

# Puronggo Tau Haurua Half Yearly Report

to 31 December

**2022**



# Pūrongo Tau Haurua Half Yearly Report

## Company Directory

### Central Economic Development Agency Limited

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

Phone: 06 350 1830

Website: CEDA.nz

### Chief Executive

Jerry Shearman

### Directors

Robyn O'Fee (Bobbie) - Chairperson  
Paul Bayly  
Margharita Mare (Margy)  
David Norman  
Robbie Pickford  
Te Ahu Teki (interim)

### Registered Office

Morrison Creed Advisory  
236 Broadway Avenue  
Palmerston North 4410

### Bankers

Westpac New Zealand Limited

### Legal Status

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

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Cover image: Te Arapiki a Tāne | The stairway of Tāne

# Pūrongo Ngātahi a te Heamana me te Tumuaki

## Joint Report of Chairman and Chief Executive

Tēnā koutou katoa,

New Zealand has moved into a period of a more challenging economic outlook with a significant increase in the cost of living and many markers of economic performance over the second half of 2022 trending down. The region has also seen house sales decline with a weakening demand leading to falling prices. The most recent economic data shows however that the Manawātū region continues to perform better economically in a national context with electronic card spending up and job gains in most sectors, most notably construction, retail, and financial services.

CEDA remains focused on supporting the economic positioning of the region around the pillars of People, Place, and Business. We have been working hard with stakeholders, iwi, and our regional businesses to leverage off key economic growth poles to provide growth opportunities for existing business and to attract new operators to the region.

Te Utanganui, the Central New Zealand Distribution Hub is one of our significant projects that has active workstreams in Advocacy and Communication, Inward Investment and Acceleration, and Master Planning. This has involved diverse activities ranging from ministerial presentations, and significant engagement with the logistics and distribution sector, profiling the strength of our regions distribution and logistics hub, to working with potential investors looking to invest in Te Utanganui.

The Manawātū Food Strategy Stage Two development commenced in October 2022 and will be a key document for shaping the direction of the region across the sector. This work is looking at the opportunities in food production, agritech and agribusiness and producing a clear picture of what success looks like for the region. Key regional stakeholders will be able to refer to the strategy to advance outcomes by sectors, and businesses in those sectors, that align to the mahi of science and innovation in the food story.

The Manawātū Business Attraction, Retention and Expansion Strategy 2022-23 implementation plan has focused on increased engagement across the business community including collecting business sentiment and improved advocacy and profiling of the Manawātū by working with partners to leverage and promote our strengths and assets.

CEDA continues delivery of a programme of work that aims to attract and retain talent in the region, working with businesses. In the last six months we have developed a Workforce Development Planning toolkit to support employers to attract, retain and train staff that was produced in partnership with UCOL | Te Pukenga. Recent profiling of our regional sectors of strength has gone live on the ManawatuNZ.co.nz regional website to help showcase our diverse economy and support our work in attracting business and investment to the region.

The Manawātū Destination Management Plan refresh was completed and sets out the strategic direction for the city

and regions visitor sector, with a view to growing visitor activity and value for the benefit of our communities. The strategy that is facilitated and driven by CEDA and owned and delivered by our stakeholders has identified a number of priority projects that include an Agri Showcase and Food Experience, and Te Āpiti opportunities, and highlighting our already present but growing outdoor experiences such as mountain biking.

We remain focused on planning and delivering economic development outcomes for our region over the second half of the year. There will also be a need to be agile and flexible in a fast-changing economic landscape.

CEDA is as always grateful for the support of our shareholders, CEDA board and team, iwi, and our partners as delivering on the ambitions and aspirations of the Manawātū relies on multiple organisations working together.

**Titiro whakamuri, Kokiri whakamua**

Look back and reflect so you can move forward

Ngā mihi nui ki a koutou katoa,



Bobbie O'Fee  
**Heamana**  
Chairperson



Jerry Shearman  
**Tumuaki**  
Chief Executive





# Ā Mātou Tutukinga What we have achieved

→ For full performance reporting see the Statement of Service Performance outcomes on pages 21 to 25.



Whakamaneatia, puritia, whakawhanaketia  
ngā iho pūmanawa ki roto i te rohe

## **Attract, retain, and develop talent in the region**

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

already have, the recruitment of students to the region, along with an understanding of the future needs of our sectors and businesses is key to the region being able to grow and prosper by 2025, becoming recognised for our exceptional lifestyle and competitive advantages.



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

### **Workforce Development Planning Toolkit**

to support employers in the attraction, retention and training of staff developed in collaboration with UCOL | Te Pūkenga. Four information booklets were created (People Strategy, Bringing the right people on board, Growing your people, and Keeping your people), and was launched with three workshops held in Palmerston North and Feilding with 30 businesses registering.

### **Sustainability Toolkit for Employers**

launched through an online platform for businesses to start their sustainability journey from understanding the benefits of sustainable practices, to practical tools and resources, links to the climate action toolbox, and sustainability calculators.

### **Freight and Logistics Workforce planning group established**

working with Hanga-Aro-Rau – Manufacturing, Engineering and Logistics, Workforce Development Council and the Regional Skills Leadership group. The purpose of the group is to look at the region's future skills and training needs for this sector. This will be important particularly for Te Utanganui, the Central New Zealand Distribution Hub, in relation to future labour requirements.

### **Health and School Transitions Workforce Plan**

was established through working with Toitū te Waiora - Community, Health, Education and Social Services Workforce Development Council and the Regional Skills Leadership Group, to support programmes of work to transition youth into the health sector.

### **Health Sector Accelerate Academy Programme**

to give insight into employment opportunities available in the health sector to year ten rangatahi Māori students was completed, with five schools from the region involved and student attendance numbers ranging from 50 to 90 for each week of the 12-week programme. This programme was a direct output of the Regional Skills Leadership Group Health and School Transitions Workforce Plan, and was supported by Rangitāne o Manawatū.



Whakamaneatia, puritia,  
whakawhanaketia ngā pakihi me ngā  
haumitanga ki roto i te rohe

## **Attract, retain, and develop business and investment in the region**

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



## Attract business and investment to the region

### Te Utanganui (Central New Zealand Distribution Hub)

initial work on raising the profile and developing funding opportunities commenced with the following activities:

- Raising the profile of Te Utanganui through advocacy with the sector, potential investors, and partners including KiwiRail, Waka Kōtahi, Napier Ports, CentrePort, and Air New Zealand, to maximise the linkages between the key components within the strategy and support investment decisions.
- Regional advocacy with Accelerate25, Hawke's Bay Councils, PNCC and MDC, Horizons Regional Council, and central government (Delegation to Minister Wood, and several MP visits to the region) to create a linked-up approach to the national freight strategy led out by the Ministry of Transport.
- The website for Te Utanganui was launched and final collateral for dissemination was produced including a condensed version of the strategy and a Te Utanganui Story document.

### Manawatū Food Strategy

development of stage two commenced in October 2022 with a new project team, project approach, and broader 15 member Technical Advisory Group. Twenty three interviews have been conducted with a broad range of businesses and stakeholders across the sector to inform the development of the strategy which is due for completion by the end of June.

### Four investment opportunities supported in the region

with ongoing support of the SoundSphere high-tech audio potential establishment in the region, development of a pitch for an international pharmaceutical company, commercial demand analysis for Safari Group to support a hotel investment in the region, and work to support the development of Te Āpiti West Accommodation Hub.



