



**GREAT SOUTH** 

# 2020/2021 Annual report

FOR YEAR END 30 JUNE 2021

# Company directory

## SOUTHLAND REGIONAL DEVELOPMENT AGENCY LIMITED

Trading as Great South

PO Box 1306, Invercargill 9810  
(03) 211 1400  
www.greatsouth.nz

## DIRECTORS

Ian Collier (Chair), Lucy Griffiths, Maria Pera

*Appointed during the period:*  
Jason Franklin, Jeff Grant, Peter Heenan, Rachel Lindsay

*Resigned during the period:*  
Dean Addie, Jocelyn O'Donnell

## REGISTERED OFFICE

Southland Regional Development Agency Limited  
143 Spey Street, Invercargill

## BANK

Westpac New Zealand Limited

## AUDITORS

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

## SHAREHOLDERS

*Class A Shareholders:*  
Invercargill City Council  
Southland District Council  
Gore District Council  
Environment Southland

*Class B Shareholders:*  
Invercargill Licensing Trust  
Mataura Licensing Trust  
Southland Chamber of Commerce  
Southern Institute of Technology

## MEMBERS

Community Trust South

## LEGAL STATUS

Southland Regional Development Agency Limited ("SRDA") was incorporated in New Zealand on 29 March 2019 under the Companies Act 1993 (NZBN 9429047359185).

## COMPANIES OWNED BY SOUTHLAND REGIONAL DEVELOPMENT AGENCY LIMITED

*Space Operations New Zealand Limited:*  
Great South purchased the shares of Space Operations New Zealand from the Venture Southland Trust for \$1  
Great South owns 100% of Space Operations New Zealand Limited

*NZ Functional Foods Limited:*  
Great South purchased the shares of NZ Functional Foods Limited from the Venture Southland Trust for \$1  
979,900 shares were issued to Great South and 1,020,000 to K One W One (No 5) Limited on 3 December 2020  
Great South holds 49% of NZ Functional Foods Limited as at 30 June 2021



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# HIGHLIGHTS FOR 2020/2021



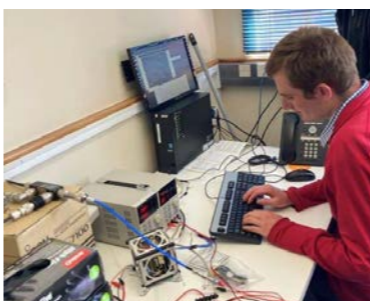
281 businesses met with



\$1,992,000 secured for tourism and events



\$747,950 of COVID-19 funding allocated



Southland Murihiku Events Strategy launched



4200 students introduced to Southland work opportunities



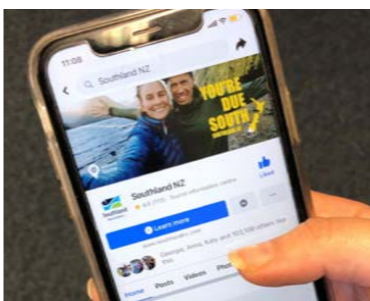
New Zealand's first commercial satellite antenna opened at Awarua (owned by Great South)



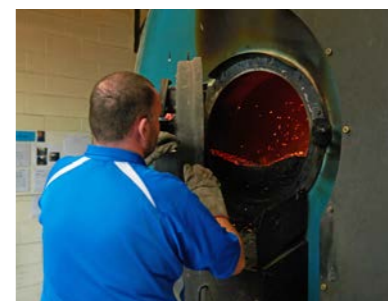
73 skilled migrants helped into employment



Southland and Fiordland tourism organisations aligned



144,876 people follow Southland NZ on social media



167 media features coordinated for the region



Net Zero Southland Report released



# Chair's Message

**It is my pleasure to present the Great South Annual Report for the year ended 30 June 2021, albeit delayed due to a number of circumstances beyond our control.**

Sadly, this message is from me alone, rather than shared with our chief executive Graham Budd, who tragically passed away on 15 April 2022 prior to finalising this document. Graham's death came as a huge shock to the Great South team, a loss not only to Southland but also Otago and the wider tourism community. Graham was hugely respected for his business skills and most importantly as a thoughtful and caring human being. In his two years with us at Great South Graham shaped the future for our work, particularly in tourism, that will in our view deliver significant long-term benefits to Southland.

Whilst we now have borders opening and the return of international travel, that was not the outlook for the year that this report covers (2020-2021). Unfortunately, the effects of COVID-19 continued much longer than anticipated and created difficulties for many sectors and businesses, with almost no international tourism, very limited arrival of skilled migrants and increasing evidence of supply chain disruptions. This made any future planning somewhat difficult.

Fortunately for Great South, much of our activities focus on longer-term regional opportunities and we were largely able to continue our strategic work. This upside did not exist for the tourism sector, which needed some short-term actions to address the immediate needs of struggling operators and to encourage domestic visitation to the region.

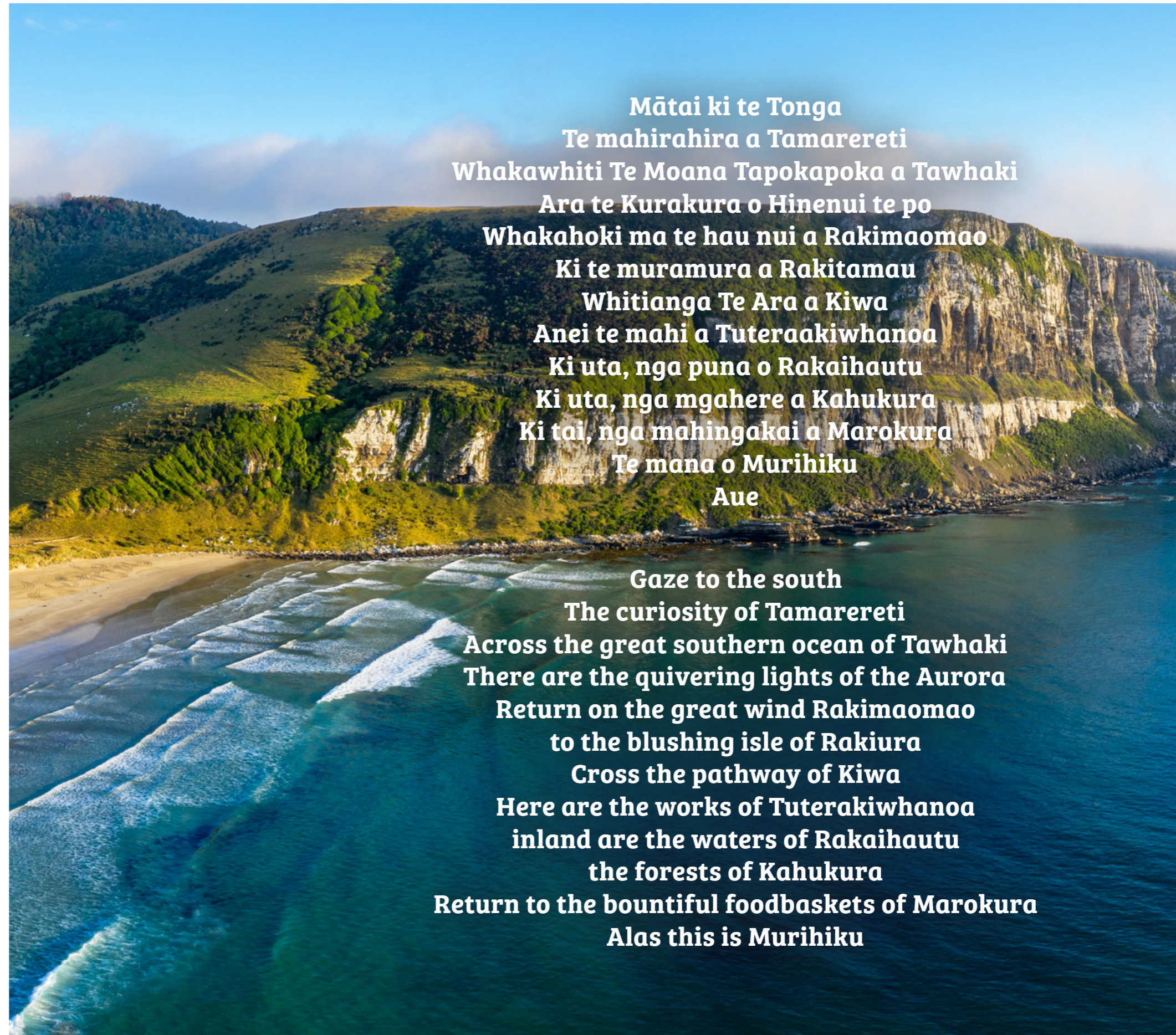
A key milestone was achieved for a long-term initiative during the year. After receiving initial investment from K1W1, Great South is now a shareholder in New Zealand Functional Foods, the company established to lead the development and production of alternative future foods such as Oat Milk that are growing in popularity globally. All going well, construction of the plant will begin in early 2023.

We also continued to work with many organisations and regional stakeholders on significant projects including the potential closure of the Tiwai Point aluminium smelter, the Government-initiated Just Transition process, possible Green Hydrogen production, large scale data centres and establishing climate change impacts and pathways to reduce Southland's carbon footprint.

On reflection, we are confident that in only our second year of operation in 2020-2021, we strengthened our place in Southland's organisational ecosystem and we look forward to growing and building on the partnerships we have with our shareholders and stakeholders throughout Murihiku.



**Ian Collier**  
Great South Board Chair



**Mātai ki te Tonga  
Te mahirahira a Tamarereti  
Whakawhiti Te Moana Tapokapoka a Tawhaki  
Ara te Kurakura o Hinenui te po  
Whakahoki ma te hau nui a Rakimaomao  
Ki te muramura a Rakitamau  
Whitianga Te Ara a Kiwa  
Anei te mahi a Tuterakiwhanoa  
Ki uta, nga puna o Rakaihautu  
Ki uta, nga mgahere a Kahukura  
Ki tai, nga mahingakai a Marokura  
Te mana o Murihiku  
Aue**

**Gaze to the south  
The curiosity of Tamarereti  
Across the great southern ocean of Tawhaki  
There are the quivering lights of the Aurora  
Return on the great wind Rakimaomao  
to the blushing isle of Rakiura  
Cross the pathway of Kiwa  
Here are the works of Tuterakiwhanoa  
inland are the waters of Rakaihautu  
the forests of Kahukura  
Return to the bountiful foodbaskets of Marokura  
Alas this is Murihiku**

# Southland snapshot



Population

**104,400**

2.8% growth



GDP

**\$6.7 billion**

5.4% growth



Total business units

**14,160**

0.5% growth



Unemployment rate

**3.3%**

No change



# About us

**Great South was established as Southland's regional development agency in March 2019 and began full operations in July 2019.**

Committed to driving economic, social and cultural growth, Great South has a clear mandate to leverage opportunities for Southland in the areas of economic and business development, tourism and events. This involves incorporating Southland's regional tourism organisation, central government's Regional Business Partner Network (RBP), delivering a range of events, regional initiatives, and government-funded contracts that pave the way for regional development.

Through the essential support provided to Southland sectors and industries, Great South provides a unified voice for the region, establishes a strong platform for regional success and takes strides towards its clear vision of better lives through sustainable development.

### CONSTITUTION OBJECTIVES

1. Achieve the objectives of our shareholders, both commercial and non-commercial
2. Be a good employer
3. Exhibit a sense of social and environmental responsibility
4. Conduct our affairs in accordance with sound business practice

### GREAT SOUTH GOVERNANCE

The Board of up to seven independent directors is responsible for the strategic direction of Great South and the initiatives it is involved with. The Board oversees the business undertaken by Great South in accordance with the Local Government Act 2002, Companies Act 1993, the Company's Constitution. The Chief Executive is responsible for the day-to-day operations of Great South, including the management of staff and reporting to directors on the performance against set priorities.

# Our vision

## Even better lives through sustainable development

This vision represents the ambitious goals of the Great South Board, its shareholders and the whole Southland region. It speaks to the potential for Southland to be recognised as the best place to live, work and play, and the sustainable approach that will be taken in making this happen. Southland has the drive, enthusiasm and leadership needed to establish itself on the world stage as a contemporary, connected and competitive place that is home to 'even better lives', and Great South is committed to achieving this vision.

