

Te Tauākī Takune
**Statement
of Intent**

for the year ending 30 June 2023

1 March 2022

Company Directory

Central Economic Development Agency Limited

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

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📍 CEDA.nz

Chief Executive

Jeremy Shearman (Jerry)

Directors

Robyn O'Fee (Bobbie) - Chairperson
Paul Bayly
Margharita Mare (Margy)
David Norman
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 Manawātū District Council (50%) CEDA is a Council Controlled Organisation as defined in section 6 of the Local Government Act 2002.

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Front Page image: **Farm, Manawātū**

Kupu Takamua

Foreword

Ngā mihi nui ki a koutou katoa,

We are pleased to present our Statement of Intent for 2022/23.

Our regional economy has remained strong in the face of the challenges of the past couple of years, thanks to our diverse range of sectors, central location and a significant pipeline of capital projects and investment. While this has shielded us well, we will continue to focus on areas of opportunity for the region as we face record-high CPI inflation increases, ongoing labour challenges and a tight housing market.

It is comforting to understand our exporters will benefit from high commodity prices and strong global demand, and with our strength in food production and our large public sector, it is likely that household incomes in the region will be less affected than many other parts of the country. We will likely, still see a decline in expenditure as a result of a reduction in disposable income due to rising prices and interest rates.

While it is difficult to predict what is ahead of us, we can take reassurance from our robust economy, strong GDP and the high volume of catalyst infrastructure projects underway that will help, shape the future of Manawatū.

As we reflect on the last two years, we have reviewed our work in these areas to understand key learnings to help steer us into the future and ensure we are in a stronger and more informed position to respond to future economic disruption.

CEDA has progressed well over the past six months. Highlights include establishing the region's position as the Central New Zealand Distribution Hub. This initiative will have great significance reaping long term

economic, social and environmental benefits for the region and country, including reducing emissions through more efficient freight movement of goods in Aotearoa.

Development of the Manawatū Food Strategy continues with a focus on positioning the region as a leading agrifood, science and innovation hub. This and the work underway to future proof the regions talent pool are large contributors to our vision of Manawatū being New Zealand's most progressive region by 2025.

Special mention must go to our partners who enable CEDA's mahi. It is with the ongoing collaboration and support with Rangitāne o Manawatū, The Factory, Sprout Agritech, FoodHQ, UCOL, Manawatū Business Chamber, Talent Central, Te Manu Atatū, and Feilding and District Promotions, that supports momentum for our region in developing and attracting innovation and investment, facilitating growth in business, and attracting people and visitors to our slice of Aotearoa.

It is important to mention that over the past number of years CEDA has invested more heavily in our strategic partnerships and programmes of work. This has enabled an increase in delivery on our key outcomes, whilst reducing the levels of equity that we had on hand. However, after a number of years working to a deficit budget, we are no longer in a position to continue to do so. As a result of the reduction in spending we have prioritised the key areas of focus that will make the biggest impact to the region and move away from those things that do not. CEDA's 2022-23 Statement of Intent is reflective of this.

It is also worth noting that the Ministry of Business Innovation and Employment (MBIE) funding received to support the visitor sector through the impacts of COVID-19 is due to cease in December which will have a significant impact on the current levels of activity. Additionally, with the MBIE Regional Business Partner Programme currently under a tender process, funding for this programme has not been included in this Statement of Intent, including financial forecasts, as a matter of accounting prudence.

Looking to the future, we are dedicated to continuing the focus on our strategic priorities, working with our sectors of strength, iwi and partners, to facilitate opportunities and outcomes for the region. Ongoing talent challenges impacted by inflation, border closures and housing mean we cannot sit idle – we must work together so our region can thrive.

Thank you to our shareholders, the CEDA board and team, iwi, partners and stakeholders and the wider community who continue to support us to achieve our vision. The success of the region cannot be achieved alone.

Ko ngā pae tawhiti whāia kia tata, ko ngā pae tata, whakamaua kia tina!

The potential for tomorrow depends on what we do today!



Bobbie O'Fee
Heamana **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 Statement of Expectations comments into consideration and includes performance measures and targets as the basis of organisational accountability.

COVID-19 Impact

We as a country are continuing to work in a 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 of our community and the businesses in that community. With the coming year likely to see a continued spread of the pandemic, we need to prepare to adapt our programmes of work as required to successfully lead and support the economic response for Manawatū.

The objectives and outcomes presented in this Statement of Intent include response and recovery projects, funded through the Ministry of Business, Innovation and Employment (to December 2022) to assist our community through the ongoing impacts locally, nationally, and internationally of COVID-19.



Our Vision

Manawatū 2025; Ko te rohe tino ahu whakamua o Aotearoa

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.

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

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



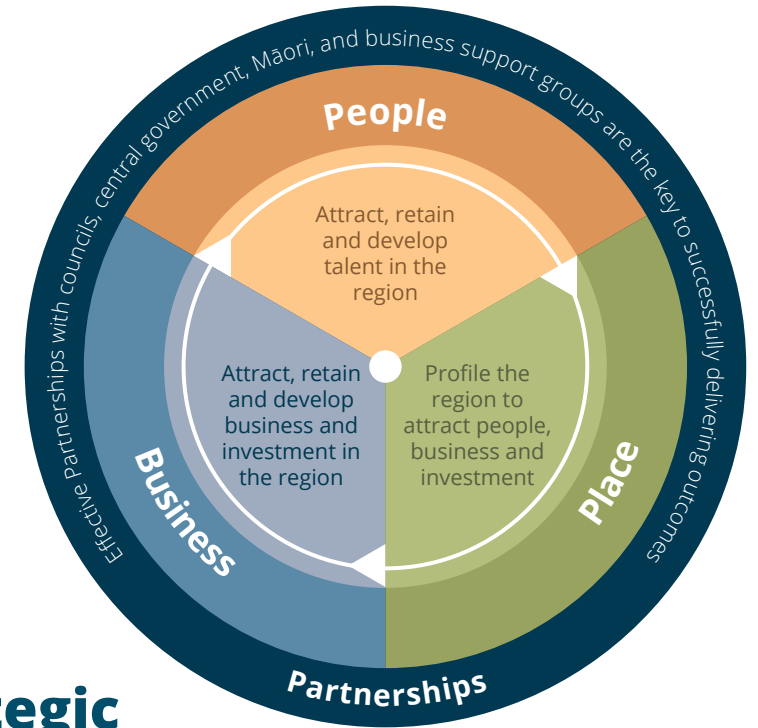
Manawatū is recognised as one of the top three agrifood hubs in the world



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



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 2022/23.

