

CEDA

CENTRAL ECONOMIC
DEVELOPMENT AGENCY

Annual Report 2017/18

31 August 2018



Palmerston North & Manawatu At a Glance

POPULATION

117,600

June 2017

RATE OF POPULATION GROWTH 1.2%

June 2017

87,300

Palmerston North

30,300

Manawatu District



AVERAGE AGE

41

Manawatu District

33.6

Palmerston North

June 2017

747

**NET OVERSEAS
MIGRATION**

6.3% decline June 2018



MANAWATU GDP

\$4,803m

2% of NZ economy March 2018

GDP PER CAPITA

\$40,842

June 2017

TOTAL VISITOR SPEND

\$459m

in Manawatu region (increase of 4.1%)

June 2018

MANAWATU REGION IS RANKED

15th



for visitor spend out of 31
Regional Tourism Organisation's
around New Zealand June 2018



GUEST NIGHTS

2.86m

in Manawatu region*
(1.9% increase)

May 2018



\$366m

BUILDING CONSENTS

62% increase from June 2017

June 2018

MEDIAN SALARIES AND WAGES

\$46,350

Manawatu District

\$48,430

Palmerston North

53,420
EMPLOYEES

780 more jobs from 2016

March 2017

BUSINESSES
11,694

February 2017

up 51 on March 2016

TOTAL EARNINGS

(salaries, wages and self-employment income)

\$3,158m

3.6% increase March 2016

Data sources: StatsNZ, Infometrics Quarterly, Qrious, Commercial Accommodation Monitor, MBIE, QV, Palmerston North Airport

*Following the ceasing of Qrious data in February 2018, this figure assumes that the split between commercial accommodation and alternative accommodation (i.e Airbnb, farm stays) nights remains the same as 2017, where commercial nights accounted for 16.5 percent of overall visitor nights in Manawatu region. Tourism expenditure figures support the conclusion that tourism is sustained from last year with moderate increases over the year.

As the region's economic development agency, we have a role in monitoring and influencing a range of these indicators where we can, however we don't measure the performance of our organisation against them. These indicators reflect outcomes at a regional level which are impacted by a range of factors outside our control, such as exchange rates, natural disasters and government policy, for example.

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Chair's Report



Tēnā Koutou Katoa

This year has been about operational excellence and building the platform that will enable us to tackle some of the big issues that have constrained our region over the years; our identity and sense of regional pride, our labour market and our ability to attract the skills and talent we need, and our ability to attract investment into our region.

We have seen the Manawatu region's economy outperform the national average for the first time since 2011 in the quarter to March 2018, and indicators of construction and business investment have been particularly strong. Our population growth is elevated, and household spending on retail and in significant investments such as residential properties, indicate that confidence is strong. The growth we are experiencing is reflected in the rise in residential and non-residential consents, infrastructure investment, and the ambition and vision shown by our Councils through their 10 year plans. The ongoing commitment, support and guidance of Palmerston North City Council and Manawatu District Council is fundamental to our ability to achieve.

The rise of regions across New Zealand brings Manawatu to centre stage. We are strategically located; our proximity to Wellington, our developing multimodal distribution hub, and our ever-deepening capability in agrifood and agritech, set us up to thrive and to play an essential role in the economic prosperity of New Zealand.

We cannot be in any way complacent though. We are experiencing a rise in job seeker benefits, indicating that not every part of our community is benefiting from the growth we are experiencing. And while we are still one of New Zealand's most affordable regions, this value proposition risks being eroded if our housing supply and construction cannot keep up with demand.

Our survey of businesses in the region identified a shortage of people for jobs available as the most important constraint on business growth. We expect added pressure on accommodation and labour with the pending alternative Manawatu Gorge replacement route and rural ring road development.

There are big changes occurring worldwide in the workplace because of the development of artificial intelligence and automation. McKinsey and Company estimate the potential for automation in New Zealand to be 41 per cent of current jobs – similar to Australia and the US. Our excellent schools and tertiary institutes mean we are well placed to meet the educational challenges of re-skilling and boosting the number of people available to meet the job demand. We anticipate that the National Driver Training Centre, based at Manfeild, will also help close the skills shortage gap.

These challenges are exciting opportunities and CEDA is keen to help our region capitalise on them for the benefit of all the people in our community. The future is bright.

As our annual report demonstrates, CEDA has now moved past the establishment phase of planning and development to looking forward and delivering. On behalf of the CEDA Board and the whole of the team at CEDA, thank you.

Ngā mihi nui ki a koutou katoua,

Malcolm Bailey
Chairperson

Chief Executive's Report



Tēnā Koutou Katoa

I have spent just over a year as the Chief Executive of CEDA and I truly believe we have the best job in the world: enabling the place we live and work to thrive and grow. What has really struck me is the passion that lies within the people and businesses in our city and our district, and the opportunities that lie in front of us all today. For the team and I, it's about putting the region on centre stage, and focusing on what makes it truly mighty.

Our mandate at CEDA is broad, and our challenge, like any good strategy, is in prioritising where we focus our energy and resources, to make the most impact and difference. Much of our work is done through our partnerships, which really gets to the core of what we do – enabling the success of others for a more prosperous region.

I'm proud to bring you this annual report, which will showcase all that we have delivered, achieved, and enabled. While this report will go into more depth on our work in the past year, I'd like to focus on some highlights.

Throughout the year we have focused on identifying some key strategic growth projects for Manawatu. While we may all believe that we live in one of the best spots in the world, we are also acutely aware that the perception of our city and our region is far from ideal. A large project we have undertaken is to tackle the reputation and identity of our region. If we are to bring more people here, whether that is as visitors, for conferences or events, or as future residents, their perception of us had to be changed. I am sure you can appreciate that this is no small undertaking, but after extensive consumer research, shareholder, Iwi and stakeholder involvement, we are now nearing the sharp end of this project, and the results of this will become evident as we move into our summer visitor campaigns.

From our research in developing these projects we know that the bulk of job growth comes from building the capability of our existing people and businesses to innovate, grow and start up new ventures. This year we laid the foundations with one of our most important partners, Building Clever Companies, by investing in their innovation and accelerator programmes. The start-up ecosystem in our region is fundamental and we believe that by supporting the BCC in their drive to build a strong entrepreneurial pipeline, and to develop greater industry specialisation and deeper capability, we will attract more significant investment and other organisations that want to be part of our dynamic local business environment.

When it comes to showcasing our region, the team at CEDA are behind ManawatuNZ.co.nz which underwent a significant refresh this year. Working with New Zealand Geographic's Young Photographer of the Year 2016, we captured the essence of our city and district through imagery that gets to the heart of what and who Manawatu really is. This website is our shop window, providing information on dining, visiting, shopping, studying, and living in our region, and it's visited by thousands of visitors and locals each year. On that note, much of what we do daily may not even be seen or recognised by residents; our work and partnerships with media and Tourism New Zealand mean our visitor, international education and marketing campaigns take Manawatu to the world. This year, that included our first foray into television and all these elements combined, reach an audience of millions. The aim of all of this work is to raise the profile of the city and district, to bring more visitors and residents through this awareness raising.

From a financial perspective we have driven for efficiencies in our administration and operations, we have invested in our systems and technology, and taken our time to identify and recruit the right people and build a high performing team over the last twelve months. Our surplus will position us to undertake the significant projects beyond our core activities over the next three years.

Manawatu is well positioned to capitalise on the growth we are experiencing and the opportunities that lie ahead of us. The significant roading projects – the Manawatu Gorge replacement and the regional ring road - will act as a catalyst for growth. Our region has the capability to produce the talent and skills we need for the future through our world-leading tertiary providers. Combine this with business capability and research and development support, the accelerator and innovation programmes that are delivered in the region and together we are building a strong and resilient business environment. Our role in this is to bring our shareholders, partners and central government together into one conversation, to make it happen cohesively.

I would like to acknowledge and extend my thanks to our two shareholder councils – Palmerston North City Council and Manawatu District Council – for your support and visions for the district and city. The team and I look forward to developing and implementing projects and programmes that align to your 10 year plans and work towards our collective aspirations. My thanks also goes to our board whose expertise, knowledge and passion for Manawatu is intrinsic in their work and leadership, as we identify the opportunities for growth and work through any challenges that may stand in the way.

The future for our region is bright, and the industries and specialisations we are increasingly known for in agrifood, agritech, and distribution and logistics position us well on the national and international stage. The challenge we face will be in managing this growth in terms of housing, infrastructure, our environment, and social inclusion.

It is in facing into these challenges that I am most excited by the opportunities they present to our region, and for CEDA to continue to develop and grow its role as a leading economic development agency. Ensuring that our region draws maximum benefit from major projects such as the Manawatu Gorge replacement route and regional ring road development, and those identified in our shareholder long term plans is quite simply the role we were created to deliver to.

Ngā mihi nui ki a koutou katoua,



Linda Stewart
Chief Executive

The Year That's Been

1 July 2017- 30 June 2018

Capturing a Day in a Visitor's Journey

Strategic growth project underway

Leading the Regional Identity Development for Manawatu

21

International media

features through Tourism New Zealand, with advertising value worth \$264K+

\$1,711,311

Research and Development Grants allocated in partnership with Callaghan Innovation

National media

features in NZ Motor-Caravanner, AA Traveller, NZ Life & Leisure + more

ManawatuNZ.co.nz

redeveloped

Regional Skills Gap Analysis completed

Supported and enabled

72 conferences worth an estimated

\$12 million

to the region

Manawatu Alumni

Strategic growth project defined, developed & initiated

**Assisted
402
businesses**

(2016/17: 320)

44

Business owners matched
with mentors

(2016/17: 37)

**Development
and Launch**

of Distribution and Logistics
Pathways with Talent Central

**Led 2018 Central
Regions' Mission to
China**

Two Memorandum of
Understanding signed with
leading Chinese recruitment
agency, EIC Education and an
international schools' group,
ZWIE

**Ag Value
Chain report
completed**

2,971

International students enrolled

2% increase on 2017

\$248,862

Allocated to business capability
development in partnership
with NZTE

(2016/17: \$249,108)

**Delivered Sort
It Careers Expo**

4000+ attendees

73 exhibitors

**Delivered
New Zealand
AgriFood Week**

Digital campaign reached
499,000 people

+59

Net Promoter Score through
the Regional Business
Partner Programme

(2016/17 +44)



About CEDA

The Central Economic Development Agency (CEDA) has been fully operating since 1 September 2016 with the purchase of Vision Manawatu and Destination Manawatu. CEDA is a Council controlled organisation jointly owned by the Palmerston North City Council and the Manawatu District Council.

CEDA's Purpose

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

CEDA's Constitution Objectives

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

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 Manawatu District Council and Palmerston North City Council

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



Our Strategic Objectives

Powering our progress; achieving the vision

CEDA works across three strategic pillars of economic development; People, Place and Business. Our key 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 the region.



These key objectives guide the development of the short and medium-term programmes of work for CEDA. When considering how to prioritise our efforts, and based on our current resources and functions, CEDA focuses on programmes and activities that offer the greatest opportunities for economic growth. These are identified through research, monitored and reviewed using the latest data, and viewed through a regional, national and international lens.

Our Strategic Objectives are to:

1. Support the growth of business in the region
2. Grow and retain education and talent in the region
3. Enhance the brand and experience

Our Vision

Manawatu 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 aspirational, from reactive to determined, and to move with an increased cadence and sense of resolve. We believe that Manawatu has the leadership and the ingredients to reposition itself on the national stage - a flourishing and evolving region that will be first choice for lifestyle and success.

Four key indicators that we are on our way to achieving this vision are:

- Our regional story is embraced, promoted and stated proudly by residents, businesses and visitors
- We are the renowned central hub for agribusiness
- We are growing sustainably
- Innovation is part of the fabric of our community and culture, and it's celebrated.

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

Our Scope of Activity

Regional Marketing	i-SITE	Events	International Education	Economic & Business Development	Finance & Operations
Visitor sector development and support	Group booking services	New Zealand AgriFood Week	Showcasing the Region	Regional Business Partner Network	Financial reporting & funding contracts
ManawatuNZ.co.nz	Domestic travel agents	Sort It Careers Expo	Enhancing the Student Experience	Sector Development	Legal compliance
Visitor & resident attraction	Local experts on city and region	Westpac Manawatu Business Awards	Pathways to Employment	Labour market Development	Human Resources/ Information Systems
Communications		Conference and event support and attraction		Data & Insights	



Management Team



Sarah Gauthier

Economic Development Manager

The Economic Development and Business team work across Manawatu to support and deliver on regional economic development projects and goals, empowered by our ability to provide high quality growth services. Also, to ensure businesses and organisations in the Manawatu-Whanganui region have access to high quality business growth services, targeted and strategic co-funding schemes aimed at growth, and research and development input that becomes innovation.



Janet Reynolds

Marketing and Communications Manager, Acting

Our Regional Marketing, Communications and Events team are tasked with showcasing Manawatu as a great place to be for business, events, conferencing, study, living and visiting. The development, marketing and delivery of CEDA's flagship events portfolio – New Zealand AgriFood Week, Westpac Manawatu Business Awards and Sort It Careers Expo - is a crucial part of the work we do in raising the region's profile on a national stage, and in developing our key sectors.



Judy Bennett-Smith

International Education Development Manager

Our International Education team is responsible for supporting the sector to grow the number of international students by showcasing Palmerston North and the Manawatu region as a fantastic place to study, ensuring students who are studying here have the best possible experience, and identifying new pathways for international students to enter regional employment opportunities.



Jacqui Middleton

Finance and Operations Manager

The Finance and Operations team provides the operational infrastructure that enables CEDA to operate effectively and efficiently in delivering on its mission. The team's key objectives fall under five main categories; Finance, Legal Compliance, Human Resources, Technology and Systems and Operational Support, along with contracts and funding partnerships. This includes operating the Palmerston North City i-SITE and support of the Feilding Information Centre.

What We Do

Support the Growth of Business

Growing, retaining and attracting business to the region is at the core of economic development. Having strong, innovative and thriving businesses here drives job growth and increases regional confidence.

Regional Business Partner Programme

CEDA's scope of work in this area is wider than Manawatu – our team of Business Growth Advisors work with businesses across the wider Manawatu-Whanganui region, supporting entrepreneurs; matching business owners with mentors; fostering business growth through strategic development and training; and investing in innovation and export capabilities, through the delivery of the Regional Business Partner Programme with New Zealand Trade and Enterprise, Callaghan Innovation and Business Mentors New Zealand.

CEDA works in conjunction with the region's seven councils and holds strong working relationships with businesses throughout the Manawatu-Whanganui region.

This broader scope and connections advantages CEDA and Manawatu – we can see the bigger picture and connect complementary businesses across the region with growth capabilities that benefit Manawatu, the wider region, and New Zealand.

