

Te Tauākī Takuine Statement of Intent

2023–2024

1 March 2023



Te Tauākī Takune

Statement of Intent

2023–2024

Rārangitanga Umanga

Company Directory

Central Economic Development Agency Limited

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1-19 Fitzherbert Avenue
Palmerston North, 4410

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Website: CEDA.nz

Chief Executive

Jeremy Shearman

Directors

Robyn O'Fee (Bobbie) (Chairperson)

Paul Bayly

Margharita Mare (Margy)

David Norman

Robbie Pickford

Te Ahu Teki (interim)

Registered Office

Morrison Creed Advisory
236 Broadway Avenue
Palmerston North 4410

Bankers

Westpac New Zealand Limited

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 Manawatū District Council (50%) CEDA is a Council Controlled Organisation as defined in section 6 of the Local Government Act 2002.

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Kupu Takamua

Foreword

Tēnā koutou katoa,

We are pleased to present our Statement of Intent for 2023/24.

Our regional economy continues to perform well despite the challenges we have faced in Aotearoa over the last couple of years. We have a diverse range of sectors, with our central North Island location and ongoing investment in capital projects already in the pipeline that have undoubtedly protected us somewhat from the economy slowing down. Whilst our region won't avoid the impacts of the cooling economic conditions, the diversity of our regions key sectors will continue to buffer these impacts relative to places with greater reliance on private sector employment and discretionary spending.

As we reflect on the previous 12 months, with a new Board Chair and CEO, and a refreshed Vision we are cautiously optimistic for the year ahead and confident that our approach to the work we do under the key economic pillars of Business, People, and Place, which are underpinned by our partnerships and relationships, is the right one to continue fostering, connecting, and driving growth and opportunity for Manawatū and beyond.

This Statement of Intent is focused on priority projects, partnerships and ensuring that we as a region are well positioned to respond to future economic opportunities. As the regional economic development agency, we will continue to focus on areas of potential for the region such as supporting and growing existing businesses, attracting new businesses to the region, and showcasing Manawatū to attract more talent, investment, and visitors to our region.

There are several exciting long-term regional kaupapa that we have been working on over the previous few years that CEDA will continue to lead through 2023-2024. The progression of Te Utanganui, the Central New Zealand Distribution Hub, will cement the region's position as the third node in New Zealand's national transport and freight network. This kaupapa is a classic 'growth pole' economic development activity that will see medium and long term economic, social and environmental benefits for the region and Aotearoa. Te Utanganui is already here with businesses inside the precinct, the airport and rail freight connections in place, and significant expansion and investment plans underway that will see the project bear fruition over a number of decades.

The Manawatū Food Strategy will come to life in this year, with CEDA working in partnership with industry, iwi, and key partners on a multi-stakeholder action plan to deliver on the core theme of sustainable nutrition and getting us closer to the regions ambition of becoming Aotearoa's most progressive region by 2030.

The Manawatū Destination Management Plan, which sets the strategic direction for the city and regions visitor sector, seeks to grow visitor activity and value for the benefit of our communities. The Plan is a shared vision for the region, and we look forward to facilitating and driving the implementation of the Plan over the coming year to deliver on the identified key priorities and projects for the sector.

CEDA has some key partners who enable our mahi that we would like to acknowledge including Rangitāne o Manawatū, The Factory, Sprout Agritech, FoodHQ, UCOL

| Te Pukenga, Massey University, IPU, Manawatū Business Chamber, Talent Central, and Feilding and District Promotion, who like us are champions for the region and partner to develop and attract innovation, investment and talent, facilitate business growth, and bring people and visitors to our slice of Aotearoa.

In my first year as CEDA Chair, I've been buoyed by the connectivity and support amongst our businesses and stakeholder community, and the passion and resilience that is so intrinsic with the people of Manawatū. It is this that will help us get to an eventual economic bounce back in the coming years.

Finally, I'd like to thank our shareholders, the CEDA board and team, iwi, partners and stakeholders and the wider community for their continued support for CEDA's vision for the region. All that CEDA does relies on strong partnership and shared ambition to achieve economic growth for the region, and we are grateful to have that support.

He matawhānui tiritahi, he rautaki tiritahi mā te katoa
With shared vision and strategy for everyone

Ngā mihi nui ki a koutou katoua,



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

COVID-19 will continue to impact businesses in our region, as may other unforeseen events, and we will continue to adapt programmes of work and areas of focus to help support our business community with their needs.

Note in the 2019-20, 2020-21, and 2021-22 financial years, figures and outcomes include support given to business through the Regional Business Partner Programme, and tourism sector support as a result of additional government funding to support businesses and the visitor sector through the impacts of COVID-19. This additional funding has impacted on numbers and outcomes in relation to standard funding and resource capability from previous years, and throughout these years. Some additional funding remains for the 2023-24 year (to end December 2023) specifically to support implementation of the He Ara Kotahi, Hei Ara Kōrero project.

Tā Mātou Matawhānui

Our Vision

Manawatū 2030; Ko te rohe
tino ahu whakamua o Aotearoa

New Zealand's most progressive region

Our vision is purposely bold, and it encompasses the aspirations of both our shareholder Councils. It requires our region to be ambitious, proactive, and future focused, and to be adaptable to the fast-moving economic landscape we face. We believe that Manawatū has strong leadership and the ingredients to position itself on the national stage - a vibrant and innovative region that will be first choice for talent, business, visitors, and investment.