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.

Ā Mātou
Mahi
**What
We Do**



Manawatū: Ko te rohe tino ahu whakamua o Aotearoa hei te 2025

Manawatū: New Zealand's most progressive region 2025

VISION

GOALS

- 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
- CEDA is New Zealand's most effective, well regarded economic development agency

STRATEGIC PILLARS

People

Business

Place

Partnerships

SOI OUTCOMES

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, and business support groups

STRATEGIES/ PROGRAMMES

Talent & Skills attraction and retention strategy, Te Aho Tāmaka strategy

Te Utanganui Central New Zealand Distribution Hub Strategy, Manawatū Food Strategy, Inward Investment Strategy, Destination Management Plan, Rangitāne o Manawatū Māori Tourism Strategy, Business Expansion & Retention Strategy, business start-up and innovation support

Regional Identity, PR Machine, featuring the region through media

Service Level Agreement, Partnership and Funding Agreements

PROJECTS/ ACTIVITIES

Talent & Skills strategy implementation; digital talent and skills hub establishment, sector profiling and campaign, sector specific industry groups, Te Aho Tāmaka activities

Te Utanganui Strategy implementation, Food Strategy Action Plan, develop visitor sector capability, support the Rangitāne o Manawatū Tourism Action Plan, support business expansion and retention in the region, support inward investment opportunities

Regional marketing, direct media features, ManawatuNZ.co.nz and social media engagement

Outcomes aligned with partnership agreements, stakeholder survey, research, data and insights, economic updates (incl. Māori business), stakeholder and business, community e-newsletters, reporting and legislative requirements

Whakamaneatia, puritia,
whakawhanaketia ngā
iho pūmanawa i te rohe

Attract, retain, and develop talent in the region

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

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

Attract and Retain Talent for Manawatū's Future Success

CEDA's key focus is on the implementation of the Manawatū Talent and Skills Attraction and Retention Strategy and engagement with the business community to support the attraction and retention of talent in the sectors of strengths for our region. We will continue to work with the Central Region Talent and Skills Advisory Group and newly established Infrastructure & Construction Collective Action Group - Te Rōpū Tuapapa to drive the actions and activities of the Strategy and sector profiles developed last year to support this industry sector.

Further to the development of the Sector Plan for the Food and Fibre sector a Collective Action Group will also be formed to drive the recommendations and actions for this sector, including the co-design and delivery of a co-funded Talent Attraction Marketing campaign, building on the regions brand and value proposition.

The next focus will be the Distribution and Logistics sector, engaging with the business community and leveraging off Te Utanganui, the Central New Zealand Distribution Hub Strategy.

A Digital Hub for Employers

We will continue the development and roll out of tools to support businesses and their talent and skills development, housed on a digital hub for employers. The tools are aimed at building organisations capabilities to drive the attraction, integration, development, and retention of talent and skills in the region and within their businesses.

Building our Future Workforce

While it is vital that we focus on the attraction and retention of our workforce, focus is also required on building the future talent pool. While unemployment in the region reached an all-time low in the last quarter of 2021, there is still a large percentage made up of youth that are not in education, employment, or training (NEETs). CEDA will engage with key partners working in this space, to build a collaborative approach support these youth into opportunities and improve outcomes through collective focussed action.

As a connector and facilitator, CEDA will continue its work with secondary schools and employers to support transitions and pathways into employment. This will include activities that provide opportunities for secondary school students and staff to engage with employers, with a focus on vocational pathways, such as the New Zealand Careers Expo, Manawatū.

As a leader, connector, and facilitator, CEDA will continue its work with secondary schools and employers to support transitions and pathways into employment. This will include activities that provide opportunities for secondary school students and staff to engage with employers, with a focus on vocational pathways, such as the New Zealand Careers Expo, Manawatū.

Develop the Skills of Existing Workers and Residents

CEDA will deliver a tailored regional ambassador programme, designed for service industry workers who are likely to engage with visitors to our region. The purpose of the programme is to help create ambassadors to connect with people and authentically engage with visitors, to ensure a brilliant experience whilst visiting our region and encourage longer stays or return visits. Employers will benefit not only from enhanced customer service, but through the provision of upskilling their staff and teams in a new and innovative way.

Te Aho Tāmaka Leaders Programme

With the high calibre group of leaders that are now part of Te Aho Tāmaka leaders programme, CEDA will continue to work with these leaders to create opportunities for them to engage with the Manawatū community.



Whakamaneatia, puritia,
whakawhanaketia
ngā pakihi me ngā
haumitanga i te rohe

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

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

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

Attract business and investment to the region

Inward Investment Strategy Implementation, with regional partners

Attracting national and international investors is core to achieving the 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 food, 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 the 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 Utanganui Central New Zealand Distribution Hub

Linked to our investment profiling initiatives, Manawatū offers exceptional locational advantages for businesses, giving the region significant potential to cement itself as the third node of distribution in New Zealand's national freight network.

Te Utanganui 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's implementation 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 all being priority activities.

Manawatū Food Strategy

Manawatū'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. CEDA developed the 3-year Agritech Strategy to give life to this goal, with various stakeholders responsible for delivery including FoodHQ, Sprout Agritech and The Factory.

With the Agritech strategy concluded in 2021, and with increased demand to look for opportunities in a wider context, a new Manawatū Food Strategy is being developed. The Strategy will articulate the strengths of Manawatū's food and agriculture sector. It will make a compelling case to define the region's opportunities in the national and global supply chain enabling Manawatū to attract, private and public sector, investment, and partnership. The outcome will be a pipeline of inward investment that increases economic development, creates jobs, and retains the necessary skills and talent, and highlights the regions strengths in food science and innovation.