# Our goals

### LONG TERM STRATEGIC GOALS

These goals have been set to provide a pathway to achieving Great South's vision and to ultimately contribute to the overall success of the Southland region. By investing in these four goals, 'even better lives through sustainable development' will be achieved.

<b>GROW THE POPULATION</b>	<b>DIVERSIFY THE ECONOMY</b>
<b>BUILD A SKILLED WORKFORCE</b>	<b>GROW INNOVATIVE BUSINESSES</b>

### SHORT TERM STRATEGIC GOALS

Great South set these short-term goals in response to the evolving situation presented by COVID-19. Great South will continue to review them as the situation changes, ensuring Southland is best placed to encourage the resilience of its economy, people and place.

<b>Retain jobs and a skilled workforce</b>
<b>Lead and facilitate the economic restart and rebuild</b>
<b>Champion significant projects</b>
<b>Identify opportunities to build resilience and diversify</b>

# Our values

## Kaitiakitanga

We see ourselves as guardians of this place and are serious about our responsibility to protect our home for future generations. We are committed to ensuring our people, place and environment continue to thrive.

## Sustainability

Our natural environment is unique, attracting people from all over the world. We're realistic about our future and know that adopting a sustainable approach, from both an environmental and longevity perspective, is fundamental for the future success of this region.

## Southland proud

At the core of every successful region, you will find great people who passionately contribute to the growth of the place they call home. Southland is no different. We are proud of where we come from, what we stand for and are excited to play a part in helping Southland achieve its potential.

## Heritage

We have a long and rich history. It is this history that has led us to where we are today and, as we move forward, we will continue to recognise and pay respect to our heritage and the journey we have taken so far.

## Being real

We will embrace the region's strong entrepreneurial spirit where, if you can dream it, you can do it. We're not about the flashy stuff, we're real, down to earth, and committed to making great things happen.

## Quality over quantity

We will focus on doing a smaller number of things well, rather than spreading ourselves too thinly across everything. The nature of our involvement may vary across different regional initiatives, but we will at all times be committed to the development of the place we call home.

## Community support

We know that it is only with the support of our communities that we will achieve our ambitious goals. We're committed to working together to develop a vibrant, diverse and thriving region and to providing our communities with a strong foundation for the future.

## Shareholder confidence

We are committed to working with our shareholders to instil in them a confidence in both Great South and the future of this region. Together, we'll make great things happen for Southland.



WHAT WE ACHIEVED

# Aiding economic recovery and resilience

**Great South actively seeks opportunities to diversify Southland’s economy and works to extend existing local industries, with a view to building resilience and growing confidence in the region. Extending local industry capability and creating employment opportunities is vital to the region’s future prosperity.**

**ECONOMIC INSIGHT**

**Covid Recovery**

Great South commissioned economic consultants Infometrics to get a better understanding of the impacts of COVID-19 on the Southland Region. The resulting Southland Region post-COVID Scenario Analysis report assessed the region’s performance throughout the 2020 COVID-19 lockdown period. It forecast the region’s economic and population outlook to 2025, and discussed the region’s long-term challenges and opportunities, including the impact of the planned closure of New Zealand’s Aluminium Smelter at Tiwai Point in 2024.

The report shows Southland is performing ahead of expectations despite Covid. By 2025, it predicts the population will be between 108,000 and 111,300 (up from 102,600 pre-Covid), and a full economic recovery is likely. Challenges ahead for the region include labour and skills shortages, a housing shortage, and the lack of international travellers is predicted to continue to impact on the tourism and hospitality sector for some time.

**WORKING TOWARDS A DIVERSE ECONOMY**

A national focus on reducing greenhouse gas emissions, plus the planned Tiwai closure, means identifying opportunities for regional economic diversification is more important now

than ever. Great South has been working to progress various industries for Southland and ensuring the region is ready to embrace change and new opportunities.

**Tiwai Smelter**

When it was announced Tiwai would close, Great South developed a policy framework that would allow time for smelter staff to transition to local and new potential industries. Great South has worked extensively with new industries interested in being located in Southland, including data centres, hydrogen fuel production and minerals refinement. It has provided valuable data and recommended best-suited sites for construction. A workshop was held aimed at businesses that would be impacted should Tiwai close, allowing them to plan a course of action well ahead of time.

**Health and Wellness Foods**

A Great South initiative fondly known as ‘the oats project’ progressed significantly this year. In December, Great South transferred its intellectual property into NZ Functional Foods, the company that will progress the project. Investment was received from Sir Stephen Tindall’s investment company K1W1, which now has a 51% share in the company. Great South owns the remaining 49%. In January it was announced that New Zealand’s first carbon neutral plant-based beverage processing facility would be built at Makarewa, with oat milk to be the first product. Funding is being sought to develop the plant. Great South continued to provide support with investment, food and formulation trials and carbon neutral processing.

In addition to oats, Great South has been investigating the potential for further vegetable-based industries that could be commercialised at scale in Southland.

**Space Operations**

International demand for Great South’s Satellite Ground Station

facilities at Awarua increased significantly during the year.

New Zealand’s first commercial satellite antenna for communicating with low earth orbit satellites was opened by Te Tai Tonga MP Rino Tirikatene in September, allowing Great South to lease space to multiple small satellite companies. Previously it had only hosted antennas belonging to other companies. Demand for that service has also increased, which led to Great South investigating a second Satellite Ground Station in Northland. Sites at each end of New Zealand would enable even greater amounts of data to be downloaded from the ever-increasing number of satellites.

In September 2021, Great South announced its space operations services would be carried out by new company Space Operations NZ Ltd, a wholly owned subsidiary of Great South.

**Datagrid - Zero Emissions Data Centre**

Assistance has been provided to Datagrid, a company planning to build New Zealand’s first hyperscale data centre in Southland. Great South’s work for the \$700m project has involved route planning for fibre and power, mapping, and providing radiometric and soils data to assist the business in selecting the most suitable site for its operation. Work is expected to commence on laying the submarine cable later in 2022.

**DATA-DRIVEN DECISION MAKING**

**Digital Mapping Tools**

Great South has developed digital mapping tools that provide insights into soil quality, elevation, and slope, suitable for a variety of land-use applications. Making use of both satellite imagery and on-ground information, these tools provide significantly more detailed information than other currently published maps. They will be particularly useful to councils

and decision makers for understanding climate risks such as sea level rise, flood management and for determining potential hazards such as slips. In addition, the ability to make best use of land according to its characteristics will be of benefit to farmers, especially for environment planning and winter grazing activities.

*\*Previously referred to as Advanced Data Analytics Centre (ADAC).*

**IMPROVING HOUSING**

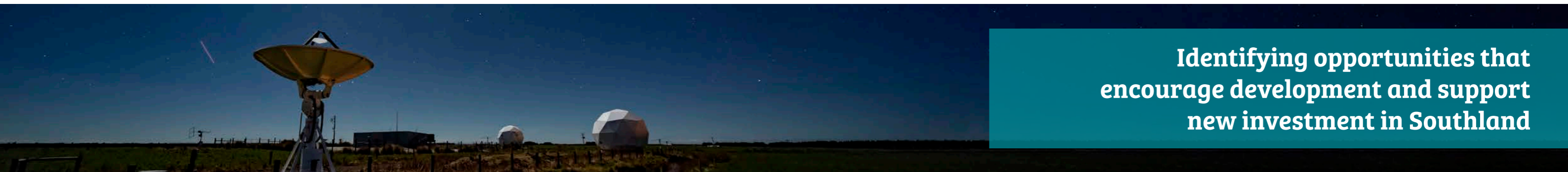
The previously mentioned Southland Region post-COVID Scenario Analysis report identified a housing shortage for Southland, particularly as an influx of Kiwis returned to Southland from overseas due to Covid. Along with pressure on residential housing stock and increased prices, the report highlighted a shortage of tradespeople due to an increase in building construction. Great South followed up this report by undertaking a Southland Housing Situation Analysis Report, released in late 2021.

Great South supports the Southland Housing Action Forum by providing data and insights and has introduced the group to developers interested in social and emergency housing and first home development opportunities.

**IMPROVING CONNECTIVITY AND DIGITAL SERVICES**

Great South has been working on the delivery of wide area low orbit satellite broadband services in Southland via its Awarua Ground Station. After initial successful testing of the service on Stewart Island and the wider Southland area, satellite broadband is now available to all residents and businesses throughout Southland.

In addition, Great South has monitored and advocated for more effective rural broadband and mobile services in Southland. A report on the status of mobile blackspots on main touring routes has been commissioned for release in 2022.



**Identifying opportunities that encourage development and support new investment in Southland**

WHAT WE ACHIEVED

# Supporting local business

**A thriving business sector contributes to more people wanting to work and invest in Southland and paves the way for new ways of thinking and success. Great South supports business capability and competitiveness, stimulating innovation and creating employment opportunities. It also works to understand and address labour market challenges and works to retain talent in the region.**

### BUSINESS DEVELOPMENT SERVICES

As the New Zealand Trade and Enterprise Regional Business Partner Network provider for Southland, Great South connects small and medium sized businesses at all stages, with the resources and information they need. In a post COVID-19 setting, this service was a vital support to the business community and there was a large uptake for the services provided.

In 2020/2021 almost \$748,000 of COVID-19 business advisory funding was administered to 545 businesses and more than \$198,500 of tourism transitions funding was administered

to 55 businesses.

In recognition of the impacts of Covid, workshops aimed at businesses held during the year focused on resilience, digital marketing and identifying new market opportunities.

### GETTING READY TO FACE ENVIRONMENTAL CHALLENGES

Via its Carbon Neutral Advantage programme, Great South supports businesses to help reduce their carbon footprint and insulate against the rising cost of carbon. In 2020/21 four Carbon in Business workshops developed by Great South were attended by 36 businesses from all over Southland. Participants were connected with information and tools needed to make changes.

A carbon measurement tool and a guide for its use were created to help businesses mitigate the effects of climate change.

Great South commissioned Ernst & Young to model the cost of reducing emissions across all sectors and to identify pathways to achieve net zero emissions by 2050. The result of this work was the Net Zero Southland Report, released mid-2021.

### Business Decarbonisation In Invercargill City

Great South has been working with the Energy Efficiency and Conservation Authority (EECA) to secure funding for decarbonising fossil-fuelled heating systems within Invercargill city. Transitioning fossil-fuelled boilers to biomass or electricity was one of the mitigation options identified in the Net Zero Southland report led by Great South and was the most effective both in terms of reducing emissions and cost.

### PATHWAYS TO EMPLOYMENT FOR YOUTH

Future proofing Southland's labour force by connecting young people with employers is a key project for Great South. Via its regional career exploration programme Southland Youth Futures it aims to improve outcomes and connections for Southland youth and improve employability skills for at-risk youth. More than 100 events were held throughout the year, including workplace tours, employer talks in schools, a Girls in Trades Day and Be the Future of Forestry day. Almost 4,200 Southland students were engaged with during the year and 39 employer excellence partners were involved in the programme. A function

to recognise and thank those employer excellence partners for taking a chance on helping youth into employment was held in November, with guest speaker economist Dr Ganesh Nana.

### JOINING THE DOTS BETWEEN SKILLED MIGRANTS AND EMPLOYERS

Great South offers a free service to help skilled migrants better understand the Southland work environment and find meaningful employment. At the same time it supports the other end of the equation, helping Southland businesses to plan their recruitment of skilled migrants and to address any cultural challenges their employees may encounter in the workplace. During the year, more than 450 newcomers looking for employment opportunities were engaged with, either one-on-one, or at events. These included the Pacific Employment Expo (Pacific Island Tagaloa), Job Search 2020, the Southland Multicultural Employment Readiness Workshop and a Migrant Employment Expo, which was held at the Southern Institute of Technology. Meanwhile, 52 businesses were assisted with their recruitment of skilled migrants.



