

CEDA
CENTRAL ECONOMIC
DEVELOPMENT AGENCY

Half Yearly Report

to 31 December 2020

28 February 2021



Company Directory

Central Economic Development Agency Limited

TSB Tower, Level One,
1-19 Fitzherbert Avenue
Palmerston North 4410

☎ 06 350 1830
📍 CEDA.nz

Chief Executive

Linda Stewart

Directors

Malcolm Bailey (Chairperson)
Susan Foley
Robyn O'Fee (Bobbie)
Blair O'Keeffe
Robbie Pickford
Francene Wineti

Registered Office

Morrison Creed Advisory
236 Broadway Avenue, Palmerston North 4410

Bankers

Westpac New Zealand Ltd

Auditors

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

Legal Status

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

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Joint Report of Chairman and Chief Executive

Tēnā koutou katoa

Uncertainty is the key word to describe the last six months. While the New Zealand economy, and the Manawatū region in particular have coped remarkably well with COVID-19, nervousness remains about essential business supplies and the risk of another lock down should community transfer re-emerge. The CEDA team has continued to work hard to support local businesses through these difficult times. CEDA itself is facing some uncertainty as our shareholders work through the options following a reduction in in our funding. Unfortunately, while we have lost some key staff because of this uncertainty, we remain committed to doing the best we can with the resources we have to help grow the region.

Building the capability of our business community is paramount to developing a resilient and sustainable economy. The team provided one-on-one support to 613 businesses, investing \$1.8m in their capability development via the Regional Business Partner Programme. Active management of the research and development pipeline has seen over \$750,000 of grants invested into local projects, alongside the placement and funding of thirty five of our tertiary students into businesses to further their research and development projects.

The regional goal of positioning Manawatū as a leading distribution hub, leveraging its role in central New Zealand has progressed well. In partnership with Palmerston North City Council, CEDA has led the

stakeholder engagement workstream, and the development and roll out of the communications and advocacy plan for this significant investment. The growing acknowledgement of the city and district as the fourth node of distribution in New Zealand has attracted commercial interest, with Hiringa Energy committing to an investment in Palmerston North.

It was positive to quantify the impact created from the past year of implementing the Manawatū Agritech Strategy. Over \$12 million was invested in agritech companies, six new companies created, and two new tertiary courses created to support talent development for the sector. The collaborative approach across business, government, academia and the research institutes to developing our global agrifood hub is beginning to demonstrate tangible outcomes.

The recognition of Regional Tourism Organisations such as CEDA as strategic assets by the Ministry of Business, Innovation and Employment was welcomed. Securing \$700,000 of government funding to accelerate our work in developing the regions visitor sector has seen the roll out of the Google digital capability programme to all operators, the launch of the Neat Places partnership, and the release of the 'Anything But Square' spring and summer campaign, which reached over 3.5 million people through digital and print media. This level of coverage continues to build the positive perception of our city and district through the eyes of visitors, talent, businesses and investors.

As an organisation we place a high emphasis on our partnerships, especially with iwi. The signing of a Memorandum of Understanding with Rangitāne o Manawatū was an important milestone in confirming our mutual commitment to working together for the benefit of our community. Practically, CEDA is providing financial and resource support to the Māori Tourism Working Group and partnering on the development of the regional identity and destination management plan.

We are looking forward to the next six months where we have continued emphasis on delivering to our big goals, and our priority projects including the Central New Zealand Distribution Hub, the Manawatū Agritech Strategy and programmes of work from the recently refreshed Manawatū International Education Strategy.

Our ongoing work with our shareholders, iwi and stakeholders such as The Factory, Sprout, FoodHQ, Massey University, UCOL, and the National Driver Training Centre will continue to be crucial, and we value and appreciate these highly productive relationships.

Ngā mihi nui ki a koutou katoa,



Malcolm Bailey
Chairperson

Linda Stewart
Chief Executive

What We Have Achieved



Westpac
Supreme Award

WINNER

OBO

Attract, retain and develop talent in the region

Kia whakamana, kia mau, kia whakawhanake i nga taranata o te rohe

Through our data and research, we know that the biggest barrier to business growth in the region is the ability to attract the right people for the job. The development of a talent pipeline for the region that includes the attraction of those with the skills and experience our businesses need, the

training and development of the people they already have, the recruitment of domestic and international students to the region, along with an understanding of the future needs of our sectors and businesses is key to the region becoming recognised.

What we have achieved*

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

Attracting talent to the region

through working with recruitment agencies, human resource professionals and real estate agents to connect them to CEDA's Manawatū Toolkit, a free resource to support these organisations and employers to attract people to the Manawatū. The online resource was shared with 14,000 people, with over 230 people using the toolkit.



Whenuapai workforce relocation

project was coordinated across four central region districts support the New Zealand Defence Force Whenuapai workforce who will be relocating to Ohakea, including marketing collateral to promote the region. 100 impacted personnel attended a Civic Visit at Whenuapai with 102 visiting ManawatuNZ.co.nz.

Partnership with MyMahi

to create 35 online business profiles and 175 local newsfeed posts by October 2021. This national web platform, developed locally, is about supporting students to broaden their horizons, improve their wellbeing, discover their strengths and become work ready, and connecting them with local employment opportunities.



Leader engagements included: a celebration of the UN's Sustainable Development Goals (in partnership with Palmerston North City Council), Vanisa Dhuru as keynote speaker at IPU's 30th Graduation Celebration, and Gerard Gillespie mentoring of a local family business.

Pathways to Employment

partnership agreements in development with Talent Central, Central Skills Hub and National Driver Training Centre to support the development of Pathways to Employment for Primary Sector; Dairy, Beef and Sheep and Horticulture and Logistics, Distribution and Transport.

Dr David Kirk inducted into Te Aho Tāmaka

as the regions thirteenth Te Aho Tāmaka Leader, supporting global recognition of the programme and our region. Seven leader engagements have been delivered, connecting the prominent leaders to local businesses and community.

Connecting Migrant Employees and Students to employers

webinar was delivered for prospective migrant employees and students, and employers, to help in 'Getting Work Ready' with 42 people attending on-line. The webinar along with other employability resources were also provided to six organisations and online at ManawatuNZ.co.nz.

What we have achieved*

Lead and develop programmes and initiatives to attract more international students to the region

New International Education Strategy developed

with industry and key stakeholders, focused on creating a resilient International Education Sector that helps Manawatū thrive, through a diverse community, rich international connections and a strong global network.

The strategy sets out the key objectives for the next four years recognising the opportunity to reposition our international education sector to be more integrated and connected into our region, our community, and our businesses.

Enhancing the **experience** of International Students

ten cross institutional events were delivered, and support provided to two Massey University Student Association events, as part of the regions Summer Programme of activities and events delivered to create a positive experience for international students in the region, to keep them engaged and wanting to stay on in Manawatū for further study or employment opportunities.

*Further information can be found in the Statement of Service Performance, pages 22 to 24 of this report.



Webinar to Attract Students to the region

was delivered for prospective domestic and existing international students from around the country, showing tertiary education options available, reasons to study here, student experiences and pathways to employment. It was also provided as a resource along with the Manawatū Toolkit to six organisations and on-line at ManawatūNZ.co.nz.

Memorandum of Understanding with Ho Chi Minh

secondary schools and schools from Palmerston North and Feilding, along with Education New Zealand and Massey University, was facilitated by CEDA to support study pathways in the future.

25 local secondary school students graduated

from a Global Competency Certificate course through scholarships co-funded by CEDA and Palmerston North City Council. The course had students from Manawatū and Ho Chi Minh city, and provided them the opportunity to examine intercultural issues and increase their understanding and appreciation of the perspectives and world views of others.



Our New Zealand magazine – Interislander and KiwiRail

Attract, retain and develop business and investment in the region

Kia whakamanaea, kia mau tonu, ka whakawhanake i nga pakihī me nga haumi o te rohe

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

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

What we have achieved*

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

Manawatū Destination Management Plan

year one foundation activities underway, including securing new data and insights to understand our New Zealand travellers ensuring our marketing is targeted and provides good return on investment, support and development of local tourism businesses, and what we have on offer for visitors in the region, including the new cross-regional Coastal Arts Trail being established.