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

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

Destination Management Plan

The Destination Management Plan was developed in 2019 to establish a shared vision and plan on what the future of the visitor sector for Palmerston North city and Manawatū 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.

Three years on, CEDA will focus on refreshing the Destination Management Plan to ensure a long term, strategic approach for the region. This will bring in key partners and stakeholders and will identify the priorities and catalyst projects required to future proof the region and support the visitor economy to thrive.

CEDA will continue to be focused on 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, lifting digital capability across the wider sector, and our core functions as the Regional Tourism Organisation for Palmerston North and Manawatū.

Rangitāne o Manawatū Māori Tourism Strategy

CEDA will continue to support and facilitate Rangitāne o Manawatū to implement the co-developed Māori Tourism Strategy, through project management and collaboration, identification of further opportunities and through the Te Urungi – Innovating Aotearoa project to develop a digital, interactive story telling platform focused on the Manawatū Awa enabling sharing of their stories

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

Business Attraction, Retention & Expansion Strategy

Business attraction, retention and expansion are well established economic development tools, and are key areas of focus for any Economic Development Agency. CEDA has been supporting business attraction, retention, and expansion activities for several years, primarily through targeted business support, tailored programmes, and through supporting key projects and inward investment opportunities.

Building on this work last year CEDA developed a Business Attraction, Retention

and Expansion Strategy with input from key stakeholders and the business community. Implementation of actions from the strategy will continue this year focusing on engagement with business across industries, and including Māori business, to gain insights into business sentiment, look for regional opportunities through connections and trends, support business expansion and investment opportunities in the region. This includes other business support activities including connections to relevant support services, referrals, including to the Regional Business Partner Programme, and other key regional agencies.



Facilitate access to specialist innovation and start up expertise

Supporting innovation and start-ups in the region

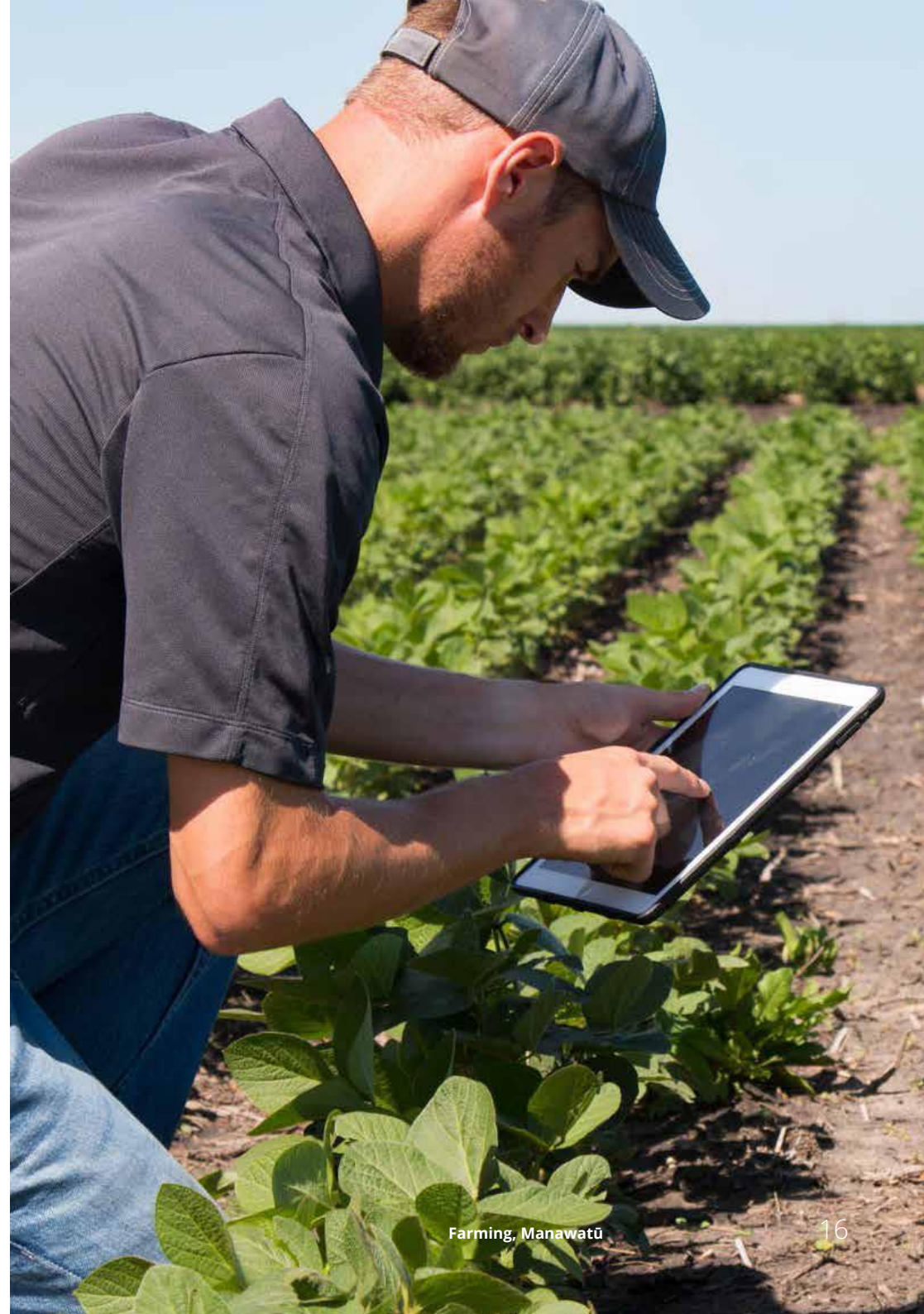
Fueling innovation is key to fostering our competitive advantage as a region, and in creating jobs and investment opportunities. CEDA focuses on delivering on these outcomes through key partnerships with The Factory and Sprout Agritech.