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



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



Manawatū is a world leading agrihub



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

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

Ā Mātou Whāinga Rautaki

Our Strategic Objectives

Te Whakatutuki i te Matawhānui

Achieving our vision

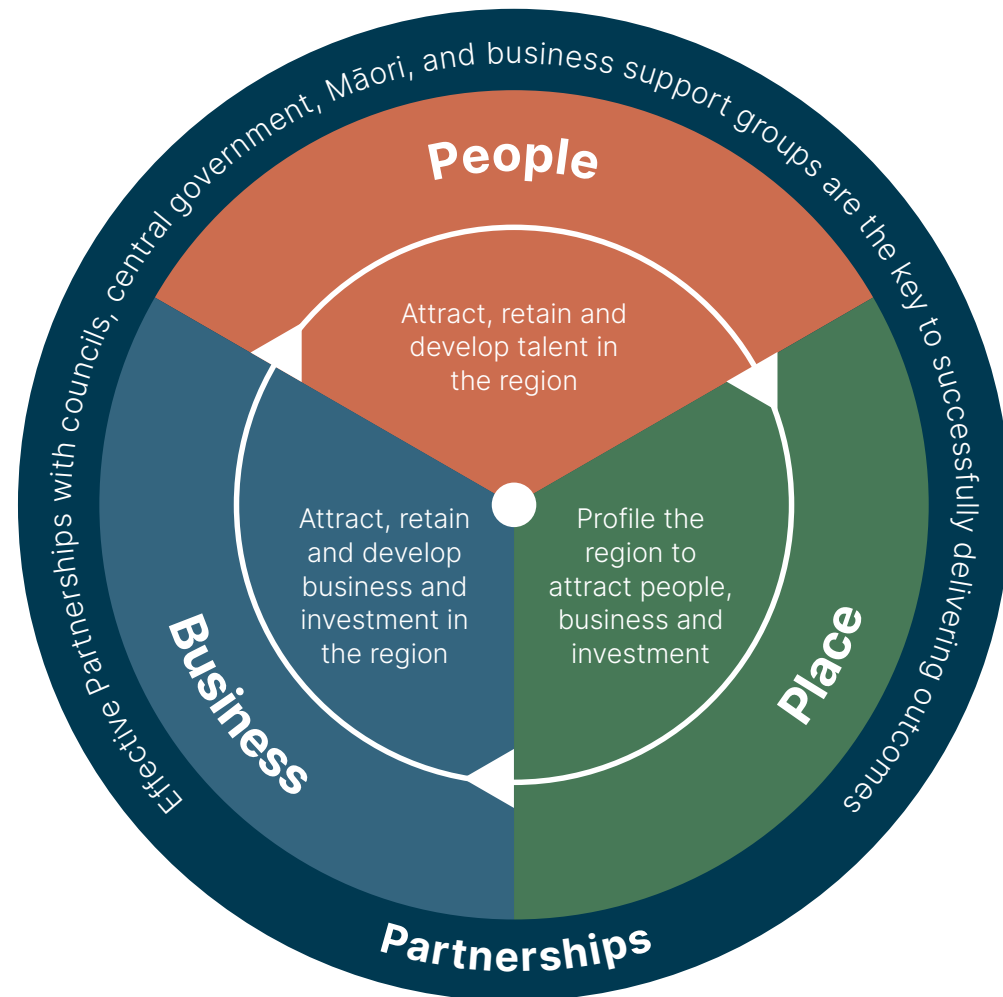
CEDA works across the three strategic pillars of economic development; Business, People, and Place, and our success is underpinned and enabled by the strength of our relationships with our regional and national partners.

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 2023/24.

When considering how to prioritise our efforts, based on our current resources and functions, and guided by our intervention logic, 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

Tā Mātou Mahere Arorau

Our Intervention Logic

CEDA operates within a simplified intervention logic that shows the connection between the programmes of work and activities undertaken, and the desired outcomes for the region.

This is supported by key performance indicators in the Statement of Service Performance table, project deliverables, and through the measurement of stakeholder (biennial) and client satisfaction.

Together these form the basis of CEDA's accountability and performance reporting. Long term regional outcomes are also monitored through regional monitoring indicators measured by CEDA's shareholders.

VISION			
Manawatū: Ko te rohe tino ahu whakamua o Aotearoa hei te 2030 Manawatū: New Zealand's most progressive region 2030			
GOALS			
<ul style="list-style-type: none"> • Manawatū is renowned for its exceptional lifestyle, competitive advantages, and is a magnet for investment, business, talent and visitors • Manawatū is a world leading agrihub • Manawatū is a leading distribution hub, and leverages off its role in central New Zealand 			
STRATEGIC PILLARS	Business	People	Place
STATEMENT OF INTENT OUTCOMES	Attract, retain, and develop, business and investment in the region	Attract, retain, and develop talent in the region	Profile the region to attract people, business, and investment
PROJECTS/ACTIVITIES STRATEGIES	<ul style="list-style-type: none"> • Te Utanganui Central New Zealand Distribution Hub Strategy • Manawatū Food Strategy • Inward Investment Framework • Destination Management Plan • Sector development • Business Attraction, Retention and Expansion • Start-up and innovation support 	<ul style="list-style-type: none"> • Talent & Skills attraction and retention • Profiling the region • Success stories and business profiles • Talent and workplace development • Integrated industry groups • Pathways to employment 	<ul style="list-style-type: none"> • Regional Identity • PR Machine • Featuring the region through media • Direct media features • ManawatuNZ.co.nz and social media engagement
Partnerships – The connections that make our region tick			
STATEMENT OF INTENT OUTCOMES	Lead inclusive and sustainable economic development for the region		
PROJECTS/ACTIVITIES	Partnership agreements with key partners and iwi, outcomes aligned with partnership and funding agreements, iwi lead projects, Rangitāne o Manawatū Māori Tourism Strategy, research, data and insights, economic updates, stakeholder and business community e-newsletters, reporting and legislative requirements.		

Whakamaneatia, puritia, whakawhanaketia ngā pakihi me ngā haumitanga ki roto 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 agrifood

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

Support the development and growth of business and sectors of strength in the region including inward investment

Inward Investment Strategy Implementation, with regional partners, to attract investment to the region

Te Utanganui, The Central New Zealand Distribution Hub

Manawatū offers exceptional locational advantages for businesses and investors, with room to grow, and a unique central location. The strategic approach to developing Te Utanganui will cement Manawatū as the third node of distribution in New Zealand's national freight network and future proof our region's economic opportunities.

Te Utanganui is a long-term project that will provide economic, social, and environmental benefits for the region and the country. Leveraging the regions comparative advantages, Te Utanganui seeks to maximise the value of infrastructure investments already committed across the central North Island and will stimulate private investment and business opportunities, aligning with the key strategic outcomes of the Palmerston North Integrated Transport Investment project.

CEDA's role is championing and driving this project, with a focus on attracting and facilitating both public and private investment, advocacy and profile of the opportunity and benefits, including to central government, and enhancing inter-regional collaboration for the benefit of the central North Island and the national freight network.