The CEDA team has held two business community-focused events in Ruapehu and Tararua to increase awareness of our services and connect and better enable our regional Economic Development counterparts, Ruapehu District Council and Tararua District Council. CEDA has more impact events planned across our regional network going forward - and we engage with our stakeholders and prospective customers in Palmerston North and Manawatu on a regular basis.

For instance, one of our Business Growth Advisors delivers CEDA growth services from Feilding Districts and Promotion on a weekly basis, while the wider CEDA team, including members of the Business Team regularly attend business and community networking events in Palmerston North and Manawatu.

402**Businesses assisted through a
CEDA intervention**
(2016/17: 320)**+59****Net Promoter Score through
the Regional Business Partner
Programme**
(2016/17 +44)**44****Business owners matched
with mentors**
(2016/17: 37)**\$1,711,311****Research and Development Grants allocated**
(2016/17: \$235,108)**\$248,862****Allocated for business capability development**
(2016/17: \$249,108)

Business Growth and Development

CEDA provided support and assistance to 402 businesses over the year and successfully allocated \$248,862 worth of funding from our Regional Business Partners Programme for businesses to upskill in areas including marketing and strategy, business planning, financial management, governance and more. A network of qualified and select service providers work with the businesses to achieve the strategic outcomes and thinking needed for growth, development and better decisions.

This funding is matched by each participating organisation and is delivered in combination with the active and targeted advice and support of our Business Growth Advisors. This advice with relevant tools aims to augment the skill level, strategic thinking and outputs of businesses, leaders and managers.

We have developed a Start-up Clinic to provide foundation advice and direction to new business owners and emerging entrepreneurs. Three workshops were held in the year with the inaugural workshop being held in Palmerston North in February. This enables an opportunity to effectively engage with a larger number of start-up businesses whilst enabling them to connect with likeminded entrepreneurs.

With the support of Business Mentors New Zealand, CEDA completed 44 Mentor Matches over the year. These matches help start-up businesses and established business owners to develop more capability with the benefits of one-on-one guidance and advice.

Business Attraction and Retention

A strategic approach to business attraction and inward investment, aligned to our priority growth sectors - distribution and logistics, agrifood and agritech, Government including Defence, education and health - is central to achieving the region's growth aspirations. By partnering with our Councils, Central Government Agencies, BCC and the private sector, we work to ensure that Manawatu is seen as investment ready and deliver compelling reasons for establishment in our region.

The First Choice for Business project was identified as a priority opportunity for Manawatu.

Spearhead Manawatu provided assistance to attract one new business to the region and the retention of one significant business in the region, and also continued engagement with six businesses around potential relocation to the region in the future.

CEDA also provided support to Goodman Fielder and AgResearch relocations, with over 200 staff and/or families having the opportunity to relocate to the Manawatu, and we presented at the Australian Investor Conference on priority sectors, investment opportunities, expertise and relationship development.

Support the Growth of Business

Iwi Engagement and Maori Business Sector Development

Acknowledging the importance and potential of working with Iwi and the Maori Business Sector, CEDA is developing an Iwi engagement and response framework.

To start, an introductory meeting was held with Rangitane leaders to commence a formal engagement process. Planning meetings have been held with both shareholding councils to discuss CEDA's approach to engagement with local Iwi and Manawatu's Maori business community and networks – like Te Au Pakihi and the Maori Economy development group facilitated through MDC.

Over the past year, we supported nine Maori businesses via the Regional Business Partner Programme and have worked closely with four other businesses to support their applications for Research and Development Grant funding from both Callaghan Innovation and Te Puni Kokiri. Ongoing engagement and communication with Te Puni Kokiri, Reureu Kotahitanga Ltd, Poutama Trust and Regional Maori Business Networks like Te Au Pakihi, ensure that we are responsive to the needs of local Maori business.

We also attended the Innovation Quarter (Te Manu Atatu) opening in Whanganui, Ngati Rangī and Te Pae Tata Ruapehu Community Hub launch and development, and Te Manu Atatu's Networking Events Nga Ti o Te Awa Support for Thrive Whanganui.

Advancing Innovation

As part of our role to facilitate collaboration, innovation and entrepreneurship in key sectors and scale up the commercialisation of innovative start-ups, we work in partnership with tech incubator organisation Building Clever Companies and the Sprout Agtech Accelerator initiative (New Zealand's national agritech incubator).

In the past year, we financially supported Building Clever Companies' Innovate competition, and Sprout to support an international investor visit. We provided support to secondary school student entrepreneur programme Young Enterprise Scheme, as well as the AgTech Hackathon, through the provision of business mentors and judges.

\$1,711,311 million worth of Research and Development Grants, in partnership with Callaghan Innovation, were allocated to businesses in the wider Manawatu-Whanganui region, with 95 per cent per cent of this funding allocated to businesses in Palmerston North and Manawatu.

These grants are for specific research projects and initiatives to enable and assist the future growth and innovation plans and outputs of each organisation. With support for new researchers and students to work with companies, we see how this additional resource enables innovation and provides emergent research with valuable work experience.

**“I feel empowered
to know what to
research and do next”**

Jodie Woods - Fashion Designer



Feilding to Fashion Week: Tonic & Cloth

Feilding-based fashion designer Jodie Woods operates a sustainable clothing start-up, Tonic & Cloth, and was preparing to grow her business over five years.

“I planned to coast along slowly, grow the business and get to a point where I’d be selling more and have larger production runs.”

But that plan rapidly changed. The catalyst? Woods received a reply to an email she had sent to Good Magazine’s editor Carolyn Enting about her collection. The editor loved Woods’ work and asked her if she could show Tonic & Cloth’s summer collection at NZ Fashion Week in September 2018, as part of the publication’s Sustainable Style Show.

In need of some serious business advice, Woods called CEDA’s Business Growth Advisor Brian Sami the next day. She had received a start-up pack from CEDA a year earlier and knew of the support and guidance that could be provided.

“Brian helped me to see a much bigger picture. With his business experience he guided me through the next steps I needed to take to make the most of this opportunity and scale-up my business.”

In response to Brian’s advice, Woods met with a lawyer to better understand investment offers and opportunities. She has also created more structure in her business, as well as picturing where she envisions Tonic & Cloth in five years’ time, including her business’ governance, heart and ethos.

“He could see what I could not right now and was asking me questions I had not thought to ask.”

In the lead up to NZ Fashion Week, Woods geared up for bigger production runs and collaborations with local designers. She’s no longer daunted by the fact that her five-year business plan is here, now.

“I feel like I’ve got more than a tool box after meeting with Brian. It was like he was standing on top of a mountain and could see the playing field more clearly than I could. I feel empowered to know what to research and do next.”

“Being a Business Growth Advisor is so rewarding,” says Brian. “CEDA is gaining more profile and awareness with new and existing businesses about the exciting and new ways of thinking we can bring to them.”

OBO: Igniting Field Hockey Innovation

At the 2018 Commonwealth Games, three medal-winning field hockey teams – the Black Sticks, and the English and Australian sides – had one thing in common: their goalkeepers were all wearing OBO protective gear.

OBO is a Palmerston North-based company that makes flexible, lightweight head-to-toe protective gear for hockey goal keepers, who find themselves in the firing line of hockey balls being hurled towards them at speeds of up to 150kmh.

OBO exports to 60 countries and has a 70 per cent global market share of the hockey goalie market.

The company's motto is "Good Sh*t That Really Works," and while it sounds like a Kiwi colloquialism, designing world-leading products is no easy feat. It takes innovation, research and development, and investment, which is where CEDA's Business Growth Advisor Research and Development Peter Ellingham comes in.

Peter worked with OBO to secure a Callaghan Innovation grant to allow the development of a new innovative goalie helmet. Part of the research was to discover the best materials to use to make the helmet, taking into consideration strength versus weight.

"New product development is vastly more complex than it used to be," says OBO founder Simon Barnett, adding the helmet project was far bigger and more expensive than he had expected. "Peter helped guide us through the planning and application process and now we have ended up with a world-leading goalie product."

He says without CEDA and Callaghan Innovation's help, OBO may not have taken up the challenge.

"The temptation would have been to do nothing, which would not have been a good idea. Innovation is the lifeblood of this company and should be the lifeblood of any ambitious and successful company."

Further support from CEDA included providing co-funding for an Institute of Directors course to help one of OBO's directors develop their governance and leadership skills, via the Regional Business Partner Programme – and speaks to the programme and CEDA's ability to help build better business capabilities.



A photograph of Simon Barnett, the founder of OBO, smiling warmly. He has grey hair and is wearing a white t-shirt with a colorful floral and fruit pattern. The background is filled with large, clear plastic bags of OBO bags, some with the OBO logo visible. The lighting is bright and natural, suggesting an indoor warehouse or factory setting.

**“Innovation is the
lifeblood of this
company and should
be the lifeblood of
any ambitious and
successful company.”**

Simon Barnett - OBO Founder

Grow and Retain Education and Talent

Key to cultivating a competitive and innovative economy are our people; developing and growing a skilled talent pool with the right skills, knowledge and expertise through highlighting the industries and opportunities in Palmerston North and Manawatu, while increasing the number of international students choosing Manawatu and guiding them to employment outcomes.

Manawatu Alumni

The Alumni Project (an interim name, with brand development work underway) was identified as a priority and transformation initiative through the development of our strategic growth projects. We see it as an enabler for much of our other work.

The project's purpose is to identify Manawatu's leaders – the ones who are making a difference and positively contributing to their industries and communities in New Zealand and worldwide across academia, business, sport, arts, culture and more, who were raised, lived, studied or worked in Palmerston North and Manawatu.

The goal is to connect with these people to uncover collaborative opportunities, ignite regional pride and potential, and identify investors for priority growth areas across Manawatu.

A project manager was appointed this year to develop the framework and operating model for the initiative, identify the region's influential alumni, and build the compelling value proposition to re-engage or reaffirm their connection and support for growing and promoting Manawatu.

This project is progressing rapidly, with the help of shareholders, local Iwi and wider stakeholders.

International Education

International education is a key ingredient to a thriving economy. It is estimated that an international student in Manawatu spends around \$33,221¹ on tuition fees and living expenses during each year of their stay. In 2017 international education contributed an estimated \$68.7 million to the region's economy.

International Education Market Development

Through the delivery of the Regional International Education Strategy 2016-2020, CEDA supports the region's schools and tertiary education providers to increase the number of international students studying here, by showcasing Palmerston North and Manawatu as a destination to study, work and live. This includes identifying target markets for promotional activities, telling the story of studying here, and ensuring students are welcomed and have an enjoyable experience. CEDA also works to help international students become more employable.

The growth in international student numbers in Manawatu supports the approach we are taking: in 2017, international student enrolment numbers for Manawatu were up two per cent from 2016, to reach a total of approximately 2,971². This rise occurred against a five per cent national fall for New Zealand's international education industry, a nine per cent drop in Auckland and a six per cent drop in Bay of Plenty.

Strengthening Relationships with China

China is a priority market for the region and the focus of several initiatives. As part of this work and following the Central Regions' Mission to China in 2017, CEDA facilitated and hosted several International Education recruitment agents from China and Auckland, to showcase the city as a desirable place to study, live and work. The visit was a success, and the relationships built as a result have been pivotal to showcasing the region going forward.

CEDA led a follow-up Central Regions' Mission to China in May 2018, with a group of 18 providers and regional coordinators from Manawatu, Whanganui, Hawke's Bay and Taranaki making it the largest New Zealand education delegation to have visited Guangzhou. The group also visited Jinan before the Manawatu group split off to Guiyang and Kunshan where they received support from Palmerston North City Council to access government officials and local schools.

During the successful visit, two significant Memoranda of Understanding were signed. This has opened the door for education providers to directly engage with an influential education recruitment agency, EIC Education, and Zhongshan Whampoa International Education, a prestigious group of private schools in Guangzhou.

The comprehensive mission included a combination of direct student engagement opportunities, along with time to influence and train key education agencies and organisations to better represent and understand the advantages of education in Manawatu.

Supported by Education New Zealand and the Ministry of Foreign Affairs and Trade, the Manawatu was well represented with both tertiary and secondary education institutions.

The number of Valid Student Visas issued to Chinese students in the Manawatu-Whanganui region, for the year to June 2018³, shows an 8 per cent rise from 590 in 2017 to 638, indicating that our activities have been well targeted.

¹ Based on data provided in the Informetric report, "*The Economic Impact of International Education in Manawatu-Whanganui 2015/16*" published March 2017

² Data sourced from Education New Zealand's 2017 Enrolments Infographic, "*2017 International Student Summary*"

³ Data sourced from Education New Zealand's "*Interactive Visas report*" dated July 2018

Grow and Retain Education and Talent

Raising Palmerston North and Manawatu's Profile and Enhancing the Student Experience

CEDA represented Palmerston North and Manawatu at the Australia New Zealand Agent Workshop in Auckland, in April, where more than 180 international recruitment agents attended from throughout the Asia-Pacific region. One-on-one meetings were held with 28 agents and as a result an agent has already visited Palmerston North to gain a better understanding of what is on offer.

We support and create content for China's most popular social media platform, WeChat, to directly engage with Chinese education influencers and students to profile and demonstrate the advantages of studying in Palmerston North and Manawatu. The target audience is top Chinese education agents we work with, who then share the content with their own networks. The audience is growing rapidly to include the Chinese community in New Zealand and influencers in China.

To build on the desirability of Palmerston North and Manawatu as a study destination, CEDA works alongside education institutions, Palmerston North City Council and other key stakeholders to identify opportunities to help integrate international students into the local community. As part of Palmerston North City Council's Welcoming Communities programme - run through the Ministry of Business Innovation and Employment - CEDA facilitated a successful Mayoral Welcome event for more than 60 international students from a range of institutions. This initiative was part of CEDA's wider work to ensure students are welcomed warmly and integrated into our local communities while studying here.

Growing a Skilled Workforce

Labour Market Analysis and Strategy

CEDA commissioned a Regional Skills Gap Analysis to take a deeper look at our labour market and determine high growth industries, industries showing high growth potential in the medium term and to benchmark our labour market against other regions.

The aim was to gain a clear picture of what our skills and qualifications gaps are, at what employment level they exist, and what we can learn from the skills and talent within other regions where these industries are performing as strongly or better than ours.

The results revealed managerial skill, talent and personnel gaps across all sectors in Manawatu. After consultation with businesses across industries, multiple internal and external parties have concurred with our key query: they are having challenges in attracting and retaining key managerial staff and talent.

We have identified short term solutions to upskill current employees as we build a long-term plan with industries to address talent shortages with resident attraction campaigns and building sustainable pipelines for talent and skills development.

Immigration New Zealand Partnership

CEDA works closely with Immigration New Zealand under a partnership agreement. This year collaboration in Distribution and Logistics sector development work was a focus; connecting businesses experiencing immigration and immediate skills shortage issues.