The Factory's Innovate Programme has been designed to help potential entrepreneurs transform ideas into early-stage start-up businesses. CEDA contributes to the partnership by way of funding and mentoring support to help facilitate and grow the next generation of innovators and entrepreneurs.

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.



Whakatairangatia te
rohe hei whakamanea i
te tangata, i te pakihi me
te haumitanga

Profile the region to attract people, business and investment

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

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, CEDA will work with our shareholders and partners to raise the profile of the Manawatū region as a compelling destination for investment, business and talent through targeted storytelling and media partnerships.

This work will be woven across CEDA's projects and strategic plans including inward investment, destination management, visitor sector marketing, talent and skills attraction and retention and business attraction and retention. Using CEDA's key channels, and working with regional stakeholders and 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 region¹.

CEDA will focus on building the brand equity of the Manawatū identity by carefully developing and executing the messaging and tone, imagery, campaign work, digital

presence and every touch point we have going forward, to ensure that the Regional Identity is a legacy for Manawatū and creates maximum impact as a 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 talent¹.

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.

¹ Through the 2020/21 investment made by MBIE, CEDA has been able to significantly increase the amount of media coverage and profile, digital engagement, and content pieces. This funding ceases on 31 December 2022, and as a result outcomes in these areas are expected to reduce, somewhat this year and more so in the coming financial year.

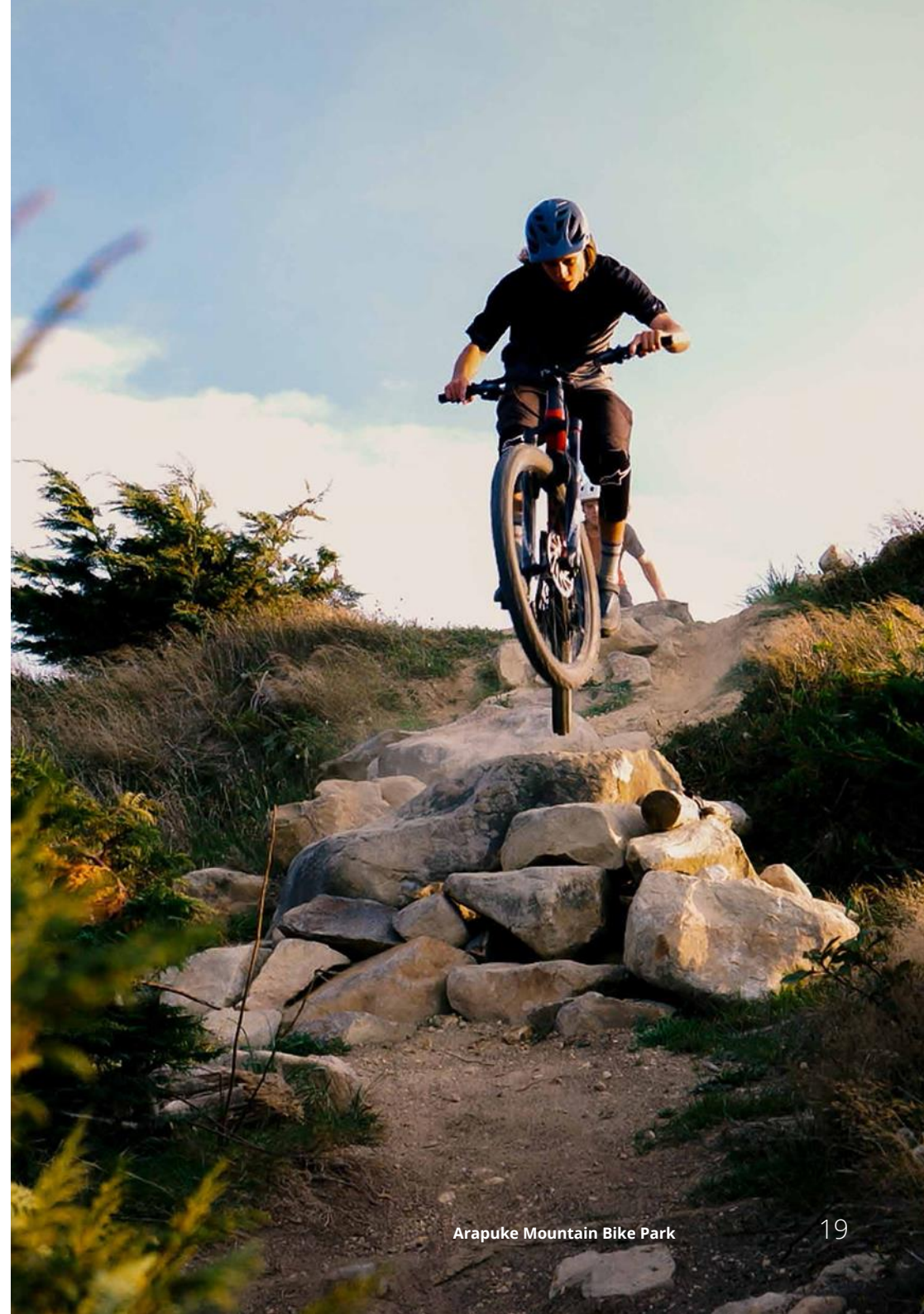
Grow engagement on regional web and digital platforms for increased promotion of and information on the region

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 Manawātū has to offer.

Digital platforms are one of our biggest, most efficient, tools in owning our narrative as a region, from our regional social media channels and the regional website ManawatuNZ.co.nz, through to partner websites and national platforms.

The ManawatuNZ.co.nz regional website will continue to showcase new, fresh content, and will be the home of regional campaigns and initiatives in our work across People, Place and Business. The development of a Trade and Media Hub will further support our partners, stakeholders, business community, 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.



Aratakina ngā
whanaketanga ohaoha
kauawhi, toitū anō hoki
mō te rohe

Lead inclusive and sustainable economic development for the region

A strength of our region is the ability to work together using 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

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

Strategic relationships with partners, iwi, central government, economic development agencies and key regional stakeholders, such as Rangitāne o Manawatū, Ngati Kauwhata, The Factory, Sprout Agritech, Manawatū Business Chamber, Feilding and District Promotions, UCOL, Talent Central, Tourism New Zealand, Regional Tourism Organisations New Zealand, and Immigration New Zealand, enable CEDA to connect, discover and leverage mutual opportunities.