**Building capacity and capability, encouraging innovation and business competitiveness, and increasing confidence in the Southland region**



**WHAT WE ACHIEVED**

# A regional restart for tourism

**Great South is leading the rejuvenation of the Southland tourism sector to deliver the best outcomes for the Southland region and its future visitors. While there is a focus on local, regional and domestic markets, this presents an opportunity to build strong foundations for the sector before the return of international visitors. It is working to shape Southland as a preferred visitor destination and to position Invercargill as the gateway to Southland.**

**REGIONAL TOURISM ORGANISATION ALIGNMENT**

There are 31 regional tourism organisations in New Zealand, two of which are in Southland. One encompasses Fiordland only, the other the rest of Southland. On 1 April 2021, Great South assumed responsibility for the Fiordland RTO (previously known as Destination Fiordland), and is now managing it as well as the Southland RTO it already managed. These RTOs were renamed Visit Fiordland and Visit Southland. The alignment creates operating efficiencies, particularly in marketing, and means greater representation of the region at domestic and international tourism trade shows. Great South now has increased presence in Fiordland, with a Te Anau-based office. This makes it easier for Fiordland’s tourism businesses to access support from Great South’s Invercargill-based services.

**COVID’S IMPACT ON THE SECTOR**

**Economic Impact**

COVID-19 and a lack of international visitors severely impacted the tourism sector, particularly in Fiordland where visitor spend was down 35% on the previous year. And, as acknowledged in the Southland Post COVID-19 Scenario Analysis report commissioned by Great South, the tourism sector is likely to be

impacted for some time.

Conversely, some parts of the region, such as Stewart Island, have experienced an especially busy period. This presented its own challenges for tourism operators, faced with a lack of skilled staff and burnout. Therefore, Great South has managed the needs of the tourism sector on a community-by-community basis.

**Government Support**

Visit Southland RTO received \$700,000 from the Government’s Strategic Tourism Assets Protection Programme (STAPP)\*, set up to ensure the survival of the tourism sector through the disruption caused by COVID-19. Funding was allocated according to an agreed investment plan, based on Government priorities. These included destination marketing, building tourism operator capability and destination management. Great South created two new roles in destination development and tourism marketing to support implementation of this plan. Funding was also used for digital marketing workshops to support businesses to refocus their activities on the domestic market.

Of the \$747,950 COVID-19 Business Advisory funding distributed in Southland, almost \$380,000 was administered to tourism businesses, most of which were Fiordland-based.

*\*Note: The Fiordland RTO also received STAPP funding before Great South assumed responsibility on 1 April.*

**Support For Fiordland**

Fiordland was one of five areas in New Zealand identified by the Government as being hardest hit by a lack of international visitors. The other regions were Westland, Queenstown Lakes, Mackenzie District and Kaikōura. In May, the Government announced a \$200 million Tourism Communities: Support, Recovery and Re-set Plan to help these communities. As the lead delivery agency for this fund in Southland, Great South worked

with MBIE to define criteria for the grants that became available in 2021, as well as the Kickstart Fund, and is working one-on-one with businesses to ensure they receive the support they require.

**I-SITE Closure**

With international borders closed due to COVID-19, Great South made the difficult decision to close the Invercargill i-SITE in December 2020. That decision will be reviewed when international visitors return, which will align with the national review of i-SITEs currently underway.

**SOUTHLAND MURIHIKU DESTINATION STRATEGY**

A review of the Southland Murihiku Destination Strategy released in December 2019 showed it remained fit for purpose, despite the significant impacts of Covid on tourism. Given the extremely competitive tourism sector while international borders remain closed, it highlighted the need to prioritise projects based on the region’s unique selling points.

The Strategy included short and long-term goals to develop the sector in a sustainable way, and with STAPP funding made available, implementation got underway more swiftly than anticipated. More than two thirds of the 68 recommendations included are either already complete or underway. Key activities included: hosting leading astronomers on Rakiura Stewart Island and in Fiordland to upskill tourism operators on dark skies opportunities, working with Eat NZ to inform the development of a regional food tourism strategy, and investigating the opportunity to position Southland as the agritourism capital of New Zealand. In addition, the transformational draft Bluff Motupōhue Tourism Master Plan was consulted on and released for public feedback (44 submissions were received).

One of the key priorities of the Destination Strategy was securing Air New Zealand’s direct Auckland-Invercargill jet service.

Approximately one third of all domestic visitors to Southland during the year were from Auckland, no doubt helped by this service.

In readiness for the completion of Invercargill CBD developments, promotion of Invercargill as the southern gateway to the region was a focus of marketing activity.

**PROMOTING SOUTHLAND AS A PREFERRED PLACE TO VISIT**

Great South promotes and inspires travel to Southland via its Southland NZ brand, as well as its newly acquired ‘Fiordland Beyond Belief’ brand, including websites and social media.

Great South delivered 74 media activations (resulting in 167 media results) plus five campaigns – a significant increase on the previous year. Major marketing activity included a re-boot of the ‘Speechless in Southland’ campaign, in partnership with Air New Zealand, and the launch of ‘You’re Due South’. The latter campaign was designed to stimulate domestic tourism by getting people to move Southland off their bucket list and onto their ‘do it now’ list. Targeting travellers with differing interests – ‘history buff’, ‘foodie’, ‘free spirit’, ‘explorer’ and ‘adventurer’ – it connected them to relevant travel itineraries on the SouthlandNZ.com website. Another highlight for regional promotion during the year was Air New Zealand’s inflight safety video in December 2020, heavily featuring Fiordland and Stewart Island, with Gore also included.

**Digital Image Library**

A digital library with more than 2500 images and videos available for public use was launched in August 2020 and is already proving an invaluable tool for organic promotion of the region. It means media outlets and local tourism operators and organisations wanting to promote Southland can easily access images free of charge. As at 30 June 2021, more than 260 users had signed up. The library can be accessed via either the Great South or Southland NZ websites.



**Leveraging the potential of tourism to build Southland’s reputation as a preferred place to visit, live and work**

WHAT WE ACHIEVED

# Strengthening Southland’s events sector

**Events have long brought benefits to the Southland region, and Great South is focusing on strengthening the local events sector as a key driver for domestic tourism. It is also working to strengthen Southland’s position as a preferred conference destination.**

### SUPPORTING AND ATTRACTING DESTINATION EVENTS

#### Southland Murihiku Events Strategy

A significant milestone this year was completing the Southland Murihiku Events Strategy, which was one of the key recommendations of the Southland Murihiku Destination Strategy. The process to the Strategy involved partnering with local rūnanga, event funders, key stakeholders and others across the region’s events sector. While international borders are closed, a short-term priority of the Strategy was to leverage the potential of events to drive domestic visitation.

#### Regional Event Funding

Great South partnered with MBIE on the Regional Events Fund,

which allocated \$442,000 to the Visit Southland RTO and \$850,000 to the Visit Fiordland RTO. A significant portion was made available via two contestable funds for either existing or new events that would encourage out of region visitation. The inaugural funding round in April 2021, saw a total of \$287,500 allocated to eight events and projects within the Fiordland RTO and four events within the Southland RTO.

#### Support For Existing Destination Events

Great South has identified and is working with the organisers of 36 key regional and premier events to help them with their individual marketing plans. For these events, Great South produced promotional videos, photos and editorial copy to aid consistency in future promotion. Raising the profile of individual events is important not only for attendance and participation, but to raise Southland’s profile as an events destination and attract out of region visitors (particularly while the international borders are closed).

#### Cluster Marketing

Over the summer, Great South packaged and promoted Southland-based events involving wheels of some kind.

Among the events included were the Burt Munro Challenge, MLT Moonshine Trail and the Otautau Car Show.

In the lead up to ILT Kidzone, a winter family escape package was created, aligning family-friendly businesses in Invercargill with the Festival.

This cluster marketing technique is one that will be used with other themes in the future.

#### ILT Kidzone

Unfortunately, Great South’s major event for 2020, the ILT Kidzone Festival was cancelled due to COVID-19. However, the event held in early July 2021 was very successful with several days sold out. After 15 years of holding the festival at James Hargest College, the 2021 event was held at Southland Girls High School, with the theme ‘adventure’.

#### Burt Munro Challenge

Great South was heavily involved with support work for major Southland event the Burt Munro Challenge. Encouraging visitors to extend their length of stay in Southland and to visit

destinations outside of Invercargill was a priority of event marketing activity.

### PROFILING SOUTHLAND AS A CONFERENCE DESTINATION

Great South has always been involved with attracting conferences to Southland. To better reflect the nature of this work, it has rebranded this activity to Business Events Southland

As well as attending national events to promote Southland as a business events destination, Great South has been working locally with Southland venues and accommodation providers to help them develop high quality promotional collateral, to better attract events.

Extra effort has been placed on attracting business events and incentive travel to Fiordland. When business events are held in Invercargill, the opportunity for attendees to extend their stay and travel to other parts of the region is being encouraged.

Great South received \$35,000 in funding from Tourism New Zealand to develop a Business Events Strategy, to be developed in 2022.



**Profiling Southland’s diverse range of events to give visitors further motivation to visit Southland and explore what the region has to offer**

# Regional economic development

CONTRIBUTION	SERVICE LEVEL STATEMENT	TARGET	ACTUAL	2020/2021
<b>Identify and support opportunities that encourage economic development, sector extension and resilience and that support new investment into the region</b>	Investigate opportunities that diversify the economy	Deliver and increase investment for ground station services	Result: 128% increase on previous year	New Zealand's first commercial satellite antenna for communicating with low earth orbit satellites, owned by Great South, was opened in September 2020.  With increasing international demand for its space operations services, Great South announced its proposal to build a second Satellite Ground Station in Northland and has since formed new company Space Operations NZ Ltd. The company is a wholly owned subsidiary of Great South.
		Support the development of the aquaculture industry	Result: Two investment opportunities supported	Great South has had contact with two companies interested in developing high-value products from pest and other seaweeds found in the natural environment. Commercial and research entities are advancing these opportunities.
		Investigate the potential of land-use initiatives and associated products	Result: Cornerstone funding received for NZ Functional Foods	NZ Functional Foods Ltd. (NZFF) is continuing Great South's work in the oats industry, seeking funding to build New Zealand's first carbon neutral plant-based beverage factory in Makarewa. Great South is continuing to support NZFF.  Great South has developed digital tools that offer insights useful for identifying hazards that impact land, as well as best use of land according to its characteristics. These tools will be of particular benefit to Councils and farmers.  Great South is investigating new vegetable-based industries that could be commercialised at scale in Southland.
		Support the re-establishment and foundations for development of the tourism industry	<i>Please see Regional Tourism Development section</i>	<i>Please see Regional Tourism Development section for detailed response</i>
		Identify stimulus projects for funding	Result: Business case and application submitted to EECA  Regional terrain data soil carbon and paddock slope map tools created	Great South worked with EECA to secure funding for decarbonisation of inner-city fossil fuel heating systems.  Great South investigated opportunities to build a ground station in Northland.  Data insight tools developed by Great South will have many applications, including for use by farmers and Councils.
		Support funding applications, including PGF	Result: 10 funding applications were completed	A Provincial Growth Fund (PGF) application for the District Heating System was prepared and \$11.7 million was attained for the project.  Updates were provided for the establishment of NZFF's plant-based beverage plant.  Funding was attained for priority areas of the Southland Murihiku Destination Strategy via the Tourism Infrastructure Fund and Strategic Tourism Assets Protection Programme.  Great South worked with Southland District Council on five applications to the Tourism Infrastructure Fund.  Regional Event Funding was secured for Fiordland and Southland Regional Tourism Organisations (RTOs).