Preliminary discussions were held with the Ministry of Business Innovation and Employment, Talent Central, and Manawatu Chamber of Commerce to identify ways to better link skilled international tertiary graduates with regional employment opportunities.

CEDA also participated on the Advisory Group of the Ministry of Business Innovation and Employment's Welcoming Communities pilot.



Grow and Retain Education and Talent

Growing and Enabling our Priority Sectors

Distribution and Logistics

Manawatu's distribution and logistics sector, including wholesale trade, contributes significantly to the region's economy and has ample opportunities for growth and development.

We are leading and involved in several programmes to grow and develop this sector, and work with industry partners on future growth opportunities, including major roading projects.

Creating Pathways to Employment

Our ongoing partnership with Talent Central takes a collaborative approach to addressing skills shortages across several joint projects aimed at building and implementing a skills pathway between schools and industry to ensure a scalable and sustainable pipeline of talent.

To bring more resource to this partnership, CEDA helped to establish and fund an industry broker position to proactively bridge the gap between schools and businesses, raise profile of career opportunities in the sector and link to training and education options.

A pilot programme was launched in late 2017 which took senior secondary school students into distribution and logistics companies to show them behind the scenes and increase their knowledge about the level of skill involved and the career opportunities available.

Another initiative is the Arotahi Programme, 'Moving Forward' offered by Industry Training Solutions and funded through the Ministry of Social Development, to upskill job seekers to help fill short-term skills gaps, while longer-term solutions are being developed.

The results are proof this approach is working with a number of people having already secured employment because of the programmes. This work is a crucial part of CEDA's objective to continue growing our priority sectors and ensuring the skills gap is met with qualified and skilled employees.

Agriculture including Food-tech

The Agrifood sector is a major contributor to the Manawatu's Regional Economy, contributing \$633.5 million⁴ to our regional GDP and employing 8,500 people.

Palmerston North and Manawatu district are home to every part of the agricultural value chain from innovative farming, agribusiness and agritech companies, through to the innovation and research facilities that can drive new growth, and the boutique producers that can contribute to a sense of place.

FoodHQ, Plant and Food Research, AgResearch, Fonterra and Synlait are all located here – with research and development facilities, meat and food processing and manufacturing, and boutique and large-scale food producers.

CEDA allocated \$64,904 to management capability development through the Regional Business Partner Programme to 27 businesses in the Agriculture, forestry and fisheries sector over the year.

⁴ Data sources from Manawatu Economic Outlook March 18, presentation by S Bell, Manawatu District Council



ASB Perspective 2025



Future Leaders



The Hon Damien O'Connor, the Minister of Agriculture, Food Safety and Rural Communities, officially launching New Zealand AgriFood Week 2018

New Zealand AgriFood Week

Our strategic development and delivery of New Zealand AgriFood Week sits at the intersection of agriculture, food and technology and provides a platform for leaders across the three industries to unite for one conversation on the future of food. It enhances Palmerston North and Manawatu's profile as a centre of agribusiness excellence and assists in the continued shaping of New Zealand's position as a leader in high value global food production.

The week-long event hosted in Manawatu drew key stakeholders from across the political and primary industries landscape, including the Minister for Agriculture, the Hon Damien O'Connor. CEDA led events drew more than 300 attendees to the Opening Evening, ASB Perspective 2025 and the inaugural Future Leaders. Hundreds of diners enjoyed Plate of Origin, our consumer-focused competition connecting local and national restaurants to showcase New Zealand's finest ingredients. These events took place in the lead up to Central Districts Field Days, which attracts 26,000 people, many of whom are from outside the Manawatu region. The week is a big earner for the region's economy, with more than \$26 million spent in the seven days.

A major focus for 2018 was to raise national awareness of New Zealand AgriFood Week, which was achieved through a comprehensive marketing and social media campaign, supported by high-quality editorial content. A highlight for audience engagement on digital platforms was ASB Perspective 2025 where a livestream video on Facebook reached more than 22,000 people and was viewed almost 8000 times. The social media campaign reached 330,000 people via Facebook and Twitter, while the MetService component of the campaign resulted in more than 169,000 impressions.

Media coverage of New Zealand AgriFood Week resulted in more than 40 articles across a range of national news organisations including Radio New Zealand, MediaWorks, Rural Delivery, NZME, NZFarmer, Farmers Weekly, Kia Ora Magazine and Manawatu Standard, plus several other local papers, helping us to achieve greater national awareness.



Grow and Retain Education and Talent

Regional Agriculture Cluster

The development of a Regional Agriculture Cluster was identified as a potential initiative through our work on the development of the Manawatu strategic growth projects. To further understand the opportunities in this area we organised a cluster development workshop with FoodHQ, Massey University and Building Clever Companies (BCC) as a strong starting point for greater support of the work already underway and led by FoodHQ and BCC. Ongoing funding and support of FoodHQ ties into this project and ongoing development of opportunities in the Agriculture sector.

CEDA also facilitated and set the scene for 'Tasty Economics', an agriculture-focused Quarterly Regional Economic Update in partnership with Palmerston North City Council, Manawatu District Council and the Manawatu Chamber of Commerce, with a panel discussion featuring local producers, innovation, business and exporting experts.

Agriculture Value Chain

The Agricultural Value Chain sector research was completed this year and we are continuing to lead the development of this sector by working in collaboration with our research and industry partners. Findings from the research recommended the following approaches:

- Support the improvement of on-farm productivity to unlock the greatest level of benefit. A five per cent lift in agricultural productivity would add approximately \$50 million to the region's economy each year.
- Channeling the voice of the agriculture sector into key discussions to influence long-term benefits, unlock further productivity and improve attraction.
- Develop a regional food story for the market-consumer end of the value chain.
- Tailor business connection and support with agricultural expertise to better meet the needs of the industry.

The findings will be used to inform the Regional Agriculture Cluster project and to develop a tactical project to augment the management capabilities of food producers and farmers, to help take their skills to the next level.



NOSH Restaurant and Bracken, Otago (top); Table 188 and Mount Bistro, Bay of Plenty (centre); Aberdeen and Palate, Waikato (bottom)



Plate of Origin

What would an agrifood week be without a gourmet offering of New Zealand's finest products?

Plate of Origin is a national competition hosted in Manawatu, delivered by CEDA in partnership with Cuisine Magazine. In 2018 seven local restaurants partnered with seven of the best restaurants from around the country. Each partnership created one main dish, highlighting two key ingredients – one to represent their partner restaurant's region and one from Manawatu-Whanganui region. The dishes were served in the Manawatu restaurants during New Zealand AgriFood Week and the week prior.

Congratulations to the winning team Nero and Cibo from Auckland, who featured in a six-page article in the May issue of Cuisine Magazine alongside the other top three restaurants. The article also showcased Palmerston North and the wider region, with Cuisine Editor Kelli Brett's top picks of things to see and do while visiting. This national magazine has a readership of 273,000 and this feature was a highlight for media coverage this year.

“What excites us most at Cuisine magazine is the collaborative spirit that is at the heart of this competition. Hearing stories from chefs and restaurant owners about the opportunity to learn from one another and develop lasting relationships that build a stronger New Zealand hospitality network, is inspiring.”

- Kelli Brett, Cuisine Magazine Editor

“We are really chuffed, it is a hard competition to win because of all the variables with ingredients and different chefs. It is great for Nero to be showcased in a national magazine, as well as Manawatu.”

- Scott Kennedy, Nero Owner and Chef,
Plate of Origin 2018 Winner

Grow and Retain Education and Talent

Government Sector, including Defence, Education and Health

Local Government

CEDA leads the Regional Collaboration Forum, a meeting of senior economic development local government and economic development agency representatives from across the Manawatu-Whanganui region. This enables us to have a shared understanding of projects and priorities across the wider region and the opportunity to align what we do in economic development as well as events and the visitor sector.

The forum also hosts relevant speakers and updates on International Education, Horizon's regional projects, Accelerate25 and Provincial Growth Fund activities, to ensure we are leveraging opportunities from these across the region.

CEDA regularly attends the Accelerate25 Talent and Skills Enabler meetings – sharing information and outcomes on CEDA sector development and labour market activity.

Defence

CEDA has a leading role in working with our shareholders to actively manage our relationship with the New Zealand Defence Force, with the intent to maximise business opportunities within the region and develop a shared strategy for the growth of defence operations and jobs. This includes the ongoing leadership of Project Open Arms (Singapore and Ohakea) to ensure business and investment opportunities are maximised. CEDA also chairs the quarterly meetings of the Defence Issues in the Manawatu Group and is a member of the Palmerston North Defence Heritage Advisory Group.

We have been working on identifying ways that businesses can recognise the contribution of defence to the local economy, to create clear and compelling value propositions for businesses to relocate to Manawatu to leverage the strategic strength of this industry and resource.

Another major focus being the development of the region as a hub of capability development for defence and related activities.

The recent announcement that the Royal New Zealand Airforce Squadron No.5 and four new Boeing P-8A Poseidon maritime patrol planes will shift from Whenuapai to Ohakea will provide a significant economic boost for the region, with extra personnel and their families.

Education

Along with our work on International Education, CEDA also works with key partners such as Massey University, UCOL, Talent Central and other education providers to support the education sector.

Providing support through the Regional Business Partner Programme (\$10,700 allocated to management capability development), providing connections and referrals, building business education links, supporting student employability, pathways into employment and Massey and UCOL internship programmes.

Also as a result of sector and labour market analysis, identify regional skills gaps to enable education and training development specific to the region to meet future needs of industry and address labour market shortages.

Health

Health is an important contributor to the region's economy with over 8,000 people⁵ employed in the Health Care and Social Services sector in Palmerston North and Manawatu, and has had significant growth in employment over recent years.

Providing support through the Regional Business Partner Programme, CEDA allocated \$11,470 in management capability development to businesses in the Health sector over the year.

Opportunities for the sector where CEDA may provide further support or development opportunities will be scoped in the coming year.



NZ Police at Sort It Careers Expo



C B Norwood at Sort It Careers Expo

Sort It Careers Expo



As part of CEDA's commitment to connect and inspire young people on the career opportunities that lie within our priority sectors, grow a skilled workforce and increase talent capability, the annual Sort It Careers Expo was delivered in May 2018 and had over 4,000 visitors, 2,700 of which were students from 20 different schools.

The Expo also provides exhibitors the opportunity to showcase the range of job opportunities in their business or industry, to encourage more people into their industry, and create a positive brand and industry awareness. It's a great opportunity to illustrate career pathways, help in the future proofing of their industry, as well as support the local business community.

A total of 73 exhibitors attended this year's event, making Sort It the largest careers expo held outside of Auckland, with 21 new exhibitors, including the Police Force, ASB, Foodstuffs and the Otago Polytechnic School of Midwifery, among others. Post event evaluation of exhibitors was incredibly positive, with over 80 per cent of attendees rating the event as 'very good' or 'excellent'.

A very well attended Business After Five function was hosted in conjunction with Manawatu Chamber of Commerce at the expo to raise awareness of the wider work CEDA does in this area. Sort It Careers Expo is made possible through support from Palmerston North City Council, Manawatu District Council, Horizons Regional Council and Higgins.

Pathway to Employment for International Students

Around 35 senior international tertiary students attended a 'Work Ready' seminar, held in conjunction with the Sort It Careers Expo, where they heard from Ministry of Business Innovation and Employment immigration officials, the business community, and career and job search experts before joining the Business After Five, to connect with the local business community.

“Through the expo we wanted to open people’s eyes to the different types of skills needed and positions we have available. Our site was a big hit, we’ll be back next year!”

- Holly Stegar, C B Norwood Marketing Team Leader

Enhance the Brand and Experience

Enhancing the brand and experience of Palmerston North and Manawatu goes far beyond increasing visitor nights and their direct economic impact. A vibrant, welcoming city and region attracts new residents, businesses and investment, students and major events.

Destination Development and Marketing

Visitors to Manawatu are an important contributor to the economy, and in the year to May 2018 they injected \$452 million¹ into the regional economy. Domestic travelers – largely those visiting friends and relatives – account for 85 per cent of the spending, however international spending rose significantly, by more than 13 per cent over the year, to almost \$70 million.

Visitor nights for the region reached more than 2.8 million² for both commercial accommodation, private homes and hosted accommodation in the year to May 2018. These strong visitor statistics underscore the importance of CEDA's work in the destination development and marketing of Manawatu, to ensure we're continuing to build on our strengths, growing our visitor offering and experiences while developing a cohesive identity and strong vision for the region in partnership with our stakeholders.

¹ Data from MBIE Monthly Regional Tourism Estimates, May 2018

² In the last annual overview of Visitor Nights for the 2016/17 Year End, data for private homes and hosted accommodation was provided by Qrious data, a subsidiary of SparkNZ. As of January 2018, Qrious no longer supply this source of data, impacting regions around the country with a significant gap in their data sources. To mitigate this, we've used extrapolated data the 2017/18 Year End data using the assumption that Commercial Accommodation nights makes up the same percentage as the previous year, allowing us to calculate the visitor nights in private homes and hosted accommodation as: $465,040 / .1625 = 2.86$ million estimated visitor nights.



117,726

i-SITE Customer Visits

(6% increase on 2016/17: 111,414)

90.3%

i-SITE Net Promotor Score

(2016/17: 90.5%)

228,441

Sessions on ManawatuNZ.co.nz website

(12% increase on 2016/17: 204,336)

Regional Identity Strategy

CEDA is leading the development of a cohesive regional identity for Manawatu to improve awareness and perceptions of the region and city, with a goal to increase visitor numbers and create sustainable visitor growth. We are working with The Research Agency to do this. This regional identity is focused on the visitor market and is based on qualitative and quantitative research completed during the year, which has resulted in specific customer insights to give a clear steer on the direction of the identity, and to ensure we can benchmark and monitor progress on the awareness and perception of the region going forward.

We have engaged with mayors and management from Palmerston North City Council and Manawatu District Council and local Iwi, as well as Air New Zealand and New Zealand Story, who provided valuable context and input from a national and international perspective. We have a clear path and timeline for the development and implementation and are aiming to have a market ready identity to roll out over summer 2018/19.

Capturing a Day in a Visitor's Journey

This project, as one of the Manawatu strategic growth projects, was established to develop our visitor sector and look at how we can attract travelers off the golden route of State Highway 1, adding an additional day to their itinerary in Palmerston North and Manawatu.

The initial scope of this work has involved identifying who we are aiming to attract, what they want from their travel experience, as well as doing a review of the regions existing, potential and new visitor offerings to see what barriers and opportunities there are.