We review our partnership agreements and workplans, including identifying new opportunities for partnerships, to ensure plans are in place to support working collectively and identifying opportunities across all that we do.

Iwi partnerships and engagement

CEDA works collaboratively with regional iwi through our strategic projects including the Te Utanganui Central New Zealand Distribution Hub, Manawatū Food Strategy, Manawatū Destination Management

Plan, and Rangitāne o Manawatū Māori Tourism Strategy, to increase business and employment opportunities for Māori, and ongoing profile and use of the Regional Identity and Te Urungi – Innovate Aotearoa to provide a platform to tell the stories of Rangitāne o Manawatū.

We continue to develop partnership agreements with Māori business networks such as Te Au Pakihi, Te Manu Atatū, and the Poutama Trust to enable access to support programs that build capability for Māori business and enable them to be well positioned to tender for contracts for regional infrastructure development projects.

We also continue to work on developing CEDA's internal capability in understanding te reo and tikanga, to support strategic relationship with Tangata Whenua and ensure we have meaningful relationships with iwi and Māori organisations.

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

CEDA works with national agencies including Verisk, Data Ventures, Infometrics, Statistics New Zealand, Tourism New Zealand, and the 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, employment, and more. These relationships ensure CEDA is able to share this data and to add context to enable our business communities to easily absorb and understand the information relevant to them.

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

Business and stakeholder communications

Providing comprehensive regional data and insights is crucial to help businesses, investors and residents make informed decisions. Partnering with Palmerston North City Council and Manawatū 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

Māori economy data and insights

Working closely with Palmerston North City and Manawatū District Council's economists and key Māori sector leaders and iwi to provide analysis and commentary around how the Māori economy is performing here in the region and in a national context. CEDA 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, trends and opportunities.



Mā te huruhuru ka rere te manu

Adorn this bird with feathers
to enable it to fly

Where we focus our time and money

CEDA receives funding from Palmerston North City Council and Manawātū 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.

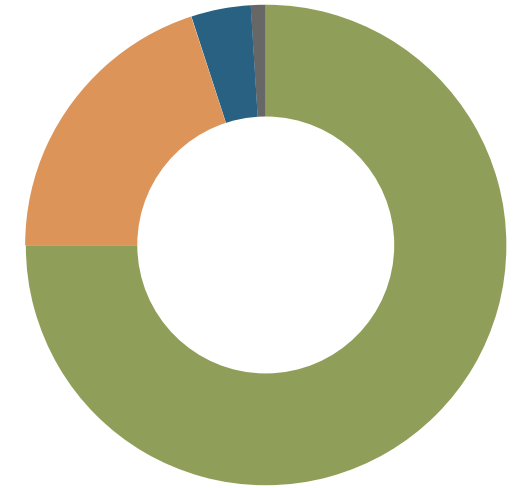
This funding gives us the ability to deliver and partner in programmes of work across the region, business and community including targeted sector specific work that will bring benefit to the wider region in the long term.

Further funding may also be received from commercial organisations and industry for sponsorship or support of programmes and joint projects that assist to highlight the regions strengths or promote visitor, talent and business attraction to the region.

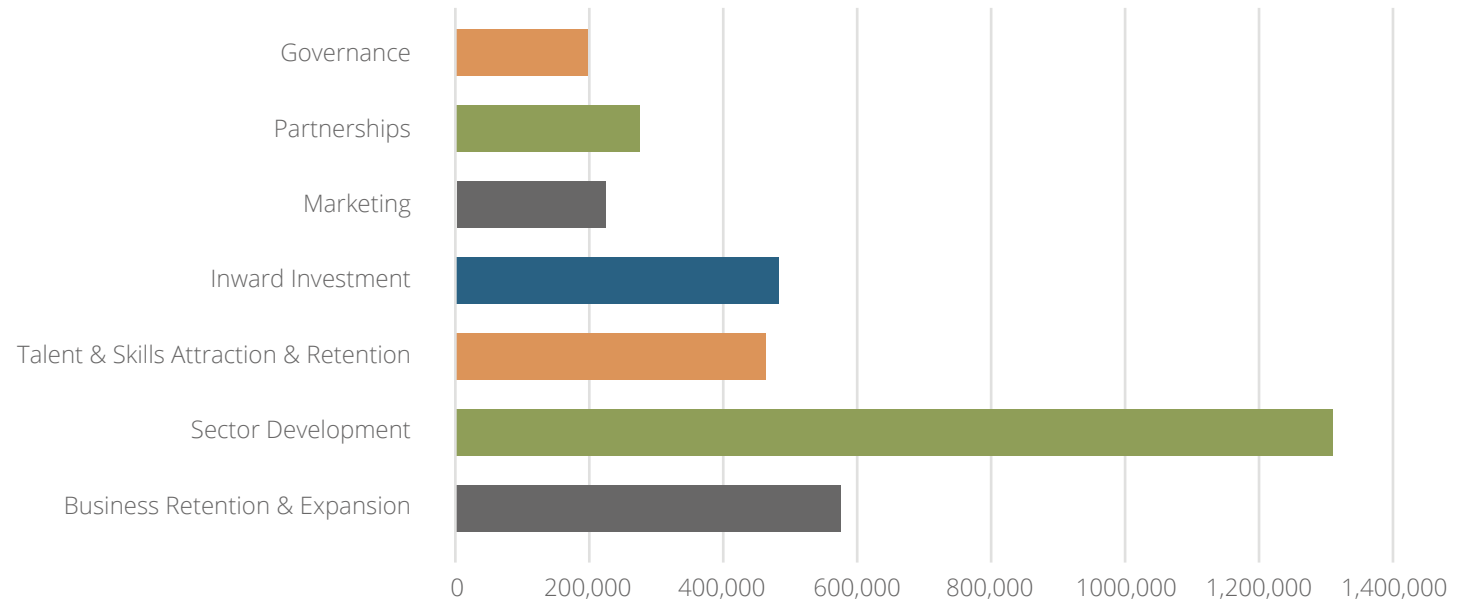
Additional central government funding has been received for specific sector support after the impacts of COVID-19, to be spent in this financial year.