Manawatū Food Strategy

Manawatū as a region has some unique opportunities in relation to food which do not exist in other regions of Aotearoa, or in very few other places in the world. These opportunities are linked to the significant cluster of innovation capability that exists in the region, the exceptional growing conditions and soils here, and our region's central North Island location.

The Manawatū Food Strategy is focussed on the core theme of Sustainable Nutrition. Sustainable Nutrition in the context of this Strategy means understanding the needs of current generations, while enhancing the ability for future generations to find solutions to meet their needs, from the field to the consumer, both here and around the world. This theme encompasses threads through the opportunities in the near, medium, and long-term for each part of the value chain, including research and innovation, sustainable production, health-sustaining food, and the consumer journey.

Inward Investment Opportunities

CEDA will continue to lead the positioning of Manawatū as a strategic investment location, providing support for stakeholders looking to grow the region's economy through their own activities, and acting on inward investment leads provided or identified. We will target public and private investment opportunities and leverage our relationships with central government to further advocate for our region's significant strengths and opportunities.

While specific focus will be placed on our key inward investment activity related to Te Utanganui, the Manawatū Food Strategy, and the Manawatū Destination Management Plan, CEDA will remain agile in responding to any opportunities that benefit our regions strengths and vision.

Developing our priority sectors through targeted business development and retention initiatives

Destination Management Plan

The Manawatū Destination Management Plan went through a significant refresh in 2022, to ensure a long term, strategic approach for the region. The plan identifies the priorities, barriers and catalyst projects required to future proof the region and support the visitor economy to thrive for the benefit of our communities.

CEDA will continue focus on building the capability of key visitor sector operators to help 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, enhancing The Country Road experiences, providing a visitor economy lens to support projects such as Te Āpiti - Manawatū Gorge, and our core functions as the Regional Tourism Organisation for Palmerston North city and Manawatū.

Sector Development

Through CEDAs business engagement programmes of work we will look to support identified opportunities for growth focusing on the regions sectors of strength. This will be supported through the development of sector led industry groups who will drive the recommendations and actions of sector development initiatives in an integrated approach CEDAs work in the development of the talent and skills pipeline to support the future proofing of our businesses and these key sectors for the region. This work also includes support of the regions Māori business and tourism sectors, further information on this is detailed on page 18.

Business Attraction, Retention & Expansion initiatives

Business attraction, retention and expansion are well established economic development tools, and are key areas of focus for any economic development agency. CEDA will continue supporting business attraction, retention, and expansion, primarily through targeted business support, tailored programmes, and supporting key projects and inward investment opportunities in the region. The delivery of the Regional Business Partner Programme continues to be an important component of our business engagement toolbox, with continued business support activities and a focus on Māori business, connections, and referrals to other key regional agencies.

Building on this work, we will continue to focus on engagement with businesses across industries and connecting with key business leaders and stakeholders. These engagements will ensure we have access to the latest insights into business sentiment, regional opportunities through connections and trends, and are able to proactively respond to and support business expansion and investment opportunities.

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. CEDA are also the conduit to the market for Callaghan Innovation, supporting innovation and research and development services to suit each stage of business growth.

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 Accelerator programme 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 Agritech, proving funding and support, and working with Sprout on the selection process to ensure successful outcomes for the programme and highlight the capability we have within the region.

Whakamaneatia, puritia, whakawhanaketia ngā iho pūmanawa ki roto 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 is key. This along with an understanding of the future needs of our sectors and businesses will support the region being able to grow and prosper by 2030, 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 'Manawatu Talent and Skills Framework' with an integrated sector approach

Talent Attraction – Reputation and profiling of the region

Profiling the regions competitive lifestyle advantages and career opportunities through the development of tools, content, and targeted marketing initiatives. CEDA will support the regions business community to collectively showcase our regions offerings and opportunities.

CEDA will support talent attraction in a number of ways using ManawatuNZ as a key platform to showcase the regions as a great place to live and do business, by sharing success stories and business profiles focusing on our sectors of strength. Further development of the regions online Investment Prospectus to attract new investment that will lead to future employment opportunities. Also, through engagement with key tertiary providers and industry sectors to raise the regional profile in a consistent way.

Pathways to Employment – Future Proofing the talent pipeline

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 rangitahi, secondary school students, and staff to engage with employers, with a focus on vocational pathways, such as the New Zealand Careers Expo, Manawatū.

Critical to future proofing our regions talent pool are the development of sector led industry groups who will drive the recommendations and actions for our sectors of strength in relation to talent and skills needs, integrated with broader sector development initiatives.

Talent and Workplace Development – Skills of existing workforce

We will continue the development and roll out of tools to support businesses and their talent and skills development and retention needs, through our digital Employer and Workplace Hub on CEDA.nz. The tools are aimed at building organisations capabilities to support the attraction, integration, development, and retention of talent and skills in the region and within their businesses.

We will continue to partner with our key tertiary education collaborators (Massey University, UCOL | Te Pūkenga, and IPU) to provision for future skills needs, and ensure that key regional projects such as Te Utanganui the Central New Zealand Distribution Hub, are supported in identifying and fulfilling the training, attraction, and retention needs to support the growth and ambitions of the region's priority investment projects.

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 collective voice, incorporating the cultural heritage of iwi

Regional Identity

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, talent, and visitors through targeted storytelling and media partnerships.

This work will be woven across our projects and strategic plans including inward investment, destination management, visitor sector marketing, talent and skills attraction and retention, and business attraction and retention. Using key channels, and working with regional stakeholders and partners, we will work to grow the profile of our city and region and collectively showcase on our distinct and respected value proposition through the Regional Identity to build momentum and awareness of the city, district, and region*.

CEDA will focus on building the awareness of Manawatū and what the region has to offer, by managing and executing on 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 talent*.

In our role as the Regional Tourism Organisation for Palmerston North and Manawatū, we work 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 for the region in featuring key business and visitor attractions, working in collaboration with PNCC and MDC.

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 into the region, showcasing our lifestyle advantages, inspire visitation, and help tell our region's stories.

Our digital platforms are one of our biggest, most efficient, tools in building increased awareness of the breadth of what Palmerston North and Manawatū has to offer. Through our regional social media channels and the regional website ManawatuNZ.co.nz, CEDA will continue to build on our narrative as a region to ensure we can collectively profile the region on a local, national, and global stage.

The ManawatuNZ.co.nz regional website 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 to build a consistent and strong rhetoric of Manawatū's strengths, opportunities, and identity.