Rangitāne Māori Tourism Working Group established

to develop a Three-Year Māori Tourism Strategy and lead the implementation of actions developed from the strategy. The group is also engaged to advise in the development of Te Āpiti, Destination Management Plan and Regional Identity projects.

\$700k Strategic Tourism Asset Protection funding secured

to accelerate the implementation of the Manawatū Destination Management Plan, support the visitor sector to recover and grow from the impacts of COVID-19, lift the regions businesses digital capability, and increase visitation from around the country.

This funding has enabled, in addition to the Destination Management Plan activity, CEDA to facilitate targeted digital capability training for 99 businesses, deliver a significant tourism campaign and create new media partnerships and appoint a part-time facilitator for the Māori Tourism Working Group.

\$375k Regional Events Fund secured

from the Ministry of Business, Innovation and Employment to fund events in the region to stimulate domestic tourism and visitor numbers to the region, and help recovery from the impacts of COVID-19



Regional Agritech activity ramping up in the region

as detailed in the CEDA funded Roaming Networker Annual Report.

Highlights to date: The first \$1 million invested by Sprout Agritech into an accelerator graduate company. \$160 thousand investment in companies by private sector investors. A new joint dairy research facility underway between Massey and AgResearch. NZ Agricultural Greenhouse Gas Research Centre launching a \$2 million Innovation Fund for solutions to methane and nitrous oxide. Renewed NZ Centre of Research Excellence funding of \$38.25 million awarded to the Riddet Institute. Fonterra produced and released NZ's first carbon-zero milk product, "Simply Milk". 30% of Manawatū high schools offering agritech classes.

What we have achieved*

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



NZ AgriFood Week Collaboration Lunch

Held in November with 40 senior leaders across the Agrifood value chain, providing an opportunity for stakeholders to connect, identify actionable outcomes for the region and build momentum for AgriFood Week 2021. This has resulted in key private sector companies being invited to join the AgriFood Week Steering Committee, to strengthen private sector participation.

613 Businesses Supported to Grow

through engagement with CEDA, including 409 businesses (68 Māori owned) impacted by COVID-19 through the Regional Business Partner Programme, 19 businesses matched with a mentor, and 18 tourism businesses supported through the Tourism Transitions Fund. (2019/20 Annual Report total 641*). Four Navigating COVID webinars were also held to support the local business community.

\$1,891,000 in Capability Development assistance

to support businesses impacted by COVID-19 in business continuity planning, digital enablement and to develop capability in sales and marketing, accounting, business operations, export and leadership development. (2019/20 Annual Report total \$854,918*)



81 Entries; Westpac Choose Manawatū Business

recognising business resilience during a challenging year, and celebrated at the Gala Awards night in December.

Congratulations to the 2020 Award winners; DC Power Batteries, The Herb Farm, Fonterra Research and Development Centre, BioFarm, Ear Shots, OraKinetics Clinic, the Westpac Supreme Winner OBO, and Alistair Davis, former Toyota New Zealand CEO the recipient of the Lifetime Services Award.

61 Innovation Start-ups entered Innovate 2021

with CEDA as a major sponsor and on the cohort selection panel to shortlist 21 businesses to progress to the next stage of the programme. Seven finalists will be selected in the new year to undergo a 12-week intensive mentorship programme to accelerate their business innovations. (2019/20 Annual Report total 77*)

\$767,449 Research and Development Grants issued

to support business research and development capability (2019/20 Annual Report total \$850,510*) bringing a total of over \$4 million investment in R&D capability in the region through the Callaghan Innovation programme (including grants and research and development loans).

35 Student Experience, Fellowship or Career grants

facilitated that link tertiary students directly to into businesses to increase research and development capacity as part of the Callaghan Innovation Programme. (2019/20 Annual Report total 33*)

What we have achieved*

Attract business and investment to the region

Te Āpiti – Manawatū Gorge; Opportunities Identified

through a successful application to the Provincial Growth Fund for the development of Te Āpiti into a significant lower North Island tourism destination by reinvigorating the Old Gorge Road as a walking/cycling track, incorporating a skywalk that transverses the Gorge from north to south, and the development of a predator free, environmental eco-sanctuary.



Conference and Business Events Strategy

under development with key stakeholders, the city and district, defining why organisations would host their conferences in the region, and key initiatives needed to grow the sector over the next three years. A 'Meet in Manawatū' initiative, targeting local business and conference organisers was delivered through a partnership with Meeting Newz with a readership of 20,095.

*Further information can be found in the Statement of Service Performance, pages 25 to 27 of this report.

*YTD figures are reported against full year figures from the previous years annual report. The 2019/20 period also included additional funding received from central government to support additional resource and targeted funding to support businesses impacted from the effects of COVID-19



4 Investment Opportunities for the Region

being supported by CEDA including support of an international organisation with a Defence Force tender, which if successful, will result in their relocation from Auckland to Palmerston North. Along with Circular Resources/ETECH investment in e-waste processing, a hydrogen heavy vehicle refuelling centre facilitated by Hiringa Energy, and the potential investments in bioforestry and processing plants that are being facilitated by NZ Bioforestry within the wider region.



Central New Zealand Distribution Hub

strategy development underway being led by CEDA. A targeted communications plan developed with Palmerston North City Council is in place, to deliver information and key messages to local and national stakeholders, ensuring visibility and profile of the Hub and help drive further investment and opportunities. KiwiRail has designated a site for a new rail hub which forms part of the strategy.



Neat Pages on-line feature showcasing people in our region

Profile the region to attract people, business and investment

Tohu ki te rohe hei kukume i te iwi,
pakihi me te haumi

Profiling the region to highlight our strengths, our people and our places through a shared regional identity, targeted storytelling and partnerships ensures Palmerston North city and Manawatū district is renowned for its exceptional lifestyle, competitive

advantages and is a magnet for investment, business and talent. A coordinated approach to better showcasing the strengths of our region and profiling our successes is key to achieving recognition as one of the top three global agrifood hubs by 2025.

What we have achieved*

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

'Anything But Square' Spring & Summer Marketing Campaign gained 3,620,632 impressions

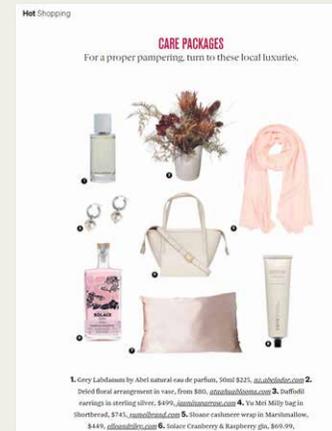
with 1.5million people reached on digital channels, Facebook and Instagram, and NZ Herald and Stuff.co.nz. The campaign was designed to profile the city and region with engaging content designed to champion the things to do in the region and inspire kiwis to plan their spring and summer adventures here.

'Paddock to Plate' Marketing Campaign reach 1 million +

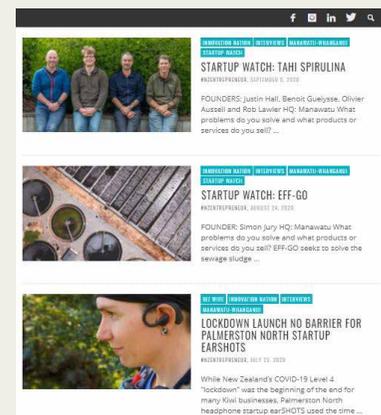
and 11 media features and interviews across New Zealand was designed to provide support to our hospitality sector after the impacts of COVID-19. The 6-week campaign targeted Wellington as a key market of the region, through radio, print, outdoor (bus-back) and digital marketing.



Our New Zealand Magazine - Interislander and KiwiRail



Kia Ora Magazine



Innovation Nation Feature



@Manawatu_NZ Instagram



Tots to Teens Magazine

What we have achieved*

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



Increased Presence on Google Maps

for the city and district. Through a partnership with Google, new images and video were taken of key locations in the region to significantly improve visibility of the experiences on offer in the city and district, supporting the increasing perception of the region and the attraction of people and business.