This information and research will form the basis of campaign activity in the short term, support the development and packaging of visitor activities and experiences that will entice these visitors in the short-to-medium term, and direct our long-term, large-scale investment projects for the region. An important component of this

is identifying all relevant sources of investment, including, but not limited to the Provincial Growth Fund, and beginning the application process.

Visitor Programmes and Regional Visitor Industry Support

The Country Road programme continues to grow with more cottage industry operators popping up frequently along the CEDA established New Zealand Cycle Trail and Manawatu Scenic Route. CEDA works directly with these operators to ensure they are visible in the tourism space. This includes ongoing communication and support with key visitor sector operators – including the Coach House Museum and Waireka Honey. The Country Road collateral was updated for the summer season to support this programme.

Work is continuing with Cheltenham, Pohangina, Apiti, Rangiwhia and Kimbolton community committees on signage and event-based projects, to ensure a greater visitor experience around our region. The signs ensure we can provide relevant and consistent information to our visitors at important touch points, while showcasing the heritage and activities of the area where the signs are erected.

We are working closely with a data and analytics agency on potential projects in the visitor sector for the Provincial Growth Fund, including ongoing support work for community led projects such as the Baines Community Committee and the City to Sea Pathway, and Te Ahikaea, working with and supporting Te Manawa. We are also looking into further opportunities for a proposed 'North Western Ruahines' trail.

Enhance the Brand and Experience

Showcasing the Region

Through targeted marketing, CEDA works to continually raise the profile and awareness of Palmerston North City and Manawatu as a great place to visit, which in turn showcases our strengths as a vibrant, welcoming city and region for potential new residents, businesses and investment, students and major events.

ManawatuNZ.co.nz Website Redevelopment and Image Library

The ManawatuNZ.co.nz regional website is the front face of our region and often the first insight that potential visitors to the region experience. This year we undertook a significant redevelopment in collaboration with our shareholders to refresh and bring life to the content, ensuring a better user experience. This has resulted in a new-look, improved website that offers a seamless user experience, with new API (Application Programming Interface) feeds to better showcase the region's offerings from events, to hospitality and accommodation.

The next step involves developing new and engaging content in partnership with our communities, stakeholders and national partners including Air New Zealand, AA Digital and travel writers.

Having high-quality and engaging imagery of the city and region is one of the most powerful marketing tools, alongside an engaging website. As part of the website redevelopment, over the past six months, CEDA implemented three multi-day photo shoots to capture fresh, engaging, market ready imagery of the city and region, and of our product and experiences.

These photos have already been supplied to media publications and editorials, and have been featured on New Zealand Post stamps and on ManawatuNZ.co.nz.

Growing our Motorhome Visitor Market

Manawatu was showcased at the COVI Super Show, New Zealand's largest motorhome and destinations show in Auckland, in March this year. The COVI show has more than 18,700 visitors looking for motorhome friendly travel destinations and with our growing emerging market of motorhome users travelling through Palmerston North and Manawatu, we showcased the beauty and unique experiences on offer here. Members of our Marketing, i-SITE and Feilding and District Information

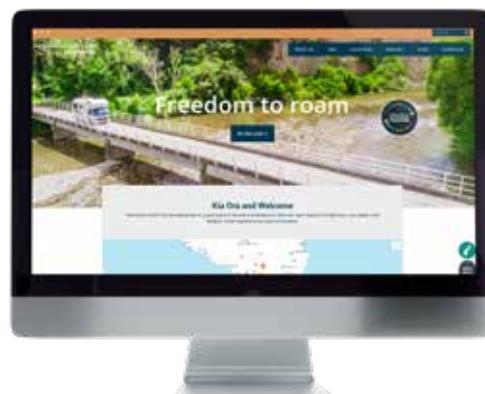
Centre teams engaged with more than 1000 people, detailing the Manawatu Scenic Route, which was officially recognised on the i-SITE New Zealand Official Touring Map last year (significantly increasing the profile of the region to these visitors), The Country Road map, and providing in-depth information on the region and city's facilities and attractions. This has resulted in ongoing engagement with more than 400 people who attended the event and have requested regular information on the region as a potential travelling destination.

To complement this, an online guide for motorhome users visiting the region has been developed to showcase key activities, service points and other key information.

Leveraging Event Audiences

Leveraging the opportunities of significant events and related media coverage for the region is important for the profile of the region. Manawatu featured in its first television commercial on TV3 during the Hilux New Zealand Rural Games Coverage on Saturday March 17, and again on Good Friday. The commercial featured Te Apati - Manawatu Gorge, Feilding, Pohangina Valley, Palmerston North's inner city and more, and was broadcast to an audience of 38,000.

Further national coverage occurred during the opening weekend of the ANZ Premiership Netball Super Sunday competition, which aired on TVNZ 1 and TV3, showing 'ManawatuNZ.co.nz' as premium advertising on center court. New signage at Central Energy Trust Arena and on the Manfeild track further showcased ManawatuNZ.co.nz to visitors attending the events, encouraging them to stay longer, do more, spend more and ultimately come back again.



Enhance the Brand and Experience

National Promotion and Social Media

We continue to work with national tourism partners including Tourism New Zealand to raise Manawatu's profile to ensure we are across all aspects of the visitor sector and can tap into potential opportunities. We attended a Tourism New Zealand Training Day for 100 Australian travel sellers, in Wellington, to raise awareness of our region and its unique offerings. We partnered with Taranaki and Whanganui for the event, giving a strong lower North Island travel offering and products.

Our digital channels are a key marketing and engagement tools for our regional marketing, and we've had a successful year with strong growth and engagement. We have seen significant growth of our Facebook channels - between 16 and 25 per cent - which are aimed at people outside the region to inspire them to come here for leisure, lifestyle, and study. These channels also inspire locals to love their region and we do this through showcasing events, as well as new and exciting things to see and do. Our Instagram engagement, showcasing the region through a local's eyes, had its most significant growth, with the use of our regional hashtag #ThisIsManawatu more than doubling, and our Instagram followers increasing by 25 per cent.

Enhancing the Visitor Experience

A key part of CEDA's work, in destination marketing and attracting visitors to the region, is ensuring that visitors who come here have a positive experience through access to quality information and exceptional service. We do this through a number of key channels and activities, including partnering with key events, delivering information services and travel bookings through our Palmerston North City i-SITE and through development of digital and print collateral, to ensure awareness of activities attractions and visitor support services.

Provision of Information Services

Visitor information and i-SITE services are key to the visitor experience and welcoming visitors to the region, and also in providing information and support to domestic customers. Palmerston North City i-SITE engaged with

117,726 visitors over the year. This was predominantly domestic, at 84 per cent, compared to international visitors at 16 per cent, which is reflective of our region's visitor market. The Net Promoter Score for customer satisfaction with services was 90.3 per cent (higher than the national average of 88.8 per cent).

We continue to support and work with Feilding and District Promotion on the delivery of their visitor information services, and collaborate on key projects such as the COVI Show, collateral development and information sharing. Feilding & District Information Centre had 11,537 customer engagements over the year. Visitor numbers have been trending down for the past few years due to an increase in online bookings, which is a national trend.

We continue to have strong relationships with local tertiary providers UCOL and IPU New Zealand to showcase the region and services to new and returning students, ensuring they are aware of all that's on offer in the region.

The i-SITE team continues to be a key point of contact and support for event organisers and group events, especially secondary school sports which contribute greatly to the region's economy. Additional support from the i-SITE this year led to the successful retention of the nine New Zealand Secondary School Sports Council events for the Winter Tournament Week in September 2018, bringing up to 3000 visitors to the region.

Supporting City Centre Vibrancy and Development

CEDA partnered with New Zealand Rugby Museum and Te Manawa during the Lions Tour in June and July 2017 to run a successful satellite i-SITE based at the museum to ensure the influx of visitors to the region had access to quality information and to encourage them to do more, stay longer and ultimately spend more while they were here.

CEDA played an active role in supporting the PNCC Ambassador Programme over the summer, providing direct training to the ambassadors, key information and on the ground support during the Programme's implementation. This led to a strong relationship between our i-SITE team and the ambassadors and ensured that both locals and visitors had a positive experience in the city.

#thisismanawatu

Tagged 9,028 times
(57% increase on 2016/17: 5,754)

2,870

Instagram Followers
(25% increase on 2016/17: 2,295)

9,363

Palmerston North & Manawatu page likes
(16% increase from 2016/17 8,050)

7,900

MyManawatu Page Likes
(25.5% increase on 2016/17: 6,297)



Enhance the Brand and Experience

A Retail Vacancy Survey pilot project, initiated on behalf of our shareholders was managed by one of CEDA's interns during the year. The aim of the project was to gain greater insight into the retail vacancies in the Central Business Districts of Palmerston North and Feilding, and to develop a monitoring model that both councils could implement going forward. The outcomes from this project provided a template and recommendation for future ongoing surveys and monitoring, and also provided useful insights for council reporting requirements for the National Policy Statement for Urban Capacity.

Regional Events

Events make a positive contribution to our region by building vibrancy, enhancing the visitor experience and growing economic value. CEDA has built and maintained partnerships with key regional stakeholders and national organisations such as New Zealand Events Association, Conference and Incentives New Zealand, Westpac, Cuisine Magazine, ASB, Fairfax and FoodHQ to attract and retain a portfolio of business, sports, and major events which align to the strategic priorities of our shareholders and CEDA.

We have connected and collaborated with many events over the year, providing communications, event and marketing support, including, but not limited to; the Cross Hills Gardens Country Fair, Festival of Cultures, NZ Food Awards, Rural Games, Magic of Christmas Night Market, Taranua Traverse and Kimbolton Sculpture Festival.

We have also set a baseline of analysis of Major Events in the region, and throughout the year 12 major events were measured.

In our role as the Regional Tourism Organisation, our ongoing involvement in a national working group aims to establish a national standard of event evaluation with 15 regions and various national bodies. CEDA is leading this for the region and will work with shareholders on implementing any changes or learnings to our practices, and to stakeholders and the events sector to enable consistency and best practice across measuring the impact of events.

Major Events Fund

Major events play a significant role in developing the reputation of Palmerston North and Manawatu as a visitor destination, as well as economic benefit in increased visitor nights. To support the capability of attracting national and international visitors to major events in the region, CEDA developed, implemented and managed the first regional Major Events Fund for Manawatu, providing a single point of contact for event managers, and identifying opportunities to enhance visitors' experience while in our region.

Round One of the contestable fund went live in October 2017. A total of \$65,000 in funding was allocated to four major events in the region: ANZ Premiership Super Sunday Weekend, Porter Hire International Sprintcar SERIES Round 2, 2018 NZ International Motorcross Grand Prix, and Gravel and Tar.

The funding was allocated to enable expanded marketing and initiatives to increase visitor numbers to the events. A key outcome of this was the support of the Netball ANZ Premiership Super Sunday Weekend, which has resulted in future premierships to be held in the region.

Attracting and Supporting Conferences and Business Events

Our work and support in the conference and business events sector continues to grow. In the past year 15 conferences and major events were secured for the region, equating to more than 17,000 delegate visits, worth an estimated \$5 million to the region.

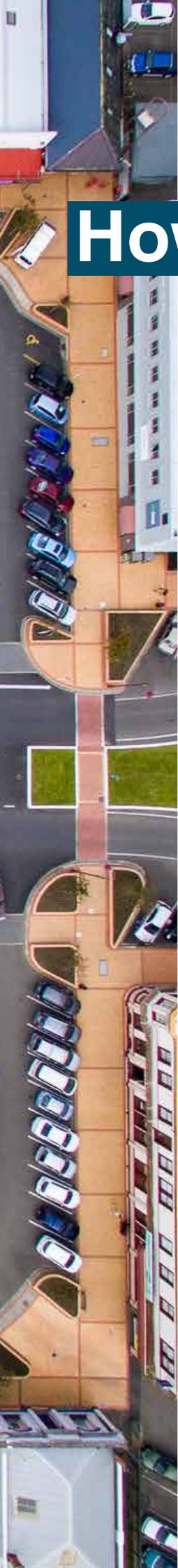
Assisting business event organisers is a significant part of CEDA's work, and over the last 12 months we've supported 57 events which equated to 32,540 delegates and major event visits to Manawatu, worth an estimated \$7 million to the region's economy.

CEDA took Palmerston North and Manawatu to Meetings 2018, New Zealand's only national Conference Expo, and held direct appointments with more than 30 national conference organisers and gained exposure of our region to more than 300 industry stakeholders in the conference and events sector. We will continue working with these connections towards future opportunities.









How We Work

Over the year CEDA has realigned its resources to ensure the effective management of our business as usual as well as key economic development projects that have been identified. This includes additional resources to implement and deliver on the outcomes of the Alumni and Capturing a Day in a Visitor's Journey projects.

We have also redeveloped our performance development framework which focuses the team's individual activities and priorities to achieve shared outcomes and help each employee step-up so that CEDA can be delivering results that will help us to achieve our vision.

Developing talent and skills, and providing our future leaders with the opportunity to develop is an important part of the work we do at CEDA. One of the ways we demonstrate our own commitment to this, is through bringing UCOL and Massey University Business School Interns into our own business. CEDA had two internships with Massey students over the year.

Since CEDA's beginnings, there has been a clear need for a platform that can showcase the many aspects of CEDA's functions, successes, partnerships, collaborations and services. This year CEDA.nz was developed and launched at our Annual Public Meeting in September 2017.

As part of our drive towards greater collaboration, visibility and ease of access to business development services, we are engaging with a commercial investor on the development of a business hub and co-working space in the city center. Our goal is to achieve this by the end of 2018.

Data and Insights Lead Decision-Making

Working closely with economists at Palmerston North City Council and Manawatu District Council, CEDA works to identify trends and opportunities in the local and national economy as well as across priority sectors, including the visitor economy. CEDA communicates this with relevant audiences each month and quarter to ensure up-to-date regional intelligence is available to all.

We have a crucial role in enabling the coordination, connection and delivery of outcomes by striving to align the many economic development projects and initiatives that are occurring or are planned across our region. Last year we identified more than 130 projects that are drivers or enablers of economic growth throughout the region. With this knowledge, we work closely with local, regional and national partners who are working towards the same goals; of ensuring our region's economy is thriving, ensuring smart investment of resources, funding and expertise.

Our Partners

Connect, Enable and Create – CEDA brings our diverse stakeholders into one conversation, steering others in the same direction, and co-ordinating our region's collective capability towards achieving great things together. We're here to ask the hard questions about economic growth and challenge stakeholders to deliver on a broader sense of economic, social, cultural and environmental wealth. CEDA is already working further afield and partnering with other regions, to achieve success in a national and global market, requiring further partnerships.

Our Funding

CEDA receives funding from Palmerston North City Council and Manawatu District Council, our shareholders, in the form of contributions to operations as well as funds for specific contractual services or projects. CEDA also receives funding from institutions and government partners for initiatives that bring benefit to the wider region and nationally. This additional funding enables CEDA to have additional resource, the ability to invest in local businesses, and engage in specific sector work important to the region and beyond. Specific funding is received from commercial organisations for sponsorship of programmes and joint projects as identified.