Our Funding

- Council funding **75%**
- Central Government funding **21%**
- Industry contribution **4%**
- Other revenue **0.2%**



How we're going to allocate our funding*



*Note:

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

Ko mātou ēnei **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 our region and its people. Our success is underpinned by our people, connections, partnerships, and networks locally, nationally, and internationally.

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:

Believe in what you do and how you do it	Be proud and take ownership	Together we can achieve more
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	Nāku te rourou nāu te rourou ka ora ai te iwi With my food basket and yours the people will thrive

Te Tiriti o Waitangi

We recognise the principles of Te Tiriti o 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, and continued development of the team's cultural awareness and, knowledge and understanding, of the principals of te Tiriti.

Sustainable Development Goals

We are committed to sustainable practices in both CEDA's office environment and the environment within which we work and live. We 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.

CEDA's top three Sustainable Development Goals we use to inform our programmes of work are:

The infographic features the 'THE GLOBAL GOALS For Sustainable Development' logo on the left. To its right are three goal icons: Goal 4 (Quality Education) with a book and pencil, Goal 8 (Decent Work and Economic Growth) with a bar chart and upward arrow, and Goal 12 (Responsible Consumption and Production) with a circular arrow.

The Environment and Carbon Emissions

CEDA works with businesses through its regular business engagements to encourage considerations around carbon emission reduction and sustainability options for their operations. When looking at opportunities for investment in the region we consider the environmental impacts of any businesses looking to relocate here.

CEDA also advocates for sustainability through our business and community engagements such as e-newsletters and social media and ensuring we as an organisation are doing what we can through procurement and waste reduction initiatives.

Ā Mātou Paearu Tutukinga **Our Performance Measures**

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	2022/23*	2023/24*	2024/25*
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 Manawatū Talent and Skills Attraction and Retention Strategy year two action plan, through the establishment of a digital talent and skills hub, that includes work integrated learning and graduate opportunities	Lead the delivery of the year three action plan through the development of a programme to integrate people into the region and/or workplace	Lead the review of the Manawatū Talent and Skills Attraction and Retention Strategy
		Lead the delivery of a programme of work that will attract and retain talent in the region working with businesses	Lead the development of a suite of talent and attraction narratives and stories sharing employers and employee's attraction and retention successes	Lead the development of digital content for the regional Sectors of Strength working with employers
Attract business and investment to the region	Implementation of Inward Investment strategy with regional partners, through the attraction of investment to the region including key regional projects	Te Utanganui (Central New Zealand Distribution Hub) Strategy implementation, in the development of funding opportunities and brand narrative	Te Utanganui Strategy implementation with accelerated advocacy	Te Utanganui Strategy reviewed, and next step actions developed
		Development of phase 2 of the Manawatū Food Strategy and implementation of year one actions	Implement the Manawatū Food Strategy year two actions	Implement the Manawatū Food Strategy year three actions
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.	Refreshed Destination Management Plan developed including establishment of a steering group, to reflect changing environment and regional aspirations	Destination Management Plan implementation of year one actions with iwi partners and stakeholders	Deliver year two of the Destination Management Plan and review of the Māori Tourism Action Plan.
	Retain businesses in the region through engagement and identification of barriers to growth	Implementation of the Business Attraction, Retention and Expansion strategy framework through structured business engagements and facilitating the resolution of constraints	Implement year two of Business Attraction, Retention and Expansion strategy actions	Implement year three of Business Attraction, Retention and Expansion strategy actions
		Support or engage with 210 businesses including Māori businesses through CEDA activities**	Support or engage with 250 businesses including Māori businesses through CEDA activities **	Support or engage with 250 businesses including Māori businesses through CEDA activities **
	Facilitate access to specialist innovation, and start-up expertise	Partner with The Factory and Sprout Agritech to deliver start-up and innovation support	Partner with The Factory and Sprout Agritech to deliver start-up and innovation support	Partner with The Factory and Sprout Agritech to deliver start-up and innovation support

Service Level Statement	Performance Measure	2022/23*	2023/24*	2024/25*
Profile Manawatū locally, nationally, and globally	Lead and develop the stories of Manawatū, creating a narrative and a unified positioning, incorporating the cultural heritage of iwi	Leverage the Regional Identity to grow the profile and narrative of the city and region, with 10 content pieces published targeting key audiences	Grow the profile and narrative of the city and region, with 5 content pieces published targeting key audiences	Grow the profile and narrative of the city and region, with 6 content pieces published targeting key audiences
		50 direct media features published profiling the region, with a reach of more than 2.7 million*** New Trade and Media Hub launched on ManawatuNZ.co.nz	30 direct media features published profiling the region, with a reach of more than 1.5 million***	35 direct media features published profiling the region, with a reach of more than 2 million***
	Grow engagement on regional web and digital platforms for increased promotion of and information on the region	10% increase in 'sessions' on ManawatuNZ.co.nz, and social media engagement****	10% increase in 'sessions' on ManawatuNZ.co.nz, and social media engagement****	10% increase in 'sessions' on ManawatuNZ.co.nz, and social media engagement****
Develop strategic partner relationships, leveraging opportunities	Continue to build on relationships with shareholders, central government agencies, key regional stakeholders, local iwi and Māori, and business support groups	Partnership agreements and workplans reviewed Iwi partnership projects implementation, including the Rangitāne o Manawatū Tourism Working Group and identification of additional project(s)	Partnership agreements and workplans reviewed Iwi partnership project implementation underway	Partnership agreements and workplans reviewed Identify and support projects with iwi partners
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	5% growth in audience engagement across key communications including economic updates, Māori economy data and regional news	7% growth in audience engagement across key communications including economic updates, and Māori economy data	9% growth in audience engagement across key communications including economic updates, and Māori economy data

* 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 discontinuation of funding of the Regional Business Partner programme by the Ministry of Business, Innovation and Employment from July 2022

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

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

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 Manawatū District Councils signed Long Term Plans outline these objectives.