Support recovery and resilience through providing valuable data that supports informed decision making	Facilitate opportunities for industry and community collaboration as part of the Thriving Southland initiative	Result: Support provided	Great South provides ongoing support to Thriving Southland.
	Empower a farmer-led response to environmental challenges by supporting the development of a tool that supports environmental and financial planning	Result: Digital elevation and slope map tools developed to support farmers' planning	Emissions abatement pathways for Southland were identified in the Net Zero Southland Report (released soon after the financial year).  Data-driven tools developed by Great South will help farmers make informed decisions about land use. The tools will be available next financial year.
	Provide data and insights on the region's performance to inform decision making	Result: Report commissioned to identify computing power option	A report to identify an option for computing power was commissioned.  Great South has developed products for external clients. Discussions with stakeholders about their data needs, and further products that could be created, are ongoing.
	Provide economic updates and host events on topics of relevance	Result: Economic updates provided	The Southland Region Post-Covid Scenario Analysis was completed and updated following news about the potential closure of the Tiwai Smelter.  The Net Zero Southland Report, with emission abatement pathways for Southland, was released soon after the financial year.  Work began on a Southland housing report.  A survey of Southland's EV and hybrid uptake was undertaken.  A workshop was held for businesses to determine their future should the Tiwai smelter close.
<b>Advocate for improved connectivity, infrastructure and services across the region</b>	Attract investment to the region for improved housing	Result: 237 houses built (net of demolitions)	Great South continues to monitor demand for social and emergency housing and provides data to the SHAF coordinator.  Work began on a Southland Housing report, for release mid-2021.
	Encourage improved connectivity and digital services across the region	Result: Ubiquitous satellite broadband service achieved	Great South facilitated the establishment of ubiquitous satellite broadband service, which is now available throughout Southland.  A report has been commissioned to determine the status of mobile blackspots on main touring routes for 2021/2022.

**SERVICE PERFORMANCE STATEMENTS**

# Business development services

CONTRIBUTION	SERVICE LEVEL STATEMENT	TARGET	ACTUAL	2020/2021
<b>Support businesses at all stages of their recovery by providing the resources and training needed to position them to achieve growth</b>	Manage business development programmes as part of the RBP	Increase number of businesses actively engaged with	Result: 545 businesses engaged with*  Baseline in 2019/20 was 1326 - this was inflated as Great South repurposed itself into a COVID-19 business response call centre  *Not necessarily unique	Great South business growth advisors carried out discovery sessions* with 281 businesses and assessed 264 businesses to determine their eligibility for COVID-19 Advisory Funding.  Key highlights for the quarter: <ul style="list-style-type: none"> <li>• \$747,950 of COVID-19 funding allocated</li> <li>• \$198,679 of Tourism Transition Funding allocated</li> <li>• \$200,662 of capability management vouchers issued.</li> <li>• \$223,412 of Callaghan Innovation Grants allocated</li> <li>• \$439,000 Callaghan R&amp;D loans allocated</li> <li>• 11 businesses registered for business mentors</li> </ul> <i>*Discovery sessions are the one-on-one business consultations carried out by Great South's Business Growth Advisors as part of the Regional Business Partner Network</i>
		Host workshops on relevant topics	Result: 17 workshops held	Seventeen workshops (including nine in Te Anau and Gore) were held on topics including diversification from Tiwai, marketing, digital enablement, health and wellness, carbon, building customer connections, intellectual property and business planning.
		Connect businesses with training opportunities	Result: \$200,000 worth of vouchers allocated to 120 businesses	Great South allocated New Zealand Trade and Enterprise vouchers to 120 businesses during the quarter, equating to more than \$200,000. These vouchers are used to connect businesses with capability building training opportunities across a range of business areas.
<b>Identify initiatives that support the region's transition to a low-emission future and mitigate the impact of climate change</b>	Provide support to businesses and members of the community to insulate themselves against environmental challenges	Increase number of businesses planning carbon reduction strategies	Result: 36 businesses planning carbon reduction strategies  Baseline established during reporting period	Great South developed and delivered a carbon neutral strategy workshop. Four were held, attended by 36 businesses.  The Net Zero Southland Report released early in the next financial year includes pathways that will help businesses to develop their carbon reduction strategies.
		Create a local carbon measurement tool	Result: A carbon measurement tool was created	A local carbon measurement tool was created to assist businesses in mitigating the effects of climate change. This was based on the C40 Cities emission tool and adapted for a New Zealand setting. A guide for using the tool has also been prepared.
		Provide ongoing measurement of Southland's carbon emissions	Result: Southland's carbon emissions were measured	Annual measurement of Southland's carbon emissions is undertaken
		Deliver workshops to increase awareness of environmental initiatives	Result: Five carbon in business workshops held	Five workshops were held to increase awareness of environmental initiatives; four carbon neutral strategy workshops plus a workshop with Southland youth on what they want to see considered for Southland's future from an environmental perspective.

<b>Coordinate initiatives that support the retention of talent in Southland</b>	Strengthen pathways between education and employment through the Southland Youth Futures programme	Increase number of students engaged with	Result: 4191 students engaged with  Baseline established during reporting period	Almost 4,200 students were engaged with via events and activities offered by Great South's Southland Youth Futures.  <i>Note: COVID-19 severely impacted ability to deliver events and activities to young people but regardless, this number far exceeds the full-year target of 2,300 students.</i>
		Increase number of Employer Excellence Partners	Result: 39 Employer Excellence Partners  Baseline established during reporting period	As at 30 June there were 39 Employer Excellence Partners involved in the Southland Youth Futures programme. An event to recognise and thank employer partners was held in November.
		Increase number of at-risk youth worked with	Result: 266 at risk youth worked with  Baseline established during reporting period	Events and activities carried out by the Southland Youth Futures programme reached more than 260 at-risk students.  <i>Note: COVID-19 severely impacted the ability to deliver events and activities to young people.</i>
		Host events that highlight training and employment opportunities available	Result: 109 events held to highlight potential career pathways for Southland youth	The Southland Youth Futures programme delivered 109 events and activities including 24 employability skills presentations, 47 workplace tours, 32 employer talks in schools, five speciality speaker presentations, as well as a 'Girls in Trade Day', a 'Teachers Tech Tour', 'Be the Future of Forestry Day' and 'Eastern Southland Speed Networking Event' and a 'Women in Science' webinar.
<b>Coordinate initiatives that retain skilled migrants in Southland</b>	Connect skilled migrants with employment opportunities in Southland and support local businesses with their recruitment practices	Increase number of skilled migrants engaged with	Result: 228 engaged with directly  Baseline in 2019/20 was 187 skilled migrants engaged with	The Skills Placement Programme engaged directly with 228 newcomers via one-on-one meetings or workshops, resulting in 73 skilled migrants finding employment in Southland. With attendance at workshops included, a total of 459 newcomers looking for employment opportunities and advice have been engaged with since 1 July 2020.
		Host events that support skilled migrants with their job seeking journey	Result: 15 events held to support skilled migrants to find employment	The Southland Skills Placement Programme was involved in 15 events that supported newcomers to find meaningful employment in Southland – the Pacific Employment Expo, Job Search 2020, the Southland Multicultural Employment Readiness Workshop, SIT Kiwi Work Culture, a Migrant Employment Expo and the Pacific Talanoa.
		Increase the number of businesses supported with the recruitment of skilled migrants	Result: 52 businesses supported with recruitment  Baseline established during reporting period	During the period, 52 businesses were supported with the recruitment of skilled migrants. Of these, 32 were businesses not previously worked with (support for 24 continued from the previous year).

# Regional tourism development

CONTRIBUTION	SERVICE LEVEL STATEMENT	TARGET	ACTUAL	2020/2021
<b>Engage and work alongside industry representatives and key stakeholders to restart the Southland tourism sector</b>	Lead tourism sector coordination and leadership	Increase support for local tourism operators	Result: \$380,000 awarded to tourism businesses from the COVID-19 business advisory funding  Baseline established during reporting period	Great South assumed responsibility for the Fiordland Regional Tourism Organisation, allowing tourism operators in Fiordland greater access to support.  Five workshops on building marketing and digital capability were held in Invercargill, Te Anau and Gore.  In support of operators, marketing campaigns focused on domestic visitation and, for the short time a Trans-Tasman bubble was open, visitors from Australia.
		Participate in interregional collaboration	Result: Great South participated in interregional collaboration on two tourism projects	Great South continues to work alongside neighbouring RTOs to progress the 45 SOUTH touring route initiative.  The Southern Scenic Route MOU was updated.  A partnership plan for the Catlins was developed.
		Act as local, regional, and national tourism stakeholder liaison	Result: \$4.4 million in funding secured*  <i>*An additional \$1.7 million was received for projects identified in the Southland Murihiku Destination Strategy (2021-2022)</i>	Working with MBIE, Great South secured \$700,000 from the Strategic Tourism Assets Protection Programme fund and helped define criteria for the tourism business support and implementation grants.  Working with Southland District Council, five applications to the Tourism Infrastructure Fund were successful, gaining \$3.74 million in funding for projects in Fiordland and on Rakiura Stewart Island.  Great South attended Tourism Connect and the Regional Tourism NZ meeting, connecting with 30 RTOs as well as Tourism New Zealand and MBIE. Initiatives to encourage domestic tourism and addressing COVID-19 challenges were shared.
<b>Embrace a holistic approach to planning for and sustainably growing the visitor economy</b>	Champion the Southland Murihiku Destination Strategy	Increase overnight visitation (dependent on the government determining new source of measurement for this)	Result: 691,100 guest nights for Fiordland and Southland  Baseline established during reporting period*  <i>*Due to changes in MBIE reporting, a comparison with the same period last year is not possible - this information was obtained through the Accommodation Data Program</i>	Southland RTO: Total guest nights for the Southland RTO were 404,400. This data represents 55% of all commercial operators in Southland.  Fiordland RTO: Total guest nights for the Fiordland RTO were 286,700. This data represents 90% of all commercial operators in Fiordland.  Southland Region: AirBnB data shows a 24.2% reduction in booked listing nights, when compared to the same time last year. The exception to this is Rakiura which was up 49.2% on the same period last year.
		Increase tourism expenditure	Result: 16% increase on spend for Southland RTO, 35% reduction for Fiordland RTO	MBIE data shows total visitor spend in Southland RTO was \$231.16 million, a 16% increase on last year. Visitor spend in Fiordland RTO was \$40.28 million, a 35% reduction in spend.

		Activate selected projects in the Strategy	Result: Four projects activated	Great South continues to progress key focus areas of the Strategy.  • Dark skies workshops with leading astronomers were held on Rakiura Stewart Island and in Fiordland.  • Eat NZ were engaged to complete an opportunity assessment for the development of food tourism in Southland. This will inform the Southland Murihiku Food Tourism Strategy to be released in late 2021.  • The Bluff Motupöhue Tourism Master Plan was developed and released for public feedback, with 44 submissions received.  • Destination Branding: Angus & Associates completed research on perceptions of Southland as a destination which will be used to inform future branding.
<b>Promote and inspire travel to Southland both domestically and internationally</b>	Manage regional tourism organisation services and work with local tourism operators, media and industry representatives to position Southland as a preferred place to visit	Increase media presence and features in the region	Result: 167 media results recorded  265 users signed up to use digital visual library as at 30 June 2021  Baseline established during reporting period	Great South hosted 20 media famils, delivered five campaigns and provided content for 37 publications.  Southland featured heavily in an Air NZ Safety video.  Two major campaigns were delivered:  • Speechless in Southland – resulted in nearly seven million digital impressions.  • "You're Due South" – resulted in almost 1.5 million paid digital impressions, more than 60,000 video views, and was viewed by 220,000 Aucklanders.  An image and video library for public use was launched, making it easier for media outlets, businesses and members of the community to promote Southland with quality images.
		Support product development	Result: Two workshops held	103 new listings were added to Great South's regional promotion website southlandnz.com.  Workshops for tourism operators wanting to get involved with dark sky tourism were held on Rakiura Stewart Island and in Te Anau.  Great South continues to provide visitor insights to support the investigation of product development and business opportunities. A Data Analyst was employed to strengthen this ability.
		Increase digital presence via website traffic and social media channels	Southlandnz.com Page views: 973,088 Users: 302,136 Sessions: 408,851  Southland NZ social media: 144,876 followers  Fiordland.org.nz Page views: 289,697 Users: 108,116 Sessions: 149,898  Fiordland Beyond Belief social media: 23,760 followers	The Southland NZ and Fiordland Beyond Belief brands continue to grow their digital reach and engagement across their respective digital channels.  Southland NZ remains 5th out of 31 RTOs based on number of followers.  Fiordland Beyond Belief remains 24th out of 31 RTOs based on number of followers.