How We Operate

In keeping with best management practice, CEDA aims to operate efficiently and effectively. As a future-focused organisation we are committed to supporting initiatives that enhance and protect our natural and built environment. CEDA is working to optimise existing funding and generate savings from within the current funding arrangements in its early stages of operation in order to deliver value for money to the shareholders and the rate payer. CEDA will regularly review internal processes, improving practices, removing duplication, and finding efficiencies. Continual review of processes will ensure CEDA has enough working capital to fulfil any project or service commitments and contribute to delivery on regional growth opportunities identified.

As a Council Controlled Organisation (CCO) CEDA is aware that much of its funding is derived from public monies and therefore all expenditure should be subject to a standard of probity and financial prudence that is to be expected of a CCO and be able to withstand public scrutiny.

CEDA recognises the principles of the Treaty of Waitangi and acknowledges the importance of partnering with local Iwi and recognition of Tangata Whenua in the region.

Health and Safety

CEDA regards the promotion and maintenance of health and safety as a mutual objective for everyone who works, visits, or has business with CEDA. CEDA is committed to the health and safety of all workers, visitors and the public across all business premises and work sites by undertaking all measures reasonably practicable to provide a safe working environment. CEDA believes that creating and maintaining a healthy work environment is a shared, co-operative venture, where both employees and employers have roles and responsibilities, including the maintenance of a balance between work and non-work activities.

As such, CEDA will ensure it meets obligations with respect to New Zealand laws and regulations and will undertake annual reviews based on established best practice guidelines. As the region's Regional Tourism Organisation, CEDA will ensure that consumer communications and channels convey the appropriate health and safety messaging.

Our People

We are a team of thought leaders and enablers working together with a united purpose – prosperity for all our communities. The team at CEDA are a passionate group of people, driven to grow and develop the wider region. With expertise in marketing, communications, events, national travel, business advice and development, collectively they are an effective support team, all connecting with the community to foster regional and economic development. CEDA's focus is on building an organisation that has a culture, capacity and capability to deliver on expectations. CEDA's success is underpinned by our people, connections and networks both locally and globally. Investment in this resource is critical to creating value and outcomes. Our values demonstrated every day, help to change individual and collective mindsets so that we can all deliver great outcomes and create a workplace in which people feel valued for delivering results. Our Values:



Work Together

Actively work together to deliver exceptional outcomes for all our stakeholders



Be Bold

Back ourselves so that we make individual and collective decisions that take the region to a new level



Own It

Take ownership of our work and make great things happen

**He aha te mea nui o
te ao. He tangata, he
tangata, he tangata.**

**What is the most
important thing in the
world? It is people, it
is people, it is people.**

Company Directory

Central Economic Development Agency Limited Ltd

Level 1, 478 Main Street
Palmerston North 4410

☎ 06 350 1830
🖱 www.ceda.nz

Chief Executive

Linda Stewart

Directors

Malcolm Bailey (Chairperson)
Shamubeel Equb
Sue Foley
John Fowke
Lucy Griffiths
Blair O’Keeffe

Management

at 30 June 2018

Linda Stewart - Chief Executive
Jacqui Middleton - Finance and Operations Manager
Sarah Gauthier - Economic Development Manager
Judy Bennett-Smith - International Education Development Manager
Janet Reynolds - Marketing and Communications Manager (acting)

Chartered Accountant

Morrison Creed Advisory Limited
Chartered Accountants
Cnr Main Street & Victoria Avenue
Palmerston North, 4410

Registered Office

Morrison Creed Advisory Limited
Cnr Main Street & Victoria Avenue
Palmerston North, 4410

Bankers

Westpac New Zealand Ltd

Legal Advisors

Barltrop Graham Lawyers
Barcovan Buildings
41 Bowen Street,
Feilding 4702

Auditor

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





Statement of Service

Performance 2017-18

Support the Growth of Business in the Region to grow Bigger and Better, GDP growth is at or above the National average*

Service Level Statement	Measure	2017/18	Activities	Outputs/achievements Jul – Jun 18
Business Development and Support - Deliver information, advice, programmes and initiatives to assist businesses to grow bigger, better, faster, to attract inward investment and new business establishment, and to develop a skilled workforce	Number of businesses that have been assisted through a CEDA intervention	400 Result: 402	Work with business and Councils to reduce barriers to business investment and development*	<p>Regular meeting with key leaders in economic development from PNCC and MDC including meetings with PNCC Economic Development Committee Chair and MDC Mayor, attendance at MDC developers meeting, and Councils' Long-Term Plan submissions hearings.</p> <p>Facilitation of the Regional Collaboration Forum (includes Economic Development and Local Government representatives from across the Manawatu-Whanganui region) to enable shared learning and initiatives to support economic development projects across the wider region.</p> <p>Presentations to the Ruapehu, Tararua and Rangitikei District Councils, to promote CEDA and the Regional Business Partner Programme, including Business Mentors. This is a programme of connection that will be rolled out to Manawatu and Palmerston North in 2018-19.</p> <p>Facilitation of a Ruapehu Business Network engagement allowed us to lead a discussion on collaborative economic development with over 40 local business people in attendance, enabling us to profile the RBP and Business Mentors.</p> <p>Presentation with the Tararua District Council to over 30 local businesses, around the Business Mentors Programme, new business enquires via the Regional Business Partners Network and a stronger relationship with Te Pae Tata.</p> <p>Support of the 'Taking Care of Business' workshop with the Ministry of Business, Innovation and Employment, and Horowhenua District Council – this allowed us to present a business success story with Kapinua (Custom Textiles and Garments).</p>

Service Level Statement	Measure	2017/18	Activities	Outputs/achievements Jul – Jun 18
			Callaghan Innovation R&D Grants through Regional Business Partner Network	<p>Research and Development Grants totalling \$1,711,311 have been awarded to businesses in the region through the Regional Business Partner programme by way of;</p> <ul style="list-style-type: none"> • 8 Research and Development Project Grants • 2 Growth Grants, and • 20 other CEDA facilitated grants including Getting Started grants and Student and Experience grants
			Capability Development co-funding issued to businesses	A total of \$248,862 of shared capability funding in the form of vouchers has been issued to businesses for training and development programmes, in areas such as; Marketing and Strategy, Business Planning, Financial Management and Governance
			Business Mentor programme matches	We completed 44 Mentor Matches in the year to date. These matches help new and start-up businesses develop more capability with the benefits of one-on-one guidance and advice.
			Attract investment expansion and new businesses to the Region in collaboration with Spearhead Manawatu	<p>Assistance with the retention of one significant business in the region. Assisted with the attraction of one new business to the region. Engaged/ continued to engage with six businesses around potential relocation to the region.</p> <p>Led the successful negotiation to advance major Government investment.</p> <p>First Choice for Business project identified as a priority opportunity for Manawatu.</p> <p>Support of Goodman Fielder and AgResearch staff relocation.</p> <p>Presented at Australian Investor Conference – priority sectors, investment opportunities, expertise and relationship development.</p>
			Maori business engagements	<p>Innovation</p> <p>CEDA is working closely with 2 businesses to support applications for funding from the Ka Hao Maori Digital Technology Development Fund via Te Puni Korkiri.</p> <p>A joint project led by CEDA in conjunction with Massey University's School of Engineering aiding a business (Te Mauri O Rangitane O Manawatu) developing an unmanned vessel for net fishing in estuaries and on beaches.</p> <p>CEDA is working closely with Callaghan Innovation's Maori Economy team to support a company developing a precise pumping system for corrosive chemicals.</p>

Support the Growth of Business in the Region

Service Level Statement	Measure	2017/18	Activities	Outputs/achievements Jul – Jun 18
				<p>Business Development</p> <p>The CEDA business team engaged with nine businesses that identified as Maori via the Regional Business Partner programme. These businesses received a variety of capability funding to assist them with growth and development.</p> <p>Networks and Connections</p> <p>Ongoing engagement and communication with Te Puni Kokiri, Reureu Kotahitanga Ltd, Poutama Trust and Regional Maori Business Networks like Te Au Pakihi.</p> <p>Attendance at the Innovation Quarter (Te Manu Atatu) opening in Whanganui, Ngati Rangī and Te Pae Tata Ruapehu Community Hub Launch and development, and Te Manu Atatu's Networking Events Nga Ti o Te Awa Support for Thrive Whanganui.</p> <p>Iwi Engagement strategy</p> <p>Iwi engagement planning meeting held with both Shareholders to discuss CEDA's approach to developing our engagement with local Iwi and with the Maori Business Community.</p> <p>Introductory meeting held with Rangitane leaders to commence formal engagement process.</p>
			Business hub establishment strategy	<p>Business hub strategy completed in collaboration with potential parties to the hub.</p> <p>A proposal from a commercial investor to develop a regional, Manawatu centric business hub is being investigated. Two business hub creation and engagement workshops were completed, combined with communication from the commercial investor with prospective tenants.</p>

Support the Growth of Business in the Region

Service Level Statement	Measure	2017/18	Activities	Outputs/achievements Jul – Jun 18
	Satisfaction – Net Promoter Score for Regional Engagement under the Regional Business Partners programme	>50 +59	Actively manage businesses through Regional Business Partner programme	We supported and engaged with 377 businesses through the Regional Business Partners programme, and provided them with tailored capability building programmes, support and insights to help their business grow and reach more productivity. Start-Up Clinics CEDA's Business team has delivered three Start-Up Clinics since February 2018. From these clinics three businesses have engaged with CEDA through the Regional Business Partners programme.
Facilitate collaboration, innovation and entrepreneurship in key sectors. Scale up the commercialisation of innovative start-ups	% satisfaction with BCC support /services provided (through customer survey)	increase on baseline Result: N/A survey not completed for 2017 Innovate	Engage mentors to assist emerging entrepreneurs	BCC services agreement for Innovate was entered into in December 2017. End of programme report for 2017 Innovate provided. CEDA provided the support of our Research and Development specialist business advisor as a mentor to the,2017 Innovate competition, overall winner. CEDA supported the AgriTech Hackathon and Young Enterprise Scheme with our Chief Executive as a judge. Invested \$50k in Sprout AgriTech Accelerator to support international investor visit logistics, marketing and communications, and attendance at National Field Days.
			Provide Start-ups 1:1 incubation	We have made two tech-based start-up referrals to Building Clever Companies (BCC). The BCC referred one company to CEDA.

Grow and Retain Education & Talent in the Region so Businesses have the Skills to Grow, reducing business perception of staffing as a barrier to growth by 3% over 3 years*

Service Level Statement	Measure	2017/18	Activities	Outputs/achievements Jul -Jun 18
Deliver information, advice, programmes and initiatives to attract more international students to the region by implementation of the Regional International Education Strategy	Increase the value of international students in the region	Increase on baseline (\$67.8m 2016) Result: Year end 2017 is an estimated \$68.7m	Strategy Implementation - Market Development (selecting target markets for collaborative activities)	Hosted six International Education recruitment agents as part of follow-up to the Central Regions mission to China in May 2017. Two agents were from China and the others Auckland based. This is part of our strategy to encourage agents to send more international students to the regions. Activated the Market Development Working Group, which meets monthly to identify opportunities for greater collaboration in offshore markets. The Central Regions returned to China in May 2018 and signed a regional Memorandum of Understanding with EIC, a leading student recruitment agency and ZWIE, a prestigious group of private schools in Guangzhou. This opens the door for providers to recruit more students from China. CEDA represented Manawatu at the Australia New Zealand Agent Workshop in Auckland in April. More than 180 international recruitment agents attended from throughout the Asia-Pacific region. Meetings were held with 28 agents to match them with local providers. As a result, one agent has already visited the city.
			Strategy Implementation - Marketing & Communication (telling the story)	New collateral created including; a promotional video showcasing the May Mayoral Welcome, a <i>Welcome Here</i> portable banner for use at promotional events, a newsletter for international recruitment agents, update of web and print based marketing collateral with new student stories added, an English version of the promotional flyer to supplement existing Chinese and Japanese versions). WeChat channels have also been created for Chinese recruitment agents and support given for an independent “ <i>Manawatu Stories</i> ” WeChat channel.
			Strategy Implementation - Student Experience (ensuring repeat business)	Weekly “ <i>What’s On</i> ” guide created and circulated to local institutions. This has resulted in greater awareness of what’s happening in the city and more participation by international students in local events. The Student Experience Working Group, formed in the first six months of the year, instigated focus groups with international students to identify their needs while studying in Palmerston North. The findings will be used to identify new initiatives to enhance their experience of the city.

Grow & Retain Education and Talent

Service Level Statement	Measure	2017/18	Activities	Outputs/achievements Jul -Jun 18
Growing a Skilled Workforce, increasing talent capability by development of labour market strategies and delivery of the Sort-It expo	Develop a Labour Market Strategy for the region	Implement strategy Result: Regional Skills Gap Analysis completed and Action Plan being finalised	Labour market analysis and strategy*	The Regional Skills Analysis project was completed in the first half of the year. Building on this the Labour market action plan is currently being finalised after industry consultation was completed to sense check the data, findings and recommendations. This work was led by Shamubeel Eaquib, and undertaken by a Massey PhD student, supported by the CEDA business team.
			Sort it Careers Expo	The Sort It Careers Expo was held in May 2018 and attracted 4,000 visitors (2,700 students from 20 schools). There was a total of 73 exhibitors (increase of 3) over 66 exhibitor sites. This included a total of 21 new exhibitors with 25 business represented (12 of these new for 2018). A Business After Five was also held at the expo which attracted an audience of 120 people including exhibitors, attendees of the Study to Work seminar and members of the Manawatu Chamber of Commerce.
			Partnership agreement with MBIE / Immigration New Zealand	Participation from MBIE and INZ at Economic Update. Collaboration in Distribution and Logistics sector development work; connecting businesses experiencing immigration and immediate skills shortage issues. Meetings with General Manager Settlement, Protection and Attraction to confirm partnership agreement. Preliminary discussions held with MBIE, Talent Central, and Manawatu Chamber of Commerce to identify ways to better link skilled international tertiary graduates with regional employment opportunities. Around 35 senior international tertiary students attended a "Work Ready" seminar, held in conjunction with Sort-It, where they heard from MBIE Immigration officials, the business community, and career and job search experts about how to manage their transition into work. CEDA participation on Advisory Group of MBIE's Welcoming Communities pilot.

