

**GREAT  
SOUTH**



**Southland Regional  
Development Agency**

**2022/2023  
Annual Report**

**FOR YEAR END 30 JUNE 2023**





# COMPANY DIRECTORY

## **SOUTHLAND REGIONAL DEVELOPMENT AGENCY LIMITED**

*Trading as Great South*

PO Box 1306, Invercargill 9810

(03) 211 1400

[www.greatsouth.nz](http://www.greatsouth.nz)

## **DIRECTORS**

Ian Collier (Chair), Jason Franklin, Jeff Grant, Lucy Griffiths, Maria Pera, Peter Heenan and Rachel Lindsay

## **REGISTERED OFFICE**

Southland Regional Development Agency Limited  
143 Spey Street, Invercargill

## **BANK**

Westpac New Zealand Limited

## **AUDITORS**

KPMG (on behalf of the Office of the Auditor General)

## **SHAREHOLDERS AND MEMBERS**

### *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 – 100%  
New Zealand Functional Foods Limited – 49%



## **CONTENTS**

### **Chair's message 2**

## **WHO WE ARE**

Chief Executive's message	4
About us	5
Our vision	7
Our priorities	7
What we value	8
Measuring internal performance	8

## **OUR ACHIEVEMENTS**

Beyond 2025 Southland	11
An energy strategy for Southland	12
Supporting the region to reach net zero emissions	13
Work Ready Passport for Southland youth	14
An end to Covid-related funding	15
'Activating' Invercargill's city centre	16
Showcasing our region and events	17
Southland, home of agritourism	19
Re-engaging with domestic and international travel markets	20
Developing a 'foodie' destination	21
Southern Way touring route	22
SpaceOps NZ involved in SouthPAN	23
Statement of service performance measures	24

## **FINANCIAL STATEMENTS**

Consolidated statement of comprehensive revenue and expense	26
Consolidated statement of financial position	27
Consolidated statement of changes in equity	28
Consolidated statement of cash flows	29
Notes to the consolidated financial statements	30

### **Corporate report 38**

### **Independent auditor's report 39**

# Chair's message

**Looking back on 2022-2023, like most organisations, while we had to manage some challenges that were out of our control, there were several highlights for the Great South team. Two standouts were the appointment of our new Chief Executive Chami Abeysinghe and the other, the launch of the Beyond 2025 Southland Regional Long Term Plan.**

Since Chami was appointed in September 2022, we have seen the benefit of the experience that she brings to the organisation from her time as International Director at SIT | Te Pukenga, and previous commercial experience in international executive roles.

It was fantastic to catch up with so many of our stakeholders at the launch of the Beyond 2025 Southland Regional Long Term Plan in June this year. We were also particularly pleased to formalise and cement the relationship with our partner representatives of the four papatipu rūnaka in 2022. This, in conjunction with the Beyond 2025 Plan, means that irrespective of any decision made regarding the future of the New Zealand's Aluminium Smelter at Tiwai Point, as a region we have a plan and an agreed course of action to take moving forward.

On the flip side, it was hugely disappointing that NZ Functional Foods would not be constructing an oat milk processing plant in Southland as planned. The recent decision declining consent for the planned Hananui aquaculture project also poses some challenges for us to navigate as a region. Despite both of these decisions, land diversification and aquaculture remain absolute priorities for the region and we remain confident that both aquaculture and plant-based products, including those produced from Southland oats, will play an important and significant role in the future Southland economy.

There are many other opportunities on the horizon, including exciting developments around green energy and hydrogen production, data storage, further inner-city development, and it's important to remember we have new industries flourishing already, such as space operations.

The Great South board would like to acknowledge the ongoing support of our shareholders through a period of constant change. We are fully committed to working closely with our shareholders and stakeholders to deliver on the agreed priorities and outputs set for Great South, including but not limited to the promotion and creation of more world-class events, the facilitation and support of new investors and investment into the region and attracting more people to live, work and visit Murihiku Southland.

While we know there will be some unexpected challenges to navigate as we move forward, as chair I am totally confident that with the support of our shareholders and the wider Southland community, we will all benefit from the hard work done by so many and continue to be a powerhouse of the New Zealand economy.



