



22 December 2023

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

Dear Bobbie,

CEDA Statement of Expectations 2024/25 to 2026/27 (2024/34 Long Term Plan)

This Statement of Expectations (SOE) covers the period 1 July 2024 to 30 June 2027, which is years 1-3 of the Shareholders' 2024/34 Long Term Plan. Amendments to the Statement of Expectations may be sought during this period.

The purpose of this SOE is to provide CEDA with the Shareholders' focus and priorities for delivery, against its purpose of driving and facilitating the creation and growth of economic wealth in the Manawatū region and beyond.

When working beyond the Manawatū, there must be a causal link of the outcomes or benefits back to the Manawatū region based on the core functions and measures of success outlined below.

It is also expected that CEDA will use this SOE to guide the development of an annual Statement of Intent (SOI) for 2024/25, 2025/26 and 2026/27.

Strategic Relationships

Taking a leadership position and building strategic relationships in the Manawatū region and beyond, is fundamental for CEDA to achieve its purpose. CEDA must be relationship-driven at all levels and we appreciate your commitment to this. From our perspective (both as shareholders and partners), this means CEDA developing a deep understanding of the roles of its strategic partner organisations, what their priorities and strengths are, and how CEDA can add value to the relationship (and vice versa) to achieve better economic outcomes for the region.

CEDA formalising these strategic relationships, is important to us as shareholders, to ensure we have cohesion in the region around economic development activities. We would like this to be driven further by CEDA through mutually agreed partnership agreements or similar, to ensure everyone is on the same page and provide the basis for a consistent and collective approach with measurable outcomes.

Ongoing review of the existing strategic partnership agreements already in place is expected.

The shareholders have identified the following key partners for CEDA: Palmerston North City Council, Manawatū District Council, Horizons Regional Council, Iwi, Manawatū Chamber of Commerce, NZ Defence Force, Federated Farmers, Accelerate 25, KiwiRail, FoodHQ, Massey University, The Factory, Palmy BID, Feilding & District Promotions, and key Government agencies.

The Shareholders and CEDA will continue to work together to update the existing list of strategic partners.

Key Agreed Functions and Outcomes

We understand that to be effective, CEDA must be able to focus on key outcomes within a well-defined mandate. We also recognize this is a challenge given there can be differing stakeholder expectations.

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

- Stimulate inward investment (both national and international), retention and expansion of business in the Manawatū region.
- Developing a talent pipeline.
- Support domestic visitation and tourism.

Top priorities are:

- Te Utanganui, Central New Zealand Distribution Hub.
- Strategic oversight and coordination of the Manawatū Food Strategy.
- Promotion and development of key tourism and visitor destinations.
- Inward investment in the Feilding town centre and Palmerston North city centre.

Action plans to deliver on these core functions should identify KPIs based on clear intervention logic. The SOI should include specific KPIs for the new top priority regarding inward investment in the Feilding town centre and Palmerston North city centre.

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

CEDA is expected to scan for new opportunities, whether or not it is a key strength, where this can benefit the region.

CEDA's success will be measured by the shareholders using the following indicators of the health of the regional economy:

- Job growth.
- Increase in median household income.
- Number of investment leads and deals secured.
- Strength of the relationship with strategic partners.

The Shareholders acknowledge that the first two measures are not directly under CEDA's control. Significant changes in international and national economic factors will be taken into account when the Shareholders measure CEDA's performance.

Understanding the strategic drivers of the Shareholders and aligning CEDA's core functions to those drivers is critical to the partnership between the Councils and CEDA.

The Shareholders have a key role in setting the economic environment for business to flourish and CEDA acts on the Councils behalf in facilitating opportunities for improved economic outcomes. CEDA is the Councils' agency for the delivery of economic development across the region.

Therefore, it is expected that CEDA will engage with the Councils in the development and implementation of their strategies and plans. These strategies and plans are expected to demonstrate active engagement with other strategic partners in their development.

The Councils are obliged to ensure that our services are delivered effectively and efficiently. As a Council-Controlled Organisation (CCO), this expectation extends to CEDA. The Shareholders require CEDA to provide an activity-based budget so the Councils can effectively communicate levels of service and value for money to their ratepayers. In addition, there are many opportunities where shared resourcing, expertise and services should be explored and we would like to discuss these opportunities from both a short-term and long-term perspective.

To ensure the Shareholders and CEDA are on the same page, the focus, scope of activity, and priorities will be set through the Statement of Intent (SOI), and delivery managed through any relationship agreement that is put in place.

The Shareholders expect that where CEDA is marketing the Manawatū region and this requires differentiating between the Manawatu, Feilding and Palmerston North, that this will continue to be delivered by CEDA in close collaboration with both Shareholders.

The Shareholders would like to continue the bi-monthly team meeting between the Mayors, Council CE's and relationship managers with the CEDA Chair and CE.

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

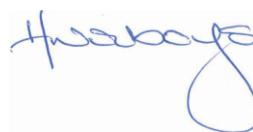
CEDA will host two informal meetings with the Shareholders together to share progress on key priorities and connect outside of the formal reporting processes.

We look forward to working with CEDA to develop an economic development model that successfully delivers. We thank the Board, CEDA CE, and CEDA staff for their continued commitment to economic growth in the Manawatū region.

Yours sincerely



Grant Smith
Mayor
PALMERSTON NORTH CITY COUNCIL



Helen Worboys
Mayor
MANAWATŪ DISTRICT COUNCIL