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

## Destination Management Plan

refreshed to support the development of visitor opportunities to the region. Five catalyst projects were identified, supported by several key enablers for the region. A total of 64 recommendations and actions were analysed as part of the refresh, following engagement with 83 industry stakeholders through workshops, interviews, presentations and discussions and a community engagement survey with 338 responses from residents across the region.

## Business Attraction, Retention & Expansion Strategy

implementation through the engagement with the one hundred businesses identified under the strategy for the purpose of identifying investment opportunities, understanding barriers to expansion, and retention of businesses in the region. Eleven business sentiment engagements have been completed year to date and this has resulted in follow up actions for six of these businesses being completed.

## 265 small and medium enterprises supported

in the year to date including twenty-five Māori businesses. This is from a total of 325<sup>1</sup> engagements through the Regional Business Partner Programme, Business Mentors New Zealand mentor matching, Visitor Sector support, talent and skills industry activity and general business support. Business development capability funding of \$83,770 was issued through the Regional Business Partner Programme.

## Digital Boost Pilot Programme

funded by the Ministry of Business, Innovation, and Employment, with a purpose of providing businesses tailored digital capability support focused on increasing their digital presence and skills following the impacts of the pandemic. Rolled out through thirteen providers, training has been provided to 565 businesses in the region.

## Twelve events supported through the Regional Events Fund

government funding to support in the attraction of visitors to the region through the impacts of COVID-19, which ceases on 30 June, with a total funding allocated of \$92,750. Events supported included the Manawatū Arts Trail, Palmy Drag Fest and the NZ Blues, Roots & Groove Festival.

1 businesses may have received more than one service



## Partnership with The Factory and Sprout

to support and accelerate tech start-ups and entrepreneurs including The Factory Innovate event in November and Minister Verrell being hosted by Sprout at The Factory with CEDA attending.

The Factory's Innovate programme saw eight businesses pitching for the supreme award, with Precycle taking out the winning title with their construction materials made from non-recyclable waste.

Sprout's Cohort IX of their Accelerator Programme saw a wide range of companies from a robotic prototype for grain silos, to cameras capable of facial recognition for sheep. There were nine businesses involved being a mix of food tech and agritech.

## 62 businesses supported with Research and Development

through Callaghan Innovation programmes including 46 Action Plans being developed, 13 referrals for Student Career Grants and three referrals for the newly developed Research and Development Grants<sup>2</sup>.

<sup>2</sup> In line in with a change in focus for Callaghan Innovation, Getting Started, Project and Student Fellowship grants were removed from the programme on 1st July 2022, and therefore no Research and Development grant funding was available for the period July to December 2022.





Whakatairangatia te rohe hei whakamanea  
i te tangata, i te pakihi me te haumitanga

## **Profile the region to attract people, business, and investment**

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

A coordinated approach to better showcasing the strengths of our region and profiling our successes is key to achieving recognition as one of the top three global agrifood hubs by 2025.

## Profile Manawatū locally, nationally, and globally

### Profiling Manawatū's regional identity

12 content pieces were created and published made up of; Six new content features for the regions key visitor markets, focusing on family activities and walks and hikes, and six new business profiles to help tell the story of our successful and diverse business sectors and industries in Manawatū. An additional 15 micro clips (video snippets) were created to be used across digital channels and platforms.

### 34 Media Features secured profiling the city and region

across a broad audience base, including business, investment, and visitation to the region with a total reach of 33,401,364.

The launch of the Coastal Arts Trail, and the Manawatū Version 2.0 campaign, resulted in an increase in media features and reach, with over 17 million reached through the Coastal Arts Trail coverage alone. Key channels have included Stuff National, and Stuff Travel features, the Urban List, Kia Ora Magazine, Verve Magazine, Radio New Zealand, and Concrete Playground. A key highlight was securing Manawatū as the feature region for a Stuff travel takeover in July.

### 29,712 Social Media followers

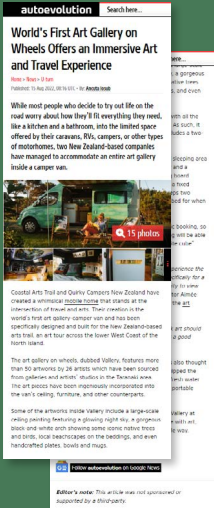
across Palmy & Manawatū Facebook and Manawatu\_NZ Instagram channels.

21,771 ManawatuNZ Facebook followers on 31 December, up from 20,659 in December 2021 (5.3% increase), and 7,941 ManawatuNZ Instagram followers from 7,830 in December 21 (1.4% increase).

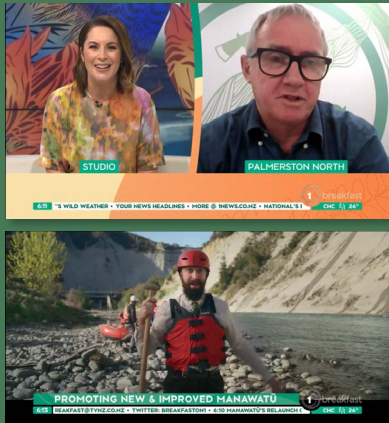
ManawatuNZ.co.nz total sessions (1 Jul – 31 Dec 2022) were 108,512 down from 136,115 for the same period in the previous year.

Changes to the website including removal of the Choose Manawatū business directory which was implemented to provide support to businesses impacted by COVID-19 has contributed to this outcome.

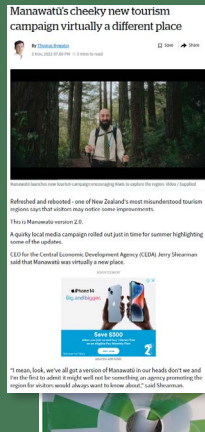




Auto Revolution



Breakfast



NZ Herald



Stuff.co.nz



Verve



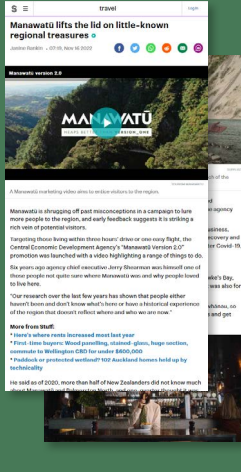
Celebrating Manawatū



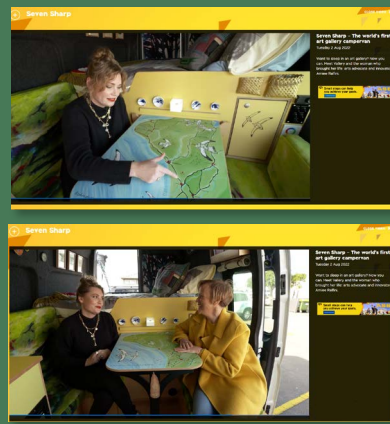
Heaps Better



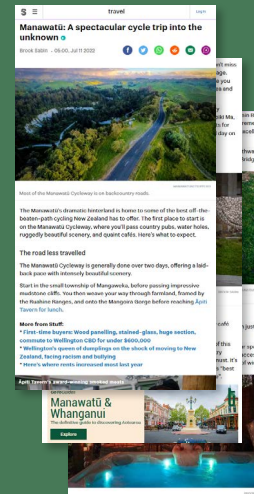
Kia Ora magazine



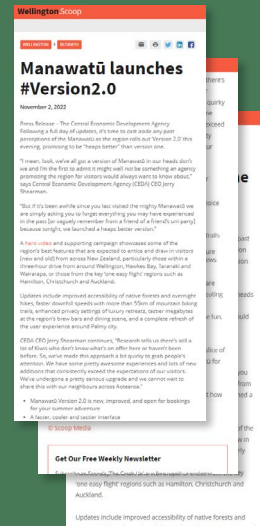
Stuff.co.nz



Seven Sharp



Stuff.co.nz



Scoop

Aratakina ngā whakawhanaketanga  
ohaoha kauawhi, toitū anō hoki mō te rohe

## **Lead inclusive and sustainable economic development for the region**

A strength of our region is the ability to work together using our combined 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.



