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# **PALMERSTON NORTH CITY COUNCIL**

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

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**1:00PM, WEDNESDAY 21 JUNE 2017**

**COUNCIL CHAMBER  
FIRST FLOOR  
CIVIC ADMINISTRATION BUILDING  
32 THE SQUARE  
PALMERSTON NORTH**

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## MEMBERSHIP

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Grant Smith (PNCC Mayor)  
Helen Worboys (MDC Mayor)

PNCC  
Susan Baty  
Leonie Hapeta  
Jim Jefferies  
Tangi Utikere

MDC  
Barbara Cameron  
Shane Casey  
Michael Ford  
Phil Marsh

**Agenda items, if not attached, can be viewed at:**

[pncc.govt.nz](http://pncc.govt.nz) | Civic Administration Building, 32 The Square  
City Library | Ashhurst Community Library | Linton Library

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**David Wright**

**Acting Chief Executive, Palmerston North City Council**

**Palmerston North City Council**

W [pncc.govt.nz](http://pncc.govt.nz) | E [info@pncc.govt.nz](mailto:info@pncc.govt.nz) | P 356 8199  
Private Bag 11034, 32 The Square, Palmerston North



**EXTRAORDINARY MANAWATU DISTRICT/PALMERSTON  
NORTH CITY JOINT STRATEGIC PLANNING COMMITTEE  
MEETING**

21 June 2017

***MEETING NOTICE***

Pursuant to Clause 21 of Schedule 7 of the Local Government Act 2002, I hereby requisition an extraordinary meeting of the Council to be held at 9.00am on Wednesday, 21 June 2017 in the Council Chamber, first floor, Civic Administration Building, 32 The Square, Palmerston North, to consider the business stated below.

A handwritten signature in black ink, appearing to be 'G. J. S.', followed by a horizontal line.

**MAYOR**

## ORDER OF BUSINESS

### 1. Apologies

### 2. Notification of Additional Items

Pursuant to Sections 46A(7) and 46A(7A) of the Local Government Official Information and Meetings Act 1987, to receive the Chairperson's explanation that specified item(s), which do not appear on the Agenda of this meeting and/or the meeting to be held with the public excluded, will be discussed.

Any additions in accordance with Section 46A(7) must be approved by resolution with an explanation as to why they cannot be delayed until a future meeting.

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

### 3. Public Comment

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

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

### 4. Confirmation of Minutes

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"That the minutes of the MD/PNCC Joint Strategic Planning Committee meeting of 31 March 2017 Part I Public be confirmed as a true and correct record".

### 5. Presentation - Linda Stewart, CEDA CEO - Agri-Investment Week

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Presentation, dated 8 June 2017, by Kyle Whitfield.

### 6. Central Economic Development Agency - Final Statement of Intent for 2017/18

Page 13

Memorandum, dated 6 June 2017 from the General Manager, Community and Strategy, Manawatu District Council, Brent Limmer and the General Manager - City Future, Sheryl Bryant.

## 7. Exclusion of Public

To be moved:

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

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

General subject of each matter to be considered	Reason for passing this resolution in relation to each matter	Ground(s) under Section 48(1) for passing this resolution

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

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

Acting Chief Executive (David Wright), Chief Financial Officer (Grant Elliott), General Manager, City Enterprises (Ray McIndoe), General Manager, City Future (Sheryl Bryant), General Manager, City Networks (Ray Swadel), General Manager, Customer Services (Peter Eathorne), General Manager, Libraries and Community Services (Debbie Duncan), Human Resources Manager (Wayne Wilson) and Strategic Communications Manager (Mark Torley) because of their knowledge and ability to provide the meeting with advice on matters both from an organisation-wide context (being members of the Council’s Management Team) and also from their specific role within the Council.

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

Governance and Support Team Leader (Kyle Whitfield) and Committee Administrators (Penny Odell, Carly Chang and Rachel Corser), because of their knowledge and ability to provide the meeting with procedural advice and record the proceedings of the meeting.