Grow & Retain Education and Talent

Service Level Statement	Measure	2017/18	Activities	Outputs/achievements Jul -Jun 18
Priority Sectors continue to grow	Undertake sector specific surveys (based on priorities identified in Research) to understand sectors and develop sector strategies based on results	Complete agribusiness sector survey Result: Agriculture Value Chain Report completed	<p>Distribution and Logistics†</p> <ul style="list-style-type: none"> - Sector survey completed - Distribution and Logistics development plan† 	<p>Distribution and Logistics Labour Market Survey completed.</p> <p>The Pathways to Employment project, managed by Talent Central continues to progress. Industry Broker employed to proactively bridge gap between schools and businesses, raise profile of career opportunities in the sector, and link to training and education options.</p> <p>Sector analysis completed, and areas of specialisation identified. Outcomes from this will inform inward investment and business attraction strategy.</p> <p>Ongoing work regarding hub development as part of the regional ring road project.</p> <p>Ongoing work with Alibaba regarding the Electronic World Trade Platform (eWTP) and the role of, and opportunities for, provincial New Zealand.</p>
			<p>Agri (food, business, land, horticulture)†</p> <ul style="list-style-type: none"> - New Zealand AgriFood Investment Week including: Plate of Origin, Launch Event, ASB Perspective 2025 - Support of FoodHQ - Agriculture, technology, science, research development plan† 	<p>NZ AgriFood Week</p> <p>CEDA delivered New Zealand Agrifood Week 2018 programme, including the Opening Evening, ASB Perspective 2025 and the first Future Leaders, which were CEDA-led events. A major focus for 2018 was to raise national awareness of the event, which was achieved through a comprehensive marketing campaign, supported by high-quality editorial content.</p> <p>Part of NZAgriFood Week, Plate of Origin was successfully delivered with seven restaurants participating with sponsors Cuisine Magazine, Visa Wellington on a Plate and Chefs Choice involved.</p> <p>FoodHQ</p> <p>Ongoing funding of \$20,000 per annum, and support through additional resources for their commercial workstreams. Additional funding provided for the FoodHQ PGF EOI for the Manawatu Food Precinct development project. This ties into the development of an Agrifood Cluster in Manawatu.</p> <p>Agriculture Value Chain sector research completed – findings and recommendations informing the McKinsey Ag Cluster project and development of a tactical project to target management capability of SME food producers and farmers.</p>

Grow & Retain Education and Talent

Service Level Statement	Measure	2017/18	Activities	Outputs/achievements Jul -Jun 18
				<p>Organised a cluster development workshop for CEDA, FoodHQ, Massey, and the Building Clever Companies. We see this as a strong starting point for greater support of the work led by FoodHQ and BCC on the development of a Regional AgCluster.</p> <p>Presentation to Massey Agribusiness Students on Cluster development; trends, progress and barriers to successful cluster development.</p> <p>We support Massey University in their delivery of the Food and Beverage Connect roadshow as part of the NZ Food Awards, with the identification of key speakers and the promotion of the event.</p> <p>Representation at the National Field Days, where we supported Manawatu-Whanganui businesses and organisations to profile their innovations to key audiences. We also the opportunity to connect with Spout's new companies' exhibition – as Manawatu's AgriTech incubator.</p> <p>We facilitated and set the scene for the 'Tasty Economics' – a focus Agri-Economy update panel in collaboration with PNCC, MDC and the Manawatu Chamber of Commerce.</p>
			<p>Government†</p> <ul style="list-style-type: none"> - Relevant activities under Accelerate25 - Defence Issues in the Manawatu regular meetings - Defence/ PNCC /MDC Collaboration Agreement -Facilitation/ support provided to Manawatu Defence Hub 	<p>Regular attendance at the Accelerate25 Talent and Skills Enabler meetings – sharing work by CEDA on sector development and labour market.</p> <p>Facilitation of Accelerate25 updates at CEDA hosted Regional Collaboration Meetings (seven councils from across Manawatu-Whanganui Region) - to ensure shared understanding of priority projects and identify opportunities for collaboration.</p> <p>CEDA chairs the Quarterly meetings of the Defence Issues in the Manawatu Group.</p> <p>Ongoing leadership of Project Open Arms (Singapore and Ohakea) and management of the relationship with NZDF to ensure business and investment opportunities are maximised.</p> <p>Member of the Palmerston North Defence Heritage Advisory Group.</p>

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

† Priority growth sectors as identified by research

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

Enhance the Brand and Experience of the Region so People who say they are Proud they Live in the Region^ increases by 3% over 3 years*

Service Level Statement	Measure	2017/18	Activities	Outputs/achievements Jul -Jun 18
Promotion of lifestyle to support the attraction of people to work, study, invest, or visit.	Undertake annual Research, report results to stakeholders to understand and develop strategy	Undertake research and report by 30 September Result: TRA research completed Qualitative Sep/ Quantitative Oct	<ul style="list-style-type: none"> - Working collaboratively with Councils to develop a marketing strategy and activities to develop strong sense of Manawatu identity* -www. ManawatuNZ.co.nz - Collateral developed - Visitor programmes, eg The Country Road - Social media - QRIOUS reporting - CAM data - Marketview reporting (Quarterly) - Retail vacancy survey (pilot) - Support CBD vibrancy projects 	<p>Marketing strategy and activities to develop strong sense of Manawatu identity*</p> <p>CEDA's ongoing work with TRA, shareholders and Iwi to develop a cohesive regional identity for the visitor market has been an engaging journey, with all work up to the definition and design stage completed.</p> <p>Iwi workshops and interviews were held in April 2018 to better connect and get buy in from Iwi as key stakeholders of the Regional Identity. A final workshop with all stakeholders in June defined next steps and end goals, identity ideas and findings and next steps.</p> <p>Research</p> <p>TRA Quantitative research completed; setting the baseline for perception, awareness of and travel to the region.</p> <p>ManawatuNZ.co.nz</p> <p>228,441 Sessions (2017, 204,336) 12% increase</p> <p>153,694 New Users (2017, 137,000) 12% increase</p> <p>Social Media</p> <p>Facebook: MyManawatu 7,900 Page Likes (Jun 2017, 6,297) 25.5% increase</p> <p>ManawatuNZ 9,363 Page Likes (Jun 2017, 8,050) 16% increase</p> <p>Instagram: 2,870 Followers (Jun 2017, 2,295) 25% increase</p> <p>#thisismanawatu 9,028 uses (Jun 2017, 5,754) 57% increase</p> <p>Twitter: ManawatuNZ 2,618 Followers (Jun 2017, 2,570) 1.9% increase</p> <p>Visitor programmes, eg The Country Road</p> <p>The past year has seen new engagement with several of our rural communities working collaboratively with CEDA to ensure visitors to our region, no matter where they travel, have a quality visitor experience with access to consistent, high quality information while also ensuring the communities get equal benefit from visitors through spend and engagement, motorhome fees and more. Programme collateral has been updated to reflect this.</p>

Enhance the Brand and Experience of the Region

Service Level Statement	Measure	2017/18	Activities	Outputs/achievements Jul -Jun 18
				<p>A new visitor focused map of Palmerston North and Feilding detailing key visitor information and attractions was developed and rolled out to our accommodation sector via the i-SITE team.</p> <p>Retail vacancy survey (pilot)</p> <p>Completed by CEDA, working with a Massey University Intern to understand the retail vacancy overview of Feilding and Palmerston North CBDs. Findings were presented back to Palmerston North City Council and Manawatu District Council with full report and recommendations for the future.</p> <p>CBD Vibrancy</p> <p>The i-SITE team has played an active role is supporting the PNCC Ambassador Programme, working directly with the ambassadors to ensure locals and visitor alike have a good, safe CBD experience.</p> <p>Economic Insights reporting</p> <p>CEDA continues to work closely with our shareholders on providing Quarterly and Monthly Economic Updates, with wider context and stories through partners and industry leaders, and distributing these to our various community sectors. CEDA has been engaging at a national level on the issue of non-commercial visitor night data, and as such as undertaken an audit of all beds in the region to better understand the gaps and pressure points.</p> <p>Quarterly Marketview reporting provided to Shareholders and business community</p>
			Provision of visitor information centres and services	<p>Customer satisfaction</p> <p>The Palmerston North City i-SITE achieved an NPS of 90.3% up 0.6% on the previous year.</p> <p>i-SITE customer engagements for the year was 117,726 which is 17% down on the previous year.</p>

Enhance the Brand and Experience of the Region

Service Level Statement	Measure	2017/18	Activities	Outputs/achievements Jul -Jun 18
				<p>Feilding & District Information Centre customer engagements for the year was 11,537 which is 15% down on the previous year. This follows the national trend over the past few years.</p> <p>i-SITE and CEDA team worked with NZ Rugby Museum and Te Manawa with an influx of visitors during the Lions Tour through June and July 2017, supporting with local information and a satellite i-SITE.</p> <p>i-SITEs continued strong relationships with local tertiary providers has enabled the team to showcase the region and the i-SITEs services at UCOL market days, IPU new student presentations, and at the PNCC Mayoral student welcome.</p> <p>CEDA and our i-SITE team continue to support and work with Feilding & District Information Centre.</p>
			Manawatu Business Awards (biennial)	Initial work has been completed mostly around sponsorship for the November 2018 Business Awards. A new key sponsor providing \$50,000 in cash and in kind has been secured, bringing the total number of key sponsors to four. All other Key and Category sponsors have been confirmed along with Westpac as naming sponsor.
Promotion and information of services that increase the number of visitors and guest nights	Number of business events bids submitted (win/loss ratio)	<p>14 bids, (33%) wins</p> <p>Result: 2 bids completed (50%) win</p> <p>Activity towards attraction of 15 potential</p>	Targeted sales contacts made with conference organisers or related organisations.	<p>Creation of two conference proposals with one being successful. Activity to attract a further 15 conference/ major events to the region, equating to approx. 7,050 delegate/major event visits to Manawatu with an estimated economic impact on the region of over \$5 Million.</p> <p>Provided support to 57 business events, conferences and major events that occurred in the region over the year, in areas of venue selection, venue site visits, checking availability, quote venues and support services, etc, equating to 32,536 delegate/major event visits to Manawatu with an estimated economic impact on the region of over \$7 Million.</p> <p>CEDA took Palmerston North and Manawatu to Meetings 2018, New Zealand's only national Conference Expo, and held direct appointments with more than 30 national conference organisers and gained exposure of our region to over 300 in the conference and events sector.</p>

Enhance the Brand and Experience of the Region

Service Level Statement	Measure	2017/18	Activities	Outputs/achievements Jul -Jun 18
	Analysis of major events sector	Finish baseline Baseline completed October 2017	Activity towards setting baseline	A baseline of analysis of major events in the region was finalised in October 2017. Throughout the year twelve major events were measured by CEDA, including FMG Farmer of the Year, MG Classic, Palmerston North Speedway-Sprint Cars, Gravel and Tar, Woodville NZ Motorcross Grand Prix, NZED Superstock Team Championships, NZ Grand Prix and ANZ Premiership Super Sunday Netball.
			Working collaboratively with Councils to design, develop and establish a regional event and conference model	<p>Creation of the Event Framework which classified all events into economic, major business, community and sport event partnerships; enabling development of the Major Events Fund to support attraction and growth of significant events in the city and region.</p> <p>Establishment of the Major Events Fund process from application to selection, and then implementation of the first round of the contestable fund, funded by PNCC and MDC was launched and went live on 1st October 2017.</p> <p>Major Events Fund Round One (\$65,000) resulted in four successful applications. These were:</p> <ul style="list-style-type: none"> • ANZ Premiership Super Sunday Weekend • Porter Hire International Sprintcar SERIES Round 2 • 2018 NZ International Motorcross Grand Prix • Gravel and Tar <p>Events Calendar</p> <p>CEDA surveyed a wide range of locals across various community groups and sectors to gain a better understanding of where people find out about events on locally. The survey found that only 30% knew about our regional ManawatuNZ.co.nz event calendar. Improvements have been made to our calendar and work will be commenced in 2018-19 to raise local awareness and address other barriers identified in the research.</p>

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

† Priority growth sectors as identified by research

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

Monitoring Indicators

In addition to our performance measures, the Shareholders have identified a further set of monitoring indicators. These indicators reflect outcomes at the regional level which are impacted by a range of factors outside of our control, for example; exchange rates, natural disasters, government policy. As the region's economic development agency, we have a role in monitoring and influencing these indicators where we can, however we do not measure the performance of our organisation against them.

The Councils have the responsibility to report on these indicators.

Indicator	2018	2019	2020	Regional target
Change in total number of jobs	1.3% increase	1.3% increase	1.3% increase	1.3% average annual increase over three years.
Change in average 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 increase 530 increase
Net overseas migration	660 gain	660 gain	660 gain	660 average annual net migration gain.
Spend by visitors in Manawatu region (domestic and international)	5.7% increase	5.7% increase	5.7% increase	5.7% pa increase, average annual increase of \$22 million.
Number of visitor nights in Manawatu region	1.6% increase	1.6% increase	1.6% increase	1.6% pa increase.
Change in MSD benefit numbers	1.6% decline	1.6% decline	1.6% decline	1.6% pa decline, average annual decline of 130 people.
Reputation of Manawatu / Palmerston North as a great place to live and do business**	1% increase	1% increase	1% increase	3% increase over 3 years

*excludes any annual inflation increase

**as measured by UMR Research compiled 3 yearly, first measured 2016

Corporate Report

For the year ended 30 June 2018

Ownership

Central Economic Development Agency Limited (“CEDA”) is a Limited Liability Company incorporated and registered under the Companies Act 1993.

CEDA is a council-controlled organisation as defined in section 6 of the Local Government Act 2002. The shareholders of CEDA are Palmerston North City Council (50%) and Manawatu District Council (50%).

CEDA’s Mission and Principal Activities

The primary objective of CEDA is to drive and facilitate the creation and growth of economic wealth for Manawatu and beyond.

CEDA’s principal activities during the year to 30 June 2018 were directed by the Statement of Intent 2017/18 under the key strategic objectives of; support the growth of business, grow and retain education and talent, and enhance the brand and experience of the region.

Company’s Affairs

The Directors regard the state of the Company’s affairs to be satisfactory. Details of the year under review are included in the joint Chairman’s and Chief Executive’s Report and the statutory accounts of the Company published herewith.

The Directors are responsible for the preparation of CEDA’s financial statements which give a true and fair view of the financial position of CEDA as at 30 June 2018 and the results of its operations and cash flows for the 12 months ended on that date.

The Directors consider that to the best of their knowledge and belief the financial statements have been prepared using accounting policies appropriate to CEDA’s circumstances, consistently applied and supported by reasonable and prudent judgments and estimates.

The Directors have the responsibility for establishing and maintaining a system of internal controls designed to provide reasonable assurance as to the integrity and reliability of financial reporting. The Directors consider that to the best of their knowledge and belief adequate steps have been taken to safeguard the assets of CEDA and to prevent and detect fraud and other irregularities.