## Develop strategic partner relationships, leveraging opportunities

### Central government agreements in place

with the Ministry of Business, Innovation, and Employment agreements in place for; Regional Business Partner Programme, Regional Events Fund, Digital Boost Pilot Programme, and Support, Reset and Recovery funding to support the Visitor Sector through the impacts of COVID-19. Also, with Te Whatu Ora, Health NZ, and Te Tāhuhu o te Mātauranga, Ministry of Education for the Accelerate Academy programme.

### Regional partnerships in place

with The Factory, Sprout Agritech, Manawatū Young Professionals Network, and UCOL | Te Pūkenga for the Workforce Development Planning project. Regional Business Partner Programme agreements in place with Whanganui & Partners (Horowhenua, Rangitīkei, Ruapehu and Whanganui, districts) and Te Manu Atatu (Māori business growth advisor), and with Ventura Taranaki and Whanganui & Partners for collaborative visitor sector projects.

### Rangitāne o Manawatū Māori Tourism Strategy

implementation underway to support Rangitāne to tell their stories, through the Tourism Working Group, with printed collateral development underway which will highlight locations of interest for visitors from an iwi perspective and will include a 'kaitiaki guide' to ensure these spaces and places are looked after by all.

### He Ara Kotahi, Hei Ara Kōrero project

funded through the Manatū Taonga Ministry of Culture and Heritage Te Urungi fund has commenced with initial planning underway including project plan, stakeholder engagement, and workstream planning. A site tour of Ngā Ara Tipuna in Waipukurau was completed in November to gain an understanding of what is being done successfully elsewhere.

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

**43 stakeholder communications published**

including Manawatū Quarterly Economic Monitor, 60 Seconds with CEDA, Training and Development Guides, Visitor Industry Updates, and Shareholder Updates.

**2,289 Social Media followers**

on CEDA Facebook and LinkedIn channels, with 1,139 Facebook followers up 6.3% from 1 Jul 2022 (1,071), and 1,150 LinkedIn followers up 11.7% from 1 Jul 2022 (1,030).

CEDA.nz year to date sessions in the period 1 July to 31 December 2022 were 14,303 up 13.84% compared to the previous period.







## 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 2022-23 financial year.

## COVID-19 Impact

The outcomes presented in this Half Yearly Report include 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. This includes additional support from funding received from the Ministry of Business, Innovation and Employment for visitor sector support including Destination Management Plan Development, Regional Marketing and Regional Event Funding.



# Tā Mātou Matawhānui

## Our Vision

Manawatū 2025: Ko te rohe  
tino ahu whakamua o Aotearoa

### **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.



# Ā Mātou Whāinga Rautaki

## Our Strategic Objectives

### Achieving our vision

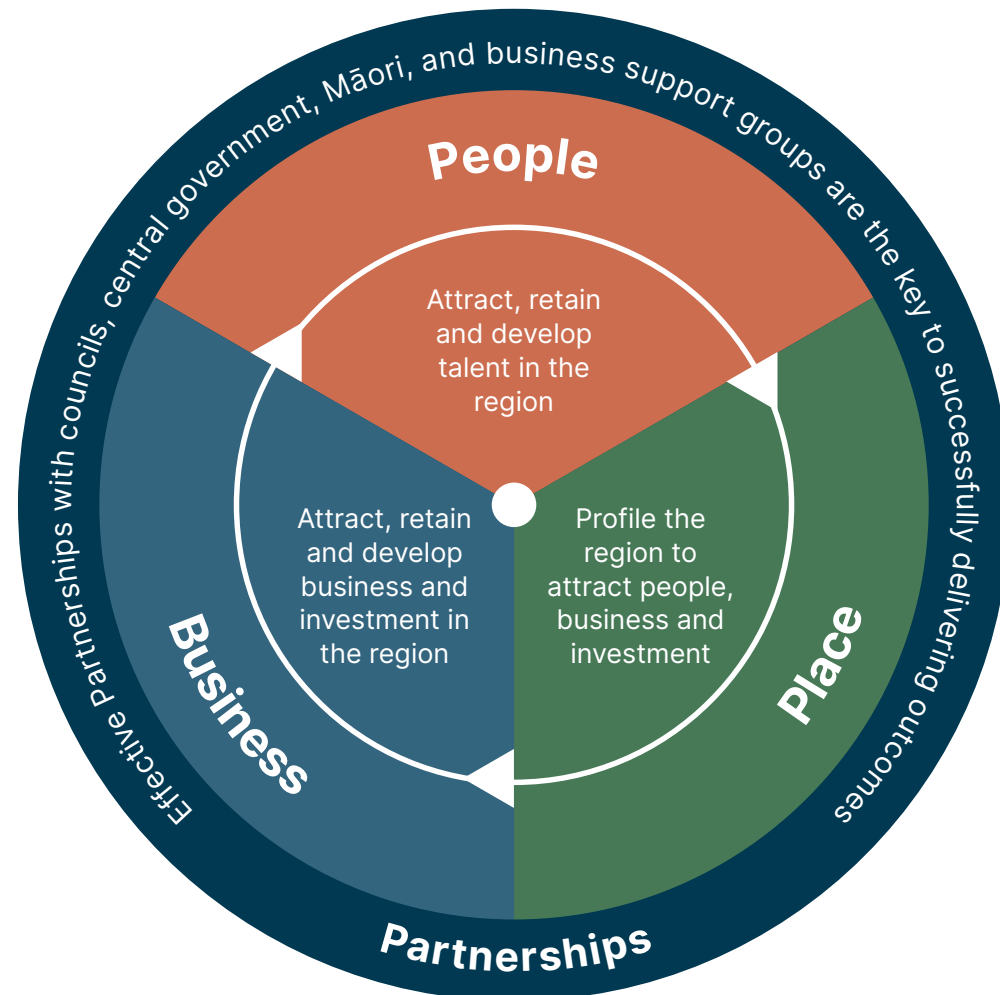
CEDA works across the three strategic pillars of economic development; People, Place and Business, and our success is underpinned and enabled by the strength of our relationships with our regional and national partners.

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 2022/23.

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.





An aerial photograph of a two-lane asphalt road winding through a dense, lush green forest. The road has white dashed lane markings and solid edge lines. A cyclist is riding on the right side of the road, and a small motorist is visible further ahead. The text is overlaid on the left side of the image.