City Locations included Te Marae o Hine, Fitzherbert Avenue, Junior Road Safety park, Wildbase Recovery Centre, Dugald MacKenzie Rose Gardens, He Ara Kotahi Bridge, Urban eels, Turitea Pa Lookout, Ahimate Reserve, Manawātū River pathway, Bledisloe Park

District locations included Manchester Square, Manfeild Park, Kowhai Park, Peep-o-Day, Cheltenham, and Kimbolton village.

Partnership with WellingtonNZ,

Wellington on a Plate, and Wellington Mayor Andy Foster to further support the Paddock to Plate marketing campaign by showcasing the city and districts hospitality, including Mayor Helen Worboys hosting Mayor Andy Foster in the region during the competition. This supports the concept of 'population swap' to encourage visitor spending from Wellington here.



Business Central Magazine



Regional News Wellington

Neat Places partnership launch; campaign reach of **11,000**

people in the first three-weeks and a 102% increase in Manawatu_NZ Instagram audience reach. This included the creation of new online content to showcase and celebrate the people, places and businesses in our region including '12 hours in Palmerston North' guide, The Herb Farm story, and '7 things you should eat in Manawatū'.

15,000 Neat Places pocket guides

were published for distribution across New Zealand, with a high concentration throughout the lower North Island, in addition to the Neat Places online content.



Neat places Manawatū brochure and online

What we have achieved*

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

*Further information can be found in the Statement of Service Performance, page 28 of this report.

*YTD figures are reported against full year figures from the previous years annual report. The 2019/20 period also included additional funding received from central government to support additional resource and targeted funding to support businesses impacted from the effects of COVID-19

59 Media features published with **3,197,536** million reach

profiling the city and region through print, radio, online and video, and additional to the media reach achieved through Paddock to Plate, Neat Places and the Anything But Square spring campaign.

Including features in; NZ Entrepreneur, AA Traveller, NZ Life & Leisure Insider's Guide to NZ, NZ Trucking, Business Central, The Country, Magic Talk, NZ Manufacturer, NewsHub, Regional News Wellington, Kia Ora Magazine, Tots to Teens Magazine, The Great New Zealand Bingo Bonanza, and Our New Zealand.

37.9% increase on ManawatuNZ.co.nz

or visitors to the 'shop window' to the city and district, with 157,847 'sessions' over the six-month period, profiling the city and region as a brilliant place to live, work, visit and play. (2019/20 Annual Report total 229,586*)

31,392 followers on social media

with growth across key social media channels including Instagram, Facebook (ManawatuNZ and MyManawatu) up 8.1% from July, with information on walks and hikes, activities, events, places to eat and drink, cycling and mountain biking receiving the most views and engagement on ManawatuNZ.co.nz. (2019/20 Annual Report total 29,030*).

Lead inclusive and sustainable economic development for the region

Te arahi i te whanaketanga ohanga me
te pumau mo te rohe

Our work cannot be done in isolation, and the strengths of our region rely on working together to use our combined strengths, connections and skills to compete nationally and globally. Collaborative relationships

and partnerships with key regional and national stakeholders, central and local government, Māori and iwi are key to ensuring our strategic outcomes for the city and district.

What we have achieved*

Develop strategic partner relationships, leveraging opportunities

Partnership Agreements entered into

with Rangitāne o Manawātū, The Factory, Sprout Agritech, Manawātū Young Professionals Network, and Rural Innovation Lab (for delivery of the NZAgriFood long lunch held in December).

Partnered with Māori and Iwi

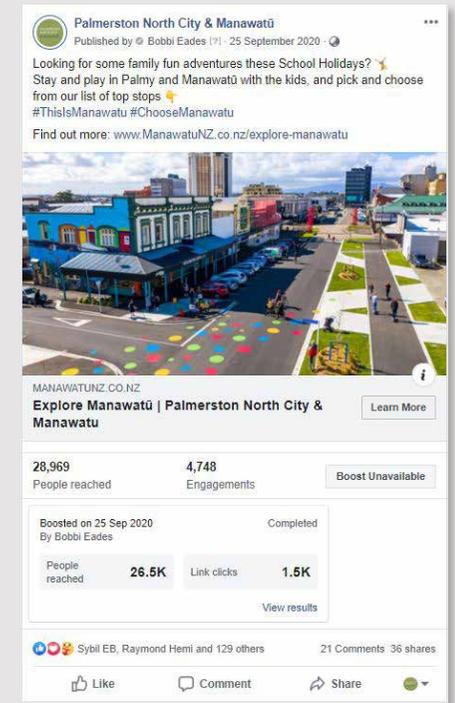
on formation of the Rangitāne Tourism Working Group which is working to support Te Āpiti Tourism Potential project, the Manawātū Destination Management Plan development and implementation and the Regional Identity development.

Tourism New Zealand pilot partnership

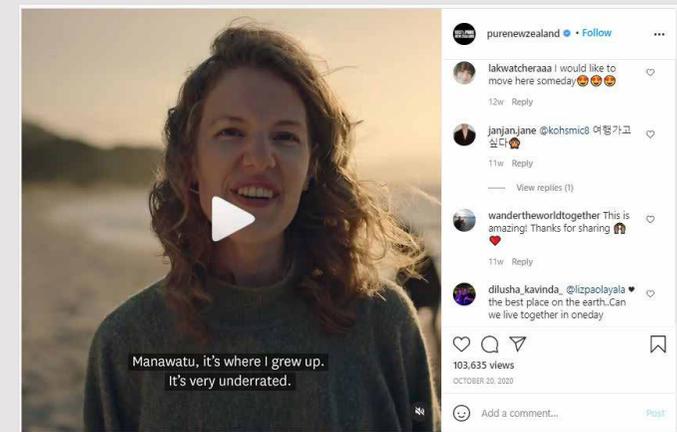
initiated - the first RTO in New Zealand to do so - which included several priority projects including the NewFinder domestic tourism tool, increasing our regions Qualmark businesses, engaging with Rangitāne o Manawātū on their tourism aspirations and opportunities, and several media features.



Palmerston North City & Manawātū Facebook



Palmerston North City & Manawātū Facebook



Tourism New Zealand Campaign partnership post on Instagram, with 100,000+ views

Purpose of the Half Yearly Report

This Half Yearly Report 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 report publicly states the activities and progress for the year to date against objectives set in the CEDA Statement of Intent for the 2019-20 financial year.

COVID-19 Impact

Whilst recently New Zealand has been able to relatively operate under less restrictions than the rest of the world over the past six months we have continued to work in a challenging and changing environment. As an organisation whose primary objective is to support business and grow the regional economy, we have had to approach our work with flexibility in order to be responsive to the dynamic environment and changing needs and demands of our community. In doing that we have adapted our programmes of work in the short to medium term to achieve the outcomes required to successfully lead and support the economic response for Manawatū.

The outcomes presented in this Half Yearly Report include the initial response and recovery projects changed or implemented to assist our businesses, industries and our people through the impact locally, nationally and internationally of COVID-19.

Note some of the 2019/20 comparative figures include support given to business through the Regional Business Partner Programme, due to additional government funding allocated to CEDA to support businesses through the impacts of COVID-19, so will appear overinflated in comparison to standard funding and related resource capability.



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.

