



CEDA

CENTRAL ECONOMIC
DEVELOPMENT AGENCY

Statement of Intent

For the year ending
30 June 2020

10 June 2019



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Company Directory

Central Economic Development Agency Limited Ltd

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Palmerston North 4410

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🖱 ceda.nz

Chief Executive

Linda Stewart

Directors

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

Registered Office

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

Bankers

Westpac New Zealand Ltd

Auditors

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

Legal Status

Central Economic Development Agency Limited ("CEDA") was incorporated in New Zealand on 15 October 2015 under the Companies Act 1993 (NZBN 9429042001096). As the shareholders of CEDA are Palmerston North City Council (50%) and Manawātū District Council (50%) CEDA is a Council Controlled Organisation as defined in section 6 of the Local Government Act 2002.

Foreword

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

Our aim for 2018/19 was to build upon the strong foundation we put in place in our first full year of operation. The focus on building our internal capability and capacity enabled us to begin 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, our success in attracting investment into our region, and to position Manawātū as a destination of choice for visitors.

This Statement of Intent outlines our work programmes for the year ahead; building on our 2018/19 achievements, continuing our long-term strategic projects, yet while maintaining enough capacity to take advantage of new opportunities and meet new challenges.

“The nature of economic development requires strategic thinking, long term focus, partnerships and collaboration”

We are clear on our purpose, and the role we play in supporting our shareholders to create and enable opportunities for employment and business growth, the diversification of our economy, and to support a culture that is future focused and innovative. Our three core work streams and goals of attracting national and international investment, the retention and expansion of business in the region, and developing a talent pipeline, drive our activities and the outcomes we aim to achieve.

To reach our goals requires investment. Our financial forecasts for the next three years show a budgeted deficit which is due to increased spend on our long-term strategic projects. This deficit will be covered by funds on hand from retained earnings.

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

CEDA acknowledges the ongoing support of Palmerston North City Council and Manawātū District Council, and partnerships with key stakeholders in the region including Massey University, UCOL, The Factory, FoodHQ, Talent Central, the National Driver Training Centre, and local iwi in achieving successful outcomes for the region.



Malcolm Bailey
Chairperson

Purpose of the Statement of Intent

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

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

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



About CEDA

The Central Economic Development Agency (CEDA) was incorporated with the Companies Office in October 2015 and began full operations in September 2016. CEDA is a Council Controlled Organisation jointly owned by the Palmerston North City Council and the Manawātū District Council.

CEDA's Purpose

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



CEDA's Constitution Objectives

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

CEDA's Structure and Governance

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

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

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

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

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

Our Vision

Manawatū 2025; New Zealand's most progressive region

Our vision is bold and purposefully so, it encompasses the ambitions of both our shareholder Councils. It requires our region to move from comfortable to ambitious, from reactive to future focused, and to move with an increased cadence and sense of resolve. We believe that Manawatū has the leadership and the ingredients to reposition itself on the national stage - a vibrant and innovative region that will be first choice for talent, business and investment.

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



Manawatū is recognised as one of the top three agrihubs in the world



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



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

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



Our Strategic Objectives

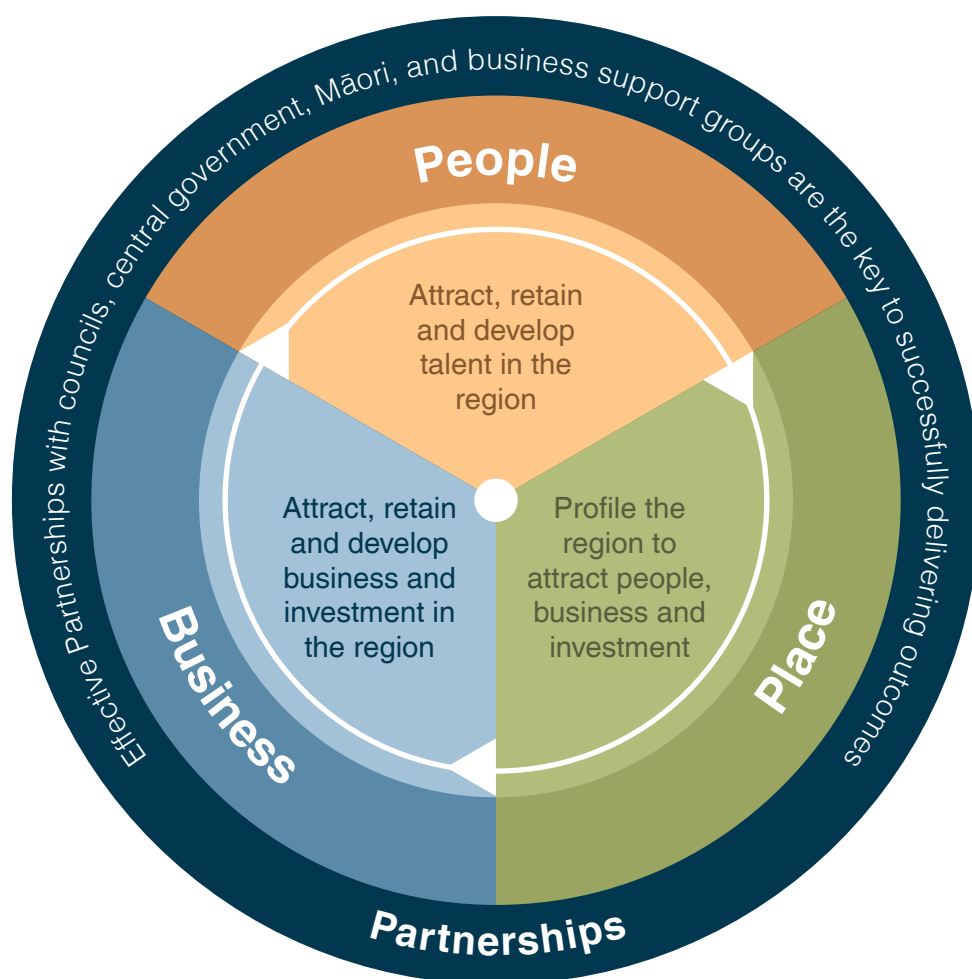
Powering our progress; achieving the vision

CEDA works across three strategic pillars of economic development; People, Place and Business, and our success is underpinned and enabled by the strength of our relationships with regional and national partners. Our core objectives, programmes and activities are all aligned to these pillars, and are designed to create the environment, stimulus, outcomes and impact that will power our economic prosperity and achieve our vision for Palmerston North city and Manawātū district.