He Tauākī Whakatutuki  
Ratonga  
**Statement of Service  
Performance**



## PEOPLE

| Service Level Statement  | Performance Measure   | 2022/23*  | Performance year to date  |
|--|---|---|---|
| Develop the talent pipeline to grow a skilled workforce, and better utilise the existing labour market | Lead and support the regions attraction and retention of talent, skills, and investment | Lead the delivery of the Manawatū Talent and Skills Attraction and Retention Strategy year two action plan, through the establishment of a digital talent and skills hub, that includes work integrated learning and graduate opportunities | <p>A Workforce Development Planning toolkit to support employers to attract, retain and train staff was developed in collaboration with UCOL   Te Pūkenga. Four information booklets were created (People Strategy, Bringing the right people on board, Growing your people, and Keeping your people). This was launched with 3 workshops in Palmerston North and Feilding with 30 businesses registering.</p> <p>The Sustainability Toolkit was launched to help businesses to start their sustainability journey from understanding the benefits, to practical tools and resources, links to the climate action toolbox and calculators.</p>  |
|  |   | Lead the delivery of a programme of work that will attract and retain talent in the region working with businesses  | <p>CEDA has engaged with five of the six Workforce Development Councils. From these engagements we have progressed two initiatives relating to the regions sectors of strength:</p> <ul style="list-style-type: none"> <li>Working with Hanga-Aro-Rau – Manufacturing, Engineering &amp; Logistics, Workforce Development Council and the Regional Skills Leadership group has resulted in the establishment of a freight and logistics workforce planning group whose purpose is to look at the region’s future skills and training needs for this sector. This will be important particularly for Te Utanganui in relation to future labour requirements. The first hui for this group occurred in November 2022.</li> <li>Working with Toitū te Waiora - Community, Health, Education and Social Services Workforce Development Council and the Regional Skills Leadership group resulted in the development of a Health and School transitions workforce plan. A direct output of this was the Hauora Wananga ō ngā rangatahi ō Manawatū - Accelerate Academy programme. The purpose of the programme was to showcase the health sector to year 10 rangatahi Māori students and was held over a 12-week period with students from five schools in attendance, ranging from 50 to 90 students in attendance each week, and supported by Rangitāne o Manawatū.</li> </ul> |

\*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

| Service Level Statement   | Performance Measure  | 2022/23*   | Performance year to date  |
|---|--|--|---|
| <p>Attract business and investment to the region</p>  | <p>Implementation of Inward Investment strategy with regional partners, through the attraction of investment to the region including key regional projects</p> | <p>Te Utanganui (Central New Zealand Distribution Hub) Strategy implementation, in the development of funding opportunities and brand narrative</p>          | <p>Outcomes of our work to date include:</p> <ul style="list-style-type: none"> <li>• Raising the profile of Te Utanganui through advocacy with the sector, potential investors, and partners including KiwiRail, Waka Kōtahi, Napier Ports, CentrePort, and Air New Zealand, to maximise the linkages between the key components within the strategy and support investment decisions.</li> <li>• Regional advocacy with Accelerate25, Hawke’s Bay Councils, PNCC and MDC, Horizons Regional Council, and central government (Delegation to Minster Wood, and several MP visits to the region) to create a linked-up approach to the national freight strategy led out by the Ministry of Transport.</li> <li>• The website for Te Utanganui was launched and final collateral for dissemination was produced including a condensed version of the strategy and a Te Utanganui Story document, and video.</li> </ul>   |
|   |  | <p>Development of phase two of the Manawatū Food Strategy and implementation of year one actions</p>   | <p>Stage One development of the Manawatū Food Strategy was completed in June 2022, which delivered an analysis of international best practice, and highlighted the requirement for further refinement to reflect the local context. As a result, Stage Two of this work commenced in October 2022 with a new project team, project approach, and broader Technical Advisory Group with 15 members. 23 interviews were conducted with a broad range of businesses and stakeholders across the sector to inform the development of the strategy which is due for completion by year end.</p> <p>Four other investment opportunities supported in the year to date were ongoing assistance of SoundSphere hi-tech audio with potential for establishing themselves in the region, development of a pitch for an international pharmaceutical company working with New Zealand Trade and Enterprise, a Commercial Demand Profile Analysis for Safari Group to assist with planning in relation to a hotel investment, and work to support the development of Te Āpiti West Accommodation Hub.</p> |
| <p>Support our sectors of strength to grow through targeted business development and retention initiatives and activities</p> | <p>Development of priority sectors through sector strategy implementation, cluster development and partnerships with Māori.</p>                                | <p>Refreshed Destination Management Plan developed including establishment of a steering group, to reflect changing environment and regional aspirations</p> | <p>The refreshed Manawatū Destination Management Plan was completed in December 2022 and five key priority strategic initiatives (from the 72 identified) were agreed. 64 recommendations were also made. Development of the plan included engaging with 83 industry stakeholders, and partners, through workshops, interviews, presentations and discussions and a community engagement survey with 338 responses from residents across the region.</p>  |



| Service Level Statement | Performance Measure   | 2022/23*   | Performance year to date   |
|-------------------------|---|--|--|
|                         | Retain businesses in the region through engagement and identification of barriers to growth | Implementation of the Business Attraction, Retention and Expansion Strategy framework through structured business engagements and facilitating the resolution of constraints | <p>Of the 100 businesses identified under the Business Attraction, Retention and Expansion Strategy, 11 business sentiment engagements have been completed. The purpose of the engagements is to identify investment opportunities and understanding barriers to expansion, and retention of businesses in the region. This has resulted in follow up actions for six of these businesses being completed.</p> <p>The sectors of strength pages have been redeveloped on ManawatuNZ.co.nz with the addition of six new business videos.</p>  |
|                         |   | Support or engage with 210 businesses including Māori businesses through CEDA activities**   | <p>265 unique business engagements (including 25 Māori businesses) in the year to date. This is from a total of 325 engagements through the Regional Business Partner Programme, Business Mentors New Zealand mentor matching, Visitor Sector support, talent and skills industry activity and general business support.</p> <p>Business development capability funding was issued of \$83,770 through the Regional Business Partner Programme.</p> <p>A government funded Digital Boost Programme for supporting businesses through increasing their digital capability and online presence after the impacts of CVOVID-19 was rolled out through 13 intermediaries which has provided online digital training to 565 businesses.</p> <p>12 events have been supported through the Regional Events Fund, government funding to support in the attraction of visitors to the region through the impacts of COVID-19, which ceases this year, with a total funding allocated of \$92,750. Events supported included the Manawatū Arts Trail, Palmy Drag Fest and the NZ Blues, Roots &amp; Groove Festival.</p>   |
|                         | Facilitate access to specialist innovation, and start-up expertise                          | Partner with The Factory and Sprout Agritech to deliver start-up and innovation support  | <p>Agreements are in place to support and accelerate tech start-ups and entrepreneurs including through the Factory Innovate event in November, and Minister Verrell being hosted by Sprout out at The Factory with CEDA attending.</p> <p>Sprouts Cohort IX of their Accelerator Programme saw a wide range of companies from a robotic prototype for grain silos, to cameras capable of facial recognition for sheep and much more. There were nine businesses involved comprising 33% food tech and 67% agritech.</p> <p>The Factory's Innovate programme saw eight businesses pitching for the supreme award that went to Precycle who turn non-recyclable waste into construction materials.</p> <p>Support for businesses to innovate through Callaghan Innovation programmes of work has resulted in 46 Innovation Action Plans being developed, 13 referrals for Student Career Grants and three referrals for the newly developed Research and Development Grants. In line in with a change in focus for Callaghan Innovation, Getting Started, Project and Student Fellowship grants were removed from the programme on 1st July 2022, and therefore no Research and Development grant funding was available for the period July to December 2022.</p> |