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

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

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specified].

## PALMERSTON NORTH CITY COUNCIL

### Minutes of the Extraordinary Manawatu District/Palmerston North City Joint Strategic Planning Committee Meeting Part I Public, held in the Council Chamber, First Floor, Civic Administration Building, 32 The Square, Palmerston North on 31 March 2017, commencing at 1.00pm

**Members**      **Manawatu District Council**

**Present:**      The Mayor (Helen Worboys) and Councillors Barbara Cameron, Shane Casey, Michael Ford and Phil Marsh.

**Palmerston North City Council**

The Mayor (Grant Smith) and Councillors Susan Baty, Leonie Hapeta and Tangi Utikere.

**Non**              **Manawatu District Council**  
**Members:**

Councillors Steve Bielski, Hilary Humphrey and Alison Short.

**Palmerston North City Council**

Councillors Rachel Bowen, Adrian Broad, Gabrielle Bundy-Cooke, Duncan McCann, Bruno Petrenas and Aleisha Rutherford.

**Apologies:**      Councillor Jim Jefferies.

**Note:**      The meeting was Chaired by the Palmerston North City Council Chief Executive until the election of a Chair and Deputy Chair which was in clause 2-17.

**1-17**              **Apologies**

Moved Grant Smith, seconded Leonie Hapeta.

The **COMMITTEE RESOLVED**

1. That the Committee receive the apologies.

**2-17**              **Appointment of Chair and Deputy Chairperson of the Manawatu District/Palmerston North City Joint Strategic Planning Committee**

Memorandum, dated 28 February 2017 from the Governance & Support Team Leader, Kyle Whitfield.

Moved Michael Ford, seconded Tangi Utikere.

The **COMMITTEE RESOLVED**

1. That the Mayor of Palmerston North City Council be the Chairperson and the Mayor of Manawatu District Council become the Deputy Chairperson of the Manawatu District/Palmerston North City Joint Strategic Planning



Committee.

**3-17**

**Public Participation at Meetings**

Memorandum, dated 16 March 2017 from the Governance & Support Team Leader, Kyle Whitfield.

Moved Grant Smith, seconded Tangi Utikere.

The **COMMITTEE RESOLVED**

1. That Manawatu District/Palmerston North City Joint Strategic Planning Committee set aside a public comment section of not more than 30 minutes at the commencement of each ordinary meeting of the Committee to provide members of the community the opportunity to comment.

**4-17**

**Presentation - Gravel and Tar**

Presentation, dated 16 March 2017, by Kyle Whitfield.

Moved Grant Smith, seconded Leonie Hapeta.

The **COMMITTEE RESOLVED**

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

**5-17**

**Central Economic Development Agency - Annual Report for 9 Months Ended 30 June 2016**

Memorandum, dated 12 March 2017 from the General Manager - City Future, Sheryl Bryant and the General Manager, Community and Strategy, Manawatu District Council, Brent Limmer.

Moved Grant Smith, seconded Helen Worboys.

The **COMMITTEE RECOMMENDS**

1. That the Annual Report and Financial Statements of the Central Economic Development Agency for the year ended 30 June 2016 be received.

**6-17**

**Central Economic Development Agency - Interim Report for 6 Months to 31 December 2016**

Memorandum, dated 12 March 2017 from the General Manager - City Future, Palmerston North City Council, Sheryl Bryant and the General Manager - Community and Strategy, Manawatu District Council, Brent Limmer.

Moved Grant Smith, seconded Helen Worboys.

The **COMMITTEE RECOMMENDS**



1. That the Interim Report and Financial Statements of the Central Economic Development Agency for the period ended 31 December 2016 be received.

**7-17 Central Economic Development Agency - Draft Statement of Intent for 2017/18**

Memorandum, dated 12 March 2017 from the General Manager - City Future, Palmerston North City Council, Sheryl Bryant and the General Manager - Community and Strategy, Manawatu District Council, Brent Limmer.