**SERVICE PERFORMANCE STATEMENTS**

# Regional events delivery

CONTRIBUTION	SERVICE LEVEL STATEMENT	TARGET	ACTUAL	2020/2021
<b>Profile Southland's range of events to give people further motivation to stay in Southland</b>	Support the development of the events sector	Facilitate the development of the Southland Regional Events Strategy	Result: Southland Murihiku Events Strategy released	The Southland Murihiku Events Strategy was launched in March 2021. Southland secured \$1,292,444 in funding from the Regional Events Fund. \$207,500 was distributed to events within the Fiordland RTO and \$80,000 to events within the Southland RTO. A Fiordland Events Advisor role was established.
	Support the delivery and encourage the attraction of destination events	Deliver the ILT Kidzone Festival	Result: ILT Kidzone cancelled due to Covid	The 2020 ILT Kidzone Festival had to be cancelled due to COVID-19 lockdown levels. It was announced the 2021 event would be moving to Southland Girls High School.
<b>Support event delivery to enhance regional wellbeing and encourage vibrancy and diversity across the region</b>	Support the delivery of community events	Provide support to events across Southland	Result: Support provided for 36 destination events	Great South is working with 36 destination events identified in the Southland Murihiku Events Strategy, offering networking, educational opportunities, and marketing support. Tools were made available to event organisers to help them run events under Covid levels. High level support was provided for the Burt Munro Challenge, with a focus on extending visitors' length of stay and visitation outside of Invercargill. Cluster marketing campaigns were used to promote smaller events alongside larger regional events, such as the Southland Summer Wheels campaign. Support was given to Hospitality New Zealand Southern Branch for its inaugural Savour the South event.
	Profile Southland as a preferred conference destination	Increase number of conferences prospecting	Result: 24 business events prospecting Baseline established during reporting period	The Southland Convention Bureau was rebranded to Business Events Southland. Great South worked with Southland venues and accommodation providers to help attract business events. Great South received \$35,000 from Tourism New Zealand to develop a Business Events Strategy (for release in 2022).

# Corporate report

For the year ended June 2021

## OWNERSHIP

Southland Regional Development Agency (trading as Great South) is a Limited Liability Company incorporated and registered under the New Zealand Companies Act 1993. With Class A shareholders of Invercargill City Council, Southland District Council, Gore District Council and Environment Southland, Great South is a council-controlled organisation as defined in Section 6 of the 2002 Local Government Act.

## DIRECTOR INFORMATION

Existing Directors: Ian Collier (Chair), Lucy Griffiths and Maria Pera  
 Directors retired in August 2020: Dean Addie and Joc O'Donnell  
 Directors appointed in September 2020: Jason Franklin, Jeff Grant, Peter Heenan and Rachel Lindsay

## Directors interests

The following tables register the interests of the Directors:

### Ian Collier – Register of interests

- BOP Machinery and Equipment Limited - Shareholder
- Glenross Forest GP Limited - Shareholder
- Justice of the Peace
- Queenstown Resort College - Contract work
- Wairarapa A&P Society - Board Member

### Lucy Griffiths – Register of interests

- Brackenridge Country Retreat and Spa - Chair / Shareholder
- Hokai Tahī - Chair/Trustee
- Innov8 Aotearoa Ltd - Owner / Director
- Masterton Community Trust - Elected Trustee
- Mirrabooka Ltd - Director
- Skyline Enterprises - Shareholder
- Sustainable Food & Fibre Futures Fund (MPI) - Chair Independent Advisory Panel
- Telfer Properties Martinborough Limited - Director / Shareholder
- Trust House Foundation - Trustee
- Trust House Ltd - Director

### Maria Pera – Register of interests

- Federation of Maori Authorities (FOMA) - South Island Rep
- Kaitahu Tai Whenua Trust - Chair
- Mast Limited - Director / Shareholder
- Mataura and Districts Marae Society Incorporated - Vice Chair
- Murihiku Holdings - Chair
- Ngai Tahu Seafood (NTS) - Director
- Te Puni Kokiri Maori Development - Senior Advisor

### Jeff Grant – Register of interests

- DNG Holdings (Property Company) - Director
- Invercargill City Council Governance Group (External Appointment) - Chair
- Lakeland Wanaka Limited (Tourism Business) - Director / Shareholder
- Lincoln / Massey Agriculture Industry Trust - Trustee
- NS Vets - Shareholder
- Thriving Southland - Chairman
- Tower Hill Trust (Farm) - Director / Shareholder

### Jason Franklin – Register of interests

- Canoldir Investments Limited - Director / Shareholder
- Electricity Networks Association - Director
- Highlanders Provincial Union GP Limited - Director
- PowerNet Limited - Director / Chief Executive
- PowerNet Limited subsidiaries and/or associated companies: OtagoNet, OtagoNet Properties, PoerNet Central - Director
- Power Services Limited - Director
- SmartCo Limited - Director

### Peter Heenan – Register of interests

- A4 Somerset Development Limited - Director
- Allied Concrete Limited - Director
- Allied FH Limited - Director
- Allied Petroleum Limited - Director
- Allied Queenstown Concrete Limited - Director
- BCL Management Limited - Director
- Bond Contracts Limited - Director
- Cass Street Recycling Limited - Director
- Hauwai Energy Limited - Director
- Hospice Southland - Trustee
- Hospice Southland Charitable Trust - Trustee / Secretary
- HWR Finance Limited - Director
- HWR Leasing Limited - Director
- HWR Property Limited - Director
- HW Richardson Group Limited - Executive Director Finance
- HW Richardson Trustee Company Limited - Director
- Institute of Directors Otago Southland - Branch Committee Member
- International Specialty Aggregates Limited - Director
- Lochiel Technology Limited - Shareholder
- MyTransport Innovations Limited - Director
- Northmark Trustee Limited - Director
- PEDE Provisions Limited - Director / Shareholder
- Rangitikei Aggregates Limited - Director
- Southern Aggregates Limited - Director
- Southroads Limited - Director
- Toedluge Limited - Director

### Rachel Lindsay – Register of interests

- AWS Holding Trustee - Director
- AWS Legal - Board Member / Partner
- Southern Light Investors Limited - Shareholder
- Southland Standards Committee - Member
- The Lawlink Group Limited - Shareholder
- Tuatapere Hump Ridge Track Limited - Director

## FINANCIAL STATEMENTS

## Statement of financial position

As at 30 June 2021

	Notes	2020/2021	2019/2020
<b>Assets</b>			
<b>Current Assets</b>			
Cash and Cash Equivalents	See Note 6 (Page 32)	1,657,332	1,828,949
Trade and Other Receivables	See Note 7 (Page 33)	2,091,715	439,772
Prepayments		16,667	58,291
Stock on Hand		-	8,302
<b>Total</b>		<b>3,765,713</b>	<b>2,335,314</b>
<b>Non-Current Assets</b>			
Deferred Tax Asset	See Note 5 (Page 32)	36,162	21,526
Property, Plant and Equipment	See Note 8 (Page 33)	699,328	454,428
Intangible Assets	See Note 12 (Page 34)	100,000	293,138
Assets Under Construction		-	14,314
Work in Progress	See Note 9 (Page 33)	295,865	-
Investments in Other Entities	See Note 14 (Page 34)	434,412	-
<b>Total</b>		<b>1,565,768</b>	<b>783,407</b>
<b>Total Assets</b>		<b>5,331,481</b>	<b>3,118,720</b>
<b>Liabilities</b>			
<b>Current Liabilities</b>			
Trade and Other Payables	See Note 10 (Page 33)	757,101	382,238
Employee Entitlements	See Note 4 (Page 32)	265,073	211,216
Finance Lease		15,709	18,315
Income Tax Payable	See Note 5 (Page 32)	19,280	51,434
Income Received in Advance	See Note 11 (Page 34)	2,398,351	1,023,456
<b>Total</b>		<b>3,455,514</b>	<b>1,686,658</b>
<b>Non-Current Liabilities</b>			
Finance Lease		11,585	27,294
<b>Total</b>		<b>11,585</b>	<b>27,294</b>
<b>Total Liabilities</b>		<b>3,467,099</b>	<b>1,713,952</b>
<b>Net Assets</b>		<b>1,864,382</b>	<b>1,404,768</b>
<b>Equity and Reserves</b>			
Share Capital		1,338,421	1,338,421
Retained Earnings		525,961	66,347
<b>Total Equity and Reserves</b>	See Note 15 (Page 35)	<b>1,864,382</b>	<b>1,404,768</b>



28 June 2022

Ian Collier - Chair

Date Signed



28 June 2022

Peter Heenan - Director

Date Signed

## Statement of comprehensive revenue and expense

For the year ended 30 June 2021

	Notes	2020/2021	2019/2020
<b>Revenue</b>			
<b>Class A Shareholder Funding</b>			
Core		1,600,000	1,380,000
Contract		1,505,786	1,280,000
<b>Total</b>	<b>See Note 3 (Page 31)</b>	<b>3,105,786</b>	<b>2,660,000</b>
<b>Other Revenue</b>			
Service Revenue	See Note 3 (Page 31)	2,256,491	1,296,510
Project Revenue	See Note 3 (Page 31)	1,275,039	443,546
Gain on Fair Value of Investments		499,749	-
Other Revenue		162,865	5,790
<b>Total</b>		<b>4,194,143</b>	<b>1,745,845</b>
<b>Total Revenue</b>	<b>See Note 3 (Page 31)</b>	<b>7,299,929</b>	<b>4,405,845</b>
<b>Expenditure</b>			
<b>Project and Service Expenditure</b>			
Regional Economic Development		1,830,278	804,472
Business Development Services		862,641	588,866
Regional Tourism Development		1,534,205	933,221
Regional Events Delivery		573,604	556,449
Regional Wellbeing		(240)	67,333
<b>Total</b>		<b>4,800,488</b>	<b>2,950,342</b>
<b>Core Expenditure</b>			
Audit Fees		51,451	45,123
Directors Fees		91,140	101,740
Employee Expense		861,058	771,930
Interest Expense		2,417	954
Depreciation and Amortisation	See Notes 8 & 12 (Pages 33 & 34)	276,752	58,975
Other Overheads		738,360	513,808
<b>Total</b>		<b>2,021,179</b>	<b>1,492,530</b>
<b>Total Expenditure</b>		<b>6,821,667</b>	<b>4,442,872</b>
Share of Surplus/(Deficit) From Joint Venture		(65,439)	-
<b>Net Surplus Before Tax</b>		<b>412,824</b>	<b>(37,027)</b>
Tax Expense	See Note 5 (Page 32)	(46,790)	29,908
<b>Total Comprehensive Revenue and Expense</b>		<b>459,614</b>	<b>(66,934)</b>

**FINANCIAL STATEMENTS****Statement of changes in equity**

	Notes	2020/2021	2019/2020
Opening Balance (At 1 July)		1,404,768	133,281
<b>Equity</b>			
<b>Comprehensive Revenue and Expense</b>			
Comprehensive Revenue and Expense		459,614	(66,934)
<b>Total</b>	<b>See Note 15 (Page 35)</b>	<b>459,614</b>	<b>(66,934)</b>
<b>Share Capital</b>			
Share Capital Issued		1,350,421	1,350,421
Uncalled Share Capital		(12,000)	(12,000)
<b>Total</b>	<b>See Note 15 (Page 35)</b>	<b>1,338,421</b>	<b>1,338,421</b>
<b>Total Equity</b>		<b>1,864,382</b>	<b>1,404,768</b>
<b>Attributable To:</b>			
Equity Holders of The Company		1,864,382	1,404,768
Closing Balance (At 30 June)	See Note 15 (Page 35)	1,864,382	1,404,768

**Statement of cash flows**

	Notes	2020/2021	2019/2020
Cash and Cash Equivalents Beginning of Year (1 July)		1,828,950	345,000
<b>Cash Flow From Operating Activities</b>			
Receipts From Shareholder Investment		3,105,786	2,660,000
Receipts From Other Operating Activities		3,388,978	2,444,981
Interest Received		-	-
Payments to Suppliers		(2,528,077)	(1,624,299)
Payments to Employees		(3,475,975)	(2,486,818)
Interest Paid		(2,416)	(954)
Net GST Movement		(161,531)	(72,136)
<b>Net Cash Flow From Operating Activities</b>		<b>326,765</b>	<b>920,774</b>
<b>Cash Flow From Investing Activities</b>			
Purchases of Fixed Assets		(498,382)	(475,246)
Purchases of Intangibles		-	(299,999)
<b>Net Cash Flow From Investing Activities</b>		<b>(498,382)</b>	<b>(775,245)</b>
<b>Cash Flow From Financing Activities</b>			
Issue of Share Capital		-	1,338,421
<b>Net Cash Flow From Financing Activities</b>		<b>-</b>	<b>1,338,421</b>
<b>Net Increase/(Decrease) In Cash and Cash Equivalents</b>		<b>(171,617)</b>	<b>1,483,950</b>
Cash and Cash Equivalents End of Year (30 June)	See Note 6 (Page 32)	1,657,333	1,828,950

**Notes to the financial statements****NOTE 1: STATEMENT OF ACCOUNTING POLICIES****REPORTING ENTITY**

Southland Regional Development Agency Ltd is a New Zealand registered company under the Companies Act 1993, and is deemed to be a Council Controlled Organisation under section 6 of the Local Government Act 2002.