These key objectives guide the development of the short and medium-term programmes of work for CEDA as articulated through this Statement of Intent for 2019/20.

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.





What We Do



Attract, retain and develop talent in the region

We know that the biggest barrier to business growth is access to the right talent and skills; to retain and develop those that we have, as well as attracting more. We also know that we're in a global competition for talent, so the importance of having a strategic and targeted approach has never been more important.

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

Regional Skills Gaps – addressing the challenges

Our regional skills gap analysis research clearly identified that the labour market in our region is constrained across a number of sectors, and more specifically, in particular qualifications, skills and roles. We will be using this data to inform the development of a holistic and integrated talent attraction and retention strategy that will focus efforts on five different types of activities;

- Talent attraction
- Talent reception
- Talent integration
- Talent reputation
- Management of the ecosystem

It is important to acknowledge that this is a multi-stakeholder ecosystem, so the development and implementation will be done in partnership with members of the business community, our local councils, central government including agencies like the Ministry of Business, Innovation and Employment, Immigration New Zealand, Education New Zealand, and Ministry of Social Development, as well as our regional government partners, like Accelerate25, Te Pae Tawhiti and our education institutions. CEDA will seek to establish a working cluster that will ensure we're across the challenges, opportunities and trends of talent attraction into our region while also driving a collaborative and cohesive approach to communicating the region's strengths and profiling success stories of new residents to the region through video and digital channels. The

Regional Identity will form a core part of this work, as we look to target the right talent to our sectors of strength, along with educating and inspiring our locals to be ambassadors for their region, building on the city and district's unique value propositions. Building on ManawatuNZ.co.nz, CEDA will work with stakeholders to ensure there are strong resources available to support recruitment initiatives.

Our Regional Partnership Agreement with the Ministry of Business Innovation and Employment will continue to be used to provide an additional lever to connect businesses with the international talent and skills they need via immigration to meet immediate skills pressures in the short term.

Developing the skills in our region and supporting job opportunity connections

It's not just about attracting more people to our region, it's about developing the talent and skills that are already here, supporting them to enter the job market, to grow their career, or even to change careers.

Our region is facing a period of significant economic growth, driven largely by the investment in infrastructure by central government, and substantial commercial investment. We are acutely aware that our already stretched labour market will face further pressure to meet the supply of skilled civil construction workers, drivers, engineers, and tradespeople, which is why our partnerships with the National Driver Training Centre and

Talent Central are critically important. Through the Accelerate25 Talent and Skills committee, we are supporting the establishment and development of an employment hub – designed to connect those seeking training and employment in distribution, logistics, and civil construction with a workplace brokering service – connecting and matching them to employers with vacant positions who can provide them with the training and support they need to progress in these industries.

As part of CEDA's commitment to connect and inspire our community on the career opportunities that lie within our region, the Sort It Careers Expo (the Expo) provides access and exposure to a broad range of career options and the pathways needed to get there, while highlighting the regions sectors of strength and the career options within them.

The Expo aims to encourage secondary school students, those returning to work or newly relocated to the region, and those looking for a change of direction to explore the different types of skills and positions available to them by engaging with the industries and businesses directly. For many, this can fuel or re-ignite a passion for their current or future career pathways.

Looking ahead to the 2020 Expo, CEDA will ensure that our region's Sectors of Strength and the skills gaps within these are better integrated, as well as looking at the year-round engagement programme to complement and extend the Expo, exploring digital platforms and ensuring alignment with the regions medium to long term talent needs and skills shortages.

The profiling and opportunity brought by showcasing leaders connected to the Manawātū is at the heart of Te Aho Tāmaka. Through Te Aho Tāmaka, we will profile and connect Manawātū's most illustrious leaders across all fields – academia, business, arts, sport, culture, technology, theology and more, building a global network of leaders and advocates whose journeys are connected to Palmerston North city and Manawātū district.

This programme will provide platforms and engagements where the skills, knowledge and contributions of these leaders can be absorbed by others. This could be through speaking engagements, workshops, business mentoring, innovation support, internships or even investment. Te Aho Tāmaka will position, energise and develop Manawātū by highlighting

what is on offer here, what can be achieved, and by introducing some of these leaders to the collaborative and investment opportunities that exist in our region.

Understanding the Future of Work and preparing our region for change

New and disruptive technology has arrived, with more on the way, our ways of working are changing, job demand is shifting, as are skills and aptitudes. These are just some of the challenges and opportunities our industry sectors, business and education sectors face when considering the employee, workplace and skills of the future. These changing needs are much talked about, but not well understood at a practical level. As a region we need to better understand the challenges and opportunities, the possible impacts on our sectors of strength and therefore our economy so we are prepared and ahead of the changes as they hit our work force.

Working in partnership with Massey University, UCOL, and our business community, CEDA will lead the development of a Future of Work project, so that as a region we can better understand what skills we'll all need for our future prosperity.

Deliver information, advice, programmes and initiatives to attract more international students to the region.

Increase the value of international students in the region

Through the implementation of the Regional International Education Strategy 2016-2020, CEDA supports the region's schools and tertiary providers to increase the number of international students studying here and the economic value that they add to the city and district. In partnership with Education New Zealand, CEDA will drive collaborative activities in the priority target market of China and identify other potential markets for development. Through CEDA's work to profile the region, we will provide marketing and communications support to help institutions profile the region's strengths and benefits through consistent and powerful messaging.

Enhance the experience of international students

To further enhance the desirability of Palmerston North and Manawātū 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.