## PLACE

| Service Level Statement                            | Performance Measure  | 2022/23*  | Performance year to date   |
|--|--|---|--|
| 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 | Leverage the Regional Identity to grow the profile and narrative of the city and region, with 10 content pieces published targeting key audiences             | 12 content pieces created and published for the regions key audiences, made up of: <ul style="list-style-type: none"> <li>Six new content features for the regions key visitor markets, focusing on family activities and walks and hikes.</li> <li>Six new business profiles to help tell the story of our successful and diverse business sectors and industries in Manawatū. An additional 15 micro clips (video snippets) were created to be used across digital channels and platforms.</li> </ul>  |
|  |  | 50 direct media features published profiling the region, with a reach of more than 2.7 million***<br><br>New Trade and Media Hub launched on ManawatuNZ.co.nz | 34 media features published year to date with a total reach of 33,401,364.<br><br>The launch of the Coastal Arts Trail, and the Manawatū Version 2.0 campaign, resulted in an increase in media features and reach, with over 17 million reached through the Arts Trail coverage. Key channels have included Stuff National, and Stuff Travel features, the Urban List, Kia Ora Magazine, Verve Magazine, Radio New Zealand, and Concrete Playground. A key highlight was securing Manawatū as the feature region for a Stuff travel takeover in July. |
|  | 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****   | ManawatuNZ.co.nz total sessions to (1 Jul – 31 Dec 2022) were 108,512 down from 136,115 for the same period in the previous year.<br><br>ManawatuNZ FB followers (21,771) up 0.97% from 30 June 2022 (21,560), and ManawatuNZ Instagram followers (7,941), up 0.20% from 30 June 2022 (7,925).   |



## PARTNERS

| Service Level Statement   | Performance Measure  | 2022/23*   | Performance year to date   |
|---|--|--|--|
| 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 | Partnership agreements and workplans reviewed<br><br>Iwi partnership projects implementation, including the Rangitāne o Manawatū Tourism Working Group and identification of additional project(s) | Ministry of Business, Innovation, and Employment agreements in place for; Regional Business Partner Programme, Regional Events Fund, Digital Boost Pilot Programme, and Support, Reset and Recovery funding to support the Visitor Sector through the impacts of COVID-19.<br><br>Accelerate Academy programme agreement (Te Whatu Ora – Health NZ, and Te Tāhuhu o te Mātauranga - Min. of Education), Workforce Development Planning project (UCOL   Te Pūkenga), The Factory and Sprout Agritech Partnership agreements, Manawatū Young Professionals Network.<br><br>Regional Business Partner Programmes sub-contracts in place with Whanganui & Partners (Horowhenua, Rangitīkei, Ruapehu and Whanganui, districts) and Te Manu Atatu (Māori business growth advisor).<br><br>The Rangitāne o Manawatū Māori Tourism Strategy implementation continues with printed collateral development underway which will highlight locations of interest for visitors from iwi perspective.<br><br>He Ara Kotahi, He Ara Kōrero project implementation commenced with initial planning underway including project plan, stakeholder engagement plan, and workstream planning. A site tour of Ngā Ara Tipuna in Waipukurau completed in November. A Terms of Reference is to be completed for the project team. |
| 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                                       | 5% growth in audience engagement across key communications including economic updates, Māori economy data and regional news  | 43 business and sector communications sent year to date consisting of: <ul style="list-style-type: none"> <li>• 29 CEDA 60 Seconds</li> <li>• 8 Training &amp; Development Guides</li> <li>• 5 Visitor Industry Updates</li> <li>• 1 Manawatū Economic Overview</li> </ul> CEDA.nz year to date sessions (1 Jul -31 Dec 2022) were 14,303, (up 13.84% compared to the previous period).<br><br>CEDA Facebook followers (1,139) up 6.3% from 1 Jul 2022 (1,071) and CEDA LinkedIn followers (1,150) up 11.7% from 1 Jul 2022 (1,030).   |

\* 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

\*\* assuming discontinuation of funding of the Regional Business Partner programme by the Ministry of Business, Innovation and Employment from July 2022

\*\*\* reach measured by media and/or publication audience/readership

\*\*\*\* increase in sessions for 2021/22 was based on a baseline of 250,000 due to additional activity in the 2020/21 financial year due to funding received in response to COVID-19

# Ngā Tohu Aroturuki Monitoring Indicators

In addition to our performance measures, the shareholders have identified a further set of monitoring indicators. These indicators reflect outcomes at the regional level which are impacted by a range of factors outside of our control, for example: exchange rates, natural disasters, government policy. As the region's economic development agency, we have a role in

monitoring and influencing these indicators where we can, however we do not measure the performance of our organisation against them. The Councils have the responsibility to report on these indicators. The Councils have the responsibility to report on these indicators.

| Indicator  | 2023                        | 2024                        | 2025                        | 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<br>0.6% per capita | 1.8% GDP<br>0.6% per capita | 1.8% GDP<br>0.6% per capita | 1.8% average annual increase in total GDP<br>0.6% average annual increase in per capita GDP |
| Estimated population change  | 1,350 increase              | 1,350 increase              | 1,350 increase              | 1,350 population increase pa, 1.2% average increase pa                                      |
| - 65 years and over population (for demographic monitoring)                          | 530 increase                | 530 increase                | 530 increase                | Estimated 530 population increase pa, 3.3% pa   |
| Electronic card spending 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 guest 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                                       |

\*excludes any annual inflation increase



# Mō CEDA 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) 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.





# Tutukinga Ahumoni

## **Financial Performance**



## Group Statement of Comprehensive Revenue and Expense

### Central Economic Development Agency Ltd (CEDA)

For the 6 Months to December

| Account                                       | Notes | Jul-Dec 2022<br>(Unaudited) | Jul-Dec 2021<br>(Unaudited) | 30 Jun 2023<br>(Budget) | 30 Jun 2022<br>(Audited) |
|---|-------|-----------------------------|-----------------------------|-------------------------|--------------------------|
| <b>Revenue</b>                                |       |                             |                             |                         |                          |
| Council Funding                               | 4     | 1,268,101                   | 1,177,557                   | 2,698,107               | 2,510,001                |
| Other Services Revenue                        |       | 894,269                     | 556,447                     | 731,000                 | 1,162,734                |
| Project Revenue                               |       | 375,000                     | 9,554                       | 85,000                  | 94,299                   |
| <b>Total Revenue</b>                          |       | <b>2,537,370</b>            | <b>1,743,558</b>            | <b>3,514,107</b>        | <b>3,767,034</b>         |
| <b>Cost of Sales</b>                          |       |                             |                             |                         |                          |
| Other Services Expenses                       |       | 1,413,940                   | 801,403                     | 1,465,000               | 1,789,245                |
| Project Expenses                              |       | 2,102                       | 14,396                      | 87,000                  | 46,223                   |
| <b>Total Cost of Sales</b>                    |       | <b>1,416,042</b>            | <b>815,799</b>              | <b>1,552,000</b>        | <b>1,835,468</b>         |
| <b>Gross Surplus (Deficit)</b>                |       | <b>1,121,328</b>            | <b>927,759</b>              | <b>1,962,107</b>        | <b>1,931,566</b>         |
| <b>Other Revenue</b>                          |       |                             |                             |                         |                          |
| Interest Revenue                              |       | 29,121                      | 3,883                       | 5,000                   | 15,086                   |
| Gain on Sale of Property, Plant and Equipment |       | 0                           | 653                         | 0                       | 653                      |
| <b>Total Other Revenue</b>                    |       | <b>29,121</b>               | <b>4,535</b>                | <b>5,000</b>            | <b>15,739</b>            |
| <b>Expenses</b>                               |       |                             |                             |                         |                          |
| Depreciation                                  |       | 1,890                       | 1,926                       | 3,500                   | 3,852                    |
| Directors' Fees                               |       | 87,917                      | 81,159                      | 180,000                 | 170,868                  |
| Employee Expense                              | 5     | 632,413                     | 719,693                     | 1,366,643               | 1,359,340                |
| Financing Expenses                            |       | 0                           | 0                           | 200                     | 1                        |
| Other Operating Expenses                      | 6     | 233,602                     | 202,395                     | 420,271                 | 400,697                  |
| <b>Total Expenses</b>                         |       | <b>955,823</b>              | <b>1,005,173</b>            | <b>1,970,614</b>        | <b>1,934,759</b>         |
| <b>Surplus (Deficit) Before Taxation</b>      |       | <b>194,626</b>              | <b>(72,878)</b>             | <b>(3,507)</b>          | <b>12,546</b>            |