Southland Regional Development Agency (trading as Great South) was established as Southland's regional development agency in March 2019. The registered office for Southland Regional Development Agency is 143 Spey Street, Invercargill.

Committed to driving economic, social and cultural growth, Southland Regional Development Agency has a clear mandate to leverage opportunities for Southland in the areas of economic and business development, tourism and events. This involves incorporating Southland's Regional Tourism Organisations, central government's Regional Business Partner (RBP) Network, delivering a range of events, regional initiatives, and government-funded contracts that pave the way for regional development.

**BASIS OF PREPARATION**

The financial statements have been prepared on a going concern basis, and the accounting policies have been applied consistently throughout the year.

**STATEMENT OF COMPLIANCE**

The financial statements 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). Southland Regional Development Agency 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.

**COVID-19**

The Company has not been adversely impacted by COVID-19. All existing contracts have remained in place at existing levels of funding, and the company has been successful in receiving additional contracts from government agencies to support the regional response post COVID-19.

**PRESENTATION CURRENCY AND ROUNDING**

The financial statements are presented in New Zealand dollars and all values are rounded to the nearest dollar. The functional currency of Southland Regional Development Agency is New Zealand dollars.

**MEASUREMENT BASE**

The financial statements have been prepared on an historical cost or fair value basis as per policies below.

**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The following particular accounting policies, which materially affect the measurement of the results and financial position, have been applied:

**Revenue**

Revenue is measured at the fair value of consideration received.

Where funding is not conditional and Southland Regional Development Agency has no obligation to deliver a specific event or service, the revenue will be recognised when receipted. Where the funding has conditions attached to it, the funding is recognised as revenue upon entitlement as conditions pertaining to eligible expenditure have been fulfilled. The funding is held as a liability until the specific conditions are met. In certain circumstances funding is not received until after the event, in which case the revenue will be accrued when it is highly probable the

funding will be received.

Revenue from ticket sales is recognised upon receipt unless the terms and conditions for the ticket state that Southland Regional Development Agency is required to repay the customer if the event does not take place. Where the terms and conditions contain a refund clause, the revenue will be recognised upon completion of the event.

Revenue from the rendering of services is recognised by reference to the stage of completion at the balance sheet date, based on the actual service provided.

Products held for sale are recognised when a product is sold to the customer. Sales are usually in cash or by credit card. The recorded revenue is the gross amount of the sale, including credit card fees payable for the transaction. Such fees are included in other expenses.

Southland Regional Development Agency acts as an agent for third parties for some transactions. When incurring expenditure as an agent, this is accounted for via the Statement of Financial Position, and not as revenue and expenditure on the Statement of Comprehensive Revenue and Expense. Any revenue component within these transactions will be treated accordingly.

Interest revenue is recognised using the effective interest method.

Volunteer services received are not recognised as revenue or expenditure as Southland Regional Development Agency is unable to reliably measure the fair value of the services received.

**Revenue in Advance**

Revenue in advance is recognised where amounts received are in excess of the amounts recognised as revenue.

**Expenditure**

All expenditure is recognised as incurred unless the liability is known and can be reasonably estimated, in which case the expenditure is accrued.

**Foreign Exchange Transactions**

Foreign currency transactions are translated into NZ\$ (the functional currency) using the spot exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the surplus or deficit.

**Goods and Services Tax (GST)**

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

The net amount of GST recoverable from, or payable to, the Inland Revenue Department (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 an operating cash flow in the Statement of Cash Flows.

**Income Tax**

Income tax expense in relation to the profit or loss for the period comprises current tax and deferred tax.

Current tax is the amount of income tax payable based on the taxable profit for the current year, plus any adjustments to income tax payable in respect of prior years. Current tax is calculated using rates that have been enacted or substantively enacted by balance date.

Deferred tax is not recognised if the temporary difference arises from the initial recognition of goodwill or from the initial recognition of an asset and liability in a transaction that is not a business combination, and at the time of the transaction, affects neither accounting profit nor taxable profit. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised, using tax rates that have been enacted or substantively enacted by balance date.



# FINANCIAL STATEMENTS

Current tax and deferred tax is charged or credited to the Statement of Comprehensive Revenue and Expense, except when it relates to items charged or credited directly to equity, in which case the tax is dealt with in equity.

## Equity

Equity is the shareholders interest in Southland Regional Development Agency, as measured by total assets less total liabilities.

## Cash and Cash Equivalents

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

## Trade and Other Receivables

Trade and other receivables are initially measured at fair value and subsequently measured at cost, amortised where necessary, using the effective interest method, less any provision for impairment.

A receivable is considered impaired when there is evidence that Southland Regional Development Agency will not be able to collect the amount due. The amount of the impairment is the difference between the carrying amount of the receivable and the present value of the amounts expected to be collected.

## Property, Plant and Equipment

Property, plant, and equipment consists of the following asset classes: buildings, furniture and fittings, office equipment, plant and equipment, ground station equipment, ILT Kidzone equipment, motor vehicles and land. All asset classes are measured at cost, less accumulated depreciation and impairment losses.

Individual assets were capitalised based on Inland Revenue guidelines. An asset was capitalised if the purchase price was greater than \$500 up until 17 March 2020, when the IRD temporarily increased the low-value assets threshold to \$5,000. The threshold will decrease from \$5,000 to \$1,000 on 16 March 2021.

### Additions

The cost of an item of property, plant and equipment is recognised as an asset if, and only if, it is probable that future economic benefits or service potential associated with the item will flow to Southland Regional Development Agency and the cost of the item can be measured reliably.

In most instances, an item of property, plant and equipment is recognised at its cost. Where an asset is acquired at no cost, or for a nominal cost, it is recognised at fair value when control over the asset is obtained. Work in progress is recognised at cost less impairment and is not depreciated.

Work in progress is recognised at cost less impairment and is not depreciated.

### Disposals

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount of the asset. Gains and losses on disposals are included in the Statement of Comprehensive Revenue and Expense.

### Subsequent Costs

Costs incurred subsequent to initial acquisition are capitalised only when it is probable that future economic benefits or service potential associated with the item will flow to Southland Regional Development Agency and the cost of the item can be measured reliably.

The costs of day-to-day servicing of property, plant, and equipment are recognised in the surplus or deficit as they are incurred.

### Depreciation

Depreciation is provided on a straight-line basis on all property, plant and equipment at rates that will write off the cost of the assets to their estimated residual values over their useful lives. The useful lives and associated depreciation rates of major classes of assets have been estimated as follows:

Buildings:	3% - 7%	14.3 - 33.3 years
Furniture & Fittings:	6% - 33%	3 - 16.7 years
IT Equipment:	17.5% - 67%	1.5 - 5.7 years
Ground Station:	10% - 33%	3 - 10 years
ILT Kidzone:	13.5% - 33%	3 - 7.5 years
Vehicles:	13.5%	7.5 years
Land:	0%	

The residual value and useful life of an asset is reviewed, and adjusted if applicable, at each financial year end.

An annual review for impairment is also undertaken on all assets and any impairment loss is recognised in the Statement of Comprehensive Revenue and Expense.

### Impairment of Property, Plant and Equipment

Property, plant and equipment held that have a finite useful life are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable service amount. The recoverable service amount is the higher of an asset's fair value less costs to sell and value in use.

If an asset's carrying amount exceeds its recoverable service amount, the asset is regarded as impaired and the carrying amount is written down to the recoverable service amount. The total impairment loss is recognised in the surplus or deficit.

The reversal of an impairment loss is recognised in the surplus or deficit.

### Value in Use For Non-Cash Generating Assets

Value in use is the present value of the asset's remaining service potential. Value in use is determined using an approach based on either a depreciated replacement cost approach, restoration cost approach, or a service units approach. The most appropriate approach used to measure value in use depends on the nature of the impairment and availability of information.

### Value in Use For Cash Generating Assets

Southland Regional Development Agency does not hold any cash generating assets.

## Intangible Assets

### Goodwill

Goodwill on acquisition of businesses and subsidiaries is included in "intangible assets". Goodwill on acquisition of an associate is included in "investment in other entities" and impairment is considered as part of the overall investment balance.

Goodwill is allocated to cash-generating units for the purposes of impairment testing. The allocation is made to those cash-generating units or groups of cash-generating units that are expected to benefit from the business combination in which the goodwill arose.

### Amortisation

The carrying value of an intangible asset with a finite life is amortised on a straight-line basis over its useful life. Amortisation begins when the asset is available for use and ceases at the date that the asset is derecognised. The amortisation charge for each financial year is recognised in the surplus or deficit.

The useful lives and associated amortisation rates of major classes of intangible assets have been estimated as follows:

Ground Station Lease	3.43%	29.15 years
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Goodwill has been assessed to have an infinite useful life on the basis the business is ongoing. Goodwill is subject to annual impairment testing.

### Impairment of Intangible Assets

Intangible assets that have an indefinite useful life, or are not yet available for use, are not subject to amortisation and are tested annually for impairment.

## Joint Venture

The Company's 49% share of its associate NZ Functional Foods Ltd is equity accounted for in the Companies financial statements.

A joint venture is an entity over which the Company has significant influence and that is neither a subsidiary nor an associate. The Company's investment is accounted for in the financial statements using the equity method. The investment in a joint venture is initially recognised at cost and the carrying amount in the financial statements is increased or decreased to recognise the Company's share of the surplus or deficit in the joint venture after the date of acquisition. Distributions received from a joint venture reduce the carrying amount of the investment in the financial statements.

If the share of deficits of a joint venture equals or exceeds its interest in the joint venture, the Company discontinues recognising its share of further deficits. After the Company's interest is reduced to zero, additional deficits are provided for, and a liability is recognised, only to the extent that the Company has incurred legal or constructive obligation or made payments on behalf of the joint venture. If the joint venture subsequently reports surpluses, the Company will resume recognising its share of those surpluses only after its share of the surpluses equals the share of deficits not recognised.

## Leases

### Operating Leases

An operating lease is a lease that does not transfer substantially all the risks and benefits incidental to ownership of an asset. Payments under these leases are recognised as expenses in the Statement of Comprehensive Revenue and Expense in periods in which they are incurred. Lease incentives received are recognised.

### Finance Leases

A finance lease transfers to the lessee substantially all the risks and rewards incidental to ownership of an asset, whether or not title is eventually transferred. At the start of the lease term, finance leases are recognised as assets and liabilities in the Statement of Financial Position at the lower of the fair value of the leased item and the present value of the minimum lease payments.

The finance charge is charged to the surplus or deficit over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability. The amount recognised as an asset is depreciated over its useful life. If there is no reasonable certainty as to whether the Company will obtain ownership at the end of the lease term, the asset is fully depreciated over the shorter of the lease term and its useful life.

## Payables

Short-term payables are recorded at their fair value.

## Financial Instruments

Southland Regional Development Agency is party to financial instruments as part of its normal operation. These financial instruments give rise to financial assets and liabilities and include cash and on-call deposits, accounts receivable, investments, and accounts payable, deposits held, other financial liabilities and financial guarantees. They also include equity interests in other entities.