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



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



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



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

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

Achieving our vision

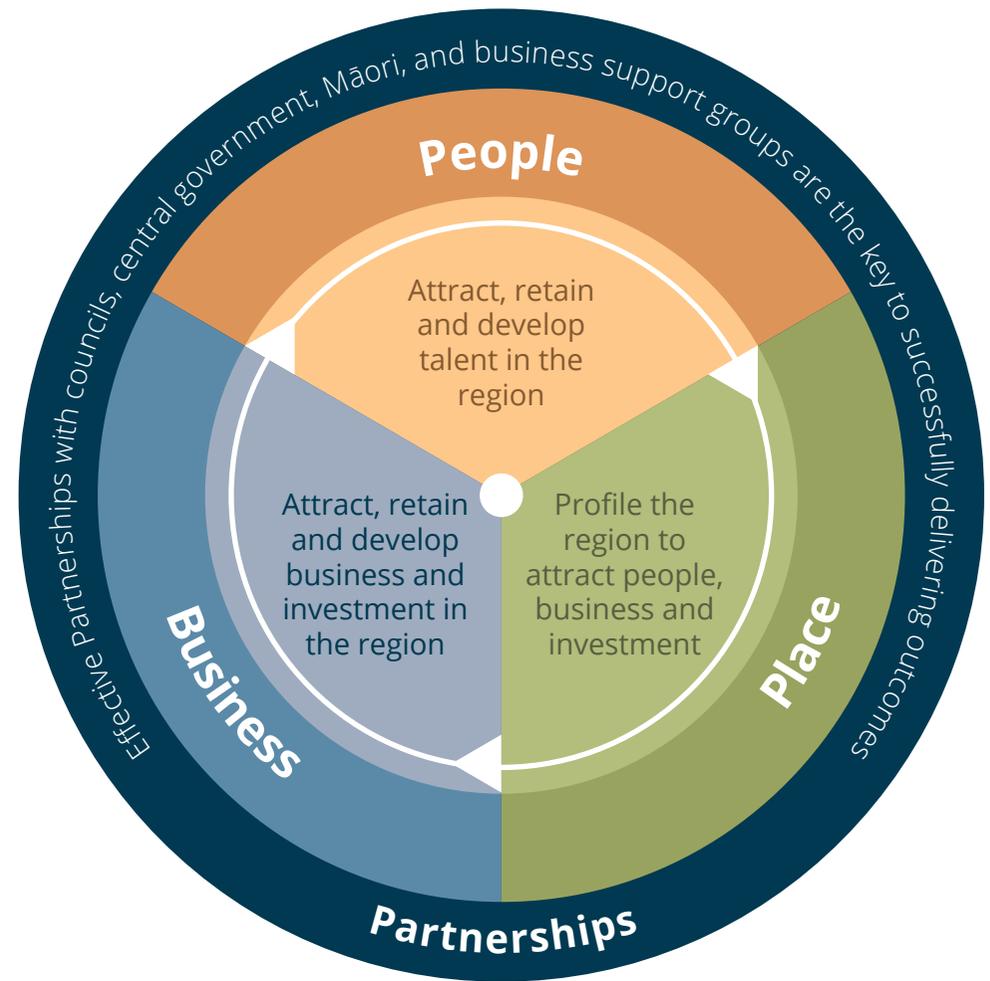
CEDA works across the three strategic pillars of economic development; People, Place and Business, and our success is underpinned and enabled by the strength of our relationships with our regional and national partners.

Our core objectives, programmes and activities are all aligned to these pillars, and are designed to create the environment, stimulus, outcomes and impact that will power our economic prosperity and achieve our vision for Palmerston North city and Manawatū district.

These key objectives guide the development of our short and medium-term programmes of work as articulated through our Statement of Intent for 2020/21.

When considering how to prioritise our efforts, and based on our current resources and functions, we focus on programmes and activities that offer the greatest opportunities for economic prosperity.

These are identified through research, monitored and reviewed using the latest data, and viewed through a regional, national and international lens.



Statement of Service Performance

CEDA's performance measure framework identifies quantifiable measures of our programmes and activities aligned to our key strategic outcomes.

Performance measures and outcomes to December 2020 are as follows.

1. Attract, retain and develop talent in the region

Service Level Statement	Performance Measure	2020/21 SOI*	Outcomes to Dec 20
Develop the talent pipeline to grow a skilled workforce, and better utilise the existing labour market	Understanding of the future of work in the region and how best to prepare the region for change	Develop a Manawatū future of work project, in collaboration with Massey, UCOL, employers and Infometrics	A draft terms of reference for the future of work project has been created to develop sector profiles and plans for the regions sectors of strengths that will put a lens on the labour market and the future talent opportunities in the region.
	Implementation of the talent attraction and retention strategy	Talent attraction campaign delivered in partnership with sector stakeholders	<p>A talent outreach programme was commenced to connect employers, human resource professionals, real estate agents, and recruitment agencies to enable the opportunity to access the Manawatū Toolkit, created last year, to support their work in attracting talent to the region. The online information was sent to 14,000 people with an open rate of 32.8% and 230 linking to the toolkit.</p> <p>Developed and led the implementation of a multi-regional partnership to support the NZ Defence Force with the relocation of their Whenuapai workforce to Ohakea. This included the creation of video, a micro-website and collateral to provide the Defence Force with key information and compelling lifestyle messaging to support their people relocating here. 100 impacted personnel attended a Civic Visit at Whenuapai, with 102 visiting ManawatuNZ.co.nz.</p> <p>CEDA lead a review of the Manawatū and Tararua Talent and Skills Working Group which resulted in the formation of the Central Region Talent and Skills Advisory Group, created to have a more strategic role for the region and as a mechanism to report on the actions and outcomes of the regions Talent and Skills strategy.</p>
		Grow career opportunity engagement aligned to recommendations of the review of Manawatū NXTStep	A review of the pilot programme with NXTStep and the impact and outcomes achieved to date has resulted in a move away from this programme and into a partnership with MyMahi, a work ready platform that gets students 'work ready' and connects them with businesses. To date PNCC, Higgins and CEDA have their business profiles on MyMahi and work is underway with Global HQ, Horizons, Toyota, Fonterra/Farm Source, MidCentral DHB and Te ahu a Turanga.
		Deliver the Te Aho Tāmaka 3-year strategy year one action plan including 6 leader engagements	Dr David Kirk MBE was inducted into Te Aho Tāmaka, supporting global recognition of the programme and the region. Seven leader engagements have been delivered including a celebration of the UN's Sustainable Development Goals in partnership with PNCC, contributing a keynote speaker for IPU's 30th Graduation Celebration, two webinars, one mentoring relationship between a leader and a local business, and a celebration welcoming David Kirk to the programme. Four new leader videos and four inspirational leader Q&A articles have been developed and weekly social media posts to ensure an ongoing national presence of the region.

Service Level Statement	Performance Measure	2020/21 SOI*	Outcomes to Dec 20
	Driving the development of skills in the region and supporting linkages to job opportunities	Support Special Projects Skills Hub in developing pathways for employment	CEDA is working on formal agreements with Central Skills Hub (formerly Special Projects Skills Hub), Talent Central and the National Driver Training Center, to enable facilitation across the region in partnership to build an integrated and coordinated approach to the talent pipeline for the region, and development of pathways to employment.
		Sort It Expo Careers Expo 3-Year strategy and action plan developed and implemented for 2021	An in-depth review of Sort It Careers Expos was completed in consultation with schools, tertiary providers, key stakeholders, students and parents, and as a result a refreshed and revitalised Sort It career event will be held in May 21.
	Implementation of the action plan as a result of the primary sector skills gaps analysis	Development of talent pathways to employment for the primary sector Increase the employability of migrants in the region through improvement of employer capability	CEDA's partnership agreement with Talent Central has been reviewed and updated to include the co-development of employment pathways for; Primary Sector; Dairy, Beef and Sheep and Horticulture and Logistics, Distribution and Transport, with industry. Connecting Migrant Employees and International Students to employers webinar was delivered for prospective migrant employees and international students, and employers, to help in 'Getting Work Ready' with 42 people attending on-line. The webinar along with other employability resources were also provided to six organisations and online at ManawatuNZ.co.nz.
Lead and develop programmes and initiatives to attract more international students to the region	Increase the value of international students in the region	Lead the review and refresh of the regional strategy, and the development and implementation of the annual workplan with a focus on stabilising the existing international student market	A new regional international education strategy to 2024 has been completed with industry partners with the aspiration to create a resilient International Education Sector that helps Manawatū thrive, through a diverse community, rich international connections and a strong global network. The strategy sets out the key objectives for the next four years. A new terms of reference has been drafted for the International Education Leadership Group to assist in delivering on this strategy. CEDA lead the coordination and delivery of an event hosted in Auckland with International Agents. Secondary Schools and Tertiary providers were able to connect with over 60 agents. 100% of these agents said they would promote Manawatū as a study destination.
	Enhance the experience of international students while they are here	Deliver 6 cross institutional engagement activities with tertiary sector partners	CEDA has delivered the following student engagement activities to enhance the experience of students while they are in the region; <ul style="list-style-type: none"> • Mayoral Welcome hosted in Palmerston North City Council Chambers on Monday 12th October with over 50 registrations. • Specialised tour of Massey University's Engineering and Food Technology facilities for international students aged years 11 to 13 studying appropriate courses was attended by 19 students.