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

PNCC Long Term Plan Strategic Goals	CEDA Service Level Statement alignment
<p>An Innovative and Growing City <i>He tāone auaha, he tāone tiputipu</i></p>	<ul style="list-style-type: none"> • Develop a talent pipeline to grow a skilled workforce, and better utilise the existing labour market • Attract business and investment to the region • Support our sectors of strength to grow through targeted business development support, and retention initiatives and activities • Profile Manawatū locally, nationally, and globally • Develop strategic partner relationships, leveraging opportunities • Data and insights communicated on the performance of the region's economy
<p>A Creative and Exciting City <i>He tāone whakaihiihi tapatapahi ana</i></p>	<ul style="list-style-type: none"> • Develop a talent pipeline to grow a skilled workforce, and better utilise the existing labour market • Attract business and investment to the region • Support our sectors of strength to grow through targeted business development support, and retention initiatives and activities • Profile Manawatū locally, nationally, and globally
<p>A Connected and Safe Community <i>He hapori tūhonohono, he hapori haumaruru</i></p>	<ul style="list-style-type: none"> • Support our sectors of strength to grow through targeted business development support, and retention initiatives and activities • Data and insights communicated on the performance of the region's economy
<p>An Eco city <i>Te tāone tautaiiao</i></p>	<ul style="list-style-type: none"> • Attract business and investment to the region • Support our sectors of strength to grow through targeted business development support, and retention initiatives and activities • Data and insights communicated on the performance of the region's economy

MDC Long Term Plan Priorities	CEDA Service Level Statement alignment
<p>A prosperous, resilient economy</p> <p><i>He kāinga ka tōnui tōna ōhanga</i></p>	<ul style="list-style-type: none"> • Develop a talent pipeline to grow a skilled workforce, and better utilise the existing labour market • Attract business and investment to the region • Support our sectors of strength to grow through targeted business development support, and retention initiatives and activities • Profile Manawatū locally, nationally, and globally • Develop strategic partner relationships, leveraging opportunities • Data and insights communicated on the performance of the region's economy
<p>Infrastructure fit for future</p> <p><i>He kāinga ka tūwhena tonu ōna pūnahahanga, haere ake nei te wā</i></p>	<ul style="list-style-type: none"> • Attract business and investment to the region • Support our sectors of strength to grow through targeted business development support, and retention initiatives and activities
<p>A future planned together</p> <p><i>He kāinga ka whakamaherea tahitia tōna anamata e te hāpori tonu</i></p>	<ul style="list-style-type: none"> • Develop a talent pipeline to grow a skilled workforce, and better utilise the existing labour market • Attract business and investment to the region • Support our sectors of strength to grow through targeted business development support, and retention initiatives and activities • Profile Manawatū locally, nationally, and globally • Develop strategic partner relationships, leveraging opportunities
<p>An environment to be proud of</p> <p><i>He kāinga ka rauhītia tōna taiao</i></p>	<ul style="list-style-type: none"> • Attract business and investment to the region • Support our sectors of strength to grow through targeted business development support, and retention initiatives and activities

Ngā Tohu Aroturuki **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	2023	2024	2025	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 Manawatū 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 Manawatū 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 Manawatū / 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 Manawatū District Council.

CEDA's Purpose

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

CEDA's Constitution Objectives

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

CEDA's Structure and Governance

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

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

The Board's approach to governance is to adopt "good practice" with respect to:

- the operation and performance of the Board
- managing the relationship with the Chief Executive
- being accountable to all shareholders and reporting to the Joint Strategic Planning Committee of Manawatū District Council and Palmerston North City Council

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





Tutukinga Ahumoni **Financial Performance**

Central Economic
Development Agency Limited

Group Statement of Comprehensive Revenue & Expenses

For the 12 Months to June

	Notes	2022-23 Budget	2023-24 Forecast	2024-25 Forecast
Income				
Council Funding	1	2,698,107	2,833,012	2,974,663
Other Services Income	2	731,000	135,000	15,000
Project Income		85,000	60,000	60,000
Total Income		3,514,107	3,028,012	3,049,663
Cost of Sales				
Other Services Expenses	2	1,465,000	940,000	831,250
Project Expenses		87,000	60,000	60,000
Total Cost of Sales		1,552,000	1,000,000	891,250
Gross Surplus (Deficit)		1,962,107	2,028,012	2,158,413
Other Income				
Sundry Income		5,000	4,000	3,000
Total Other Income		5,000	4,000	3,000

Group Statement of Comprehensive Revenue & Expenses

For the 12 Months to June

	Notes	2022-23 Budget	2023-24 Forecast	2024-25 Forecast
Expenses				
Depreciation		3,500	3,000	3,000
Directors' Fees		180,000	180,000	180,000
Employee Expense		1,366,643	1,444,975	1,547,224
Financing Expenses		200	200	200
Other Operating Expenses		420,271	409,663	427,415
Total Expenses		1,970,614	2,037,838	2,157,839
Net Surplus (Deficit) Before Tax				
		(3,507)	(5,826)	3,574
Taxation				
Income Tax Expense		0	0	0
Total Taxation		0	0	0
Net Surplus (Deficit) after tax				
		(3,507)	(5,826)	3,574

1. Assumes 5.9% annual CPI/local government increase

2. Assumes non continuation of MBIE Regional Business Partner Programme, includes additional MBIE COVID support funding

Group Statement of Financial Position

As at 30 June

	30 June 2023 Budget	30 June 2024 Forecast	30 June 2025 Forecast
Assets			
Current Assets			
Cash and Cash Equivalents	624,450	661,547	687,373
Receivables and Accruals	150,593	70,476	58,976
Prepayments	4,875	4,550	4,778
Total Current Assets	779,918	736,573	751,127
Non-Current Assets			
Property, Plant and Equipment	23,156	20,156	17,156
Total Non-Current Assets	23,156	20,156	17,156
Total Assets	803,074	756,729	768,283
Liabilities			
Current Liabilities			
Payables and Deferred Revenue	199,899	154,428	155,945
Employee Entitlements	86,371	91,322	97,785
Total Current Liabilities	286,270	245,750	253,730
Total Liabilities	286,270	245,750	253,730
Net Assets	516,804	510,979	514,553
Equity			
Contributed Capital	1,000	1,000	1,000
Retained Earnings	515,804	509,979	513,553
Total Equity	516,804	510,979	514,553