* Through investment made by the government for the 2022-23 year, CEDA has been able to significantly increase the amount of media coverage and profile, digital engagement, and content pieces delivered. This funding ceased on 31 December 2022, and as a result outcomes in these areas are expected to significantly reduce this financial year.



Aratakina ngā whakawhanaketanga 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 resources, 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

Grow relationships with Māori, iwi and hapu in the region

We work collaboratively with regional iwi through our key strategic projects for the region to increase business and employment opportunities for Māori, and, but also supporting iwi led projects such as the Rangitāne o Manawatū Māori Tourism Strategy, ongoing profile and use of the Regional Identity, and Te Urungi – Innovate Aotearoa, He Ara Kotahi, Hei Ara Kōrero project, to provide an iwi-led and owned platform to share and protect the stories of Rangitāne o Manawatū, and delivery of data and insights.

We continue to develop partnerships with Māori business networks such as Te Au Pakihi, Te Manu Atatū, and the Poutama Trust, through a dedicated Māori business growth Advisor role shared with Whanganui & Partners under the Regional Business Partner Programme, to enable access to support programs that build capability for Māori business.

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.

Build on relationships with shareholders, central government agencies, and regional stakeholders

Strategic relationships with partners, iwi, central government, economic development agencies and key regional stakeholders, such as Rangitāne o Manawatū, Ngati Kauwhata, Ngati Raukawa, The Factory, Sprout Agritech, Manawatū Business Chamber, Feilding and District Promotion, Massey University, UCOL | Te Pūkenga, IPU, Talent Central, Air New Zealand, Tourism New Zealand, Regional Tourism 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.

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

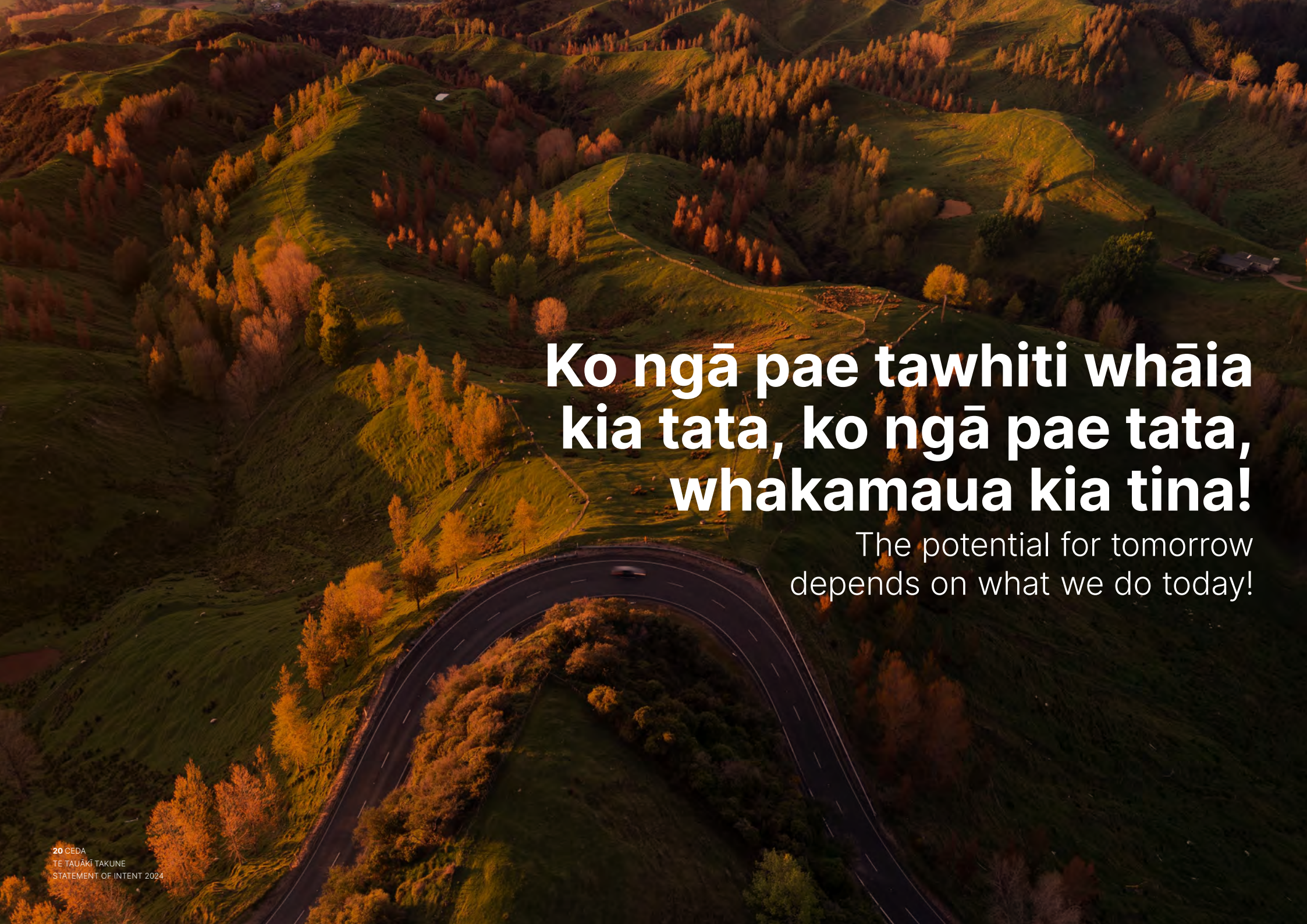
Economic impact information regularly communicated to stakeholders and business

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 and stakeholders to easily absorb and understand the information relevant to them, while monitoring and responding to trends and opportunities.

Business and stakeholder communications

Providing comprehensive regional data and insights is crucial to supporting businesses, investors and communities in making 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 informative and engaging manner. We will continue to partner on sector profiles, adding the sector insights and commentary at a micro and macro level.

This includes publishing this information on a regular basis through targeted communication channels such as 60 Seconds (e-newsletter), developing the Manawatū Quarterly Economic Snapshots, and engaging media to help profile our economic pulse. This work covers data, insights and trends on our sectors of strength and key growth indicators, retail reports, 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.



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

The potential for tomorrow
depends on what we do today!

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.