Moved Grant Smith, seconded Helen Worboys.

The **COMMITTEE RECOMMENDS**

1. That the Central Economic Development Agency's draft Statement of Intent for 2017/18 be received.
2. That the comments on the draft SOI be conveyed to CEDA for its consideration in finalising the SOI:
  - Working closely with the councils in developing a marketing strategy to promote a sense of identity for the region
  - Working closely with the councils in undertaking any analysis of the events sector and subsequent discussion that may evolve in regard to roles and relationships
  - Advancing the work on the Business Hub to achieve greater collaboration and synergy amongst key partners
  - Establishing a relationship with Iwi
  - Working with councils to better understand their strategic aspirations and growth plans.
  - The outcome of supporting the growth of business in the region also include job growth.
  - The service statement regarding business development and support be strengthened to focus on inward investment and new businesses as a priority and that the associated activities include specific reference to Spearhead Manawatu and the Lead Team (i.e. MDC and PNCC Mayors and CEOs; CEDA Chair and CEO; and Spearhead Principal) as a key activity in achieving inward investment.

The meeting finished at 2.09pm

Confirmed 31 May 2017

**Chairperson**





## **PRESENTATION**

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

**MEETING DATE:** 21 June 2017

**TITLE:** Presentation - Linda Stewart, CEDA CEO - Agri-Investment Week

**FROM:** Kyle Whitfield – Governance and Support Team Leader

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

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

### **ATTACHMENTS**

Nil



## MEMORANDUM

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

**MEETING DATE:** 21 June 2017

**TITLE:** Central Economic Development Agency - Final Statement of Intent for 2017/18

**DATE:** 6 June 2017

**AUTHOR/S:** Brent Limmer, General Manager, Community and Strategy, Manawatu District Council, -  
Sheryl Bryant, General Manager - City Future, City Future

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### RECOMMENDATIONS TO COMMITTEE

1. That the Central Economic Development Agency Statement of Intent for 2017/18 be agreed.
2. That CEDA's role in events be noted.

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### 1. ISSUE

The Central Economic Development Agency (CEDA) as a Council Controlled Organisation is required to prepare and adopt a Statement of Intent (SOI) each year before 30 June. The final SOI for 2017/18 is attached for agreement by the Committee. In the context of the SOI, events is specifically addressed in this report to address the concerns raised at the last Committee meeting.

### 2. BACKGROUND

CEDA's draft SOI was considered by the Joint Strategic Planning Committee on 31 March 2017. The draft was received and the following comments were conveyed to CEDA for its consideration in finalising the SOI:

- "Working closely with the councils in developing a marketing strategy to promote a sense of identity for the region
- Working closely with the councils in undertaking any analysis of the events sector and subsequent discussion that may evolve in regard to roles and relationships

# ITEM 6

- Advancing the work on the Business Hub to achieve greater collaboration and synergy amongst key partners
- Establishing a relationship with Iwi
- Working with councils to better understand their strategic aspirations and growth plans
- The outcome of supporting the growth of business in the region also include job growth
- The service statement regarding business development and support be strengthened to focus on inward investment and new businesses as a priority and that the associated activities include specific reference to Spearhead Manawatu and the Lead Team (i.e. MDC and PNCC Mayors and CEOs; CEDA Chair and CEO; and Spearhead Principal) as a key activity in achieving inward investment.”

CEDA has considered the Committee’s comments and made a number of changes. CEDA’s responses are summarised below:

Committee’s Comments	CEDA’s Response
Marketing strategy and promotion of sense of identity	Amended SOI: Working collaboratively with Councils to develop a marketing strategy and activities to develop strong sense of Manawatu identity.
Analysis of events sector and subsequent roles and relationships	Amended SOI: Working collaboratively with Councils to design, develop and establish a regional events and conference model.
Business Hub	Amended SOI: Business hub establishment strategy.
Relationship with Iwi	CEDA fully intends to establish relationships with Iwi and engagement has already been initiated. At this stage there is not a clear understanding of what activity this may lead to. This will be addressed in future SOI’s when specific actions have been identified.
Understanding of Councils’ strategic aspirations and growth plans	This has not been included as a specific action as it is implicit and fundamental to the way CEDA and the Councils work together. CEDA is fully committed to working with the Councils.