Increase the employability of international students

Employability and Pathways to Employment is an initiative designed to make Palmerston North city and Manawātū district a more attractive place to study. In partnership with Talent Central, the Manawātū Chamber of Commerce, Education New Zealand and Ministry of Business, Innovation and Employment, CEDA will identify regional skills gaps, help international tertiary students become more employable and identify opportunities for increased pathways into local employment.



Attract, retain and develop business and investment in the region

Attracting and retaining business and investment in the region is at the core of economic development. Our city and district have a strong competitive edge: a central location, comparatively affordable land and development costs, a diverse labour pool, and a growing culture of innovation and entrepreneurship. Manawātū is well positioned to begin to actively promote itself as an attractive, investment ready destination both in New Zealand and offshore.

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

Support opportunities for growth

Visitor Strategy

This strategy was developed in 2018/19 in partnership with Palmerston North City Council, Manawātū District Council, local iwi and key visitor industry stakeholders, creating a shared vision and goals for the visitor sector through to 2028. This year, led by CEDA, the strategy moves into implementation, with each stakeholder taking responsibility for their part in delivering to our goals. We are focused on the destination marketing activities, including the roll out of the Regional Identity project, the continued development of The Country Road programme, cluster and operator development, trade and industry partnerships and our core functions as the Regional Tourism Organisation for Palmerston North and Manawātū.

This joined up and cohesive approach to managing the growth of the visitor sector in our region will enable us to leverage and target investment into the region through central government funding channels, such as the Tourism Infrastructure Fund and Provincial Growth Fund, as well as commercial investors. Our work to date in leading the 'Transforming Te Apati' project clearly demonstrates the benefits of well researched and presented business cases and action plans to strengthen the case for funding and investment.

Agritech Strategy

With a history of innovation in agritech products and services, Manawātū will strategically build on the sectors strengths to position ourselves as world-leading agritech hub, establishing ourselves as a source of expertise grounded in New Zealand, with international profile and opportunities.

CEDA will lead the implementation of an agritech strategy with our key partners The Factory, and Sprout. With agritech a key feature in our city's strategic plans and agribusiness for our district, CEDA is well positioned to implement and drive a strategy to grow our region's reputation as a national and global source of agritech expertise.

Our collaborative partnerships with Sprout Accelerator, The Factory and FoodHQ ensure we can provide access to global expertise, accelerator programmes such as Innovate, and to research and development funding avenues and support of agritech businesses and innovators in the region.

NZ AgriFood Week and Pint of Science

New Zealand AgriFood Week sits at the intersection of agriculture, food and technology, and celebrates and discusses the future of

food. Bringing together industry leaders and experts with the next generation of leaders and talent, the week-long event hosted in Manawatū celebrates the strengths of Manawatū and profiles our region as a centre of agribusiness excellence and innovation, adding to New Zealand's position as a leader in high value global food production. Stakeholders and partners include ASB, AgResearch, Fonterra, Plant and Food Research, Food HQ, New Zealand Trade and Enterprise, the Riddet Institute and more.

CEDA is the National Director of Pint of Science New Zealand, a science programme aimed at communicating and connecting a new audience with futuristic thinking and the latest discoveries in science, through an internationally coordinated festival. Internationally successful, Pint of Science could become a major national event, within New Zealand. Aligned with New Zealand AgriFood Week, the Pint of Science events further underpin our region's leadership in the national agriculture scene.

Develop and grow business

CEDA delivers the Regional Business Partners Programme on behalf of New Zealand Trade and Enterprise, Callaghan Innovation and Business Mentors New Zealand.

Working across the Manawatū-Whanganui region in partnership with local authorities and economic development partners, CEDA brings support to businesses to help them grow and develop sustainably, invest in research and development, while connecting them to the right experts, tools and information, with access to capability development via shared funding with key service providers. The Regional Business Partners Network enables CEDA to work closely with central government to ensure businesses have access to high quality and practical business mentoring services, targeted and strategic co-funding schemes aimed at capability development, and research and development assistance that helps to convert ideas into innovation.

CEDA also provides general business advice and support; from those looking to start up a business through to more established businesses across all sectors of our economy including opportunities for Māori business.

As part of our work as the Regional Tourism Organisation for Manawatū CEDA works closely with operators in the visitor sector to ensure they have access to the right marketing tools, the skills and information needed to create their online presence, and support to form connections with national organisations.



Further to this CEDA works to connect and facilitate relationships and expertise through a wide range of initiatives throughout the region, including Accelerate25, and the Provincial Growth Fund. Providing this support ensures our region is coordinated and effective to make the most of these opportunities, and others, such as the Green Fund, Poutama Investments, the Tourism Infrastructure Fund and more.

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

Entrepreneurs, new ideas and fresh business ventures are essential to our economic growth and diversity, and CEDA provides people with information, support and advice to get business ideas off the ground and improve their chances of success.

Through the delivery of start-up clinics and innovation support CEDA helps to get people informed, connects ideas to people in the right regional or national organisations, including The Factory, our local business incubator, and the Manawatu Chamber of Commerce.

Our partnership with The Factory ensures a strong connection with the innovation and entrepreneurial centre of our region and developing a healthy and growing referral pipeline between our two organisations is key to supporting businesses in our region to scale up. CEDA also supports their global accelerator programme Sprout which grows the next generation of agrifood and agritech startups, and the Innovate programme that helps turn ideas or innovative start-ups into investment ready businesses.

Through the Regional Business Partner Network we can provide research and development assistance by facilitating access to grants and expertise through Callaghan Innovation, Massey University and Crown Research Institutes.

Attract business and investment to the region

Inward Investment Strategy Implementation

Building on the development of Manawātū's Inward investment strategy and implementation plan in 2018/19, CEDA will now move into

the delivery phase, driving the profile of our region nationally and internationally through the development of a regional investment profile. This will be produced in partnership with our shareholders, regional stakeholders and partners New Zealand Trade and Enterprise, and relevant commercial parties, and will be focused on promoting our sectors of strength, our innovation culture, and our diverse talent and skills. Additionally, investment opportunities will be identified, and specific support provided to these to develop their investment readiness and then better connect them to national and international investors.