See Appendix for Accounting Policies

# Group Statement of Comprehensive Revenue and Expense

## Central Economic Development Agency Ltd (CEDA)

For the 6 Months to December

| Account   | Notes | Jul-Dec 2022<br>(Unaudited) | Jul-Dec 2021<br>(Unaudited) | 30 Jun 2023<br>(Budget) | 30 Jun 2022<br>(Audited) |
|---|-------|-----------------------------|-----------------------------|-------------------------|--------------------------|
| <b>Taxation</b>   |       |                             |                             |                         |                          |
| Income Tax Expense  | 7     | 0                           | 0                           | 0                       | 0                        |
| <b>Total Taxation</b>   |       | <b>0</b>                    | <b>0</b>                    | <b>0</b>                | <b>0</b>                 |
| <b>Surplus (Deficit) after tax</b>                              |       | <b>194,626</b>              | <b>(72,878)</b>             | <b>(3,507)</b>          | <b>12,546</b>            |
| <b>Other comprehensive revenue and expense</b>                  |       |                             |                             |                         |                          |
| Items that could be reclassified to surplus (deficit)           |       | 0                           | 0                           | 0                       | 0                        |
| <b>Total Other comprehensive revenue and expense</b>            |       | <b>0</b>                    | <b>0</b>                    | <b>0</b>                | <b>0</b>                 |
| <b>Total comprehensive revenue and expense</b>                  |       |                             |                             |                         |                          |
| Total comprehensive revenue and expense                         |       | 194,626                     | (72,878)                    | (3,507)                 | 12,546                   |
| <b>Total comprehensive revenue and expense attributable to:</b> |       |                             |                             |                         |                          |
| Palmerston North City Council                                   |       | 97,313                      | (36,439)                    | (1,754)                 | 6,273                    |
| Manawatū District Council                                       |       | 97,313                      | (36,439)                    | (1,754)                 | 6,273                    |
| <b>Total comprehensive revenue and expenses</b>                 |       | <b>194,626</b>              | <b>(72,878)</b>             | <b>(3,507)</b>          | <b>12,546</b>            |

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 2021 are due to adjustments as part of the year end process.



## Group Statement of Financial Position

### Central Economic Development Agency Ltd (CEDA)

As at 31 December 2022

| Account                          | Notes | 31 Dec 2022<br>(Unaudited) | 31 Dec 2021<br>(Unaudited) | 30 Jun 2023<br>(Budget) | 30 Jun 2022<br>(Audited) |
|----------------------------------|-------|----------------------------|----------------------------|-------------------------|--------------------------|
| <b>Assets</b>                    |       |                            |                            |                         |                          |
| <b>Current Assets</b>            |       |                            |                            |                         |                          |
| Cash and Cash Equivalents        | 8     | 1,783,520                  | 1,987,411                  | 624,450                 | 2,039,054                |
| Receivables and Accruals         | 9     | 536,595                    | 112,099                    | 150,593                 | 66,037                   |
| Prepayments                      |       | 30,604                     | 14,213                     | 4,875                   | 11,053                   |
| <b>Total Current Assets</b>      |       | <b>2,350,719</b>           | <b>2,113,723</b>           | <b>779,918</b>          | <b>2,116,145</b>         |
| <b>Non-Current Assets</b>        |       |                            |                            |                         |                          |
| Property, Plant and Equipment    | 10    | 28,146                     | 28,582                     | 23,156                  | 26,656                   |
| <b>Total Non-Current Assets</b>  |       | <b>28,146</b>              | <b>28,582</b>              | <b>23,156</b>           | <b>26,656</b>            |
| <b>Total Assets</b>              |       | <b>2,378,866</b>           | <b>2,142,305</b>           | <b>803,074</b>          | <b>2,142,801</b>         |
| <b>Liabilities</b>               |       |                            |                            |                         |                          |
| <b>Current Liabilities</b>       |       |                            |                            |                         |                          |
| Payables and Deferred Revenue    | 11    | 1,529,487                  | 1,570,873                  | 199,899                 | 1,489,351                |
| Employee Entitlements            |       | 84,864                     | 86,967                     | 86,371                  | 83,561                   |
| <b>Total Current Liabilities</b> |       | <b>1,614,351</b>           | <b>1,657,840</b>           | <b>286,270</b>          | <b>1,572,912</b>         |
| <b>Total Liabilities</b>         |       | <b>1,614,351</b>           | <b>1,657,840</b>           | <b>286,270</b>          | <b>1,572,912</b>         |
| <b>Net Assets</b>                |       | <b>764,515</b>             | <b>484,465</b>             | <b>516,804</b>          | <b>569,889</b>           |
| <b>Equity</b>                    |       |                            |                            |                         |                          |
| Contributed Capital              | 12    | 1,000                      | 1,000                      | 1,000                   | 1,000                    |
| Retained Earnings                |       | 763,515                    | 483,465                    | 515,804                 | 568,889                  |
| <b>Total Equity</b>              |       | <b>764,515</b>             | <b>484,465</b>             | <b>516,804</b>          | <b>569,889</b>           |

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 2021 are due to adjustments as part of the year end process.

See Appendix for Accounting Policies

## Group Statement of Changes in Equity

### Central Economic Development Agency Ltd (CEDA)

For the 6 months to December

| Account   | Jul-Dec 2022<br>(Unaudited) | Jul-Dec 2021<br>(Unaudited) | 30 June 2023<br>(Budget) | 30 Jun 2022<br>(Audited) |
|---|-----------------------------|-----------------------------|--------------------------|--------------------------|
| <b>Equity</b>   |                             |                             |                          |                          |
| Opening Balance   | 569,889                     | 557,343                     | 520,311                  | 557,343                  |
| <b>Increases</b>  |                             |                             |                          |                          |
| Total comprehensive revenue and expense for the period          | 194,626                     | (72,878)                    | (3,507)                  | 12,546                   |
| <b>Total Increases</b>  | <b>194,626</b>              | <b>(72,878)</b>             | <b>(3,507)</b>           | <b>12,546</b>            |
| <b>Total Equity</b>   | <b>764,515</b>              | <b>484,465</b>              | <b>516,804</b>           | <b>569,889</b>           |
| <b>Total comprehensive revenue and expense attributable to:</b> |                             |                             |                          |                          |
| Palmerston North City Council                                   | 97,313                      | (36,439)                    | (1,754)                  | 6,273                    |
| Manawatū District Council                                       | 97,313                      | (36,439)                    | (1,754)                  | 6,273                    |
| <b>Total comprehensive revenue and expense</b>                  | <b>194,626</b>              | <b>(72,878)</b>             | <b>(3,507)</b>           | <b>12,546</b>            |

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 2021 are due to adjustments as part of the year end process.