Committee's Comments	CEDA's Response
Supporting business growth outcome to include job growth	Job growth has been identified as a monitoring indicator.
Strengthening inward investment	Amended SOI: Specific reference has been made to Spearhead Manawatu. The reference to the Lead Team is more appropriately covered in the contract between CEDA and Spearhead Manawatu.

There has been concern expressed about the lack of clarity in regard to CEDA's role in events. This was raised at the last Committee meeting and has also been raised through each Council's annual plan submission process. CEDA has addressed this through the activity in the SOI of working collaboratively with Councils to design, develop and establish a regional events and conference model. In addition, CEDA has agreed their role in regional events as:

- Delivery of major events (Agri-Investment Week, Sort-It Expo)
- Facilitating major events
- Attracting and facilitating economic events to the region (e.g. BIDs)
- Administering a major events fund (subject to Councils' annual plan deliberations)
- Supporting a visitor experience around events
- Supporting marketing and promotion of events that attract visitors
- Providing a single point of contact for events coming to the region
- Co-ordinating a regional events calendar.

This role is consistent with the contracted services required of CEDA, being:

- Major events that support priority sectors and economic growth and/ or enhance the reputation of the Manawatu
- Co-ordinating the promotion of key events and adding value to the visitor experience.

CEDA and the Councils will jointly bring proposed criteria for major events funding, together with a recommended administration framework, to a joint workshop for discussion and direction.

In addition, CEDA has completed the section on monitoring indicators, which at the time of the draft was yet to be addressed. In completing this section, CEDA has consulted with both Councils' economists.



### 3. OPTIONS

Under the Local Government Act, S65(2) states that:

“A local authority must, as soon as practicable after a statement of intent of a council-controlled organisation is delivered to it,—

(a) agree to the statement of intent; or

(b) if it does not agree, take all practicable steps under clause 5 of Schedule 8 to require the statement of intent to be modified.”

The latter option would mean the shareholders, by resolution, requiring the Board to modify its SOI by omitting or including provisions of the kind referred to in Schedule 8 (9) (1) (a)-(i). The shareholders would be required to give notice to the Board of the resolution but before doing so, they are required to consult with the Board on the matters included in the notice.

The recommended option is to agree to the SOI.

### 4. NEXT STEPS

There are no further steps required of the Councils. However, the Board is required to make the SOI available to the public within 1 month after the date on which it is delivered to the shareholders or adopted, as the case may be.

### ATTACHMENTS

1. CEDA Final Statement of Intent 2017/18 [↓](#) 

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

Sheryl Bryant  
**General Manager - City  
Future**



# Central Economic Development Agency Limited (CEDA)

Statement of Intent  
for the year ending 30 June 2018

31 May 2017

## Contents

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## Company Directory

### Central Economic Development Agency Limited Ltd

Level 1, 478 Main St  
Palmerston North 4410

Phone: 06 350 1830  
Website: [www.ceda.nz](http://www.ceda.nz)

### Chief Executive

Linda Stewart

### Directors

Malcolm Bailey (Chairperson)  
Shamubeel Eaqub  
John Fowke  
Lucy Griffiths  
Blair O'Keeffe

### Registered Office

Morrison Creed Advisory  
Cnr Victoria Ave & Main St, Palmerston North

### Bankers

Westpac New Zealand Ltd

### Auditors

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

### Legal Status

Central Economic Development Agency Limited ("CEDA") was incorporated in New Zealand on 15 October 2015 under the Companies Act 1993 (NZBN 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.