CEDA will continue to leverage our relationships with central government, with an emphasis on the Ministry of Business, Innovation and Employment and the Provincial Development Unit, New Zealand Trade and Enterprise, Callaghan Innovation and Immigration New Zealand, as well as other regional influencers including our education institutions, Accelerate25, Te Pae Tawhiti and Manawātū Chamber of Commerce to seek out and target prospective investors and business relocation opportunities.

Attraction of Conferences and Business Events

The attraction of conference and business events to Palmerston North city and Manawātū district works to profile our region as a great place to do business, adds significant economic benefit, and builds connections with national organisations. CEDA is focused on targeting conferences and business events within our sectors of strength, while remaining agile to ensure we can identify and respond to opportunities as they arise, with the aim of growing our national share of business events.

CEDA proactively sources opportunities for potential conference and business events, leading the production of proposals and supporting local organisations with their bids. We aim to ensure effective information sharing with business event stakeholders and organisations throughout the region to maximise our collective opportunities. CEDA will actively drive venues to sign up to the Conventions Activity Survey (CAS Report) to improve the region's profile when it comes to the data and benchmarking that takes place nationally in this sector, thereby providing clearer insights to inform future investment and investment attraction into this sector in our region.



Profile the region to attract people, business and investment

Raising the profile of the region to highlight our strengths, our people and our places through targeted storytelling and partnerships will ensure Palmerston North city and Manawātū district are known for their distinctive and compelling proposition and benefits. CEDA will lead the narrative of the city and district through the Regional Identity which will underpin our work across people, place and business and will enable us to target key audiences under one consistent rhetoric – dialed up or down to meet the needs of each target audience.

Profile Palmerston North city and Manawātū district locally, nationally and globally

In our role as the Regional Tourism Organisation for Palmerston North city Manawātū district, CEDA works with key national organisations including Tourism New Zealand, New Zealand Motor Caravan Association, Air New Zealand and more to ensure we're maximising our relationships and opportunities as a region while establishing Manawātū as a desirable destination, and ensuring we're well equipped as a region to offer a welcoming and memorable visitor experience. With a fast-growing visitor sector in Manawātū, CEDA works with regional tourism operators to provide support, marketing tools and market insights through the CEDA Resource Hub, workshops and communications.

Events make a positive contribution to our region by building vibrancy, enhancing the visitor experience and growing economic value. Through CEDA's established digital channels and media partnerships, we work to leverage the opportunities that major events in the city and district provide, showcasing Manawātū to visitors to encourage longer stays and repeat visitation.

Supporting key events through our marketing works to ensure the region is profiled for its vibrancy and its variety of events and activities. CEDA's digital channels of Facebook, ManawatuNZ.co.nz and eNewsletters, along with our partnerships with local and national media, means we can target potential residents

and visitors, as well as local audiences to help ensure that our communities have easy access to event information, activity ideas and more – creating positive local advocates for our city and district. CEDA's partnership with Eventfinder.co.nz helps drive our region's online profile in the event space, and our work in assisting event organisers and their connections to get their events listed on this platform helps to ensure that the breadth of events taking place in our region is fully promoted.

Lead and develop stories of Manawātū

Profiling the region cannot be achieved by CEDA alone, so our shareholders, local iwi and stakeholders are crucial in both the development and the communication of a narrative, to ensure consistency as we collectively build momentum and awareness of the city, district and region.

Our target audiences include prospective investors, students and education agents, new and current businesses, potential residents, current residents (ambassadors), and visitors. Profiling the region is an enabler of the strategic plans for Inward Investment, Visitor Sector, Talent Attraction and Retention, Regional International Education and more.

Regional marketing and profile cannot happen without a cohesive identity, which clearly highlights Palmerston North city and Manawātū district's unique value proposition. The Regional Identity will sit within all CEDA's domestic and international marketing and communications, including all traditional and digital marketing, storytelling, and content creation.

Lead the creation of regional content

Our work with local, national and international media ensures a strong and consistent regional presence across all traditional and digital channels. This is driven from our social media channels and the digital platforms of ceda.nz and the regional website ManawatuNZ.co.nz. Through these platforms CEDA can effectively manage and profile the region's strengths to attract talent and investment to the region, showcase lifestyle advantages, tell our region's story and build increased awareness of the breadth of what Palmerston North and Manawātū has to offer. CEDA will leverage existing media relationships and proactively pitch stories and features to national and local media organisations and publications.

Grow engagement on digital platforms to increase awareness and promotion of the region

Digital marketing plays a key role in connecting with our main audiences and spreading our Regional Identity message across multiple platforms, from our regional social media channels and the regional website ManawatuNZ.co.nz, through to partner websites and national platforms.

CEDA will develop a media library of high-quality content, video and imagery to ensure that stakeholders, partners and the community can access and use these tools to profile the region on a local, national and global stage. The messaging and tone, imagery, campaign work, digital presence and every touch point we have going forward, will support our on-going work to profile the region's distinctive and compelling proposition, including CEDA's work in International Education and through the Inward Investment Strategy. Regional Identity guidelines will allow partners and the wider community to access this information to enhance their own organisations and businesses and support key regional messaging.



Lead inclusive and sustainable economic development for the Region

Underpinning everything we do is relationships and partnerships, with key regional and national stakeholders, central and local government, Māori and iwi. We take the lead on ensuring a cohesive approach across Palmerston North city and Manawatū district, harnessing our collective capabilities to achieve the vision and goals of the region.

Develop strategic partner relationships, leveraging opportunities

Strategic partnerships

Collaboration and partnerships are critical to ensuring the best outcomes for the city and district, and CEDA's role in bringing our diverse stakeholders into one conversation, steering others in the same direction, and co-ordinating our region's collective capability is key to achieving the vision and goals for the region.

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.

While responsible for the prosperity of Palmerston North city and Manawatū district, CEDA holds strategic relationships with other regions and national organisations, as, to achieve success and growth in a local, national and global market, partnerships are crucial to leveraging opportunities.

Our work with businesses that identify as Māori continues to grow via our Regional Business Partners Network, and our focus is to build on this through the implementation of our Māori sector development plan. This will include working with key organisations to support the activation of Māori entrepreneurial and business planning skills.