Service Level Statement	Performance Measure	2020/21 SOI*	Outcomes to Dec 20
			<ul style="list-style-type: none"> • Summer programme of activity launched online at www.ManawatuNZ.co.nz. This was promoted at Education New Zealand's Summer Fair on Saturday 31st October. Ten events organised by CEDA and two we supported the Massey University student Association as part of the regions Summer Programme of activities and events. • 25 students from secondary schools graduated from a virtual certificate course on Global competencies which they completed with peer students in Vietnam. This led to a Memorandum of Understanding being signed between the secondary schools in Vietnam and the Manawatū region to work collaboratively on future activities, including study pathways.
	Increase the employability of international students	Assist students into employment opportunities in essential sectors including delivery of 4 webinars and development of employability resources, linking students with employers or industry	<p>A webinar was delivered for prospective students and international students to the region showing, tertiary education options available, reasons to study here, student experiences and pathways to employment. It was also provided as a resource along with other employability resources to six organisations and on-line at ManawatuNZ.co.nz.</p> <p>The employability resources have also been provided to tertiary providers, Manawatū Network of Skilled Migrants, English Teaching College, Tertiary Providers, English Language Partners and Welcoming Communities.</p>

*these objectives or outcomes may be impacted by CEDA's requirements to be adaptable and responsive to the needs of the regional economy due to the impact of COVID-19

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

Service Level Statement	Performance Measure	2020/21 SOI*	Outcomes to Dec 20
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 and sector strategies and relationships with Māori	Implementation of the Destination Management Plan year one actions, including operator capability and product development	<p>Secured \$700,000 to accelerate the implementation of the Manawatū Destination Management Plan including:</p> <ul style="list-style-type: none"> • Funding a Google Destination Management programme to lift the city and regions digital footprint and assist visitor sector businesses, with 99 businesses receiving support in the year to date including more than 70 workshop attendees. • The development of a three-year Māori Tourism Strategy in partnership with Rangitāne o Manawatū Tourism Working Group underway. • Coastal Arts Trail development in partnership with Whanganui and Taranaki to create a multi-region itinerary and touring route. • Secured \$375,000 from the Ministry of Business, Innovation and Employment from the Regional Events Fund for the purpose of stimulating domestic tourism. • Commenced final stages of bringing the Regional Identity to complement the new Palmy brand, and with input and co-design support of Rangitāne o Manawatū. • Research undertaken to understand the 'new' domestic visitor with resources developed for tourism businesses to better understand existing and potential markets. • New Visitor Flow data acquired will provide a base to inform future planning and decisions including visitor signage, and Regional Tourism Sentiment Index shows the areas we are performing well as a destination, as well as areas of concern we can build upon through product development, operator capability and providing councils and businesses insights to inform long term decisions.
		Implement year three of the Agritech Strategy 3-year action plan	Funding for Sprout Roaming Networker programme finalised, and the Annual Roaming Networker report for 2019/20 completed which captures regional Agritech activity. Quarterly Reports completed for the current financial year with ongoing engagement between Sprout Agritech and CEDA to ensure a sustained integrated approach for the region. Funding was support provided to the Sprout Accelerator, and The Factory Innovate programmes
		Implement year two of the New Zealand AgriFood Week Foundational Strategy	New Zealand AgriFood Week Collaboration Lunch held in November with 40 senior leaders across the agri value chain, providing an opportunity for stakeholders to connect and building momentum for the 2021 event. The discussion at the Collaboration Lunch focussed on traceability in the AgriFood sector to identify actionable outcomes for the region. As a result, the Rural Innovation Lab will be providing a thought leadership article on traceability, and key private sector companies have been invited to join the AgriFood Week 2021 Steering Committee to deepen the events programme and strengthen private sector participation. Key events for the week have been secured for including the Beef and Lamb AgInnovation Conference.

Service Level Statement	Performance Measure	2020/21 SOI*	Outcomes to Dec 20
	Retain businesses in the region through engagement and identification of barriers to growth	Business Retention Strategy developed and implemented	Research commenced to develop a strategy that will ensure structured and regular engagement with existing investors in the region to identify blockages to investments and facilitate retention and business expansion.
	Develop and grow businesses by delivering information, advice, and support	550 businesses supported through CEDA business development and support activities including the Regional Business Partner Programme. Celebrate and showcase business success in the region through a business awards programme	613 unique businesses received support through engagement with CEDA including 409 businesses (68 Māori owned) impacted by COVID-19, and 18 businesses supported through the government Tourism Transitions Fund. This also includes 19 Businesses were matched with a Business Mentor through the NZ Business Mentor programme. \$1,891,645 vouchers issued through COVID-19, Tourism and Regional Business Partner Capability Development funding. Four Navigating COVID-19 webinars were delivered with 53 people attending the online webinars and 101 views on CEDA.nz. Westpac Choose Manawatū Business Awards were successfully delivered in December. The awards recognised business resilience especially through the impacts of COVID-19. There were 81 entries from businesses across a number of the region's priority sectors with 24 finalists selected and 10 winners announced at an awards dinner of 330 attendees.
	Facilitate access to specialist innovation, business development and startup expertise	Provide support to the Factory including the Innovate Programme Partner with the Global Sprout Accelerator Facilitate access to grants and research and development support through Callaghan Innovation for 35 managed businesses	The Factory attracted 61 entries to Innovate 20. With CEDA as a major sponsor, seven finalists were selected, and underwent a 12-week mentorship programme with The Factory, cumulating in an awards night held in November. Partnership agreement with Sprout Agritech including funding for the Sprout Programme, to support profiling the capability and expertise within the region to attract talent and investment. CEDA was part of the 2021 cohort selection process, along with partners such as Callaghan Innovation, Gallagher LIC and Fonterra, shortlisting 21 applicants from a total of 112 entries from New Zealand, UK, USA, Canada, Ghana, India, Argentina and Jordan across a range of agritech disciplines. Callaghan Innovation portfolio of managed companies: 39 Regional Callaghan Research & Development funding support to businesses totaling \$767,449, made up of the following: <ul style="list-style-type: none"> • 2 x Getting Started Grants • 2 x Project Grants • 2 x Student Fellowship Grants • 3 x Student Career Grants • 30 x Student Experience Grants (see below)

Service Level Statement	Performance Measure	2020/21 SOI*	Outcomes to Dec 20
		30 student opportunities to support business research and development through Callaghan Innovation student grants	<p>In addition, CEDA supported 12 businesses in receiving research and development loans from Callaghan Innovation totaling \$3,240,129 in response to COVID-19.</p> <p>30 Student Experience Grants facilitated, linking tertiary students directly to businesses, resulting in increased research and development capacity for 15 businesses.</p>
Attract business and investment to the region	<p>Implementation of Inward Investment strategy with regional partners, targeting the Agriculture, and Distribution and Logistics sectors</p> <p>Attraction of Conference and Business Events that bring economic benefit to the region</p>	<p>Investment profile for the region developed and investment ready opportunities identified</p> <p>Support the development of the PNCC Transport and Logistics Master Plan, by development of roadmap and plan for strategy execution.</p> <p>Te Āpiti – Manawatū Gorge tourism investment profile and business case developed.</p> <p>Targeted conference attraction strategy for region implemented, including development of a local to local initiative to re-establish the conference sector</p>	<p>CEDA supported Palmerston North City Council in the development of a city focused Investment Prospectus with key messaging and insights. This will form the basis to the development of a comprehensive, compelling suite of prospectus' that highlight the investment opportunities under key sectors and land areas in early 2021.</p> <p>Four investment opportunities for the region are being supported by CEDA including Circular Resources/ETECH investment in e-waste processing, a hydrogen heavy vehicle refueling centre facilitated by Hiringa Energy, potential investments in bioforestry plants being facilitated by NZ Bioforestry within the wider region and support of an international organisation with a Defence Force tender, which if successful, will result in their relocation from Auckland to Palmerston North.</p> <p>The Central New Zealand Distribution Hub draft strategy has been developed and stakeholder and community engagements are underway. A communications plan has been developed in partnership with Palmerston North City Council to support information sharing and profile of the Hub. Work on the Regional Freight Ring Road undertaken following KiwiRail's notice of requirement to for the acquisition of land for the planned site for the freight hub, with stakeholder workshops being held.</p> <p>Following the successful Provincial Growth Fund application earlier this calendar year, CEDA undertook the development of an extensive business case for investment in Te Āpiti's tourism potential, engaging with key stakeholders, landowners and commercial entities. The business case identified two anchor attractions in and around Te Āpiti, and the next steps and cost analysis of each.</p> <p>Finalised draft Conference and Business Events Strategy, with stakeholders and industry, which defines the strategic regional value proposition and the key initiatives needed for business conference attraction over the next three years - included stakeholder workshop.</p> <p>Meet in Manawatū local to local initiative, targeting businesses and conference organisers within a three-hour drive time, delivered through a partnership with Meeting Newz; with a readership of 20,095.</p> <p>Attended the BE Reconnected Business Events Industry Aotearoa event in Auckland.</p> <p>Submitted three bids to attract conferences to the region.</p>