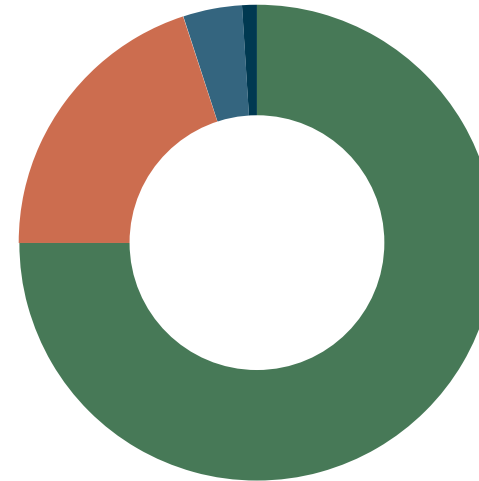
This funding gives us the ability to deliver and partner in programmes of work across the region, business and community including targeted sector specific sector work that will bring benefit to the wider region in the long term.

Further funding may also be received from stakeholders or industry for support of programmes and joint projects.

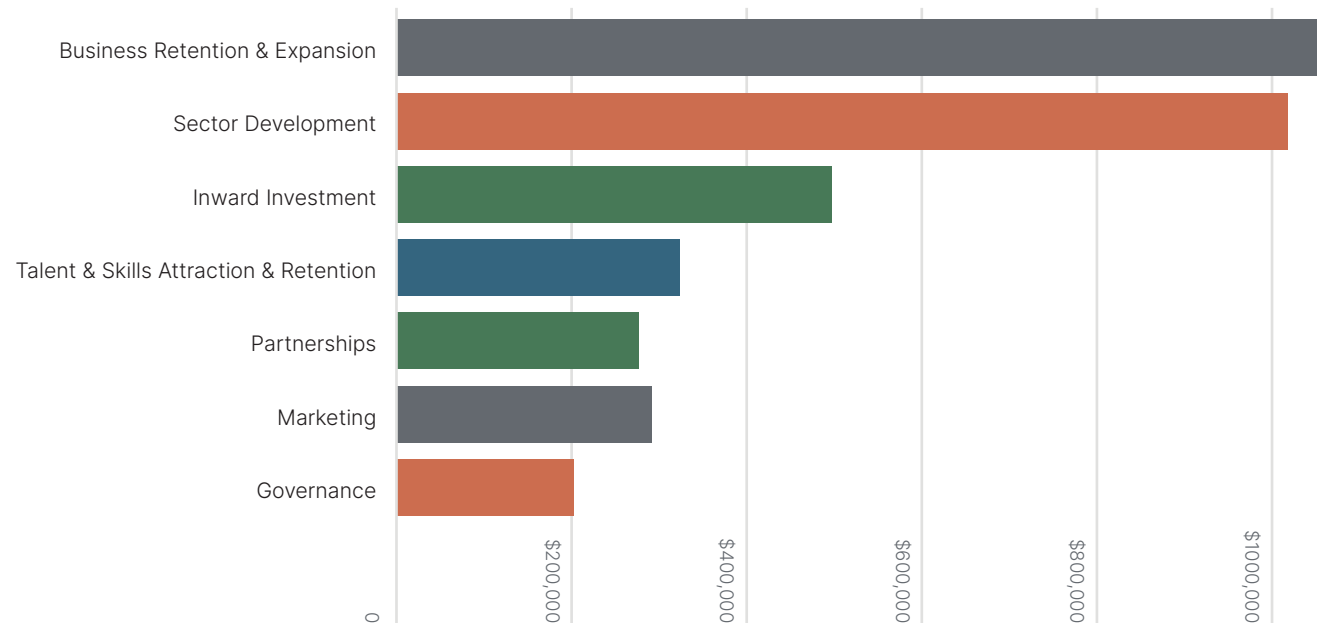
Additional central government funding has been received for specific sector support with a focus on protecting Māori stories (Mātauranga Māori), to be spent in this financial year.

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 the He Ara Kotahi, Hei Ara Kōrero project
3. Business Retention and Expansion **includes** 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 Who we are



CEDA is a team of people who are passionate about our region.

We are innovators, 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



**Mā te mahi tahi
e puta ai he hua
whakaharahara**

Together we can achieve
exceptional outcomes



**Me whakapono ki ō
mahī me te āhua o tō
kawē i aua mahī**

Believe in what you do
and how you do it



**Kia poho kererū,
kia mairangatia
te hautūtanga**

Be proud and
show leadership

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.

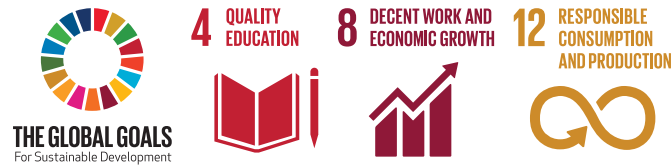
Our focus will continue to be on Participation through our growing relationships with regional iwi and mana whenua across Palmerston North and Manawatū. Through Partnerships, we aim to work together with our regional iwi for agreed outcomes that benefit the region, and we will ensure Protection is a 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.