CEDA will continue to work collaboratively with regional iwi through our strategic projects including the Regional Identity development, the Visitor Strategy and the Transforming Te Apiti Initiative.

Data and Insights

CEDA are the experts for insights and data on the local economy and national trends across priority sectors including the visitor economy. We keep our finger on the pulse through research and partnerships that enable us to better understand the strengths our region can build on, the weaknesses we can improve on and barriers we can bring down. We have a crucial role in enabling the coordination, connection and delivery of outcomes by striving for the transparency and alignment of the many economic development projects and initiatives that are underway or are planned across our region.

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

All of CEDA's areas of work are underpinned with data and insight, to ensure smart investment of resources, funds and expertise, enabling us to achieve high impact results for our region.

Business Community Research

In 2016 we undertook research within the business community, seeking to understand their views on the opportunities and barriers to business growth in Manawatū. Three years on we will be repeating this research via an independent agency; measuring the pulse of our business community and identifying what has changed since our original benchmark. This research will serve to inform our work programme and initiatives into the future.

Quarterly economic updates provided in conjunction with shareholders

Working closely with Palmerston North City and Manawatū District Council's economists and key industry leaders to provide context, analysis and commentary around how the region's economy is performing, CEDA communicates and publishes this information on a quarterly and annual basis to enable businesses and our communities to better understand what's happening in the local economy, with the latest information on the retail and visitor sectors, our sectors of strength as well as wider growth indicators for the regional economy.

Economic Update Events

Providing comprehensive regional data and insights is crucial to help businesses, investors and residents make informed decisions and provide an easy to understand overview of the region's economy, from the drivers through to the barriers of growth. CEDA will host public forums twice yearly to deep dive into economic trends, challenges and opportunities for Palmerston North city, Manawatū district and beyond, working in partnership with our local stakeholders to inform and better equip our decision makers and influencers.

Nāku te rourou nāu te
Rourou ka ora ai te iwi
 With my basket and yours,
 the people will thrive



How We Operate

In keeping with best management practice, CEDA aims to operate efficiently and effectively using continual improvement practices. As a future-focused organisation we are committed to supporting initiatives that enhance and protect our natural and built environment.

CEDA will regularly review its 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 also 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.

Working Sustainably

As part of CEDA's drive to be a sustainable business, we have signed up to the Sustainability Commitment, via Tourism Industry Aotearoa, to expand on the initiatives that are already underway in our organisation. The commitment covers four pillars of sustainability: economic, visitor, host community and environmental sustainability. CEDA is committed to continually explore areas we could improve on and opportunities we can commit to. Alongside this internal focus, CEDA will proactively encourage tourism operators and businesses to understand the commitment and sign up.

Our Funding

CEDA receives funding from Palmerston North City Council and Manawātū District Council, its 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.

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 its 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 its consumer communications and channels convey the appropriate health and safety messaging.

Our People

We are a team of thought leaders, subject matter experts, and doers, working together with a united purpose – prosperity for all our communities.

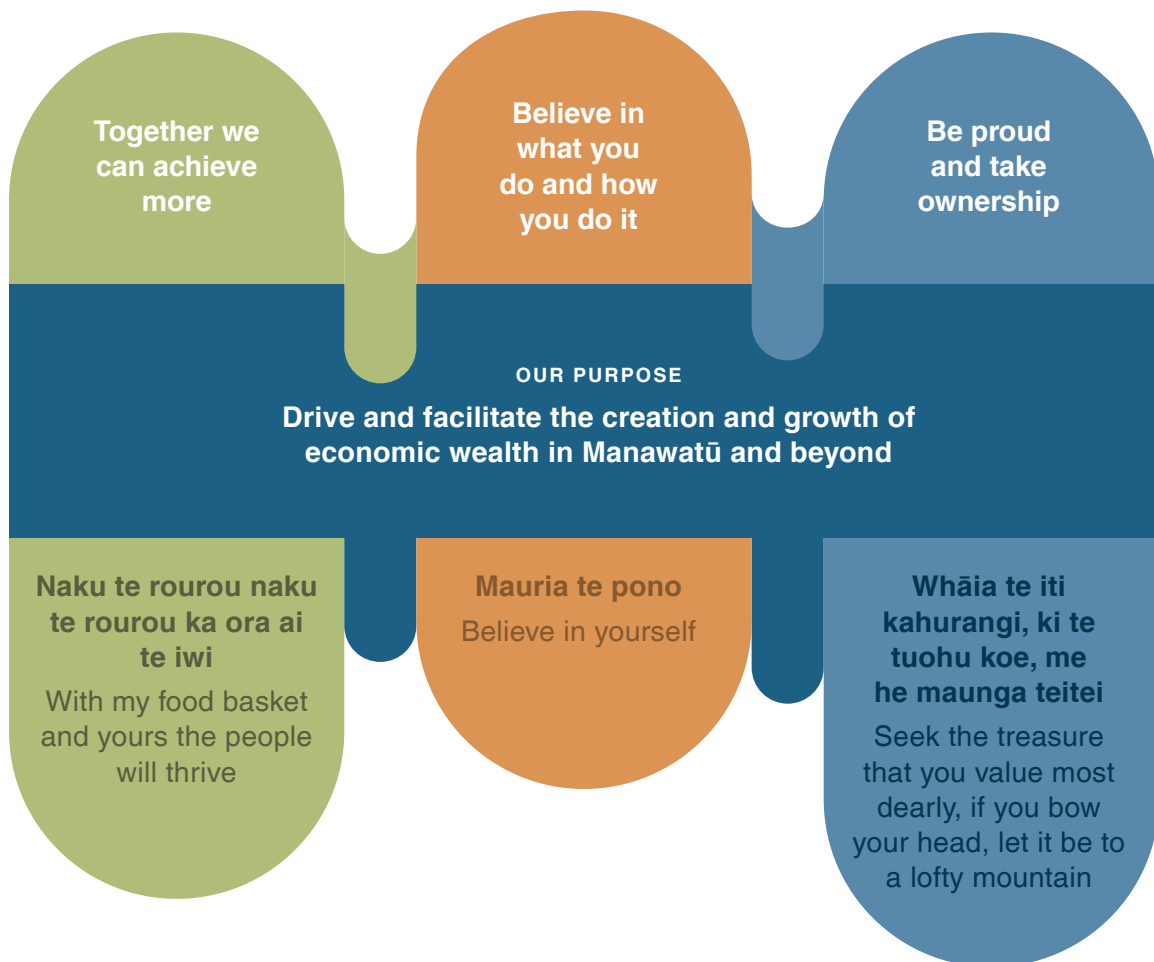
CEDA's focus is on building an organisation that has the culture, capacity and capability to deliver on our expectations to grow and develop the wider region. With expertise in business development, education and talent development, trade relations, marketing,