All financial instruments are recognised in the Statement of Financial Position on the basis of Southland Regional Development Agency Limited's general and, where applicable, particular accounting policies. All financial instruments disclosed in the Statement of Financial Position are recorded at fair value or amortised cost. Revenue and expenditure arising from these financial instruments is recognised in the Statement of Comprehensive Revenue and Expense.

## Statement of Cash Flows

Cash includes cash and cash equivalents as defined above.

Operating activities include cash received from all revenue sources of Southland Regional Development Agency and cash payments made for the supply of goods and services. Investing activities are those activities relating to the acquisition and disposal of non-current assets. Financing activities comprise the change in equity and debt capital structure of Southland Regional Development Agency Ltd.

## Personnel Costs

### Salaries and Wages

Salaries and wages are recognised as an expense as employees provide services.

### Defined Contribution Superannuation Schemes

Employer contributions to KiwiSaver, the Government Superannuation Fund, and the State Sector Retirement Savings Scheme are accounted for as defined contribution superannuation schemes and are expensed in the surplus or deficit as incurred.

## Employee Entitlements

Employee benefits expected to be settled within 12 months after the end of the period in which the employee renders the related service are measured based on accrued entitlements at current rates of pay. These include salaries and wages accrued up to balance date, annual leave earned to, but not yet taken at balance date. No liability is recognised for sick leave.

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

## Changes in Accounting Policies

There are no other changes in accounting policies during the financial year.

## CRITICAL ACCOUNTING ESTIMATES AND ASSUMPTIONS

In preparing these financial statements, Southland Regional Development Agency has made estimates and assumptions concerning the future. These estimates

and assumptions may differ from the subsequent actual results. Estimates and assumptions are continually evaluated and are based on historical experience and other factors, including expectations or 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 recognised in the financial statements are described in the notes to the financial statements.

## NOTE 2: TOTAL OPERATING REVENUE

	2020/2021	2019/2020
<b>Revenue</b>		
Exchange Revenue	4,544,001	2,959,392
Non Exchange Revenue	2,755,928	1,446,453
<b>Total Revenue</b>	<b>7,299,929</b>	<b>4,405,845</b>

## NOTE 3: REVENUE

	2020/2021	2019/2020
<b>Class A Shareholder Investment</b>		
<b>Core Investment</b>		
Environment Southland	150,000	120,000
Gore District Council	150,000	50,000
Invercargill City Council	800,000	835,000
Southland District Council	500,000	375,000
<b>Total</b>	<b>1,600,000</b>	<b>1,380,000</b>

### Contract Investment

Environment Southland	-	20,000
Gore District Council	60,000	60,000
Invercargill City Council	895,786	825,000
Southland District Council	550,000	375,000
<b>Total</b>	<b>1,505,786</b>	<b>1,280,000</b>
<b>Total Class A Shareholder Investment</b>	<b>3,105,786</b>	<b>2,660,000</b>

## Service Revenue

Invercargill i-SITE	21,784	89,379
Business Sector Support Services	1,172,031	686,285
Satellite Ground Station	1,062,675	465,477
Other Service Revenue	-	55,369
<b>Total Service Revenue</b>	<b>2,256,491</b>	<b>1,296,510</b>

## Project Revenue

Community Trust South	123,681	39,574
Carbon Neutral Advantage	162,153	107,528
Event Delivery	86,686	220,056
Regional Event Fund	141,083	-
Tourism	448,901	-
Other	312,535	76,388
<b>Total Project Revenue</b>	<b>1,275,039</b>	<b>443,546</b>

# FINANCIAL STATEMENTS

## NOTE 4: PERSONNEL EXPENDITURE

At 30 June 2021 there were 42 full-time employees (2020: 33) with the balance of staff representing 1 FTE (2020: 1).

	2020/2021	2019/2020
<b>Employee Remuneration</b>		
Salaries and Wages*	3,386,766	2,430,130
KiwiSaver Contributions	88,996	67,147
Increase/(Decrease) in Employee Entitlements	53,857	199,945
<b>Total Employee Remuneration</b>	<b>3,529,619</b>	<b>2,697,222</b>
<b>Director Remuneration</b>		
Ian Collier - Chair	23,940	42,940
Dean Addie	3,150	12,600
Sarah Brown	-	8,400
Lucy Griffiths	12,600	12,600
Joc O'Donnell	1,050	12,600
María Pera	12,600	12,600
Jeff Grant	9,450	-
Jason Franklin	9,450	-
Peter Heenan	9,450	-
Rachel Lindsay	9,450	-
<b>Total Director Remuneration</b>	<b>91,140</b>	<b>101,740</b>
<b>Total Remuneration By Band for Employees for the Year</b>		
\$120,000 - \$129,999	1	2
\$130,000 - \$139,999	2	1
\$160,000 - \$169,999	1	1
\$170,000 - \$179,999	-	1
\$250,000 - \$259,999	1	-
<b>Employee Entitlements</b>		
Salaries and Wages	120,968	124,673
Annual and Other Leave Entitlements	144,105	86,543
<b>Total Employee Entitlements</b>	<b>265,073</b>	<b>211,216</b>

\* Salaries and wages reported on the Statement of Comprehensive Revenue and Expense differs from above as salaries and wages are also included in project and service delivery expenditure.

### Severance Payments

During the year two severance payments totalling \$36,767 were made to two employees (2020: nil). The value of each severance payment was \$28,000 and \$8,767.

## NOTE 5: INCOME TAX

	2020/2021	2019/2020
<b>Surplus/(Deficit) for the Year</b>	<b>412,824</b>	<b>(37,027)</b>
2018/19 Year End Adjustment*	-	133,281
Non-Taxable Revenue	-	-
Gain on Investment	(499,749)	-
Share of Surplus/(Deficit) From Joint Venture	(65,439)	-
Distribution From Venture Southland Trust	(157,480)	-
Non Deductible Expenditure	11,859	10,559
<b>Tax at 28%</b>	<b>(46,790)</b>	<b>29,908</b>
Plus/(Less) Effect of - Balance Brought Forward	51,434	-
Temporary Differences - Provisions	14,636	21,526
<b>Income Tax Liability</b>	<b>19,280</b>	<b>51,434</b>
Current Tax	19,280	51,434
Prior Year Tax Expense	(29,908)	-
Deferred Tax	(36,162)	(21,526)
<b>Tax Expense</b>	<b>(46,790)</b>	<b>29,908</b>

	Recognised in	
	Profit or Loss	Equity
<b>Deferred Tax Asset</b>		
<b>Balance at 1 July 2019</b>	-	-
Movements	-	-
Provisions	21,526	-
<b>Balance at 30 June 2020</b>	<b>21,526</b>	<b>-</b>
<b>Balance at 1 July 2020</b>	<b>21,526</b>	<b>-</b>
Movements	-	-
Provisions	14,636	-
<b>Balance at 30 June 2021</b>	<b>36,162</b>	<b>-</b>

## NOTE 6: CASH AND CASH EQUIVALENTS

Southland Regional Development Agency Ltd banks with Westpac and the funds are held in cheque accounts (with interest rates between 0.00% and 0.05%) (2020: between 0.00% and 0.10%).

	2020/2021	2019/2020
<b>Cash and Cash Equivalents</b>		
Cheque Accounts	1,657,090	1,828,257
Cash Floats	242	692
<b>Total Cash and Cash Equivalents</b>	<b>1,657,332</b>	<b>1,828,949</b>

## NOTE 7: TRADE AND OTHER RECEIVABLES

Receivables have increased in the 2020/21 year due to the timing of invoicing for shareholder funding.

No provision for doubtful debts has been applied.

	2020/2021	2019/2020
<b>Trade and Other Receivables</b>		
Trade Receivables	746,198	269,595
Accrued Revenue	283,244	167,177
Related Party Receivables (Note 17)	1,012,073	3,000
GST Receivable	50,200	-
<b>Total Trade and Other Receivables</b>	<b>2,091,715</b>	<b>439,772</b>
Receivables From Exchange Transactions	2,041,515	439,772
Receivables From Non-Exchange Transactions	50,200	-
<b>The Ageing Profile of Receivables at Year End</b>		
Not Past Due	1,746,653	406,147
Past Due 1 - 60 Days	32,413	-
Past Due 61 - 120 Days	269,119	19,490
Past Due > 120 Days	43,530	14,136

## NOTE 8: PROPERTY, PLANT AND EQUIPMENT

	Buildings	Furniture & Fittings	IT Equipment	Ground Station	ILT Kidzone Equipment	Vehicles	Land	Total
<b>Cost</b>								
<b>Balance at 1 July 2019</b>	-	-	-	-	-	-	-	-
Additions	223,594	52,485	84,953	68,157	51,852	25,500	-	<b>506,542</b>
Disposals	-	-	-	-	-	-	-	-
<b>Balance at 30 June 2020</b>	<b>223,594</b>	<b>52,485</b>	<b>84,953</b>	<b>68,157</b>	<b>51,852</b>	<b>25,500</b>	<b>-</b>	<b>506,542</b>
<b>Balance at 1 July 2020</b>	<b>223,594</b>	<b>52,485</b>	<b>84,953</b>	<b>68,157</b>	<b>51,852</b>	<b>25,500</b>	<b>-</b>	<b>506,541</b>
Additions	28,121	15,859	39,138	115,396	-	-	130,000	<b>328,514</b>
Disposals	-	-	-	-	-	-	-	-
<b>Balance at 30 June 2021</b>	<b>251,715</b>	<b>68,344</b>	<b>124,092</b>	<b>183,553</b>	<b>51,852</b>	<b>25,500</b>	<b>130,000</b>	<b>835,056</b>
<b>Accumulated Depreciation</b>								
<b>Balance at 1 July 2019</b>	-	-	-	-	-	-	-	-
Depreciation Expense	9,763	7,442	13,664	7,007	10,795	3,443	-	<b>52,113</b>
Disposals	-	-	-	-	-	-	-	-
<b>Balance at 30 June 2020</b>	<b>9,763</b>	<b>7,442</b>	<b>13,664</b>	<b>7,007</b>	<b>10,795</b>	<b>3,443</b>	<b>-</b>	<b>52,113</b>
<b>Balance at 1 July 2020</b>	<b>9,763</b>	<b>7,442</b>	<b>13,664</b>	<b>7,007</b>	<b>10,795</b>	<b>3,443</b>	<b>-</b>	<b>52,113</b>
Depreciation Expense	10,753	7,515	40,572	10,206	11,126	3,442	-	<b>83,614</b>
Disposals	-	-	-	-	-	-	-	-
<b>Balance at 30 June 2021</b>	<b>20,516</b>	<b>14,957</b>	<b>54,235</b>	<b>17,213</b>	<b>21,922</b>	<b>6,885</b>	<b>-</b>	<b>135,727</b>
<b>Total Property, Plant &amp; Equipment</b>	<b>231,199</b>	<b>53,387</b>	<b>69,856</b>	<b>166,340</b>	<b>29,931</b>	<b>18,616</b>	<b>130,000</b>	<b>699,328</b>
<b>Carrying Amounts</b>								
<b>At 30 June 2020</b>	<b>213,831</b>	<b>45,043</b>	<b>71,289</b>	<b>61,150</b>	<b>41,057</b>	<b>22,058</b>	<b>-</b>	<b>454,428</b>
<b>At 30 June 2021</b>	<b>231,199</b>	<b>53,387</b>	<b>69,856</b>	<b>166,340</b>	<b>29,931</b>	<b>18,616</b>	<b>130,000</b>	<b>699,328</b>

## NOTE 9: WORK IN PROGRESS

Property, plant and equipment in construction by class is detailed below.

