statement of Intent (SOI) for 2021-2022.

Strategic Relationships

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

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

Ongoing review of the existing strategic partnership agreements already in place is expected.

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banks, real estate, insurance, vets, sale yards, stock firms, grain & seed merchants, agri-retail and rural tourism with a Manawatu District focus, through to agri-tech & science, including supporting Food HQ with its aspirations.

In balancing the priorities of each council within its resources, CEDA is expected to adhere to its purpose in the constitution of "driving and facilitating the creation and growth of economic wealth in the Manawatu region and beyond" and take into account the priorities identified in regional strategic planning documents, including the Regional Spatial Plan.

While International Education is now a function that primarily sits with Palmerston North City Council, the shareholders expect CEDA to continue to consider the aspirations of the International Education sector with respect to the delivery of its other core functions.

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

As we have discussed, it is expected that CEDA will work very closely with key stakeholders of the regions strengths of research/agri-food/agribusiness/land/horticulture, distribution and logistics, defence, health, visitor, education (domestic and international), digital and technology, and a growing Maori economy.

CEDA is expected to scan for new opportunities, whether or not it is a key strength, where this can benefit the region.

CEDA's success will be measured by the shareholders using the following indicators of the health of the regional economy:

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

The shareholders acknowledge that the first two measures are not directly under CEDA's control. Significant changes in international and national economic factors will be taken into account when the Shareholders measure CEDA's performance.

Understanding the strategic drivers of the Councils and aligning CEDA's core functions to those drivers is critical to the partnership between the Councils and CEDA. The Councils have a key role in setting the economic environment for business to flourish and CEDA acts on the Councils behalf in facilitating opportunities for improved economic outcomes. CEDA is the Councils Agency for the delivery of economic development across the region.

Therefore, it is expected that CEDA will engage with the Councils in the development and implementation of their strategies and plans (such as Inward Investment Strategy, Labour Market Plan, Visitor Strategy and Māori Engagement Plan). These strategies and plans are expected to demonstrate active engagement with other strategic partners in their development.

The Councils are obliged to ensure that our services are delivered effectively and efficiently.

As a Council-Controlled Organisation (CCO), this expectation extends to CEDA. The Shareholders require CEDA to provide an activity-based budget so the Council can effectively communicate levels of service and value for money to their ratepayers. In addition, there are many opportunities where shared resourcing, expertise and services should be explored and we would like to discuss these opportunities from both a short-term and long-term perspective.

To ensure the Shareholders and CEDA are on the same page, the focus, scope of activity, and priorities will be set through the Statement of Intent (SOI), and delivery managed through any relationship agreement that is put in place.

For the purposes of clarity, following the reduction in CEDA funding by PNCC from 1 July 2021, the following functions are now the responsibility of Palmerston North City Council:

- a) Support of the International Education sector.
- b) Marketing of Palmerston North for business conference and events.
- c) Palmerston North specific marketing and communications activities.

The shareholders expect that where CEDA is marketing the Manawatu region and this requires differentiating between the Manawatu, Feilding and Palmerston North, that this will continue to be delivered by CEDA in close collaboration with both shareholders.

The Shareholders would like to continue the monthly team meeting between the Mayors, Council CE's and relationship managers with the CEDA Chair and CE, although the purpose and participation at these meetings should be reviewed in collaboration with the shareholders.

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

Yours sincerely



Grant Smith
Mayor
PALMERSTON NORTH CITY COUNCIL



Helen Worboys
Mayor
MANAWATU DISTRICT COUNCIL

Partner Organisations

Current partner organisations that CEDA works with:

Local	Regional	National
Central Skills Hub	Accelerate 25	AgResearch
Feilding and District Promotion	Te Pae Tawhiti	Air New Zealand
FoodHQ	Business Central and Export NZ	ASB Bank
IPU New Zealand	Horizons Regional Council	Business Events Industry Aotearoa
Lamberts	Horowhenua and Company	Business Mentors New Zealand
Manawatū Chamber of Commerce	Horowhenua District Council	Callaghan Innovation
Manawatū District Council	Ruapehu District Council	Economic Development New Zealand
Manawatū Standard	Rangitikei District Council	Education New Zealand
Manfield	Tararua District Council	Fairfax
Massey University	Te Mana Atatu	Immigration New Zealand
MediaWorks	Whanganui and Partners	i-SITE New Zealand
National Driver Training Centre	Whanganui Chamber of Commerce	Ministry of Business, Innovation & Employment
Palmerston North City Council	Whanganui District Council	Ministry of Social Development
Palmerston North Airport		New Zealand Chef's Association
Regional Schools		New Zealand Events Association
Spearhead Manawatū		New Zealand Trade and Enterprise
Sport Manawatū		New Zealand Media and Entertainment
Sprout Agritech		New Zealand Motor Caravan Association
Talent Central		Regional Tourism New Zealand
Te Au Pakihi		Regional Business Partners Network
Te Manawa		Regional Tourism Organisations New Zealand
The Factory		Tourism New Zealand
UCOL		Westpac
Venues and Events Palmerston North		

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CEDA
CENTRAL ECONOMIC
DEVELOPMENT AGENCY



18 May 2021

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