In our opinion, these financial statements and statement of performance fairly reflect the financial position and operations of CEDA for the year ended 30 June 2018.

Directors

Retirements

No Directors retired during the 2017/2018 financial year.

Appointments

During the 2017/2018 financial year the following Directors were reappointed to the Board:

- Lucy Griffiths, 22 November 2017
- Blair O’Keeffe, 22 November 2017

Corporate Report

The following Director was appointed to the Board:

- Susan Foley, 22 November 2017 (commenced in December 2017)

Directors remuneration

The amount of \$180,000 per annum (pro-rata for Susan Foley part year) in 2018 and \$155,000 to 30 June 2017 was paid, or due and payable, to members of the Board as authorised by the shareholders as follows:

	2017/2018	2016/2017
Malcolm Bailey	55,000	55,000
Shamubeel Eaqub	25,000	25,000
Susan Foley	13,390	-
John Fowke	25,000	25,000
Lucy Griffiths	25,000	25,000
Blair O'Keeffe	25,000	25,000
Total	168,390	155,000

No other remuneration or benefits other than reimbursement of expenses has been paid or given to Directors.

Directors indemnity and insurance

The Company is responsible for the payment of Directors indemnity insurance premiums.

Use of company information by Directors

There were no notices from Directors of the Company requesting to use company information received in their capacity as Directors that would not otherwise have been available to them.

Shareholding by Directors

During the year there were no shareholding transactions involving Directors.

Directors interests

During the course of the year to 30 June 2018, Directors declared interest in the following entities:

<i>M G Bailey</i>		
Interest	Nature of Interest	Relationship to CEDA
Director/shareholder	Bailey Agriculture Ltd	None
Director/shareholder	Bailey Family Properties Ltd	None
Director/shareholder	Embryo Technologies Ltd	None
Director	Westpac NZ Ltd	Supplier and Westpac sponsor the Manawatu Business Awards

Corporate Report

Director	Red Meat Profit Partnership Ltd	None
Director/shareholder (to 1/12/17)	Hopkins Farming Group Ltd	None
Director/shareholder	Gleneig Holdings Ltd	None
Director/shareholder	Etech NZ Ltd	Has received business support from CEDA in the form of training vouchers
Director/shareholder	BBD Industrial Properties Ltd	None
Director/shareholder	RMI NZ Ltd	None
Chairman	Dairy Companies Association NZ	None
Chairman	NZ International Business forum	None
Executive member (to 1/8/2017)	NZ US Council	None
Trustee	Bailey Trust	None
Trustee (to 1/4/17)	Bailey Family Trust	None
Shareholder	AGInvest Holdings Ltd	Has received business support from CEDA in the form of training vouchers
Shareholder	Nutrimix NZ Ltd	Has received business support from CEDA in the form of training vouchers
Chairman/shareholder via Tadpole NZ Ltd	Frog Parking NZ Ltd	Has received a Callaghan Innovation grant
Director/shareholder	Tadpole NZ Ltd	None
Director/shareholder	Greentech NZ Ltd	Greentech Robotics has received a Callaghan Innovation grant

S Eaquib

Interest	Nature of Interest	Relationship to CEDA
Advisory Board member	ADC Inc - microfinance charity	None
Advisory Board member	Auckland Radiology Group	None
Advisory Board member	NewGround Capital	None
Consultant	Eaquib & Eaquib Ltd	Boutique consultancy, sometimes involved in economic development and matters of regional development
Director (from 24/5/16)	Simplicity	None
Consultant (to 28/2/18)	Air NZ	Assisting on Regional Development Programme
Director/shareholder (from 22/11/17)	Sense Partners	Business Partner providing advice to PNCC

Corporate Report

<i>S P Foley</i>		
Interest	Nature of Interest	Relationship to CEDA
Director	Meole Brace Investments Ltd	None
Director External Relations	Westpac NZ Ltd	Supplier and Westpac sponsor the Manawatu Business Awards
Chairperson	FoodHQ	CEDA provides funding to FoodHQ
Trustee	ISport	None
Trustee	Sir Peter Blake Trust	None
Board Member	Huntley Prep School	None
Committee Member	Rangitikei Racing Club	None
<i>J L Fowke</i>		
Interest	Nature of Interest	Relationship to CEDA
Consultant	Toyota New Zealand Ltd, Legal Counsel, Motorsport Ambassador	None
Chair & Trustee	Te Manawa Museum and Art Gallery	Council controlled organisation and Manawatu cultural facility
Chair & Trustee	Manawatu Community Law Centre	None
Trustee/Director	MASH Trust (provider of services to people suffering from intellectual and physical disabilities and dependencies)	None
Trustee	Vision Manawatu	Not operating
Chair & Trustee	Special Olympics New Zealand Foundation	None
Justice of the Peace		None
External Committee Member (from 09/16)	Manawatu District Council Audit and Risk Committee	Shareholder in CEDA
Company Secretary (from 03/17)	Massey Global Limited (provider of education services in Singapore and China)	Massey University who provides funding to CEDA is a Shareholder of Massey Global
<i>L M J Griffiths</i>		
Interest	Nature of Interest	Relationship to CEDA
Director (and member of Audit and Risk Committee)	Trust House	None
Trustee (Deputy Chair)	Masterton Community Trust	None
Director/shareholder	Telfer Properties Martinborough Ltd trading as Brackenridge	None
Director	Mirrabooka Ltd	None

Corporate Report

Owner/Director	Innov8 Aotearoa Ltd	Have done limited consultancy work in the Manawatu
Married to Simon Griffiths	Owner/Director of Wairarapa Computer Services trading as Technology Solutions Ltd	None
Married to Simon Griffiths	Owner/Director of Masterton Property Services	None
Director	Wools of NZ	None
Steering Committee	Wairarapa Food Group	None

B A O'Keeffe

Interest	Nature of Interest	Relationship to CEDA
Member Steering Committee (to 25/10/17)	Business Leaders Health & Safety Forum	None
Trustee	K & B Trust (family trust)	None
Managing Director	Endzone Commercial Limited	None
Acting CEO (from 23/9/16)	HBRIC	None
Chairman (from 20/10/16)	Maritime New Zealand	None
Trustee (from 26/6/17)	Hawkes Bay Rescue Helicopter Trust - Note HBRHT is commissioned by RCCNZ from time to time to undertake search and rescue activity.	None

All directors are indemnified under the Directors and Officers Liability Insurance policy.

Detailed of related party transactions made during the year are shown in note 14 of the Notes to the Financial Statements.

Remuneration of employees

The number of employees, who are not Directors, whose total remuneration and benefits exceeded \$100,000 in the financial year were:

	2017/2018	2016/2017
\$120,000 - \$129,999		1
\$190,000 - \$199,999	1	

Auditors

Auditor's remuneration of \$19,356 (exclusive of GST) for the 2018 audit is reflected in the financial statements as due and payable.

Financial Performance

Central Economic Development Agency Limited Group Statement of Comprehensive Revenue and Expense

For the year ended 30 June 2018

Account	Notes	Actual 2018	SOI 2018	Actual 2017
Revenue				
Council Funding	4	2,575,964	2,254,214	1,932,448
Other Services Revenue		792,703	793,080	567,637
Project Revenue		394,050	431,000	405,027
Major Event Fund Revenue		65,000	0	0
Total Revenue		3,827,717	3,478,294	2,905,112
Cost of Sales				
Other Services Expenses		811,780	975,930	585,180
Project Expenses		621,270	606,000	297,136
Major Event Fund Allocations		65,000	0	0
Total Cost of Sales		1,498,051	1,581,930	882,316
Gross Surplus (Deficit)		2,329,667	1,896,364	2,022,797
Other Revenue				
Grant Revenue		0	0	831,778
Interest Revenue		20,177	12,000	12,852
Sundry Revenue		7,466	7,000	8,210
Total Other Revenue		27,643	19,000	852,839
Expenses				
Depreciation		27,081	20,446	23,532
Directors' Fees		168,390	155,000	155,000
Employee Expense	5	1,475,802	1,454,328	1,309,099
Financing Expenses		4,979	0	190
Loss on Sale of Property, Plant and Equipment		0	0	705
Other Operating Expenses	6	497,562	280,245	406,426
Total Expenses		2,173,815	1,910,019	1,894,951
Surplus (Deficit) Before Taxation		183,495	5,345	980,684

Financial Performance

Account	Notes	Actual 2018	SOI 2018	Actual 2017
Taxation				
Income Tax Expense	7	48,797	1,497	74,990
Total Taxation		48,797	1,497	74,990
Surplus (Deficit) after tax		134,698	3,848	905,694
Other comprehensive revenue and expense				
Items that could be reclassified to surplus (deficit)		0	0	0
Total Other comprehensive revenue and expense		0	0	0
Total comprehensive revenue and expense				
Total comprehensive revenue and expense		134,698	3,848	905,694
Total comprehensive revenue and expense attributable to:				
Palmerston North City Council		67,349	1,924	452,847
Manawatu District Council		67,349	1,924	452,847
Total comprehensive revenue and expenses		134,698	3,848	905,694

The accompanying accounting policies and notes form part of and are to be read in conjunction with these financial statements. Explanations of major variances against budget are provided in note 16.

Financial Performance

Central Economic Development Agency Limited Group Statement of Financial Position

As at 30 June 2018

Account	Notes	Actual 2018	SOI 2018	Actual 2017
Assets				
Current Assets				
Cash and Cash Equivalents	8	1,180,967	1,050,652	1,104,238
Receivables and Accruals	9	138,300	521,749	201,097
Prepayments		18,921	5,371	18,737
Inventories	10	14,663	8,720	7,113
Total Current Assets		1,352,851	1,577,492	1,331,185
Non-Current Assets				
Property, Plant and Equipment	11	91,276	57,287	86,414
Total Non-Current Assets		91,276	57,287	86,414
Total Assets		1,444,127	1,634,779	1,417,599
Liabilities				
Current Liabilities				
Payables and Deferred Revenue	12	331,373	732,038	450,408
Employee Entitlements		58,706	51,895	51,918
Other Current Liabilities		33,686	0	29,609
Total Current Liabilities		423,765	783,933	531,935
Total Liabilities		423,765	783,933	531,935
Net Assets		1,020,361	850,846	885,663
Equity				
Contributed Capital	13	1,000	1,000	1,000
Retained Earnings		1,019,361	849,846	884,663
Total Equity		1,020,361	850,846	885,663

The accompanying accounting policies and notes form part of and are to be read in conjunction with these financial statements.

Financial Performance

Central Economic Development Agency Limited Group Statement of Changes in Equity

For the year ended 30 June 2018

Account	Actual 2018	SOI 2018	Actual 2017
Equity			
Opening Balance	885,663	846,998	(20,031)
Increases			
Total comprehensive revenue and expense for the period	134,698	3,848	905,694
Total Increases	134,698	3,848	905,694
Total Equity	1,020,361	850,846	885,663
Total comprehensive revenue and expense attributable to:			
Palmerston North City Council	510,181	425,423	452,847
Manawatu District Council	510,181	425,423	452,847
Total comprehensive revenue and expense	1,020,361	850,846	905,694

The accompanying accounting policies and notes form part of and are to be read in conjunction with these financial statements.

Financial Performance

Central Economic Development Agency Limited Statement of Cash Flows

For the year ended 30 June 2018

Account	Actual 2018	SOI 2018	Actual 2017
Cash Flows from Operating Activities			
Receipts of council funding	2,806,602	2,254,214	2,097,780
Interest received	18,258	13,800	9,217
Receipts from other operating activities	1,559,110	1,429,804	1,143,695
Income tax refunded/(paid)	(124,974)	0	0
GST	7,360	(323,103)	22,317
Payments to suppliers and employees	(4,170,780)	(3,612,776)	(2,990,527)
Finance costs	(4,979)	0	(190)
Total Cash Flows from Operating Activities	90,597	(238,061)	282,292
Cash Flows from Investing Activities			
Proceeds from sales of property, plant and equipment	350	0	1,159
Payment for property, plant and equipment	(14,218)	0	(18,274)
Total Cash Flows from Investing Activities	(13,868)	0	(17,116)
Cash Flows from Financing Activities			
Receipts from sale and purchase agreements	0	0	837,192
Total Cash Flows from Financing Activities	0	0	837,192
Net Cash Flows	76,729	(238,061)	1,102,368
Cash Balances			
Cash and cash equivalents at beginning of period	1,104,238	1,288,713	1,870
Cash and cash equivalents at end of period	1,180,967	1,050,652	1,104,238
Net change in cash for period	76,729	(238,061)	1,102,368

«The accompanying accounting policies and notes form part of and are to be read in conjunction with these financial statements.



Notes to Accounts

Central Economic Development Agency Limited

For the year ended 30 June 2018

1. Reporting Entity

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

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

The financial statements of CEDA are for the year ended 30 June 2018.

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.

Notes to Accounts

Revenue Recognition

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

Sales of goods are recognised when the goods are sold to the customer.

Sales of services are recognised in the period by reference to the stage of completion of the services delivered at balance date as a percentage of the total services to be provided.

Lease revenue is recognised on a straight line basis over the life of the lease.

Interest received is recognised using the effective interest method. Interest revenue on an impaired financial asset is recognised using the original effective interest method.

Grants are recognised as revenue when they become receivable unless there is an obligation in substance to return the funds if conditions of the grant are not met. If there is such an obligation, the grants are initially recorded as grants received in advance and recognised as revenue when conditions of the grant are satisfied.

Donated assets. Where a physical asset is gifted to or acquired by CEDA for nil consideration or at a subsidised cost, the asset is recognised at fair value. The difference between the consideration provided and fair value of the asset is recognised as revenue. The fair value of donated assets is determined as follows:

- For new assets, fair value is usually determined by reference to the retail price of the same or similar assets at the time the asset was received.
- For used assets, fair value is usually determined by reference to market information for assets of a similar type, condition, and age.

Inventories

Inventories held for use in the provision of goods and services on a commercial basis are valued at the lower of cost and net realisable value.

The amount of any write-down for the loss of service potential or from cost to net realisable value is recognised in the surplus (deficit) in the period of the write-down.

Property, Plant and Equipment

Property, plant and equipment are stated at historical cost less any accumulated depreciation and impairment losses. Historical cost includes expenditure directly attributable to the acquisition of assets, and includes the cost of replacements that are eligible for capitalisation when these are incurred.

An item of property, plant and equipment is derecognised upon disposal or when no further future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the year the asset is derecognised.

Notes to Accounts

Depreciation

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

Income Tax

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

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

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

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

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

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

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

Cash and cash equivalents

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

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

Receivables

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

Impairment of financial assets

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

Notes to Accounts

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.

Notes to Accounts

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.

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

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

Critical judgements in applying accounting policies

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

- Funding received – refer to Note 4.