	2020/2021	2019/2020
Ground Station	295,865	-

## NOTE 10: TRADE AND OTHER PAYABLES

	2020/2021	2019/2020
<b>Trade and Other Payables</b>		
<b>Payables Under Exchange Transactions</b>		
Trade Payables	669,295	264,895
Accrued Expenses	87,156	99,970
Related Party Payables and Accrued Expenses (Note 17)	650	5,206
<b>Total</b>	<b>757,101</b>	<b>370,071</b>
<b>Payables Under Non-Exchange Transactions</b>		
Trade Payables	-	4,000
GST Payable	-	8,167
<b>Total</b>	<b>-</b>	<b>12,167</b>
<b>Total Trade and Other Payables</b>	<b>757,101</b>	<b>382,238</b>

# FINANCIAL STATEMENTS

## NOTE 11: INCOME RECEIVED IN ADVANCE

	2020/2021	2019/2020
<b>Income Received in Advance</b>		
<b>Income Received in Advance Under Exchange Transactions</b>		
Income Received in Advance	1,936,178	498,400
Related Party Income Received in Advance	93,700	4,847
<b>Total</b>	<b>2,029,878</b>	<b>503,247</b>
<b>Income Received in Advance Under Non-Exchange Transactions</b>		
Income Received in Advance	-	-
Related Party Income Received in Advance	368,473	520,209
<b>Total</b>	<b>368,473</b>	<b>520,209</b>
<b>Total Income Received in Advance</b>	<b>2,398,351</b>	<b>1,023,456</b>

## NOTE 12: INTANGIBLE ASSETS

	Goodwill	Lease Goodwill	Total
<b>Cost</b>			
<b>Balance at 1 July 2019</b>	-	-	-
Additions	100,000	200,000	300,000
Disposals	-	-	-
<b>Balance at 30 June 2020</b>	100,000	200,000	300,000
<b>Balance at 1 July 2020</b>	100,000	200,000	300,000
Additions	-	-	-
Disposals	-	-	-
<b>Balance at 30 June 2021</b>	100,000	200,000	300,000
<b>Accumulated Amortisation</b>			
<b>Balance at 1 July 2019</b>	-	-	-
Amortisation Expense	-	6,862	6,862
Impairment	-	-	-
<b>Balance at 30 June 2020</b>	-	6,862	6,862
<b>Balance at 1 July 2020</b>	-	6,862	6,862
Amortisation Expense	-	193,138	193,138
Impairment	-	-	-
<b>Balance at 30 June 2021</b>	-	200,000	200,000
<b>Total Intangible Assets</b>	<b>100,000</b>	<b>-</b>	<b>100,000</b>
<b>Carrying Amounts</b>			
<b>At 30 June 2020</b>	100,000	193,138	293,138
<b>At 30 June 2021</b>	100,000	-	100,000

## NOTE 13: COMMITMENTS

	2020/2021	2019/2020
<b>Operating Leases as Lessee*</b>		
<b>Expenditure on Operating Leases as Lessee</b>		
Not later than one year	186,200	157,316
Later than one and not later than five years	439,638	124,597
Later than five years	7,547	44,333
<b>Total Operating Leases as Lessee Commitments</b>	<b>633,385</b>	<b>326,246</b>
<b>Operating Leases as Lessor**</b>		
<b>Revenue on Operating Leases as Lessor</b>		
Not later than one year	974,813	274,924
Later than one and not later than five years	3,124,910	719,517
Later than five years	-	31,746
<b>Total Operating Leases as Lessor Commitments</b>	<b>4,099,723</b>	<b>1,026,187</b>

\* Operating leases relate to the lease of the building, land, vehicles & IT equipment.

\*\* Operating leases relate to the provision of ground station services.

### Capital Commitments

There are no capital commitments as at 30 June 2021 (2020: nil).

## NOTE 14: INVESTMENT IN OTHER ENTITIES

	2020/2021	2019/2020
<b>Space Operations NZ Limited</b>		
<b>Opening Balance</b>	-	-
Shares Purchased/Issued	1	-
<b>Closing Balance</b>	<b>1</b>	<b>-</b>
<b>New Zealand Functional Foods</b>		
<b>Opening Balance</b>	-	-
Shares Purchased/Issued	980,000	-
Elimination of Non-Monetary Gain	(480,150)	-
Share of Surplus/(Deficit)	(65,439)	-
<b>Closing Balance</b>	<b>434,411</b>	<b>-</b>
<b>Total Investment in Other Entities</b>	<b>434,411</b>	<b>-</b>

## NOTE 15: EQUITY

	ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY						Total
	Share Capital Class A	Share Capital Class B	Share Capital Class C	Total Share Capital	Additional Paid In Capital	Retained Earnings	
<b>Balance at 1 July 2019</b>	-	-	-	-	-	133,281	<b>(12,000)</b>
Profit/(Loss) After Tax	-	-	-	-	-	(66,934)	<b>(66,934)</b>
Share Capital Issued	-	-	1,338,421	<b>1,338,421</b>	-	-	<b>1,338,421</b>
Share Capital Uncalled	-	-	-	-	-	-	-
Distribution to Shareholders	-	-	-	-	-	-	-
<b>Balance at 30 June 2020</b>	-	-	1,338,421	<b>1,338,421</b>	-	66,347	<b>1,404,768</b>
<b>Balance at 1 July 2020</b>	-	-	1,338,421	<b>1,338,421</b>	-	66,347	<b>1,404,768</b>
Profit/(Loss) After Tax	-	-	-	-	-	459,614	<b>459,614</b>
Share Capital Issued	-	-	-	-	-	-	-
Share Capital Uncalled	-	-	-	-	-	-	-
Distribution to Shareholders	-	-	-	-	-	-	-
<b>Balance at 30 June 2021</b>	-	-	1,338,421	<b>1,338,421</b>	-	525,961	<b>1,864,382</b>

The Company has issued the following \$1 shares\*: Class A - 9,000 Shares (Unpaid), Class B - 3,000 Shares (Unpaid), Class C - 1,338,421 Shares (Fully Paid).

\* Class A and B shares are uncalled as at 30 June 2021. These shares have equal voting rights and no par value. Class C shares have no voting rights attached, and no par value.

## NOTE 16: FINANCIAL INSTRUMENTS

### Credit Risk

Credit risk is the risk that a third party will default on its obligations to Southland Regional Development Agency Ltd, causing it to incur a loss. Southland Regional Development Agency Ltd's credit risk arises from bank deposits and receivables.

Southland Regional Development Agency Ltd manages this risk by holding deposits with banks that have a minimum AA- credit rating.

Security is not required for the provision of goods and services but regular monitoring of balances outstanding is undertaken. Refer to Note 7 for information relating to receivables credit ageing profile.

Maximum credit exposure is limited to the amounts stated in loans and receivables.

### Liquidity Risk

Southland Regional Development Agency Ltd is exposed to liquidity risk with respect to its contractual obligations and financial liabilities. Prudent liquidity risk management implies maintaining sufficient cash in on call accounts.

The Group manages liquidity risk by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities.

All assets and liabilities of the group are due immediately.

Southland Regional Development Agency Ltd's objectives when managing capital are to ensure the current requirements of the organisation are met.

### Interest Rate Risk

Interest rate risk is the risk that the value of a financial instrument will fluctuate due to changes in market interest rates. This could particularly impact on the cost of borrowing or the return on investments.

Westpac holds the organisation's cash and short-term deposits, and the funds are available on a daily basis. The interest rates are as set by Westpac on a daily basis and earn interest at rates set out in Note 6.

### Foreign Exchange and Currency Risk

Foreign Exchange and Currency Risk is the risk that changes in the currency markets could mean significant movements in the exchange rates between currencies. Southland Regional Development Agency Ltd is exposed to foreign exchange or currency risk through there lease of Awarua Ground Station to overseas customers.

### Off Balance Sheet Financial Instruments

Southland Regional Development Agency Ltd does not have any off-balance sheet financial instruments.

### Fair Values

The fair value of each class of financial instrument is the same as the carrying value in the Statement of Financial Position.

	Notes	2020/2021	2019/2020
<b>Loans and Receivables</b>			
Cash and Cash Equivalents	Note 6	1,657,332	1,828,949
Trade and Other Receivables	Note 7	2,091,715	439,772
<b>Total Loans and Receivables</b>		<b>3,749,047</b>	<b>2,268,721</b>
<b>Financial Liabilities at Amortised Cost</b>			
Trade and Other Payables	Note 10	757,101	370,071
<b>Total Financial Liabilities at Amortised Cost</b>		<b>757,101</b>	<b>370,071</b>

## NOTE 17: RELATED PARTIES

- The Southland Regional Development Agency is owned by Invercargill City Council, Southland District Council, Gore District Council, Environment Southland, Invercargill Licencing Trust, Maitara Licencing Trust, Southland Chamber of Commerce and Southern Institute of Technology.
- Great South and the Southland Regional Heritage Committee are Joint Committees of Invercargill City, Southland District, and Gore District Councils. Each Council is a shareholder of Southland Regional Development Agency.
- The late Graham Budd, formerly Chief Executive of Southland Regional Development Agency, was a director of Space Operations New Zealand Ltd, and Stephen Canny, GM Strategic Projects, is a director of Space Operations New Zealand Ltd.
- The late Graham Budd, formerly Chief Executive of Southland Regional Development Agency, was a director of NZ Functional Foods Limited.
- The late Graham Budd, formerly Chief Executive of Southland Regional Development Agency, partner is shareholder and director of Strategies Marketing Consultancy Ltd.
- Bobbi Brown, GM Tourism and Events, is a Trustee of Regional Tourism New Zealand and a Board Member of Visitor Information Network, which manages i-SITE NZ.
- Tim Mackay, GM Finance and Operations, wife was Financial Controller at Stadium Southland Ltd.
- Joc O'Donnell, a former Southland Regional Development Agency Director, is a Trustee of HWR Family No 4 Trust.

Southland Regional Development Agency had the following related party transactions:

Related Party	2020/2021			
	Revenue	Expense	Owed to SRDA	Owed by SRDA
Invercargill City Council	1,710,785	5,349	421,250	-
Southland District Council	1,050,000	47,472	500,000	650
Gore District Council	210,000	-	52,500	-
Environment Southland	150,000	-	37,500	-
Invercargill Licencing Trust	50,000	-	-	-
Southland Chamber of Commerce	-	6,324	-	-
Southland Regional Heritage Committee	5,000	-	823	-
<b>Total</b>	<b>3,175,785</b>	<b>59,145</b>	<b>1,012,073</b>	<b>650</b>

Related Party	2019/2020			
	Revenue	Expense	Owed to SRDA	Owed by SRDA
Invercargill City Council	1,681,248	15,976	-	85
Southland District Council	750,000	220,135	-	4,583
Gore District Council	110,000	10,157	-	-
Environment Southland	107,300	613	-	-
Invercargill Licencing Trust	31,562	10,072	3,000	-
Southland Chamber of Commerce	-	4,252	-	538
Southern Institute of Technology	25,000	-	-	-
Southland Regional Heritage Committee	6,348	-	-	-
<b>Total</b>	<b>2,705,110</b>	<b>261,205</b>	<b>3,000</b>	<b>5,206</b>

No related party transactions have been written off or were forgiven during the 2021 year (2020: nil).

2020/2021      2019/2020

Key Management Personnel Compensation		
<b>Directors</b>		
Full-Time Equivalent Members	6	6
Remuneration	91,140	101,740
<b>Senior Management Team, Including the Chief Executive</b>		
Full-Time Equivalent Members	5	5
Remuneration	791,943	767,120
<b>Total Key Management Personnel Compensation</b>	<b>883,083</b>	<b>868,860</b>

## NOTE 18: POST BALANCE DATE EVENTS

On 1 October 2021 the board passed a resolution for the space operations business unit to become a subsidiary of Great South.

Graham Budd, Great South Chief Executive, passed away unexpectedly in April 2022. Graham was Chief Executive from February 2020 until the time of his death.

On 23 January 2022, New Zealand transitioned into the Red setting and on 12 April 2022, New Zealand transitioned into the Orange setting under the Covid-19 Protection Framework ("Traffic Light System"). The agency has determined that there is no impact of these on Great South.

There are no other post balance date events.

## NOTE 19: BREACH OF STATUTORY REPORTING DEADLINE

Southland Regional Development Agency Ltd was required under section 67(5) of the Local Government Act 2002 to complete its audited financial statements and service performance information by 30 November 2021. This timeframe was not met because Audit New Zealand was unable to complete the audit within this timeframe due to an auditor shortage and the consequential effects of Covid-19, including lockdowns.

## NOTE 20: CONTINGENT LIABILITIES AND CONTINGENT ASSETS

There are no contingent assets or liabilities as at 30 June 2021 (2020: \$nil).