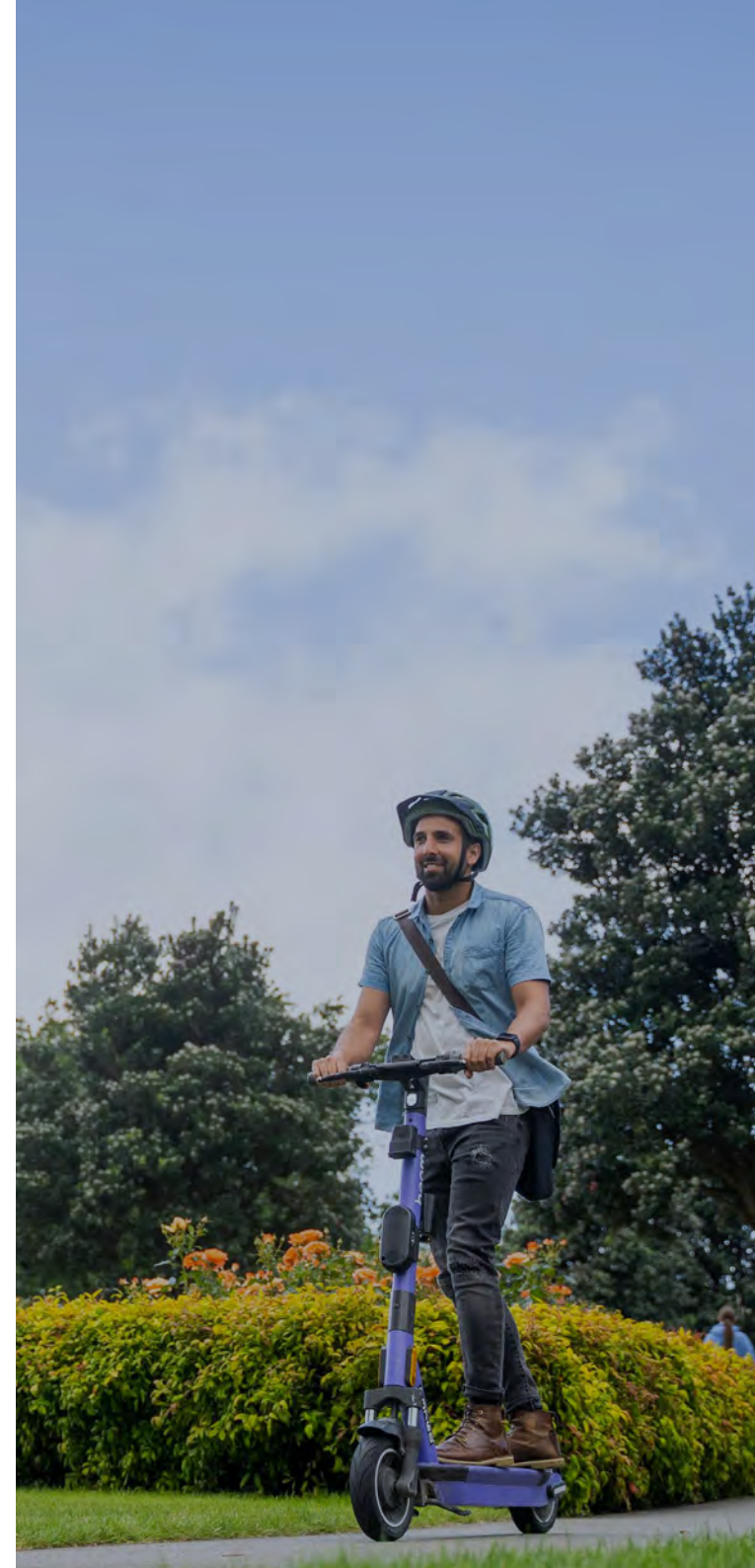
CEDA's top three Sustainable Development Goals we use to inform our programmes of work are:



The 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.





A 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.

A MĀTOU PAEARU TUTUKINGA
OUR PERFORMANCE MEASURES

Service Level Statement	Performance Measure	2023/24	2024/25	2025/26
Support the development and growth of business and sectors of strength in the region including inward investment	Implementation of Inward Investment strategy with regional partners, through the attraction of investment to the region including key regional projects	Te Utanganui implementation through 10 advocacy engagements and identification of 6 potential investment opportunities	Te Utanganui implementation through 10 advocacy engagements and identification of 6 new potential investment opportunities	Te Utanganui implementation through 10 advocacy engagements and identification of 6 new potential investment opportunities
		Support implementation of the Manawatū Food Strategy through delivery of 3 outcomes that relate to the strategic priorities identified	Support implementation of the Manawatū Food Strategy through delivery of 3 new outcomes that relate to the strategic priorities identified	Support implementation of the Manawatū Food Strategy through delivery of 3 new outcomes that relate to the strategic priorities identified
		4 leads/activities linked to other investment opportunities or promoting the region for investment	4 further leads/activities linked to other investment opportunities or promoting the region for investment	4 further leads/activities linked to other investment opportunities or promoting the region for investment
	Development of priority sectors through targeted business development and retention initiatives	Facilitate implementation of the Destination Management Plan through delivery of 3 activities or initiatives	Facilitate implementation of the Destination Management Plan through delivery of 3 activities or initiatives	Facilitate implementation of the Destination Management Plan through delivery of 3 activities or initiatives
		Deliver 6 sector development initiatives to support the regions sectors of strength	Deliver 6 sector development initiatives to support the regions sectors of strength	Deliver 6 sector development initiatives to support the regions sectors of strength
		400 engagements with businesses including support of Business, Attraction, Retention and Expansion in the region, and including 320 businesses actively engaged through the Regional Business Partner Programme	420 engagements with businesses including support of Business, Attraction, Retention and Expansion in the region, and including 320 businesses actively engaged through the Regional Business Partner Programme	450 engagements with businesses including support of Business, Attraction, Retention and Expansion in the region, and including 320 businesses actively engaged through the Regional Business Partner Programme
		Partner with key stakeholders including Sprout, The Factory and Callaghan Innovation to deliver 6 start-up and innovation activities or initiatives	Partner with key stakeholders including Sprout, The Factory and Callaghan Innovation to deliver 6 start-up and innovation activities or initiatives	Partner with key stakeholders including Sprout, The Factory and Callaghan Innovation to deliver 6 start-up and innovation activities or initiatives
	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 and skills through an integrated approach	Develop 4 success stories and business profiles to showcase successes in attraction and retention of talent	Develop 4 success stories and business profiles to showcase successes in attraction and retention of talent