## Foreword

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

This is the third Statement of Intent for CEDA, which came into existence in September 2015, with the current Board assuming control from the Interim Directors in December 2015, CEO commencing in July 2016 and purchase of Vision Manawatu and Destination Manawatu effective 1 September 2016. Since that time we have been focused on transitioning the two previous organisations into CEDA, undertaking business as usual activities and setting the platform for CEDA's first full year of operation in 2017/18.

Underpinning this SOI is our foundation research project which provides an evidence base for CEDA to focus our activities. The research took a more in-depth look at Palmerston North and Manawātū's competitive advantages and opportunities for economic growth, barriers and ways to overcome them, and perceptions of the region. The research identified that Palmerston North and Manawātū businesses are more confident about their business and the regional economy than their counterparts throughout New Zealand. There is a strong foundation in local businesses but there are some roadblocks. The research recommends CEDA focus on:

- Three strong sectors for growth:
  - Agriculture, technology, science and research hub (and the intersection of these)
  - Distribution and logistics
  - Central Government sector: Accelerate 25, education and training, defence, 2nd home of Government.
- Addressing the top three barriers businesses have identified by:
  - Attracting highly skilled staff
  - Helping councils to be business enablers
  - Fostering a strong sense of a positive Manawatu identity.
- Strengthening existing initiatives on connecting/collaboration including FoodHQ, Talent Central and Building Clever Companies.
- Communicating:
  - Aspirational long-term vision for Manawatu
  - CEDA's role - collaboration and connecting
  - Undertake and communicate early steps
  - Sustained positive talk and ongoing conversations

We have summarised our focus into three strategic areas going forward:

1. **Support the Growth of Business**
2. **Grow and Retain Education & Talent**
3. **Enhance the Brand and Experience**

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



Malcolm Bailey  
Chairperson

## Purpose of Statement of Intent

This Statement of Intent (SOI) 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 SOI publicly states the activities and intentions of CEDA for the next three years, and the objectives to which those activities will contribute. This SOI takes shareholder letter of expectation comments into consideration and includes performance measures and targets as the basis of organisational accountability.

## About CEDA

The Central Economic Development Agency (CEDA) has been operating since 1 September with the purchase of Vision Manawatu and Destination Manawatu. CEDA is a Council controlled organisation jointly owned by the Palmerston North City Council and the Manawatu District Council.

### CEDA's Mission

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

### Structure of CEDA's operations including governance arrangements

The Board of up to seven (currently five) 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 SOI.

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 Manawatu District Council and Palmerston North City Council

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

## CEDA's Strategic Objectives 2017-2020

Informed by an independent research project, CEDA has identified three key strategic objectives that collectively articulate CEDA's role in driving and facilitating the creation and growth of economic wealth for Manawatu and beyond. These are:

1. **Support the Growth of Business** in the Region to grow Bigger and Better
2. **Grow and Retain Education & Talent** in the Region so Businesses have the Skills to Grow
3. **Enhance the Brand and Experience** of the Region



## Performance Outlook 2017-18

The following performance measures have been completed following the establishment of CEDA and the completion of the foundation research project. This also incorporates CEDA's nature and scope of activities.