## Group Statement of Cash Flows

### Central Economic Development Agency Ltd (CEDA)

For the 6 months to December

| Account  | Jul-Dec 2022<br>(Unaudited) | Jul-Dec 2021<br>(Unaudited) | 30 Jun 2023<br>(Budget) | 30 Jun 2022<br>(Audited) |
|--|-----------------------------|-----------------------------|-------------------------|--------------------------|
| <b>Cash Flows from Operating Activities</b>          |                             |                             |                         |                          |
| Receipts of council funding                          | 1,213,463                   | 1,227,557                   | 3,102,823               | 2,455,113                |
| Interest received                                    | 19,479                      | 2,777                       | 5,000                   | 10,797                   |
| Receipts from other operating activities             | 1,012,345                   | 1,215,916                   | 1,102,761               | 1,768,824                |
| Income tax refunded/(paid)                           | 0                           | 0                           | 0                       | 883                      |
| GST  | (63,324)                    | (16,495)                    | (194,978)               | (10,939)                 |
| Payments to suppliers and employees                  | (2,434,116)                 | (1,959,828)                 | (4,702,132)             | (3,703,108)              |
| Finance costs  | 0                           | 0                           | (200)                   | (1)                      |
| <b>Total Cash Flows from Operating Activities</b>    | <b>(252,153)</b>            | <b>469,926</b>              | <b>(686,726)</b>        | <b>521,569</b>           |
| <b>Cash Flows from Investing Activities</b>          |                             |                             |                         |                          |
| Proceeds from sales of property, plant and equipment | 0                           | 1,652                       | 0                       | 1,652                    |
| Payment for property, plant and equipment            | (3,381)                     | 0                           | 0                       | 0                        |
| <b>Total Cash Flows from Investing Activities</b>    | <b>(3,381)</b>              | <b>1,652</b>                | <b>0</b>                | <b>1,652</b>             |
| <b>Net Cash Flows</b>                                | <b>(255,534)</b>            | <b>471,578</b>              | <b>(686,726)</b>        | <b>523,221</b>           |
| <b>Cash Balances</b>                                 |                             |                             |                         |                          |
| Cash and cash equivalents at beginning of period     | 2,038,854                   | 1,515,633                   | 1,311,176               | 1,515,633                |
| Cash and cash equivalents at end of period           | 1,783,320                   | 1,987,211                   | 624,450                 | 2,038,854                |
| <b>Net change in cash for period</b>                 | <b>(255,534)</b>            | <b>471,578</b>              | <b>(686,726)</b>        | <b>523,221</b>           |

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 2021 are due to adjustments as part of the year end process.

# Notes to Accounts

Central Economic Development Agency Ltd (CEDA)

For the 6 months to December

## 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 2022.

### 2. Statement of Accounting Policies

#### Basis of Preparation

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

#### Statement of Compliance

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

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

#### Presentation Currency

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

#### Historical Cost

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



## Changes in Accounting Policies

There have been no changes in accounting policies. Policies have been applied on a consistent basis with those of the previous reporting period. New group standards have been applied but have resulted in no impact to the financial statements.

## Revenue Recognition

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

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

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

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

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

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

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

## Inventories

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

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

## Property, Plant and Equipment

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

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

## Depreciation

| Account                      | Method to be used | Rate         |
|------------------------------|-------------------|--------------|
| Leasehold Improvements       | Diminishing Value | 10%          |
| Office Furniture & Equipment | Diminishing Value | 0% - 50%     |
| Office Furniture & Equipment | Straight Line     | 8.5% - 10.5% |
| Vehicles                     | Diminishing Value | 30%          |
| Websites                     | Straight Line     | 40%          |

## Income Tax

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

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

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

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

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

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

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

## **Cash and cash equivalents**

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

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

## **Receivables**

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

## **Impairment of financial assets**

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

### *Loans and receivables*

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

## **Loans and receivables**

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

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

## **Payables**

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

## **Equity**

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

## **Good and Services Tax**

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

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

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

Commitments and contingencies are disclosed exclusive of GST.

## **Employee Entitlements**

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

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

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

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

## **Provisions**

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

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



### Leases - Where CEDA is the Lessee

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

### 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.

*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 as the Trust is dormant and did not trade during the year.

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### 4. Council Funding

|                               |                    |                    |
|-------------------------------|--------------------|--------------------|
| Palmerston North City Council | (940,273)          | (872,219)          |
| Manawatū District Council     | (327,828)          | (305,338)          |
| <b>Total Council Funding</b>  | <b>(1,268,101)</b> | <b>(1,177,557)</b> |

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                            | 0        | 8,280        |
| Manawatū District Council                                | 0        | 1,274        |
| <b>Total Council Funding included in Project Revenue</b> | <b>0</b> | <b>9,554</b> |

Critical judgements in applying accounting policies - funding received

CEDA must exercise judgement when recognising project or specific programme revenue to determine when conditions of the funding contract have been satisfied. As at 31 December 2022 1,203,175 (2021:1,403,290) has been recognised as a liability as the conditions attached to the receipt of this funding have not yet been met.

### 5. Employee Expenses

|                                    |                |                |
|------------------------------------|----------------|----------------|
| Salaries and wages                 | 613,706        | 734,662        |
| Employer contribution to Kiwisaver | 16,604         | 15,974         |
| Movement in employee entitlements  | 2,103          | (30,943)       |
| <b>Total Employee Expenses</b>     | <b>632,413</b> | <b>719,693</b> |

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## 6. Other Operating Expenses

|  |                |                |
|--|----------------|----------------|
| Fees to Grant Thornton Audit New Zealand for the audit of the financial statements | 14,500         | 13,779         |
| Other operating expenses   | 219,102        | 188,616        |
| <b>Total Other Operating Expenses</b>  | <b>233,602</b> | <b>202,395</b> |

## 7. Income Tax Expense

|                                      |               |                 |
|--------------------------------------|---------------|-----------------|
| Net Profit (Loss) Before Tax         | 194,626       | (72,878)        |
| <b>Tax at 28%</b>                    | <b>54,495</b> | <b>(20,406)</b> |
| <b>Plus (less) tax effect of:</b>    |               |                 |
| Non-deductible expenditure           | 0             | 0               |
| Non-taxable income                   | 0             | 0               |
| Tax loss not recognised (recognised) | (54,495)      | 20,462          |
| Deferred tax adjustment              | 0             | 0               |
| <b>Tax expense</b>                   | <b>0</b>      | <b>0</b>        |

### Components of tax expense

|  |          |          |
|--|----------|----------|
| Current year                             | 0        | 0        |
| Deferred tax                             | 0        | 0        |
| <b>Total Deductions from Tax Payable</b> | <b>0</b> | <b>0</b> |

## 8. Cash and Cash equivalents

|  |                  |                  |
|--|------------------|------------------|
| CEDA Current Account                   | 132,520          | 86,411           |
| CEDA Money Market Account              | 1,650,000        | 1,900,000        |
| CEDA Trust Account                     | 1,000            | 1,000            |
| <b>Total Cash and Cash equivalents</b> | <b>1,783,520</b> | <b>1,987,411</b> |