**Ian Collier**  
Great South Board Chair



**Mātai ki te Tonga  
Te māhirahira a Tamarereti  
Whakawhiti Te Moana Tapokapoka a Tawhaki  
Ara te Kurakura o Hinenui te pō  
Whakahoki ma te hau nui a Rakamaomao  
Ki te mūramura a Rakitamau  
Whitianga Te Ara a Kiwa  
Anei te mahi a Tuterakiwhanoa  
Ki uta, ngā puna o Rākaihautū  
Ki uta, ngā ngahere a Kahukura  
Ki tai, ngā mahinga kai a Marokura  
Te mana o Murihiku  
Auē**

**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 Rakamaomao  
To the blushing isle of Rakiura  
Cross the pathway of Kiwa  
Here are the works of Tuterakiwhanoa  
Inland are the waters of Rākaihautū  
The forests of Kahukura  
Return to the bountiful foodbaskets of Marokura  
Alas this is Murihiku**



# Chief Executive's message

## I can hardly believe that it's been a year since I joined the Great South whānau as Chief Executive.

Entering the world of Local Government has been a real eye opener, especially as I am learning to navigate the legislative and constitutional obligations that we as a Council Controlled Organisation (CCO) need to meet. I have thoroughly enjoyed meeting and building relationships with a wide variety of stakeholders, shareholders, partners, government agencies and the wider community. I am thankful to all our shareholders for making the time to regularly meet and support me through my first year with Great South. I look forward to building on these relationships that will inevitably pave the way for open, honest, and transparent discussions that will support the important mahi we undertake on behalf of our councils and shareholders to develop our region.

I am really proud to be leading a team of dedicated, passionate, and knowledgeable individuals that have the welfare of Murihiku Southland at the heart of everything they do. Their passion can be seen in the outputs Great South delivers, including the Beyond 2025 Southland Long-Term Plan, the Southern Way inter-regional touring network, progression of the Southland Murihiku Food Tourism Strategy, development of iconic and unmissable events, supporting families, marketing campaigns, tourism support, Invercargill City Centre activations and business support activities – including Southland Youth Futures, RBP and Callaghan Innovation funding support, to name a few. You can read more about some of these projects in this report.

This financial year marks the end of several Covid-related funds we have been managing including the Regional Events Fund (REF) and the Strategic Tourism Assets Protection Programme (STAPP). Overall, through Great South we have brought in over \$10 million in additional funding for the benefit of our region and local businesses, and I think this is certainly an achievement to be applauded. We have seen the tourism industry bounce back strongly as a result.

I am proud of the progress Great South has made in the area of reducing its emissions via our Te Ara Toitū commitment to sustainability. Great South plans to become a carbon neutral organisation by 2025 and we are working hard to make this a reality. It is only befitting we are on this journey as we have designed and deliver the outreach programmes to help businesses decarbonise, supporting management of climate change impacts. What is truly commendable is the fact that our work has been independently validated by EKOS and we are now recognised as a carbon conscious organisation. You will see evidence of this in our branding and collateral.

We have a busy year ahead, with several key activities to implement from various strategies we have published, especially those from the Beyond 2025 Southland Long-Term Plan. As a region, we have two main diversification opportunities; tourism and aquaculture and five enablers to consider from this plan. I look forward to tackling this mahi and the many varied challenges that are sure to come our way, with my team and the support of the Great South board.



**Chami Abeyasinghe**

*Great South Chief Executive*

# About us

## Great South, Southland Regional Development Agency, is responsible for economic development and promotion of Murihiku Southland.

This involves managing Murihiku Southland's Regional Tourism Organisations (RTOs) and central government's Regional Business Partner (RBP) network, as well as delivering a range of events, regional initiatives, and government-funded contracts that pave the way for development. Through the essential support provided to Murihiku Southland, Great South provides a unified voice for the region, establishes a strong platform for regional success and takes strides towards its vision of even better lives through sustainable development.

Great South is a council-controlled organisation, jointly owned by Invercargill City Council, Southland District Council, Gore District Council, Environment Southland, Invercargill Licensing Trust, Matura Licensing Trust, Southland Chamber of Commerce, SIT | Te Pūkenga and member organisation Community Trust South.

Established in March 2019, we began full operations in July that year. We receive funding from our shareholding Councils to cover core operational costs as well as contract service delivery funding, from Central Government agencies who contract Great South to perform specific services, as well as from private sector partners.

Great South also owns Space Operations New Zealand Limited, making it a council-controlled trading organisation as defined in section 6 of the Local Government Act 2002. It has its own Board of Directors and CEO and produces its own Statement of Intent.

## 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

A Board of seven independent directors are 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 and the Statement of Intent.

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.