3. Subsidiaries

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

CEDA has the power to appoint 100% of trustees of the Events Manawatu Trust. The consolidation of the Events Manawatu Trust into CEDA's financial statements has resulted in no change to the reported financial statements.

Notes to Accounts

	2018	2017
4. Council Funding		
Palmerston North City Council	(1,977,437)	(1,446,198)
Manawatu District Council	(598,527)	(486,250)
Total Council Funding	(2,575,964)	(1,932,448)

Project income, as disclosed in the Statement of Comprehensive Revenue and Expense, includes income from Council's specifically received for project delivery. This income is not included in Council Funding income.

Council Funding included in Project Revenue

Palmerston North City Council	239,484	101,486
Manawatu District Council	41,745	13,255
Total Council Funding included in Project Revenue	281,229	114,741

Critical judgements in applying accounting policies - funding received

CEDA must exercise judgement when recognising project revenue to determine when conditions of the funding contract have been satisfied. As at 30 June 2018 \$373 (2017:\$84,243) has been recognised as a liability as the conditions attached to the receipt of this funding have not yet been met.

5. Employee Expenses

Salaries and wages	1,432,173	1,226,137
Employer contribution to Kiwisaver	36,841	31,044
Movement in employee entitlements	6,788	51,918
Total Employee Expenses	1,475,802	1,309,099

6. Other Operating Expenses

Fees to Audit New Zealand for the audit of the financial statements	19,389	19,138
Consultants and legal fees	8,485	21,143
Operating lease expense	20,484	-
Other operating expenses	449,203	366,145
Total Other Operating Expenses	497,562	406,426

7. Income Tax Expense

Net Profit (Loss) Before Tax	183,495	980,684
Tax at 28%	51,379	274,592

Plus (less) tax effect of:

Non deductible expenditure	741	440
Non-taxable income	-	(206,610)
Tax loss not recognised	-	(5,889)
Deferred tax adjustment	(3,323)	12,458
Tax expense	48,797	74,990

Notes to Accounts

	2018	2017
A deferred tax asset has not been recognised in relation to temporary differences of \$40,794 (2017: \$52,661).		
Components of tax expense		
Current year	48,797	74,990
Deferred tax	-	-
Total Deductions from Tax Payable	48,797	74,990
8. Cash and Cash equivalents		
CEDA Current Account	62,708	18,266
CEDA Money Market Account	1,000,000	1,045,000
CEDA Trust Account	117,458	40,172
i-SITE Petty Cash	800	800
Total Cash and Cash equivalents	1,180,967	1,104,238
9. Receivables and Accruals		
Accounts Receivable	130,929	201,047
Less: Provision for impairment	-	-
Accrued Interest	96	50
GST	452	-
Income Tax	6,823	-
Total Receivables and Accruals	138,300	201,097
Total Receivables and Accruals Comprise		
Receivables from exchange transactions	10,689	14,679
Receivables from non-exchange transactions	127,611	186,418
Total Receivables and Accruals Comprise	138,300	201,097
No inventories are pledged as security for liabilities.		
10. Inventory		
i-SITE Retail Stock	14,663	7,113
Total Inventory	14,663	7,113

Notes to Accounts

11. Property, Plant & Equipment

	Opening Value	Accum Depn	Carrying Amount	Additions	Disposals	Depn	Closing Value	Accum Depn	Carrying Amount
Leasehold Equipment	15,786	(2,030)	13,756	-	-	(2,071)	15,786	(4,101)	11,685
Office Furniture & Equipment	57,046	(14,333)	42,713	14,219	-	(16,660)	71,264	(30,993)	40,271
Plant & Equipment	16,732	(2,073)	14,658	-	-	(2,287)	16,732	(4,360)	12,372
Vehicles	20,382	(5,096)	15,287	-	-	(4,586)	20,382	(9,682)	10,700
Websites	-	-	-	17,725	-	(1,478)	17,725	(1,478)	16,248
Total	109,946	(23,532)	86,414	31,943	-	(27,081)	141,889	(50,631)	91,276

There are no restrictions on title of CEDA's property, plant and equipment. No property, plant and equipment has been pledged as securities for liabilities.

	2018	2017
12. Payables and Deferred Income		
Accounts Payable	304,421	240,039
Accruals General	23,170	43,021
Funding in Advance	373	1,453
Funding in Advance - International Education	-	23,767
Funding in Advance - NZ Agri Investment Week	-	59,023
GST	-	9,916
Income Tax	-	71,227
Operations Credit Card	3,408	1,962
Total Payables and Deferred Income	331,373	450,408
Total Payables and Deferred Income Comprise		
Payables under exchange transactions	320,202	285,022
Payables under non-exchange transactions	11,171	165,386
Total Payables and Deferred Income Comprise	331,373	450,408
13. Equity		
Share Capital		
Opening Balance	1,000	1,000
Total Share Capital	1,000	1,000
Retained Earnings		
Opening Balance	884,663	(21,031)
Current Year Earnings	134,698	905,694
Total Retained Earnings	1,019,361	884,663
Total Equity	1,020,361	885,663

Notes to Accounts

Each fully paid ordinary share confers on the holder one vote at a meeting of the company, a share in distributions approved by the Directors, and a share in distribution of the surplus assets of the company on dissolution.

At balance date there were 1,000 shares on issue.

	2018	2017
14. Key personnel compensation		
Directors		
Remuneration	168,390	155,000
Full-time equivalent members	5.5	5
Senior Management Team		
Remuneration	576,001	473,987
Full-time equivalent members	5	4.25

Due to the difficulty in determining the full time equivalent for Directors the full time equivalent figure is taken as the number of Directors. As one director commenced partway through the year this has been estimated on a proportional basis.

As there were changes in the composition of Key Management Personnel including vacancies the full time equivalents have been estimated on a proportional basis.

During the year ended 30 June 2018, 0 (2017:2) employees received compensation and other benefits in relation to cessation totaling nil (2017:\$58,521).

15. Related Parties

CEDA is a council-controlled organisation as defined in section 6 of the Local Government Act 2002. As per the constitution the shareholders of CEDA being Palmerston North City Council and Manawatu District Council, are responsible for the appointment of the Board of Directors.

All transactions conducted with related parties, other than as detailed below, have been under normal supplier/client relationship terms and at arm's length.

Accounts Receivable		
Westpac	-	-
Total Accounts Receivable	-	-

Notes to Accounts

16. Major Variances Explained

Account	Actual	Budget/SOI	Variance	Notes
Council Funding	2,575,964	2,254,214	321,750	Variance due to Building Clever Companies (BCC) funding included in Council Funding budgeted in Other Services Revenue, and additional funding received from PNCC over Service Agreement amount.
Project Revenue	394,050	431,000	(36,950)	The decrease in income is mostly due to timing of International Education and NZ Agri Investment Week project expenditure. The recognition of revenue is tied to expenditure.
Major Event Fund Revenue / Expenses	65,000	-	65,000	The Major Event Fund was established during the year and not previously budgeted.
Other Services Expenses	811,780	975,930	(164,150)	Decrease in expenses due to savings in Inward Investment, and Research Expenditure (now three yearly).
Other Operating Expenses	497,562	280,245	217,317	Increase in expenditure mostly due to i-SITE salaries budgeted in Other Service Expenses, recruitment, IT systems upgrade and communications support.

2018

2017

17. Financial Instruments

Financial Assets

Loans and Receivables

Accounts Receivable	130,929	201,047
Accrued Interest	96	50
Cash and cash equivalents	1,180,967	1,104,238
Total Loans and Receivables	1,311,991	1,305,335
Total Financial Assets	1,311,991	1,305,335

Financial Liabilities

Financial Liabilities at amortised cost

Payables	(323,724)	(366,165)
Unsettled Tickets	(33,686)	(29,609)
Total Financial Liabilities at amortised cost	(357,410)	(395,775)
Total Financial Liabilities	(357,410)	(395,775)

Notes to Accounts

18. Operating leases as lessee

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

Operating leases as lessee		
Not later than one year	152,423	133,379
Later than one year and not later than five years	101,465	189,496
Later than five years	-	-
Total non-cancellable operating leases	253,888	322,875

The i-Site building is rented from the Palmerston North City Council. The lease expires on 31 August 2019, with three rights of renewal of three years each. This disclosure has included the lease payments up to the expiry date of 31 August 2019 as it is uncertain as to whether CEDA will exercise the option to renew the lease.

The office space located at Level 1, 478 Main Street, Palmerston North, has a lease term to June 2020. The current conditions are a monthly lease charge with a notice period of 3 months.

19. Events after balance date

There are no significant events after balance date.

Independent Auditor's Report

To the readers of Central Economic Development Agency Limited's group financial statements and performance information for the year ended 30 June 2018

The Auditor-General is the auditor of Central Economic Development Agency Limited Group (the Group). The Auditor-General has appointed me, Clint Ramoo, using the staff and resources of Audit New Zealand, to carry out the audit of the financial statements and the performance information of the Group, on his behalf.

Opinion

We have audited:

- the financial statements of the Group on pages 66 to 82, that comprise the statement of financial position as at 30 June 2018, the statement of comprehensive revenue and expense, statement of changes in equity and statement of cash flows for the year ended on that date and the notes to the financial statements that include accounting policies and other explanatory information; and
- the performance information of the Group on pages 48 to 59.

In our opinion:

- the financial statements of the Group on pages 66 to 82:
 - present fairly, in all material respects:
 - its financial position as at 30 June 2018; and
 - its financial performance and cash flows for the year then ended; and
 - comply with generally accepted accounting practice in New Zealand in accordance with Public Benefit Entity Standards Reduced Disclosure Regime; and
- the performance information of the Group on pages 48 to 59 presents fairly, in all material respects, the Group's actual performance compared against the performance targets and other measures by which performance was judged in relation to the Group's objectives for the year ended 30 June 2018.

Our audit was completed on 31 August 2018. This is the date at which our opinion is expressed.

The basis for our opinion is explained below. In addition, we outline the responsibilities of the Board of Directors and our responsibilities relating to the financial statements and the performance information, we comment on other information, and we explain our independence.

Basis for our opinion

We carried out our audit in accordance with the Auditor-General's Auditing Standards, which incorporate the Professional and Ethical Standards and the International Standards on Auditing (New Zealand) issued by the New Zealand Auditing and Assurance Standards Board. Our responsibilities under those standards are further described in the Responsibilities of the auditor section of our report.

We have fulfilled our responsibilities in accordance with the Auditor-General's Auditing Standards.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of the Board of Directors for the financial statements and the performance information

The Board of Directors is responsible on behalf of the Group for preparing financial statements that are fairly presented and that comply with generally accepted accounting practice in New Zealand. The Board of Directors is also responsible for preparing the performance information for the Group.

The Board of Directors is responsible for such internal control as it determines is necessary to enable it to prepare financial statements and performance information that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements and the performance information, the Board of Directors is responsible on behalf of the Group for assessing the Group's ability to continue as a going concern. The Board of Directors is also responsible for disclosing, as applicable, matters related to going concern and using the going concern basis of accounting, unless the Board of Directors intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The Board of Directors' responsibilities arise from the Local Government Act 2002.

Responsibilities of the auditor for the audit of the financial statements and the performance information

Our objectives are to obtain reasonable assurance about whether the financial statements and the performance information, as a whole, are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit carried out in accordance with the Auditor-General's Auditing Standards will always detect a material misstatement when it exists. Misstatements are differences or omissions of amounts or disclosures, and can arise from fraud or error. Misstatements are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decisions of readers, taken on the basis of these financial statements and the performance information.

For the budget information reported in the financial statements and the performance information, our procedures were limited to checking that the information agreed to the Group's statement of intent.

We did not evaluate the security and controls over the electronic publication of the financial statements and the performance information.

As part of an audit in accordance with the Auditor-General's Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. Also:

- We identify and assess the risks of material misstatement of the financial statements and the performance information, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- We obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- We evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.
- We evaluate the appropriateness of the reported performance information within the Group's framework for reporting its performance.
- We conclude on the appropriateness of the use of the going concern basis of accounting by the Board of Directors and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements and the performance information or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- We evaluate the overall presentation, structure and content of the financial statements and the performance information, including the disclosures, and whether the financial statements and the performance information represent the underlying transactions and events in a manner that achieves fair presentation.
- We obtain sufficient appropriate audit evidence regarding the financial statements and the performance information of the entities or business activities within the Group to express an opinion on the consolidated financial statements and the consolidated performance information. We are responsible solely for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Board of Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify in our audit.

Our responsibilities arise from the Public Audit Act 2001.

Other information

The Board of Directors is responsible for the other information. The other information comprises the information included on pages 2 to 44 and 60 to 65, but does not include the financial statements and the performance information, and our auditor's report thereon.

Our opinion on the financial statements and the performance information does not cover the other information and we do not express any form of audit opinion or assurance conclusion thereon.

In connection with our audit of the financial statements and the performance information, our responsibility is to read the other information. In doing so, we consider whether the other information is materially inconsistent with the financial statements and the performance information or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on our work, we conclude that there is a material misstatement of this other information, we are required to report the fact. We have nothing to report in this regard.

Independence

We are independent of the Group in accordance with the independence requirements of the Auditor-General's Auditing Standards, which incorporate the independence requirements of Professional and Ethical Standard 1 (Revised): Code of Ethics for Assurance Practitioners, issued by New Zealand Auditing and Assurance Standards Board.

Other than the audit, we have no relationship with, or interests in, the Group.



Clint Ramoo
Audit New Zealand
On behalf of the Auditor-General
Wellington, New Zealand

Partner Organisations

Current partner organisations that CEDA works with:

Local

Building Clever Companies (BCC)
Feilding and District Promotions
FoodHQ
IPU New Zealand
Lamberts
Manfeild
Manawatu Chamber of Commerce
Manawatu District Council
Massey University
Palmerston North City Council
Palmerston North Airport
Rangitane
Spearhead
Sport Manawatu
Talent Central
Te Au Pakihi
Te Manawa
UCOL
Media Works
Manawatu Standard
Venues and Events Palmerston North

Regional

Accelerate25
Export NZ Central Region
Horizons Regional Council
Horowhenua District Council
Ruapehu District Council
Rangitikei District Council
Taranaki District Council
Whanganui and Partners
Whanganui Chamber of Commerce
Whanganui District Council

National

Business Central
Business Mentors NZ
Callaghan Innovation
Conventions and Incentives NZ
Economic Development NZ
Education NZ
Immigration NZ
i-SITE NZ
Ministry of Business, Innovation & Employment
NZEA Events Association
New Zealand Trade and Enterprise
Regional Tourism NZ
Tourism New Zealand
NZ Motor Caravan Association
Air New Zealand
ASB
Fairfax
Westpac
NZME New Zealand Media and Entertainment

CEDA
CENTRAL ECONOMIC
DEVELOPMENT AGENCY