A MĀTOU PAEARU TUTUKINGA
OUR PERFORMANCE MEASURES

Service Level Statement	Performance Measure	2023/24	2024/25	2025/26
		Deliver 3 talent and skills initiatives to support industry in the region	Deliver 3 talent and skills initiatives to support industry in the region	Deliver 3 talent and skills initiatives to support industry in the region
		Deliver 2 initiatives that support youth into employment	Deliver 2 initiatives that support youth into employment	Deliver 2 initiatives that support youth into employment
Profile Manawatū locally, nationally, and globally	Lead and develop the stories of Manawatū, creating a narrative and collective voice, incorporating the cultural heritage of iwi	5 content pieces targeting key audiences to support growing the profile and narrative of the city and region, leveraging the Regional Identity	5 content pieces targeting key audiences to support growing the profile and narrative of the city and region, leveraging the Regional Identity	5 content pieces targeting key audiences to support growing the profile and narrative of the city and region, leveraging the Regional Identity
		20 direct media features published profiling the region, with a reach of more than 1.5 million**	20 direct media features published profiling the region, with a reach of more than 1.5 million**	20 direct media features published profiling the region, with a reach of more than 1.5 million**
	Grow engagement on regional web and digital platforms for increased promotion of and information on the region	180,000 sessions on ManawatuNZ for the year, and a 3% increase in social media engagement	180,000 sessions on ManawatuNZ for the year, and a 3% increase in social media engagement	180,000 sessions on ManawatuNZ for the year, and a 3% increase in social media engagement
Develop strategic partner relationships, leveraging opportunities	Grow and foster relationships with Māori, iwi and hapu in the region	Deliver 3 initiatives to support iwi engagement including support of iwi led projects	Deliver 3 initiatives to support iwi engagement including support of iwi led projects	Deliver 3 initiatives to support iwi engagement including support of iwi led projects
	Build on relationships with shareholders, central government agencies, and regional stakeholders	10 Partnership and funding agreements in place Completion of an independent Customer Satisfaction survey with key insights shared with Shareholders	10 Partnership and funding agreements in place	10 Partnership and funding agreements in place
Data and insights communications on the performance of the region's economy	Economic impact information regularly communicated to stakeholders and business	50 communications to key sectors and businesses in the region including economic updates	50 communications to key sectors and businesses in the region including economic updates	50 communications to key sectors and businesses in the region including economic updates

Te Aronui ki te Hunga Whaipānga

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 which outline these objectives.

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

MDC Long Term Plan Priorities	CEDA Service Level Statement alignment
<p>A prosperous, resilient economy <i>He kāinga ka tōnui tōna ōhanga</i></p>	<ul style="list-style-type: none"> • Lead and support the regions attraction and retention of talent and skills through an integrated approach. • Support the development and growth of business and sectors of strength in the region including inward investment. • Profile Manawatū locally, nationally, and globally. • Develop strategic partner relationships, leveraging opportunities. • Data and insights communications on the performance of the region's economy.
<p>Infrastructure fit for future <i>He kāinga ka tūwhena tonu ōna pūnahanga, haere ake nei te wā</i></p>	<ul style="list-style-type: none"> • Support the development and growth of business and sectors of strength in the region including inward investment.
<p>A future planned together <i>He kāinga ka whakamaherea tahitia tōna anamata e te hāpori tonu</i></p>	<ul style="list-style-type: none"> • Lead and support the regions attraction and retention of talent and skills through an integrated approach. • Support the development and growth of business and sectors of strength in the region including inward investment. • Profile Manawatū locally, nationally, and globally. • Develop strategic partner relationships, leveraging opportunities. • Data and insights communications on the performance of the region's economy.
<p>An environment to be proud of <i>He kāinga ka rauhitia tōna taiao</i></p>	<ul style="list-style-type: none"> • Support the development and growth of business and sectors of strength in the region including inward investment. • Profile Manawatū locally, nationally, and globally.

ALIGNMENT WITH OUR SHAREHOLDERS

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"> • Lead and support the regions attraction and retention of talent and skills through an integrated approach. • Support the development and growth of business and sectors of strength in the region including inward investment. • Profile Manawatū locally, nationally, and globally. • Develop strategic partner relationships, leveraging opportunities. • Data and insights communications 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"> • Lead and support the regions attraction and retention of talent and skills through an integrated approach. • Support the development and growth of business and sectors of strength in the region including inward investment. • Profile Manawatū locally, nationally, and globally
<p>A Connected and Safe Community <i>He hāpori tūhonohono, he hāpori haumarū</i></p>	<ul style="list-style-type: none"> • Support the development and growth of business and sectors of strength in the region including inward investment. • Data and insights communications on the performance of the region’s economy.
<p>An Eco city <i>Te tāone tautaiāo</i></p>	<ul style="list-style-type: none"> • Support the development and growth of business and sectors of strength in the region including inward investment. • Data and insights communications on the performance of the region’s economy.

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	2024	2025	2026	Regional target*
Change in total number of jobs	1.9% increase	1.9% increase	1.9% increase	1.9% average annual increase over three years
Change in median salaries and wages	2.6% increase	2.6% increase	2.6% increase	2.6% pa increase
Change in total earnings (salaries, wages, and self-employment income)	3.7% increase	3.7% increase	3.7% increase	3.7% pa increase, average annual increase of \$104 million
Change in total GDP and per capita GDP	1.8% GDP 0.6% per capita	1.8% GDP 0.6% per capita	1.8% GDP 0.6% per capita	1.8% average annual increase in total GDP 0.6% average annual increase in per capita GDP
Estimated population change	1,350 increase	1,350 increase	1,350 increase	1,350 population increase pa, 1.2% average increase pa
- 65 years and over population (for demographic monitoring)	530 increase	530 increase	530 increase	Estimated 530 population increase pa, 3.3% pa
Net overseas migration	660 gain	660 gain	660 gain	660 average annual net migration gain
Spend by visitors in 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

Mō CEDA 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 both the 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

Group Statement of Comprehensive Revenue & Expenses

Central Economic
Development Agency
Limited

For the 12 Months to June

	Notes	2023-24 Budget	2024-25 Forecast	2025-26 Forecast
Income				
Council Funding	1	2,645,261	2,777,525	2,916,401
Other Services Income	2	930,887	543,000	543,000
Total Income		3,576,148	3,320,525	3,459,401
Cost of Sales				
Other Services Expenses	2	1,452,511	1,054,624	1,156,201
Total Cost of Sales		1,452,511	1,054,624	1,156,201
Gross Surplus (Deficit)		2,123,637	2,265,901	2,303,200
Other Income				
Sundry Income		10,000	4,000	3,000
Total Other Income		10,000	4,000	3,000

Group Statement of Comprehensive Revenue & Expenses

Central Economic Development Agency Limited

For the 12 Months to June

	Notes	2023-24 Budget	2024-25 Forecast	2025-26 Forecast
Expenses				
Depreciation		3,900	3,120	3,000
Directors' Fees		180,000	180,000	180,000
Employee Expense		1,594,538	1,704,265	1,789,478
Financing Expenses		200	200	200
Other Operating Expenses		433,610	394,510	407,906
Total Expenses		2,212,248	2,282,095	2,380,584
Net Surplus (Deficit) Before Tax				
		(78,611)	(12,194)	(74,384)
Taxation				
Income Tax Expense		0	0	0
Total Taxation		0	0	0
Net Surplus (Deficit) after tax				
		(78,611)	(12,194)	(74,384)