*these objectives or outcomes may be impacted by CEDA's requirements to be adaptable and responsive to the needs of the regional economy due to the impact of COVID-19

3. Profile the region to attract people, business and investment

Service Level Statement	Performance Measure	2020/21 SOI*	Outcomes to Dec 20
Profile Manawatū locally, nationally and globally	Lead and develop the stories of Manawatū, creating a narrative and a unified positioning, incorporating the cultural heritage of iwi	Implement the Regional Identity project outcomes across sectors including talent attraction and retention and visitation (business and leisure)	<p>Spring/Summer campaign 'Anything But Square', to drive visitation to the region through Spring and Summer delivered 3,620,632 impressions across the campaign. Partnering with social influencer platform Wellington LIVE gained a reach of 16,000+ people through a targeted partnership giveaway.</p> <p>'Paddock to Plate' six-week campaign targeting potential visitors from Wellington, to support the hospitality sector through the impacts of COVID19, had a digital reach of more than 1 million people, while media partnerships resulted in 11 features and interviews.</p> <p>200 photographs added to Google Maps as Places of Interest across the city and district, and two days of content capture curated for Google to create new Google Maps footage.</p>
	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.	20 direct media features published profiling the region	<p>59 media features profiling the city and region were achieved. These covered our economic strengths and performance, profiles on new investments and sector developments, and profiles of innovative businesses who choose to call Manawatū home. Publications included Kia Ora Magazine, New Zealand Herald, NZ Entrepreneur, Business Central, The Country, Magic Talk, NZ Manufacturer, The Spinoff, Radio New Zealand and NZ Trucking. The calculated reach across all of the publications is 3.197 million readers, viewers and listeners.</p> <p>Neat Places partnership launched, with a campaign reach of over 11,000. To support the online content 15,000 pocket guides were published for distribution across motels, venues and activities throughout the lower North Island including Manawatū, Taranaki and Whanganui with newly created content that profiles some of the best places to visit in the city and region.</p> <p>New ManawatuNZ Media Library launched, creating a free resource of high-quality images and videos for businesses and media to use. In the first four months more than 1,000 downloads were made by businesses and organisations accessing the library for video and imagery that was used in marketing, media, and recruitment.</p>
	Grow engagement on regional web and digital platforms for increased promotion of and information on the region	10% increase in 'sessions' on ManawatuNZ.co.nz, and social media engagement across all channels	<p>ManawatuNZ.co.nz has had a 37.88% increase on 'sessions' year to date (114,483 to 157,847).</p> <p>Palmerston North city & Manawatu Facebook followers up 2.06% year to date (13,343 to 13,619).</p> <p>MyManawatu Facebook followers up 0.55% year to date (10,581 to 10,639).</p> <p>Manawatu NZ Instagram followers up 39.72% year to date (5,106 to 7,134).</p>

*these objectives or outcomes may be impacted by CEDA's requirements to be adaptable and responsive to the needs of the regional economy due to the impact of COVID-19

4. Lead inclusive and sustainable economic development for the region

Service Level Statement	Performance Measure	2020/21 SOI*	Outcomes to Dec 20
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	<p>Stakeholder satisfaction survey increased percentage on 2019/20 year to 70%</p> <p>Partnership agreements and workplans reviewed and new plans in place including PNCC, MDC, and iwi</p> <p>Two partnership projects identified in conjunction with iwi</p>	<p>Stakeholder satisfaction survey to be completed at year end.</p> <p>Partnership agreements with Rangitāne o Manawatū, Sprout Agritech, The Factory, My Young Professionals Network and Rural Innovation Lab completed.</p> <p>Rangitāne Tourism Working Group established and is working to support Te Āpiti Tourism Potential project, the Manawatū Destination Management Plan development and implementation and the Regional Identity development.</p> <p>Tourism New Zealand pilot partnership initiated which included several priority projects including the NewFinder domestic tourism tool, increasing the regions Qualmark businesses, engaging with Rangitāne o Manawatū on their tourism aspirations and opportunities, and several media features.</p>
Data and insights communications on the performance of the region's economy	Economic impact information regularly communicated to stakeholders and business, including iwi and Māori business sector	<p>70 stakeholder engagements/ communications delivered</p> <p>Māori economy data and insights developed in partnership with shareholders</p>	<p>64 communications have been delivered to CEDA's stakeholders and business community consisting of:</p> <ul style="list-style-type: none"> • 60 seconds: 51 • Quarterly Economic Updates: 2 • Training & Development Guide: 7 • Visitor Industry Updates: 4 <p>CEDA.nz had an 74.46% increase in sessions year to date (6,808 to 11,877).</p> <p>Māori business data and insights developed with Te Au Rangahau and Palmerston North City Council to support Māori sector development.</p>
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**	Business Plan developed and delivered

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

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	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 median salaries and wages	2.6% increase	2.6% increase	2.6% increase	2.6% pa increase.
Change in total earnings (salaries, wages and self-employment income)	3.7% increase	3.7% increase	3.7% increase	3.7% pa increase, average annual increase of \$104 million.
Change in total GDP and per capita GDP	1.8% GDP 0.6% per capita	1.8% GDP 0.6% per capita	1.8% GDP 0.6% per capita	1.8% average annual increase in total GDP. 0.6% average annual increase in per capita GDP.
Estimated population change - 65 years and over population (for demographic monitoring)	1,350 increase 530 increase	1,350 increase 530 increase	1,350 increase 530 increase	1,350 population increase pa, 1.2% average increase pa. Estimated 530 population increase pa, 3.3% pa.
Net overseas migration	660 gain	660 gain	660 gain	660 average annual net migration gain.
Spend by visitors in Manawatū region (domestic and international)	5.7% increase	5.7% increase	5.7% increase	5.7% pa increase, average annual increase of \$22 million.
Number of visitor nights in Manawatū region	1.6% increase	1.6% increase	1.6% increase	1.6% pa increase.
Change in MSD benefit numbers	1.6% decline	1.6% decline	1.6% decline	1.6% pa decline, average annual decline of 130 people.
Reputation of Manawatū / Palmerston North as a great place to live and do business**	1% increase	1% increase	1% increase	3% increase over 3 years.

*excludes any annual inflation increase

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

About CEDA

The Central Economic Development Agency (CEDA) is a Limited Liability Company incorporated and registered under the Companies Act 1993. CEDA commenced full operations in September 2016 and is a Council controlled organisation jointly owned by the Palmerston North City Council (50%) and the Manawatū District Council (50%).



CEDA's Purpose and Principal Activities

The primary objective of CEDA is to drive and facilitate the creation and growth of economic wealth for Manawatū and beyond. CEDA's principal activities are directed by its Statement of Intent for the current year.

CEDA's Constitution Objectives

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

CEDA's Structure and Governance

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

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

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

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

The Chief Executive 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.