Service Level Statement	Measure	2017/18	Activities
Support the Growth of Business in the Region to grow Bigger and Better, GDP growth is at or above the National average*			
Business Development and Support - Deliver information, advice, programmes and initiatives to assist businesses to grow bigger, better, faster, to attract inward investment and new business establishment, and to develop a skilled workforce	Number of businesses that have been assisted through a CEDA intervention	400	Work with business and Councils to reduce barriers to business investment and development*
			Callaghan Innovation R&D Grants through Regional Business Partner Network
			Capability Development co-funding issued to businesses
			Business Mentor programme matches
			Attract investment expansion and new businesses to the Region in collaboration with Spearhead Manawatu
			Maori business engagements
			Business hub establishment strategy
	Satisfaction – Net Promoter Score for Regional Engagement under the Regional Business Partners programme	>50	Actively manage businesses through Regional Business Partner programme
Facilitate collaboration, innovation and entrepreneurship in key sectors. Scale up the commercialisation of innovative start-ups	% satisfaction with BCC support /services provided (through customer survey)	increase on baseline	Engage mentors to assist emerging entrepreneurs
			Provide Start-ups 1:1 incubation
Grow and Retain Education & Talent in the Region so Businesses have the Skills to Grow, reducing business perception of staffing as a barrier to growth by 3% over 3 years*			
Deliver information, advice, programmes and initiatives to attract more international students to the region by implementation of the Regional International Education Strategy	Increase the value of international students in the region	increase on baseline	Strategy Implementation - Market Development (selecting target markets for collaborative activities)
			Strategy Implementation - Marketing & Communications (telling the story)
			Strategy Implementation - Student Experience (ensuring repeat business)
Growing a Skilled Workforce, increasing talent capability by development of labour market strategies and delivery of the Sort-It expo	Develop a Labour Market Strategy for the region	implement strategy	Labour market analysis and strategy*
			Sort it Careers Expo
			Partnership agreement with MBIE / Immigration New Zealand

Priority Sectors continue to grow	Undertake sector specific surveys (based on priorities identified in Research) to understand sectors and develop sector strategies based on results	complete agribusiness sector survey	<b>Distribution and Logistics†</b> <ul style="list-style-type: none"> <li>- Sector survey completed</li> <li>- Distribution and Logistics development plan†</li> </ul> <b>Agri (food, business, land, horticulture)†</b> <ul style="list-style-type: none"> <li>- New Zealand AgriFood Investment Week including: Plate of Origin, Launch Event, ASB Perspective 2025</li> <li>- Support of FoodHQ</li> <li>- Agriculture, technology, science, research development plan†</li> </ul> <b>Government†</b> <ul style="list-style-type: none"> <li>- Relevant activities under Accelerate 25</li> <li>- Defence Issues in the Manawatu regular meetings</li> <li>- Defence/PNCC/MDC Collaboration Agreement</li> <li>- Facilitation/support provided to Manawatu Defence Hub</li> </ul>
<b>Enhance the Brand and Experience of the Region so People who say they are Proud they Live in the Region^ increases by 3% over 3 years*</b>			
Promotion of lifestyle to support the attraction of people to work, study, invest, or visit.	Undertake annual Research, report results to stakeholders to understand and develop strategy	undertake research and report by 30 September	<ul style="list-style-type: none"> <li>- Working collaboratively with Councils to develop a marketing strategy and activities to develop strong sense of Manawatu identity*</li> <li>- www.ManawatuNZ.co.nz</li> <li>- Collateral developed</li> <li>- Visitor programmes, eg The Country Road</li> <li>- Social media</li> <li>- QRIOUS reporting</li> <li>- CAM data</li> <li>- Marketview reporting (Quarterly)</li> <li>- Retail vacancy survey (pilot)</li> <li>- Support CBD vibrancy projects</li> </ul>
			Provision of visitor information centres and services
			Manawatu Business Awards (biennial)
Promotion and information of services that increase the number of visitors and guest nights	Number of business events bids submitted (win/loss ratio)	14 (33%)	Targeted sales contacts made with conference organisers or related organisations.
	Analysis of major events sector	Finish baseline	Activity towards setting baseline
			Working collaboratively with Councils to design, develop and establish a regional events and conference model

\* High priority to address barriers to growth as identified by research

† Priority growth sectors as identified by research

^ Region is defined as Manawatu region consisting of Palmerston North City and Manawatu District.

## 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 monitoring indicators have been finalised during the Shareholders feedback from the Statement of Intent process. The Councils have the responsibility to report on these indicators.