1. Assumes 4.3% annual CPI/local government increase

2. Includes MBIE Regional Business Partner Programme, and Ministry of Culture and Heritage (2023-24) funding

Group Statement of Financial Position

Central Economic
Development Agency
Limited

As at 30 June

	30 June 2024 Budget	30 June 2025 Forecast	30 June 2026 Forecast
Assets			
Current Assets			
Cash and Cash Equivalents	810,717	802,610	731,475
Receivables and Accruals	57,106	54,656	55,987
Prepayments	1,400	1,400	1,400
Total Current Assets	869,223	858,666	788,862
Non-Current Assets			
Property, Plant and Equipment	22,104	18,984	15,984
Total Non-Current Assets	22,104	18,984	15,984
Total Assets	891,327	877,650	804,846
Liabilities			
Current Liabilities			
Payables and Deferred Revenue	133,947	132,464	134,044
Employee Entitlements	92,935	92,935	92,935
Total Current Liabilities	226,882	225,399	226,979
Total Liabilities	226,882	225,399	226,979
Net Assets	664,445	652,251	577,867
Equity			
Contributed Capital	1,000	1,000	1,000
Retained Earnings	663,445	651,251	576,867
Total Equity	664,445	652,251	577,867

Group Statement of Cash Flows

Central Economic
Development Agency
Limited

For the 12 Months to June

	30 June 2024 Budget	30 June 2025 Forecast	30 June 2026 Forecast
Cash Flows from Operating Activities			
Receipts of council funding	3,041,008	3,192,887	3,352,529
Interest received	10,000	4,000	3,000
Receipts from other operating activities	633,432	628,173	624,456
GST	(166,100)	(279,153)	(284,707)
Payments to suppliers and employees	(3,952,524)	(3,553,813)	(3,766,213)
Finance costs	(200)	(200)	(200)
Total Cash Flows from Operating Activities	(434,384)	(8,106)	(71,135)
Net Cash Flows	(434,384)	(8,106)	(71,135)
Cash Balances			
Cash and cash equivalents at beginning of period	1,245,112	810,728	802,622
Cash and cash equivalents at end of period	810,728	802,622	731,487
Net change in cash for period	(434,384)	(8,106)	(71,135)

See Appendix for Accounting Policies

Ngā Here a te Hunga Whaipānga

Shareholder requirements

Reporting to Shareholders

The Shareholders will invite CEDA to formally report to each Shareholder twice per year, being the 6-month report and Annual Report.

The role of the formal reports to each shareholder 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 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.

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 2023/24 has been delivered to CEDA.

Statement of Intent

By 1 March in each year CEDA will deliver to 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 shareholders received by 30 April, the Board will deliver the completed SOI to the shareholders on or before 15 June each year.

Half Yearly Report

By the end of February each year, CEDA will provide to the shareholders 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 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.

Āpitihanga 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 Manawatū District Council (50%), CEDA is a council-controlled organisation as defined in section 6 of the Local Government Act 2002.

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

2. Statement of Accounting Policies

Basis of Preparation

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

Statement of Compliance

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

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

Presentation Currency

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

Historical Cost

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

Changes in Accounting Policies

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

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.



24 January 2023

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

Dear Bobbie,

CEDA Statement of Expectations 2023-2024

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. NZ Defence Force and Accelerate 25.

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 there can be differing stakeholder expectations.

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

- Stimulate inward investment (both national and international), retention and expansion of business in the Manawatu region, along with business recovery to COVID-19.
- Developing a talent pipeline
- Support Domestic Visitation and tourism recovery post COVID-19.

Top priorities for MDC are:

- Promotion and development of key tourism and visitor destinations, including the country road tourism route.
- Stimulate inward investment for Manawatu district.
- Promote Manfeild as a conference and events venue option
- Deliver on the Regional Identity implementation.
- Identify activities that help resolve labour shortages in the district.

Top priorities for PNCC are:

- Implementation of the Central NZ Distribution Hub Strategy.
- Support advocacy on the Palmerston North Integrated Transport Investment project.
- Stimulate inward investment in Palmerston North city.
- Continue to stimulate visitor activity in Palmerston North city, in conjunction with the PNCC marketing unit and MDC

A specific joint priority of MDC and PNCC is:

- Development of a Food 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 the Factory and Food HQ with its aspirations.

In balancing the priorities of each council, and 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 Manawatū 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 will invite CEDA to formally report to each Shareholder twice per year, being the 6-month report and Annual Report.

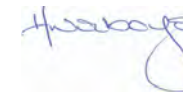
CEDA will host two informal meetings with the Shareholders together to share progress on key priorities and connect outside of the formal reporting processes.

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 Manawatū region.

Yours sincerely



Grant Smith
Mayor
PALMERSTON NORTH CITY COUNCIL



Helen Worboys
Mayor
MANAWATŪ DISTRICT COUNCIL

Ō Mātou Hoa Mahi Tahī

Our Partner Organisations

Local

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

Te Au Pakihi
Te Manawa
The Factory
UCOL | Te Pūkenga
Welcoming Communities

Regional

Accelerate25
Business Central and Export NZ
Horizons Regional Council
Horowhenua District Council
Rangitīkei District Council
Regional Skills Leadership Group – Manawatū-Whanganui
Ruapehu District Council
Taranua District Council
Te Manu Atatū
Te Utanganui partners, Kiwirail and Napier Ports
The Horowhenua Company
Venture Taranaki
Whanganui and Partners

National

AgResearch
Air New Zealand
Business Mentors New Zealand
Callaghan Innovation
Economic Development New Zealand
Fonterra Cooperative Group
Immigration New Zealand
Ministry of Business, Innovation and Employment
Ministry of Culture and Heritage
Ministry of Social Development
New Zealand Careers Expo
New Zealand Trade and Enterprise
New Zealand Motor Caravan Association
Regional Tourism New Zealand
Regional Business Partners Network
Regional Tourism Organisations New Zealand
Stuff
Te Tāhuhu o te Māturanga – Ministry of Education
Tourism Industry Aotearoa
Tourism New Zealand
Waka Kotahi
Workforce Development Councils