Group Statement of Cash Flows

For the 12 Months to June

	30 June 2023 Budget	30 June 2024 Forecast	30 June 2025 Forecast
Cash Flows from Operating Activities			
Receipts of council funding	3,102,823	3,257,964	3,420,862
Interest received	5,000	4,000	3,000
Receipts from other operating activities	1,102,761	440,719	241,874
Income tax refunded/(paid)	0	0	0
GST	(194,978)	(217,543)	(231,241)
Payments to suppliers and employees	(4,702,132)	(3,447,843)	(3,408,469)
Finance costs	(200)	(200)	(200)
Total Cash Flows from Operating Activities	(686,726)	37,097	25,826
Net Cash Flows	(686,726)	37,097	25,826
Cash Balances			
Cash and cash equivalents at beginning of period	1,311,176	624,450	661,547
Cash and cash equivalents at end of period	624,450	661,547	687,373
Net change in cash for period	(686,726)	37,097	25,826

See Appendix for Accounting Policies

Ngā Here a te Hunga Whaipānga

Shareholder requirements

Joint Strategic Planning Committee

The Joint Strategic Planning Committee of Manawātū 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 2022/23 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.

Appendices

Accounting Policies

1. Reporting Entity

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

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

The financial statements of CEDA are for the 6 months ended 31 December 2021.

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. New group standards have been applied but have resulted in no impact to the financial statements.

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.

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%
Office Furniture & Equipment	Diminishing Value	0% - 50%
Office Furniture & Equipment	Straight Line	8.5% - 10.5%
Vehicles	Diminishing Value	30%
Websites	Straight Line	40%
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 a obligation (either legal or constructive) as a result of a past event, it is probable that an outflow of future economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

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

Leases - Where CEDA is the Lessee

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

Critical accounting estimates and assumptions

In preparing these financial statements CEDA has made judgements, estimates and assumptions concerning the future.

These judgements, estimates and assumptions may differ from the subsequent actual results. Judgements, estimates and assumptions are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are:

- Useful lives and residual values of property, plant, and equipment – refer to Note 11.

Critical judgements in applying accounting policies

Management has exercised the following critical judgements in applying accounting policies:

- Funding received – refer to Note 4.

3. Subsidiaries

CEDA consolidates in the group financial statements all entities where CEDA has the capacity to control their financing and operating policies so as to obtain benefits from the activities of the subsidiary. This power exists where CEDA controls the majority voting power on the governing body or where such policies have been irreversibly predetermined by CEDA or where the determination of such policies is unable to materially affect the level of potential ownership benefits that arise from the activities of the subsidiary.

CEDA has the power to appoint 100% of trustees of the Events Manawatū Trust. The consolidation of the Events Manawatū Trust into CEDA's financial statements has resulted in no change to the reported financial statements as the Trust is dormant and did not trade during the year.



December 2021

Bobbie O'Fee
Chair
Central Economic Development Agency Ltd
Level 1/1-19 Fitzherbert Avenue
PALMERSTON NORTH 4410

Dear Bobbie

CEDA Statement of Expectations 2022-2023

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 2022-2023.

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.

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.

Top priorities for MDC are:

- Promotion and development of key tourism and visitor destinations, including the country road tourism route.
- Increase Inward investment for Manawatū district.
- Promote Manfeild 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 implementation.
- 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.

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 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 Manawatū 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.

It is expected that CEDA will work very closely with key stakeholders of the regions strengths of research/agri-food/agri-business/land/horticulture, distribution and logistics, defence, health, visitor, education (domestic and international), digital and technology, and a growing Māori 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.

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.

The Shareholders would like a quarterly slot on your Board agenda to further build relationships and understanding.

The Shareholders will invite CEDA to report quarterly to the Joint Strategic Planning Committee.

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

Ō Mātou Hoa Mahi Tahī

Our Partner Organisations

Current partner organisations that CEDA works with:

Local

Central Skills Hub
Central Region Talent and Skills Advisory Group
Feilding and District Promotion
FoodHQ
IPU New Zealand
Lamberts
Manawatū Business Chamber
Manawatū District Council
Manawatū Standard
Manawatū Young Professionals Network
Manfeild
Massey University
MediaWorks
National Driver Training Centre
Palmerston North City Council
Palmerston North Airport
Regional Schools
Spearhead Manawatū
Sprout Agritech
Sport Manawatū
Talent Central

Te Au Pakihi
Te Manawa
The Factory
UCOL
Venues and Events Palmerston North

Regional

Accelerate 25
Business Central and Export NZ
Horizons Regional Council
Horowhenua District Council
Rangitikei District Council
Regional Skills Leadership Group – Manawatū-Whanganui
Ruapehu District Council
Taranua District Council
Te Manu Atatū
The Horowhenua Company
Whanganui and Partners
Whanganui Chamber of Commerce
Whanganui District Council

National

AgResearch
Air New Zealand
ASB Bank
Business Mentors New Zealand
Callaghan Innovation
Economic Development New Zealand
Fonterra Cooperative Group
Immigration New Zealand
Ministry of Business, Innovation & Employment
Ministry of Social Development
New Zealand Chef's Association
New Zealand Trade and Enterprise
New Zealand Media and Entertainment
New Zealand Motor Caravan Association
Regional Tourism New Zealand
Regional Business Partners Network
Regional Tourism Organisations New Zealand
Stuff
Tourism New Zealand

CEDA
CENTRAL ECONOMIC
DEVELOPMENT AGENCY