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## 9. Receivables and Accruals

|                                       |                |                |
|---------------------------------------|----------------|----------------|
| Accounts Receivable                   | 516,789        | 110,103        |
| GST refund due                        | 5,867          | 0              |
| Provisional tax paid                  | 11,728         | 1,957          |
| Accrued Interest                      | 2,210          | 39             |
| <b>Total Receivables and Accruals</b> | <b>536,595</b> | <b>112,099</b> |

### Total Receivables and Accruals Comprise

|  |                |                |
|--|----------------|----------------|
| Receivables from exchange transactions         | 2,307          | 1,075          |
| Receivables from non-exchange transactions     | 534,288        | 111,024        |
| <b>Total Receivables and Accruals Comprise</b> | <b>536,595</b> | <b>112,099</b> |

## 10. Property, Plant and Equipment

|                              | Opening Value  | Accum Dep       | Carrying Amount | Additions    | Disposals | Depn           | Closing Value  | Accum Depn      | Carrying Amount |
|------------------------------|----------------|-----------------|-----------------|--------------|-----------|----------------|----------------|-----------------|-----------------|
| Leasehold Improvements       | 13,049         | (8,121)         | 4,928           | 0            | 0         | (246)          | 13,049         | (8,367)         | 4,682           |
| Office Furniture & Equipment | 71,054         | (51,195)        | 19,859          | 3,381        | 0         | (1,364)        | 74,435         | (52,559)        | 21,876          |
| Vehicles                     | 19,382         | (17,513)        | 1,869           | 0            | 0         | (280)          | 19,382         | (17,793)        | 1,589           |
| Websites                     | 17,725         | (17,725)        | 0               | 0            | 0         | 0              | 17,725         | (17,725)        | 0               |
| <b>Total</b>                 | <b>121,210</b> | <b>(94,554)</b> | <b>26,656</b>   | <b>3,381</b> | <b>0</b>  | <b>(1,890)</b> | <b>124,591</b> | <b>(96,444)</b> | <b>28,146</b>   |

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.



### 11. Payables and Deferred Income

|   | Jul-Dec 2022     | Jul-Dec 2021     |
|---|------------------|------------------|
| Accruals General                          | 35,718           | 57,186           |
| Accounts Payable                          | 284,548          | 79,241           |
| Funding in Advance                        | 809,087          | 245,541          |
| Funding in Advance - NZ AgriWeek          | 0                | 39,632           |
| Funding in Advance - Sector Development   | 394,088          | 1,118,117        |
| GST                                       | 0                | 26,238           |
| Credit Cards                              | 6,045            | 4,918            |
| <b>Total Payables and Deferred Income</b> | <b>1,529,487</b> | <b>1,570,873</b> |

### Total Payables and Deferred Income Comprise

|  |                  |                  |
|--|------------------|------------------|
| Payables under exchange transactions               | 316,012          | 118,832          |
| Payables under non-exchange transactions           | 1,213,475        | 1,452,041        |
| <b>Total Payables and Deferred Income Comprise</b> | <b>1,529,487</b> | <b>1,570,873</b> |

### 12. Equity

#### Share Capital

|                            |              |              |
|----------------------------|--------------|--------------|
| Opening Balance            | 1,000        | 1,000        |
| <b>Total Share Capital</b> | <b>1,000</b> | <b>1,000</b> |

#### Retained Earnings

|                                |                |                |
|--------------------------------|----------------|----------------|
| Opening Balance                | 568,889        | 556,343        |
| Current Year Earnings          | 194,626        | (72,878)       |
| <b>Total Retained Earnings</b> | <b>763,515</b> | <b>483,465</b> |
| <b>Total Equity</b>            | <b>764,515</b> | <b>484,465</b> |

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                    | 2022   | 2021   |
|------------------------------|--------|--------|
| Remuneration                 | 87,917 | 81,159 |
| Full-time equivalent members | 6      | 6      |

Due to the difficulty in determining the full time equivalent for Directors the full time 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 Manawatu 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.

## 15. Financial Instruments

### Financial Assets

#### Loans and Receivables

|                                    |                  |                  |
|------------------------------------|------------------|------------------|
| Accounts Receivable                | 516,789          | 110,103          |
| Accrued Interest                   | 2,210            | 39               |
| Cash and cash equivalents          | 1,783,520        | 1,987,411        |
| <b>Total Loans and Receivables</b> | <b>2,302,520</b> | <b>2,097,553</b> |
| <b>Total Financial Assets</b>      | <b>2,302,520</b> | <b>2,097,553</b> |

### Financial Liabilities

#### Financial Liabilities at amortised cost

|  |                  |                  |
|--|------------------|------------------|
| Payables   | (316,032)        | (166,700)        |
| <b>Total Financial Liabilities at amortised cost</b> | <b>(316,032)</b> | <b>(166,700)</b> |
| <b>Total Financial Liabilities</b>                   | <b>(316,032)</b> | <b>(166,700)</b> |

## 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                           | 160,476        | 125,797        |
| Later than one year and not later than five years | 85,019         | 178,008        |
| Later than five years                             | 0              | 0              |
| <b>Total non-cancellable operating leases</b>     | <b>245,495</b> | <b>303,805</b> |

The office space located at Level 1, TSB Towers, 1-19 Fitzherbert Avenue, Palmerston North 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 and COVID-19 Protection Framework requirements. CEDA also received additional funding support through the Ministry of Business, Innovation and Employment to support the visitor sector and provide additional resources. There has been no impact to core funding and council grants, or to the ability for CEDA to continue its operations.

# Ō Mātou Hoa Mahi Tahī

## Our Partner Organisations

Current partner organisations that CEDA works with:

### Local

Central Skills Hub  
Chiasma  
Feilding and District Promotion  
FoodHQ  
IPU New Zealand  
Lamberts  
ManawaTech  
Manawatū Business Chamber  
Manawatū District Council  
Manawatū Young Chamber  
Manawatū Young Professionals Network  
Manfeild  
Massey University  
National Driver Training Centre  
Network of Skilled Migrants Manawatū  
Palmerston North City Council  
Palmerston North Airport  
Regional Schools  
Spearhead Manawatū  
Sport Manawatū  
Sprout Agritech  
Talent Central

Te Au Pakihi  
Te Manawa  
The Factory  
UCOL | Te Pūkenga  
Venues and Events Palmerston North  
Welcoming Communities

### Regional

Accelerate 25  
Business Central and Export NZ  
Horizons Regional Council  
Horowhenua District Council  
Regional Skills Leadership Group – Manawatū-Whanganui  
Ruapehu District Council  
Rangitīkei District Council  
Taranua District Council  
Te Manu Atātū  
The Horowhenua Company  
Venture Taranaki  
Whanganui and Partners  
Whanganui Chamber of Commerce  
Whanganui District Council

### National

AgResearch  
Agritech NZ  
Air New Zealand  
Business Mentors New Zealand  
Callaghan Innovation  
Economic Development New Zealand  
Immigration New Zealand  
Kanoa - Regional Economic Development & Investment Unit  
Ministry of Business, Innovation and Employment  
Ministry of Culture and Heritage  
Ministry of Social Development  
New Zealand Careers Expo  
New Zealand Trade and Enterprise  
New Zealand Media and Entertainment  
New Zealand Motor Caravan Association  
Regional Tourism New Zealand  
Regional Business Partners Network  
Regional Tourism Organisations New Zealand  
Stuff

Te Puna Whakaaronui - New Zealand's Primary Sector Think Tank  
Te Tāhuhu o te Māturanga - Ministry of Education  
Te Whatu Ora – Health NZ  
Tourism New Zealand  
Waka Kotahi  
Workforce Development Councils