**A Memorandum of Understanding between Great South and all four papatipu rūnaka in Murihiku (Awarua, Hokonui, Ōraka-Aparima, and Waihōpai) was signed on 8 August 2022. This significant milestone recognises the commitment to enduring collaboration and partnership in Murihiku Southland.**

*From left: Dean Whaanga (Awarua Rūnaka), Cyril Gilroy (Waihōpai Rūnaka), Ian Collier (Great South), Riki Dallas (Ōraka Aparima Rūnaka). Unfortunately Terry Nicholas (Hokonui Rūnaka) was unable to attend on the day.*

# Even better lives through **sustainable development**





## Our vision

---

Our vision of 'even better lives through sustainable development' represents the ambitious goals of the Great South Board, its shareholders and the whole Murihiku Southland region. It speaks to the potential for Murihiku Southland to be recognised as the best place to live, work and play, and the sustainable approach that will be taken to make this happen.

Murihiku 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 priorities

---

### ▼ Regional leadership

Provide leadership for the region, advocating, planning and representing Murihiku Southland nationally

### ▼ Support business growth

Support the growth of the business sector in Murihiku Southland

### ▼ Promote the region

Promote Murihiku Southland as a great place to live, work and visit

### ▼ Diversify the economy

Investigate and support opportunities to diversify the Murihiku Southland economy

### ▼ Support environment and climate action

Lead Murihiku Southland towards achieving climate reduction targets

# What we value

## 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 and place continue to thrive.

## SOUTHLAND PROUD

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

## 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.

## 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 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 focus on doing a smaller number of things well, rather than spreading ourselves too thinly. 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 Murihiku Southland.

# Measuring internal performance

DESCRIPTION	MEASURE	RESULT
<b>Financial Management</b>	Budget achieved	Achieved
<b>Funding Diversification</b>	Increase of revenue from non-Council sources	Achieved
<b>Great South Emissions</b>	Reduce Great South carbon emissions by 10% per FTE	Emissions reduced by 43% per FTE
<b>Employee Engagement</b>	Increase employee engagement rating to 70% as measured by Ask Your Team Baseline: 67%	Employee engagement rating increased to 71%





# SOUTHLAND SNAPSHOT

NET EMISSIONS FOR 2021

**5,373,965 tCO<sub>2</sub>e**



3.3% decrease from 2018 baseline



CURRENT POPULATION

**102,400**

GEOGRAPHIC AREA

**31,218 km<sup>2</sup>**



REGIONAL GDP

**\$7.24b**



UNEMPLOYMENT RATE

**2.8%**



AVERAGE HOUSEHOLD INCOME

**\$108,600**

## MAIN INDUSTRIES BASED ON EMPLOYEE NUMBERS



**Agriculture**



**Health Care**



**Manufacturing**



**Construction**



**Retail**







# Beyond 2025 Southland

## He ara whakamua, he ara hou a Murihiku i tēnei ao hurihuri

Moving forward, new pathways for Southland in a constantly changing world

**Back in 2020, when it was announced that New Zealand's Aluminium Smelter (NZAS) at Tiwai Point would be closing in 2024, the Government put in place a Just Transition for Murihiku Southland to prepare the region for this change. One of the workstreams of Just Transition was to develop a long-term plan for Murihiku Southland. As the Regional Development Agency, and with its focus on economic diversification, Great South was contracted by the Ministry of Business, Innovation and Employment (MBIE) to lead this long-term planning work for the region.**

Development of the plan included 16 workstreams within five areas of focus that built on the previous work of the Southland Regional Development Strategy (SoRDs), those being environment and climate change, diversification of the economy, strengthening of local business, resources and infrastructure, population and people.

The 18-month development process involved much of the Murihiku Southland community, including partnerships with councils, mana whenua, the business sector, local community organisations, individuals and

government agencies. It also involved a high degree of community engagement with surveys, roadshow events and other opportunities to provide feedback.

The resulting Beyond 2025 Southland Regional Long Term Plan was launched with a celebratory function at Te Rau o te Huia, Invercargill, on 28 June 2023. Many of the numerous stakeholders from Murihiku Southland and around the motu involved in developing the plan were present.

The Plan is evidence-based and includes more than 24 pieces of research, eight of which were commissioned as part of the Plan. These include the Regional Housing Needs Assessment, Employer Workforce Insights, the Invercargill City Council CBD Rejuvenation Community and Retailer surveys and Population Demographic and Industry Future Modelling. Work carried out as part of Great South's 'business as usual' work plan were also inputs to Beyond 2025 Southland, including a review of the Murihiku Southland Destination Strategy, Community Sentiment Tourism Research and Southland Regional Greenhouse Gas Emissions Inventory for 2021.

Based around clear aspirations for our people, environment and economy, the Plan acknowledges key priority enablers – housing, data, workforce, energy, regulatory and planning – and will be a key tool to support the region to embrace the opportunities of the future.