Financial Performance

Central Economic
Development Agency Limited

Group Statement of Comprehensive Revenue & Expense

For the 6 Months to December

Account	Notes	Jul-Dec 2020 (Unaudited)	Jul-Dec 2019 (Unaudited)	30 Jun 2021 (SOI)	30 Jun 2020 (Audited)
Revenue					
Council Funding	4	1,274,724	1,254,866	2,492,980	2,469,382
Other Services Revenue		675,865	328,947	630,928	731,594
Project Revenue		173,967	76,000	321,591	169,992
Total Revenue		2,124,555	1,659,813	3,445,499	3,370,968
Cost of Sales					
Other Services Expenses		739,502	440,182	1,084,978	1,328,158
Project Expenses		182,485	260,384	306,591	112,108
Total Cost of Sales		921,987	700,566	1,391,569	1,440,266
Gross Surplus (Deficit)		1,202,569	959,247	2,053,930	1,930,702
Other Revenue					
Interest Revenue		1,417	5,103	6,000	7,349
Sundry Revenue		1,213	420	0	2,847
Total Other Revenue		2,630	5,523	6,000	10,196
Expenses					
Depreciation		4,930	7,149	9,469	14,218
Directors' Fees		90,000	90,000	180,000	180,000
Employee Expense	5	880,770	756,665	1,703,854	1,474,969
Financing Expenses		117	235	500	470
Loss on Sale of Property Plant and Equipment		15,250	3,388	0	3,876
Other Operating Expenses	6	251,398	255,139	348,968	458,026
Total Expenses		1,242,465	1,112,575	2,242,719	2,131,559
Surplus (Deficit) Before Taxation		(37,266)	(147,805)	(182,861)	(190,662)

Group Statement of Comprehensive Revenue & Expense

For the 6 Months to December

Account	Notes	Jul-Dec 2020 (Unaudited)	Jul-Dec 2019 (Unaudited)	30 Jun 2021 (SOI)	30 Jun 2020 (Audited)
Taxation					
Income Tax Expense	7	0	0	0	0
Total Taxation		0	0	0	0
Surplus (Deficit) after tax		(37,266)	(147,805)	(182,861)	(190,662)
Other comprehensive revenue and expense					
Items that could be reclassified to surplus (deficit)		0	0	0	0
Total Other comprehensive revenue and expense		0	0	0	0
Total comprehensive revenue and expense					
Total comprehensive revenue and expense		(37,266)	(147,805)	(182,861)	(190,662)
Total comprehensive revenue and expense attributable to:					
Palmerston North City Council		(18,633)	(73,903)	(91,431)	(95,331)
Manawatū District Council		(18,633)	(73,903)	(91,431)	(95,331)
Total comprehensive revenue and expenses		(37,266)	(147,805)	(182,861)	(190,662)

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

Variations on comparatives from the previous Half Yearly Report, December 2019 are due to adjustments as part of the year end process.

Group Statement of Financial Position

As at 31 December

Account	Notes	31 Dec 2020 (Unaudited)	31 Dec 2019 (Unaudited)	30 Jun 2021 (SOI)	30 Jun 2020 (Audited)
Assets					
Current Assets					
Cash and Cash Equivalents	8	1,368,182	938,323	722,802	878,163
Receivables and Accruals	9	169,011	155,238	366,571	151,459
Prepayments		5,480	17,212	17,211	49,907
Total Current Assets		1,542,674	1,110,773	1,106,584	1,079,530
Non-Current Assets					
Property, Plant and Equipment	10	34,088	39,937	22,202	48,962
Total Non-Current Assets		34,088	39,937	22,202	48,962
Total Assets		1,576,762	1,150,710	1,128,786	1,128,492
Liabilities					
Current Liabilities					
Payables and Deferred Revenue	11	755,096	310,086	578,446	306,231
Employee Entitlements		117,910	56,746	56,745	81,240
Total Current Liabilities		873,006	366,831	635,191	387,471
Total Liabilities		873,006	366,831	635,191	387,471
Net Assets		703,755	783,879	493,595	741,021
Equity					
Contributed Capital	12	1,000	1,000	1,000	1,000
Retained Earnings		702,755	782,879	492,595	740,021
Total Equity		703,755	783,879	493,595	741,021

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

Variations on comparatives from the previous Half Yearly Report, December 2019 are due to adjustments as part of the year end process.

Group Statement of Changes in Equity

For the 6 Months to December

Account	Jul-Dec 2020 (Unaudited)	Jul-Dec 2019 (Unaudited)	30 June 2021 (SOI)	30 Jun 2020 (Audited)
Equity				
Opening Balance	741,021	931,683	676,456	931,683
Increases				
Total comprehensive revenue and expense for the period	(37,266)	(147,805)	(182,861)	(190,662)
Total Increases	(37,266)	(147,805)	(182,861)	(190,662)
Total Equity	703,755	783,879	493,595	741,021
Total comprehensive revenue and expense attributable to:				
Palmerston North City Council	(18,633)	(73,903)	(91,431)	(95,331)
Manawatū District Council	(18,633)	(73,903)	(91,431)	(95,331)
Total comprehensive revenue and expense	(37,266)	(147,805)	(182,861)	(190,662)

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

Variations on comparatives from the previous Half Yearly Report, December 2019 are due to adjustments as part of the year end process.

Group Statement of Cash Flows

For the 6 Months to December

Account	Jul-Dec 2020 (Unaudited)	Jul-Dec 2019 (Unaudited)	30 June 2021 (SOI)	30 Jun 2020 (Audited)
Cash Flows from Operating Activities				
Receipts of council funding	1,324,724	1,304,866	2,607,918	2,584,982
Interest received	1,033	3,763	6,000	5,450
Receipts from other operating activities	1,290,033	596,665	1,089,173	992,581
Income tax refunded/(paid)	-	(15,106)	52,465	35,897
GST	7,754	23,863	(246,714)	3,470
Payments to suppliers and employees	(2,128,102)	(2,269,394)	(3,742,462)	(4,050,222)
Finance costs	(117)	(235)	(500)	(470)
Total Cash Flows from Operating Activities	(495,325)	(355,578)	(204,120)	(428,312)
Cash Flows from Investing Activities				
Proceeds from sales of property, plant and equipment	722	0	0	28,157
Payment for property, plant and equipment	(6,027)	0	0	(16,583)
Total Cash Flows from Investing Activities	(5,306)	0	0	11,574
Net Cash Flows	(490,019)	(355,578)	(204,120)	(416,738)
Cash Balances				
Cash and cash equivalents at beginning of period	878,163	1,294,901	691,953	1,294,901
Cash and cash equivalents at end of period	1,368,182	938,323	487,833	878,163
Net change in cash for period	(490,019)	(355,578)	(204,120)	(416,738)

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

Variations on comparatives from the previous Half Yearly Report, December 2019 are due to adjustments as part of the year end process.

Notes to Accounts

Accounting Policies

1. Reporting Entity

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

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

The financial statements of CEDA are for the 6 months ended 31 December 2020.

2. Statement of Accounting Policies

Basis of Preparation

The financial statements have been prepared on a going concern basis. The contracts for funding from the shareholder Councils will expire on 30 June 2021. The Group is significantly reliant on this funding. The Statement of Intent for 20/21, including financial forecasts to 2023, has been prepared on the assumption that our Council funding continues. The Statement of Intent has been signed off by shareholders being the Joint Strategic Committee of Palmerston North City Council and Manawatu District Council. Funding for CEDA is included in both the Councils current 10 year Long term plans. The Councils have concluded a section 17A review (a review of the current contractual arrangements between Councils and CEDA) in the lead up to the next Long-term plan in 2021. Palmerston North City Council after a further review have decided to remove the destination marketing and event delivery services CEDA provides to the city, along with the relevant funding. This has yet to be finalised. Both Councils have provided a letter of support to 31 December 2021 indicating they will fund CEDA for the contract payments for 6 months post the expiry date of the contract in line with the notice period and the shareholder agreements. Beyond this date there is no certainty of funding changes and should these changes be substantial it will have a significant impact on CEDA's operations.

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:

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	8.5 - 10.2%
Plant & Equipment	Diminishing Value	10% - 20%
Vehicles	Diminishing Value	30%
Websites	Straight Line	40%

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

Loans and receivables

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

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

Payables

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

Equity

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

Good and Services Tax

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

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

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

Commitments and contingencies are disclosed exclusive of GST.