Indicator	2018	2019	2020	Regional target
Change in total number of jobs	750 increase	750 increase	750 increase	750 jobs increase pa, 1.3% average annual increase. 2,250 jobs over three years.
Change in average salaries and wages	2.6%	2.6%	2.6%	2.6% pa increase.
Change in total earnings (salaries, wages and self-employment income)	3.7%	3.7%	3.7%	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 annual increase. Estimated 530 population increase pa, 3.3% pa.
Net overseas migration	660 gain	660 gain	660 gain	660 average annual net migration gain.
Spend by visitors in 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

## Financial Performance

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

For the 12 Months to June

	Notes	2017-18 Budget	2018-19 Forecast	2019-20 Forecast
<b>Income</b>				
Council Funding	1	2,254,214	2,243,435	2,267,369
Other Services Income		793,080	794,877	796,691
Project Income		431,000	551,153	431,308
<b>Total Income</b>		<b>3,478,294</b>	<b>3,589,465</b>	<b>3,495,368</b>
<b>Cost of Sales</b>				
Other Services Expenses		1,305,930	1,239,727	1,216,541
Project Expenses		276,000	376,000	276,000
<b>Total Cost of Sales</b>		<b>1,581,930</b>	<b>1,615,727</b>	<b>1,492,541</b>
<b>Gross Surplus (Deficit)</b>		<b>1,896,363</b>	<b>1,973,738</b>	<b>2,002,827</b>
<b>Other Income</b>				
Sundry Income		19,000	19,000	19,000
<b>Total Other Income</b>		<b>19,000</b>	<b>19,000</b>	<b>19,000</b>
<b>Expenses</b>				
Directors' Fees		155,000	155,000	155,000
Employee Expense		1,454,328	1,526,893	1,549,796
Other Operating Expenses		280,245	282,033	285,136
Depreciation		20,446	14,842	10,819
<b>Total Expenses</b>		<b>1,910,019</b>	<b>1,978,768</b>	<b>2,000,751</b>
<b>Net Surplus (Deficit) Before Tax</b>		<b>5,345</b>	<b>13,970</b>	<b>21,076</b>
<b>Taxation</b>				
Income Tax Expense		1,497	3,912	5,901
<b>Total Taxation</b>		<b>1,497</b>	<b>3,912</b>	<b>5,901</b>
<b>Net Surplus (Deficit) after tax</b>		<b>3,848</b>	<b>10,058</b>	<b>15,175</b>

1. Excludes project funding for NZ Agri Investment Week and Sort It Careers Expo included in Project Income

## Financial Performance

### Central Economic Development Agency Limited Statement of Financial Position

As at 30 June

	30 June 2018 Budget	30 June 2019 Forecast	30 Jun 2020 Forecast
<b>Assets</b>			
<b>Current Assets</b>			
Cash and Cash Equivalents	1,050,652	1,019,511	961,042
Receivables and Accruals	512,749	501,742	504,802
Prepayments	5,371	5,371	5,371
Inventories	8,720	8,720	8,720
<b>Total Current Assets</b>	<b>1,577,492</b>	<b>1,535,344</b>	<b>1,479,935</b>
<b>Non-Current Assets</b>			
Property, Plant and Equipment	57,287	42,445	31,626
<b>Total Non-Current Assets</b>	<b>57,287</b>	<b>42,445</b>	<b>31,626</b>
<b>Total Assets</b>	<b>1,634,779</b>	<b>1,577,789</b>	<b>1,511,561</b>
<b>Liabilities</b>			
<b>Current Liabilities</b>			
Payables	317,238	320,228	308,824
Deferred Revenue	414,800	344,798	274,798
Employee Entitlements	51,895	51,895	51,895
<b>Total Current Liabilities</b>	<b>783,933</b>	<b>716,921</b>	<b>635,517</b>
<b>Total Liabilities</b>	<b>783,933</b>	<b>716,921</b>	<b>635,517</b>
<b>Net Assets</b>	<b>850,846</b>	<b>860,868</b>	<b>876,044</b>
<b>Equity</b>			
Contributed Capital	1,000	1,000	1,000
Retained Earnings	849,846	859,868	875,044
<b>Total Equity</b>	<b>850,846</b>	<b>860,868</b>	<b>876,044</b>