With funding from MBIE for the next 12 months, Great South is now tasked with facilitating implementation of Beyond 2025 Southland. An implementation plan has been developed which shows four key streams of delivery including Great South and other Just Transition workstreams and organisations. Efforts are being made to align this work with council long-term planning processes.

The ultimate outcome is that Murihiku Southland is as prepared as possible to respond to not only what happens with Tiwai, but also to embrace opportunities and ensure the most appropriate use of resources to best look after our people and place.



## An energy strategy for Southland

**If NZAS were to remain operating beyond 2024 and energy-intensive industries such as green hydrogen production actualised, there would be unprecedented need for increased energy generation in our region.**

This is a distinct possibility with signs that NZAS could remain open and the Southern Green Hydrogen project now in the phase two feasibility development. While there is no certainty that this will proceed, it is expected that the Financial Investment Decision is likely to happen by early 2024 irrespective of the Smelter operation continuing. That project is being led by Meridian and Woodside Energy, in partnership with Mitsui & Co and Murihiku Regeneration (on behalf of Ngāi Tahu).

With international markets demanding that export partners are sustainable, it is all the more important that this new energy generation is also renewable.

In recognition of these factors, Great South in partnership with Murihiku Regeneration, commissioned an energy strategy for the region from BECA. The draft Southland Murihiku Regional Energy Strategy 2022-2050 was

released for public consultation in April 2023 and the final document will be released by the first week of October 2023. The document was a key input to the Beyond 2025 Southland Regional Long Term Plan.

An advisory group comprising iwi, councils, major local industry and the electricity sector guided the process and development of the draft Strategy, which presents three potential future scenarios for the region. They are: baseline – where NZAS closes and Southern Green Hydrogen (SGH) does not proceed; transition – where NZAS closes and SGH goes ahead; and green energy growth – where both NZAS and SGH co-exist.

It also outlines potential new renewable energy sources such as further wind farms, biomass, solar, biogas and run-of-river hydro generation. Pathways to address industry decarbonisation and to transition from a reliance on fossil-fuel transportation are also mapped.

Great South and its predecessor Venture Southland have previously carried out energy strategies for the region in 2003, 2005 and 2011.



# Supporting the region to reach net zero emissions

**Great South has been actively working with businesses to reduce emissions for the region since 2018 when, in partnership with the Ministry for the Environment and the Tindall Foundation, it established the Carbon Neutral Advantage programme. It has been measuring the region's emissions since that time, and commissioned the Net Zero Southland Report from Ernst & Young, which was released in July 2021.**

A series of initiatives have been undertaken by Great South to support Murihiku Southland to meet its net zero goals, in line with the New Zealand Government's target of net zero emissions by 2050. These are the now well-established Decarbonisation Workshop Series for business, the Murihiku Southland Sustainable Tourism Programme and the Government Waihōpai Decarbonisation Contestable Fund, which was established in partnership with EECA early in 2022. Demonstrating regional leadership, Great South itself has a more ambitious goal to meet net zero emissions by 2025.

More than 70 Murihiku Southland businesses have now taken part in the Decarbonisation Workshop Series, where participants learn how to measure emissions and are supported to develop an action plan to address them. This in turn insulates their business against the rising cost of carbon.

Great South ran a pilot sustainable tourism programme starting in July 2022, which was based on the internationally accepted principles of the Global Sustainable Tourism Council and Tourism Industry Aotearoa's Tourism Sustainability Commitment. Over 12 weeks, participants learned how to measure their carbon emissions, how to write a sustainability and decarbonisation strategy, received support with

marketing and sharing their sustainability story, and heard from a range of guest speakers. A wide variety of changes were made by businesses after taking part in the programme such as making their emissions public on their website, working with suppliers to reduce and avoid packaging and adding EV charging ability.

Following the success of the pilot programme, and with particular demand from Te Anau operators, the first official Murihiku Southland Sustainable Tourism programme began in Te Anau at the end of June 2023, with seven businesses taking part.

One of the most effective emission mitigation options identified in the Net Zero Southland report, both in terms of cost and emission reduction, was transitioning fossil fuel heating and cooling systems to clean energy. Between the Government Waihōpai Decarbonisation Contestable Fund, the Government Investment in Decarbonising Industry Fund and the State Sector Decarbonisation Fund, almost 90 of Murihiku Southland's 186 large boilers and thermal energy systems have been or are in the process of being converted to renewable energy. This will significantly reduce Murihiku Southland's overall emissions.

Great South continues to work with the 11 businesses that signed up for the contestable fund and is advocating for this programme to roll out beyond Invercargill.