communications, and events, collectively we are the leadership team to effectively connect and work with stakeholders to drive regional economic development.

CEDA's success is underpinned by its people, connections and networks locally and globally, and investment in this resource is critical to creating value and outcomes.

Our Values

Our values, when 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.



Performance Outlook

2019-20

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

Key Strategic Outcomes	Service Level Statement	Performance Measure	2019/20
Attract, retain and develop talent in the region	Develop the talent pipeline to grow a skilled workforce, and better utilise the existing labour market	Implementation of the action plan as a result of the regional skills gap analysis	Talent attraction and retention strategy and action plan developed, and implementation initiated
		Driving the development of skills in the region and supporting linkages to job opportunities	Support provided to the development of the National Driving Training Centre and Talent Central employment hub Deliver the Sort it Careers Expo with 70+ exhibitors Deliver 5 key engagement activities through Te Aho Tamaka
		Understanding of the future of work in the region and how best to prepare the region for change	Develop a Manawātū future of work project, in collaboration with Massey, UCOL, employers and Infometrics
	Deliver information, advice, programmes and initiatives to attract more international students to the region	Increase the value of international students in the region	Implement annual workplan as agreed with the International Education Leadership Group
		Enhance the experience of international students while they are here	Deliver six cross institutional engagement activities
		Increase the employability of international students	Deliver employability workshop(s) with 100+ international tertiary student participation Individually assist 20+ students into local employment opportunities

Performance Outlook 2018-19

Key Strategic Outcomes	Service Level Statement	Performance Measure	2019/20
Attract, retain and develop business and investment in the region	Support our sectors of strength to grow through targeted business development and retention initiatives and activities	Assess and support opportunities for growth through key business engagement, cluster development, sector strategies and relationships with Māori	Implement the Visitor and Agritech sector strategies Deliver NZ AgriFood Week, three CEDA agri sector events. Event stakeholder satisfaction of 80%* Increase in Pint of Science partnerships (events delivered externally) from 2018/19
		Develop and grow businesses by delivering information, advice, and support	400 businesses supported to grow through the Regional Business Partner Programme** (15 businesses that identify as Māori) 150 businesses assisted through CEDA's additional support services including access to government support/funding
		Facilitate access to specialist innovation, business development and start-up expertise	Deliver 10 Start-up clinics to support new business 40 referrals to the Chamber of Commerce and The Factory Attraction of 90 start-ups to enter the Innovate programme supporting seven businesses to start or accelerate Support provided to The Factory 'Sprout' Agritech Accelerator
	Attract business and investment to the region	Implementation of Inward Investment strategy with regional partners, targeting the Agriculture, and Distribution and Logistics sectors	Investment profile for the region developed and investment ready opportunities identified
		Attraction of Conference and Business Events that bring economic benefit to the region	12 bids prepared/ supported with a 30% success rate***



Performance Outlook 2018-19

Key Strategic Outcomes	Service Level Statement	Performance Measure	2019/20
Profile the region to attract people, business and investment	Profile Palmerston North city and Manawatu district locally, nationally and globally	Lead and develop the stories of Manawātū, creating a narrative and a unified positioning, incorporating the cultural heritage of iwi.	Implement the Regional Identity project outcomes
		Lead the creation of quality, targeted regional content for distribution on owned and third-party platforms, working with media partners to showcase our region's strengths.	18 direct media features profiling the region
		Grow engagement on regional web and digital platforms for increased promotion of and information on the region	10% increase in 'sessions' on ManawatuNZ.co.nz 10% increase in social media engagement across all channels
Lead inclusive and sustainable economic development for the region	Develop strategic partner relationships, leveraging opportunities	Continue to build on relationships with shareholders, central government agencies, key regional stakeholders, local iwi and Māori, and business support groups through the stakeholder engagement plan	Customer satisfaction survey increase on previous % of satisfaction Partnership and workplans agreed and actioned as appropriate
	Data and insights communications on the performance of the region's economy	Undertake research three years on from 2016 survey to measure the pulse of the local business community and inform current and future projects. Quarterly economic updates provided in conjunction with shareholders Economic update events to inform and create discussion on topics of relevance	Research undertaken, and results reported by end of February 2020 Four economic updates provided to stakeholders Two economic update events held
	Work plan aligned to delivery of Statement of Service Performance	Development of Business Plan with outcomes on delivery of the Statement of Intent	Business Plan developed and delivered to shareholders by 31 October****

* Key specified partners to CEDA that are involved with the support of or delivery of events for the Week.