## Financial Performance

### Central Economic Development Agency Limited Statement of Cash Flows

For the 12 Months to June

	2017-18 Budget	2018-19 Forecast	2019-20 Forecast
<b>Cash Flows from Operating Activities</b>			
Receipts from operating activities	3,675,968	4,058,391	3,936,112
Interest received	13,800	13,800	13,800
Sundry income	8,050	8,050	8,050
Payments to suppliers and employees	3,612,776	3,888,186	3,790,006
GST	323,103	223,196	226,425
<b>Total Cash Flows from Operating Activities</b>	<b>(238,061)</b>	<b>(31,141)</b>	<b>(58,469)</b>
<b>Net Cash Flows</b>	<b>(238,061)</b>	<b>(31,141)</b>	<b>(58,469)</b>
<b>Cash Balances</b>			
Cash and cash equivalents at beginning of period	1,288,713	1,050,652	1,019,511
Cash and cash equivalents at end of period	1,050,652	1,019,511	961,042
<b>Net change in cash for period</b>	<b>(238,061)</b>	<b>(31,141)</b>	<b>(58,469)</b>

## Shareholder requirements

### Joint Strategic Planning Committee of Manawatu District Council and Palmerston North City Council

The Joint Strategic Planning Committee 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.

### Letter of Expectations

By 1 December in each year the Shareholders will deliver to CEDA a Letter of Expectations. The Letter of Expectations is intended to provide direction on issues that are important to both Councils, and to assist in the development of CEDA's next SOI. A Letter of Expectations for 2017/18 has been delivered to CEDA. CEDA is continuing to collaborate with external agencies, including contracting to Building Clever Companies (BCC) and Spearhead. Both are reported as activities in the Performance Outlook. CEDA is aware of the ability to utilise Council support services.

### Statement of Intent

By 1 March in each year CEDA will deliver to the Joint Strategic Planning Committee of the Shareholders its draft 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 with regard to 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 the CEDA's performance with regard to 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.

## Main sources of CEDA's cash and resource

Service agreements with the Council shareholders are the primary source of funding to CEDA. CEDA also receives funding from industry and Government.

## 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.

## Statement of Accounting Policies

### 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.

### 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 have been prepared in accordance with Tier 2 PBE accounting standards on the basis it has no public accountability and in the following year is expected to have expenses > \$2m and < \$30m.

These financial statements comply with PBE standards.

### Presentational Currency

These financial statements are prepared in New Zealand dollars.

### Historical Cost

These financial statements have been prepared on a historical cost basis, except for certain assets which have been revalued as identified in specific accounting policies below. The financial statements are presented in New Zealand dollars (NZ\$) and all values are rounded to the nearest NZ\$, except when otherwise indicated.

### 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 income 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.

Dividends received are recognised on receipt, net of non-refundable tax credits.

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.

#### **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 profit (loss) 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.

Property, plant and equipment are initially shown at cost or at fair value in the case where an asset is acquired at no cost or for a nominal cost. Cost includes any costs that are directly attributable to the acquisition of the items.

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.

Upon derecognition, the asset revaluation reserve relating to the asset disposed shall be transferred to retained earnings.

#### **Depreciation**

<u>Account</u>	<u>Method</u>	<u>Rate</u>
Plant & Equipment	Diminishing Value (100%)	10% - 20%
Leasehold Improvements	Diminishing Value (100%)	10% - 40%
Vehicles	Diminishing Value (100%)	30%
Office Furniture & Equipment	Diminishing Value (100%)	0% - 67%

#### **Income Tax**

Current tax is the amount of income tax payable based on the taxable profit for the current year, plus any adjustments to income tax payable in respect of prior years. Current tax is calculated using tax rates (and tax laws) that have been enacted or substantively enacted at balance date.

#### **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.

#### **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.

#### **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.

#### **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.

#### **Goods 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.