Employee Entitlements

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

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

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

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

Provisions

A provision is recognised for future expenditure of uncertain amount or timing when there is a obligation (either legal or constructive) as a result of a past event, it is probable that an outflow of future economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

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

Leases - Where CEDA is the Lessee

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

Critical accounting estimates and assumptions

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

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

- Useful lives and residual values of property, plant, and equipment – refer to Note 11.
- 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 Manawatū Trust. The consolidation of the Events Manawatū Trust into CEDA's financial statements has resulted in no change to the reported financial statements.

	Jul-Dec 2020	Jul-Dec 2019
4. Council Funding		
Palmerston North City Council	(958,689)	(958,910)
Manawatū District Council	(316,035)	(295,956)
Total Council Funding	(1,274,724)	(1,254,866)

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

Council Funding included in Project Revenue

Palmerston North City Council	43,334	43,334
Manawatū District Council	6,666	6,666
Total Council Funding included in Project Revenue	50,000	50,000

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 31 December 2020 nil (2019:nil) has been recognised as a liability as the conditions attached to the receipt of this funding have not yet been met.

	Jul-Dec 2020	Jul-Dec 2019
5. Employee Expenses		
Salaries and wages	799,217	737,347
Employer contribution to Kiwisaver	20,388	17,991
Movement in employee entitlements	61,165	1,327
Total Employee Expenses	880,770	756,665
6. Other Operating Expenses		
Fees to Audit New Zealand for the audit of the financial statements	13,377	9,986
Consultants and legal fees	3,601	7,787
Other operating expenses	234,420	237,366
Total Other Operating Expenses	251,398	255,139
7. Income Tax Expense		
Net Profit (Loss) Before Tax	(37,266)	(147,805)
Tax at 28%	(10,434)	(41,385)
Plus (less) tax effect of:		
Non-deductible expenditure	0	0
Non-taxable income	0	0
Tax loss not recognised	10,434	41,385
Deferred tax adjustment	0	0
Tax expense	0	0
Components of tax expense		
Current year	0	0
Deferred tax	0	0
Total Deductions from Tax Payable	0	0

	Jul-Dec 2020	Jul-Dec 2019
8. Cash and Cash equivalents		
CEDA Current Account	167,182	160,521
CEDA Money Market Account	1,200,000	700,000
CEDA Trust Account	1,000	77,802
Total Cash and Cash equivalents	1,368,182	938,323
9. Receivables and Accruals		
Accounts Receivable	114,783	91,754
Less: Provision for impairment	0	0
Income Tax	2,416	52,465
Accrued Interest	8	19
Funding Accruals	51,804	11,000
Total Receivables and Accruals	169,011	155,238
Total Receivables and Accruals Comprise		
Receivables from exchange transactions	56,987	39,742
Receivables from non-exchange transactions	112,024	115,496
Total Receivables and Accruals Comprise	169,011	155,238

10. Property, Plant & Equipment

	Opening Value	Accum Depn	Carrying Amount	Additions	Disposals	Depn	Closing Value	Accum Depn	Carrying Amount
Leasehold Improvements	10,851	(4,500)	6,351	6,027	(6,351)	(251)	10,527	(4,751)	5,776
Office Furniture & Equipment	58,879	(23,911)	34,968	0	(9,621)	(1,492)	49,258	(25,403)	23,856
Vehicles	20,382	(15,139)	5,243	0	0	(787)	20,382	(15,926)	4,456
Websites	17,725	(15,325)	2,400	0	0	(2,400)	17,725	(17,725)	0
Total	107,837	(58,875)	48,962	6,027	15,972	(4,930)	97,982	(63,805)	34,088

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.

Jul-Dec 2020 **Jul-Dec 2019**

11. Payables and Deferred Income

Accounts Payable	162,402	145,924
Accruals General	25,035	120,350
Funding in Advance	78	373
Funding in Advance - STAPP Funding	541,574	0
GST	23,967	39,893
Operations Credit Card	2,039	3,545
Total Payables and Deferred Income	755,096	310,086

Total Payables and Deferred Income Comprise

Payables under exchange transactions	189,105	106,187
Payables under non-exchange transactions	565,991	203,899
Total Payables and Deferred Income Comprise	755,096	310,086

Jul-Dec 2020 **Jul-Dec 2019**

12. Equity

Share Capital		
Opening Balance	1,000	1,000
Total Share Capital	1,000	1,000
Retained Earnings		
Opening Balance	740,021	930,683
Current Year Earnings	(37,266)	(147,805)
Total Retained Earnings	702,755	782,879
Total Equity	703,755	783,879

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.

13. Key personnel compensation

Directors	2020	2019
Remuneration	90,000	90,000
Full-time equivalent members	6	6

Due to the difficulty in determining the full time equivalent for Directors the fulltime equivalent figure is taken as the number of Directors.

14. 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 Manawatū District Council, are responsible for the appointment of the Board of Directors.

Related party disclosures have not been made for transactions with related parties that are:

- within a normal supplier or client/recipient relationship; and
- on terms and conditions no more or less favourable than those that it is reasonable to expect CEDA and the group would have adopted in dealing with the party at arm's length in the same circumstances.

Jul-Dec 2020 **Jul-Dec 2019**

15. Financial Instruments

Financial Assets

Loans and Receivables		
Accounts Receivable	114,782	91,754
Accrued Interest	8	19
Cash and cash equivalents	1,368,182	938,323
Funding Accruals	51,804	11,000
Total Loans and Receivables	1,534,777	1,041,096
Total Financial Assets	1,534,777	1,041,096

Financial Liabilities

Financial Liabilities at amortised cost		
Payables	(211,027)	(257,248)
Total Financial Liabilities at amortised cost	(211,027)	(257,248)
Total Financial Liabilities	(211,027)	(257,248)

16. 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	127,401	50,084
Later than one year and not later than five years	297,482	0
Later than five years	0	0
Total non-cancellable operating leases	424,883	50,084

The office space located at Level 1, 478 Main Street, Palmerston North, had a lease term to June 2020. 3 months' notice was given as per the lease conditions and the lease ceased on 8 July 2020.

In April 2020, a lease agreement was signed for premises located at Level 1, TSB Towers, 1-19 Fitzherbert Avenue, Palmerston North. The lease is to commence 1 July 2020 and has a lease term of four years to 30 June 2024, with two rights of renewal of three years each. This disclosure has included lease payments up to the end of the term, being 30 June 2024, as it is uncertain whether CEDA will exercise the option to renew the lease.

17. Events after balance date

There are no significant events after balance date.

18. COVID-19 impact

COVID-19 has had an impact to CEDA in relation to its non-financial performance and impact on its financial performance mostly by way of events and programmes unable to be held or in their usual format due to Alert Level requirements. CEDA also received additional funding support through the Regional Business Partner Programme for COVID affected business support and additional resource, and Strategic Tourism Asset Protection Programme funding to support the Visitor Sector and additional resource. There has been no impact to core funding and council grants, or to the ability for CEDA to continue its operations.

Partner Organisations

Current partner organisations that CEDA works with:

Local	Regional	National
Central Skills Hub	Accelerate 25	Air New Zealand
Feilding and District Promotions	Te Pae Tawhiti	ASB
FoodHQ	Business Central and Export NZ	Business Events Industry Aotearoa
IPU New Zealand	Horizons Regional Council	Business Mentors New Zealand
Lamberts	Horowhenua and Company	Callaghan Innovation
Manawatū Chamber of Commerce	Horowhenua District Council	Economic Development New Zealand
Manawatū District Council	Ruapehu District Council	Education New Zealand
Manawatū Standard	Rangitikei District Council	Fairfax
Manfeild	Taranua District Council	New Zealand Chef's Association
Massey University	Te Mana Atatu	New Zealand Events Association
MediaWorks	Whanganui and Partners	New Zealand Trade and Enterprise
National Driver Training Centre	Whanganui Chamber of Commerce	New Zealand Media and Entertainment
Palmerston North City Council	Whanganui District Council	New Zealand Motor Caravan Association
Palmerston North Airport		Regional Tourism New Zealand
Rantitāne o Manawatū		Regional Business Partners Network
Regional Schools		Regional Tourism Organisations New Zealand
Spearhead Manawatū		Te Puni Kōkiri
Sport Manawatū		Tourism New Zealand
Sprout Agritech		Westpac
Talent Central		
Te Au Pakihi		
Te Manawa		
The Factory		
UCOL		
Venues and Events Palmerston North		

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