** Dependent on continued government funding for the Regional Business Partner programme.

*** Calculated as wins divided by wins plus losses (bids pending, cancelled or unsubmitted, not included).




**** Dependent on Statement of Intent being signed off by 30 June 2019.



Alignment with Our Shareholders

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

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

PNCC Long Term Plan Outcomes	CEDA Service Level Statement alignment
 <p>Create and enable opportunities for employment and growth</p>	<ul style="list-style-type: none"> • Develop a talent pipeline to grow a skilled workforce, and better utilise the existing labour market • Deliver information, advice, programmes and initiatives to attract more students to the region • Support our sectors of strength to grow through targeted business development and retention initiatives and activities • Attract business and investment to the region • Profile Manawatū locally, nationally and globally • Develop strategic partner relationships, leveraging opportunities • Data and insights communicated on the performance of the region's economy
 <p>Provide infrastructure to enable growth and a transport system that links people and opportunities</p>	<ul style="list-style-type: none"> • Attract business and investment to the region • Support our sectors of strength to grow through targeted business development and retention initiatives and activities
 <p>Diversify the economy to reduce reliance on traditional industries</p>	<ul style="list-style-type: none"> • Develop a talent pipeline to grow a skilled workforce, and better utilise the existing labour market • Deliver information, advice, programmes and initiatives to attract more students to the region • Support our sectors of strength to grow through targeted business development and retention initiatives and activities • Attract business and investment to the region • Profile Manawatū locally, nationally and globally • Develop strategic partner relationships, leveraging opportunities • Data and insights communicated on the performance of the region's economy

Alignment with Our Shareholders

PNCC Long Term Plan Outcomes		CEDA Service Level Statement alignment
	Support an 'innovation economy' to underpin growth into the future	<ul style="list-style-type: none"> • Develop a talent pipeline to grow a skilled workforce, and better utilise the existing labour market • Deliver information, advice, programmes and initiatives to attract more students to the region • Support our sectors of strength to grow through targeted business development and retention initiatives and activities • Attract business and investment to the region • Profile Manawatū locally, nationally and globally • Develop strategic partner relationships, leveraging opportunities • Data and insights communicated on the performance of the region's economy
	Transform the economy to a low carbon economy	<ul style="list-style-type: none"> • Support our sectors of strength to grow through targeted business development and retention initiatives and activities • Attract business and investment to the region • Develop strategic partner relationships, leveraging opportunities • Data and insights communicated on the performance of the region's economy
MDC Long Term Plan Outcomes		CEDA Service Level Statement alignment
	Manawatū District attracts and retains residents and businesses.	<ul style="list-style-type: none"> • Develop a talent pipeline to grow a skilled workforce, and better utilise the existing labour market • Support our sectors of strength to grow through targeted business development and retention initiatives and activities • Attract business and investment to the region • Profile Manawatū locally, nationally and globally • Develop strategic partner relationships, leveraging opportunities • Data and insights communicated on the performance of the region's economy
	Manawatū District develops a broad economic base from its solid foundation in the primary sector.	<ul style="list-style-type: none"> • Develop a talent pipeline to grow a skilled workforce, and better utilise the existing labour market • Deliver information, advice, programmes and initiatives to attract more international students to the region • Support our sectors of strength to grow through targeted business development and retention initiatives and activities • Attract business and investment to the region • Profile Manawatū locally, nationally and globally • Develop strategic partner relationships, leveraging opportunities • Data and insights communicated on the performance of the region's economy
	Manawatū District is connected via quality infrastructure, services and technology.	<ul style="list-style-type: none"> • Attract business and investment to the region • Support our sectors of strength to grow through targeted business development and retention initiatives and activities

Monitoring Indicators

In addition to our performance measures, the shareholders have identified a further set of monitoring indicators. These indicators reflect outcomes at the regional level which are impacted by a range of factors outside of our control, for example: exchange rates, natural disasters, and 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.

Palmerston North City Council and Manawatu District Council have the responsibility to report on these indicators.

Indicator	2020	2021	2022	Regional target*
Change in total number of jobs	1.9% increase	1.9% increase	1.9% increase	1.9% average annual increase over three years.
Change in 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 population increase pa, 1.2% average increase pa. Estimated 530 population increase pa, 3.3% pa.
Net overseas migration	660 gain	660 gain	660 gain	660 average annual net migration gain.
Spend by visitors in Manawātū 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 Manawātū 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 Manawātū / 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



Financial Performance

Central Economic Development Agency Limited Statement of Comprehensive Revenue & Expense

For the 12 Months to June

	Notes	2019-20 Budget	2020-21 Forecast	2021-22 Forecast
Income				
Council Funding	1	2,453,453	2,502,522	2,552,573
Other Services Income	2	605,927	605,927	605,927
Project Income		274,107	254,250	234,250
Total Income		3,333,487	3,362,699	3,392,750
Cost of Sales				
Other Services Expenses		1,074,369	1,130,581	1,147,430
Project Expenses		274,125	274,250	254,250
Total Cost of Sales		1,348,494	1,404,831	1,401,680
Gross Surplus (Deficit)		1,984,993	1,957,868	1,991,070
Other Income				
Sundry Income		18,024	18,374	17,343
Total Other Income		18,024	18,374	17,343
Expenses				
Directors' Fees		180,000	180,000	180,000
Employee Expense		1,564,689	1,595,983	1,627,902
Other Operating Expenses		325,726	332,241	338,887
Depreciation		28,090	21,068	15,271
Financing Expenses		500	500	500
Total Expenses		2,099,005	2,135,592	2,166,179
Net Surplus (Deficit) Before Tax		(95,988)	(155,350)	(157,766)
Taxation				
Income Tax Expense		-	-	-
Total Taxation		-	-	-
Net Surplus (Deficit) after tax		(95,988)	(155,350)	(157,766)

1. Excludes project funding for NZ AgriFood Week and Sort It Careers Expo included in Project Income.
2. Assumes continuation of government programme funding

Financial Performance

Central Economic Development Agency Limited

Statement of Financial Position

As at 30 June

	30 June 2020 Budget	30 June 2021 Forecast	30 June 2022 Forecast
Assets			
Current Assets			
Cash and Cash Equivalents	994,525	865,819	724,382
Receivables and Accruals	144,103	145,247	130,665
Prepayments	11,379	11,379	11,379
Inventories	13,721	13,721	13,721
Total Current Assets	1,163,728	1,036,166	880,147
Non-Current Assets			
Property, Plant and Equipment	79,774	58,706	43,435
Total Non-Current Assets	79,774	58,706	43,435
Total Assets	1,243,502	1,094,872	923,582
Liabilities			
Current Liabilities			
Payables and Deferred Revenue	230,454	237,174	223,650
Employee Entitlements	55,419	55,419	55,419
Other Current Liabilities	52,286	52,286	52,286
Total Current Liabilities	338,159	344,879	331,355
Total Liabilities	338,159	344,879	331,355
Net Assets	905,343	749,993	592,227
Equity			
Contributed Capital	1,000	1,000	1,000
Retained Earnings	904,343	748,993	591,227
Total Equity	905,343	749,993	592,227

Financial Performance

Central Economic Development Agency Limited Statement of Cash Flows

For the 12 Months to June

	2019-20 Budget	2020-21 Forecast	2021-22 Forecast
Cash Flows from Operating Activities			
Receipts of Council funding	2,968,187	2,877,900	2,935,459
Interest received	18,024	18,374	17,343
Income tax refunded/(paid)	17,811	0	0
Receipts from other operating activities	907,985	988,060	980,786
GST	(219,263)	(215,905)	(220,924)
Payments to suppliers and employees	(3,570,162)	(3,796,635)	(3,853,601)
Finance costs	(500)	(500)	(500)
Total Cash Flows from Operating Activities	122,082	(128,706)	(141,437)
Cash Flows from Investing Activities			
Payment for property, plant and equipment	(34,500)	0	0
Total Cash Flows from Investing Activities	(34,500)	0	0
Net Cash Flows	87,582	(128,706)	(141,437)
Cash Balances			
Cash and cash equivalents at beginning of period	906,943	994,525	865,819
Cash and cash equivalents at end of period	994,525	865,819	724,382
Net change in cash for period	87,582	(128,706)	(141,437)

See Appendix for Accounting Policies



Shareholder requirements

Joint Strategic Planning Committee

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

The role of the Joint Strategic Planning Committee is to:

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

The Board aims to ensure that the Joint Strategic Planning Committee and the shareholders are informed of all major developments affecting CEDA's state of affairs, while at the same time recognising that commercial sensitivity may preclude certain information from being made public.

CEDA will adhere to a 'no surprises' approach in its dealings with its shareholders and Joint Strategic Planning Committee.

Letter of Expectations

By 1 December in each year the shareholders will deliver to CEDA a Letter of Expectations. The Letter of Expectations is intended to provide direction on issues that are important to both councils, and to assist in the development of CEDA's next Statement Of Intent. A Letter of Expectations for 2019/20 has been delivered to CEDA.

CEDA is continuing to collaborate with external agencies, including contracting to The Factory and Spearhead. Both are reported as activities in the Performance Outlook. CEDA is aware of the ability to utilise council support services.

Statement of Intent

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

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

Half Yearly Report

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

- Director's commentary on operations for the relevant six-month period
- Comparison of CEDA's performance regarding the objectives and performance targets set out in the Statement Of Intent, with an explanation of any material variances
- Un-audited half-yearly Financial Statements incorporating a Statement of Financial Performance, Statement of Financial Position, Statement of Changes in Equity and Statement of Cashflows

Annual Report

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

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

- Directors' Report
- Financial Statements incorporating a Statement of Financial Performance, Statement of Financial Position, Statement of Changes in Equity, Statement of Cashflows, Statement of Accounting Policies and Notes to the Accounts
- Comparison of CEDA's performance regarding the objectives and performance targets set out in the Statement Of Intent, with an explanation of any material variances
- Auditor's Report on the financial statements and the performance targets
- Any other information that the directors consider appropriate

Shareholder Meetings

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

Shareholder Approval

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

Dividend policy

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



Appendices

Accounting Policies

1. Reporting Entity

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

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

2. Statement of Accounting Policies

Basis of Preparation

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

Statement of Compliance

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

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

Presentation Currency

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

Historical Cost

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

Changes in Accounting Policies

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

Revenue Recognition

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

Accounting Policies

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

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

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

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

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

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

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

Inventories

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

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

Property, Plant and Equipment

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

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

Depreciation

Account	Method	Rate
Leasehold Improvements	Diminishing Value	10% - 40%
Office Furniture & Equipment	Diminishing Value	0% - 67%
Office Furniture & Equipment	Straight Line	10.5%
Plant & Equipment	Diminishing Value	10% - 20%
Vehicles	Diminishing Value	30%
Websites	Straight Line	40%

Accounting Policies

From 1 July 2018 all Office Furniture and Equipment purchases (excluding computer/IT equipment) has been depreciated using the straight line method of depreciation to better represent the reduction of the value of these assets over their useful life. This change will apply to all purchases of Office Equipment and Furniture (excluding Computer equipment) in future accounting periods.

As this change is a change in accounting estimates, no changes have been made to previously purchased assets in prior financial years, or the depreciate method on these assets in the current or future years.

Income Tax

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

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

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

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

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

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

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

Cash and cash equivalents

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

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

Receivables

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

Impairment of financial assets

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

Loans and receivables

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

Accounting Policies

the allowance account. Overdue receivables that have been renegotiated are reclassified as current (that is, not past due). Impairment in term deposits or bonds are recognised directly against the instrument's carrying amount.

Loans and receivables

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

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

Payables

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

Equity

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

Good and Services Tax

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

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

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

Commitments and contingencies are disclosed exclusive of GST.

Employee Entitlements

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

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

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

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

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.

Partner Organisations

Current partner organisations that CEDA works with:

Local

Feilding and District Promotions
FoodHQ
IPU New Zealand
Lamberts
Manfeild
National Driver Training Centre
Manawatū Chamber of Commerce
Manawatū District Council
Massey University
Palmerston North City Council
Palmerston North Airport
Spearhead
Sport Manawatū
Talent Central
Te Au Pakihi
Te Manawa
The Factory
UCOL
Regional Schools
Media Works
Manawatū Standard
Venues and Events Palmerston North

Regional

Accelerate25
Te Pae Tawhiti
Business Central and Export NZ
Horizons Regional Council
Horowhenua District Council
Horowhenua and Company
Ruapehu District Council
Rangitikei District Council
Taranaki District Council
Te Mana Atatu
Whanganui and Partners
Whanganui Chamber of Commerce
Whanganui District Council

National

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





CEDA

CENTRAL ECONOMIC
DEVELOPMENT AGENCY