**37**  
businesses  
directly supported to  
reduce emissions

# Work Ready Passport for Southland youth

**Future proofing Murihiku Southland's labour force by connecting young people with employers is a key project for Great South. Through its regional career exploration programme Southland Youth Futures, workplace tours, events and a work ready passport programme are held for young people to find out what career options are available to them in our region, with residual benefits to employers in being able to connect with a potential future workforce.**

The Work Ready Passport programme was set up to address an apparent mismatch between employer expectations and the work-readiness of young people. The programme has been developed specifically for Murihiku Southland schools and is delivered by Great South staff and guest facilitators.

It consists of a series of modules focused on pre-employability skills, allowing young people to gain the connections and skills they need to succeed in the workplace and beyond and exposing them to a range of potential career path opportunities across local industries.

A junior Work Ready Passport, targeted at year 10 students, focuses on supporting youth to develop greater awareness of their interests and strengths, as well as exploring a range of jobs within the local community across six modules.

The senior Work Ready Passport, for year 12 students, is targeted at those who may be considering entering the workforce the following year and focuses on developing practical skills to help with this transition. The programme consists of eight modules with topics including budgeting, health and safety in the workplace, key employability skills, CV and cover letter writing, interview skills, mock interviews and more.

The programme was delivered to 691 year 10 and 12 students during the year.

Feedback from teachers about the programme has been overwhelmingly positive, with benefits including that students learnt practical skills and knowledge, the value of teamwork, that it built general confidence, and the programme had direct relevance to the real working world.

Other Southland Youth Futures programme activity in addition to the Work Ready Passport during the year included the inaugural Our Future: Food, Fibre and Agritech event, which showcased the wealth of opportunities available in this growing sector and a repeat of the popular Summer of Work and Girls in Trades events.

Great South is grateful to the many employers who have given their time to take part in its various events.







**151**  
businesses given  
one-on-one advice

## An end to Covid-related funding

**Since 2020, Great South has administered various Covid-related funds on behalf of the Government, all of which have come to an end.**

This increased funding allowed more staff to be employed on short-term contracts and increased activity particularly in the tourism and events space, a level of service that will not be able to continue without further investment.

The most significant of these funds regionwide was the Government's Strategic Tourism Assets Protection Programme (STAPP). Great South manages two Regional Tourism Organisations (RTOs), one for Southland and one for Fiordland. In the first round, Southland RTO received \$700,000 and the Fiordland RTO received \$400,000 (allocated prior to 1 April 2021, when Great South assumed responsibility). In 2021, a further \$700,000 was allocated for Fiordland and \$1 million for Southland. Funding was allocated according to an agreed investment plan based on Government priorities including destination marketing, building tourism operator capabilities and destination management. Great South created two new roles (destination development and tourism marketing) to support implementation of this investment plan. The funding also enabled the delivery of workshops focused on building marketing and digital capability, as well as supporting businesses to refocus on a domestic market.

Great South also partnered with MBIE on the Regional Events Fund (REF). More than \$1.2 million was allocated across the two RTOs and a significant portion was made available via two contestable funds. These funds were

to support new or existing events that would attract visitors from beyond the region. At year end, The REF had distributed \$538,000 to 25 events in Fiordland, with \$42,000 remaining for distribution in the final round closing 24 August 2023. The \$180,000 for events within the Southland RTO area was exhausted in October 2021. An additional \$1.5 million from the REF created 1.5 new roles and supported events with capability building, creation of marketing assets and a toolkit for event organisers, plus marketing of events outside of the region.

Of particular importance to the Te Anau community was the Tourism Communities: Support, Recovery and Re-set Plan, which ended 31 August 2022. Great South was the lead agency for delivery of this fund, which was set up in recognition of the five communities in New Zealand most impacted by a lack of international visitors, including Te Anau. There were three parts to the fund; a total of 66 tourism businesses received \$1.779 million in Kick-Start Funding, a further \$487,377 was provided to 103 Tourism businesses through the Implementation Fund and an additional \$429,193 was provided to 99 businesses through the Advice Fund.

From the initial COVID-19 business response funds, the COVID-19 Business Advisory Fund and the Tourism Transition Fund, Great South engaged with over 450 Southland businesses and provided \$974,154 worth of advisory support grants to 423 Businesses.

Great South also assisted Invercargill City and Southland District Councils with successful applications to the Tourism Infrastructure Fund. This fund was re-focused on the regions following the emergence of Covid.

# ‘Activating’ Invercargill’s city centre

**One of the most exciting developments for our region this year was the opening of Invercargill Central and The Langlands, along with redevelopment of the city centre streets to complement these grand new features.**

Increased accommodation capacity, plus more retail, food and beverage options, makes Murihiku Southland a magnet for visitors, particularly in the business events space where organisers are always looking for somewhere new for attendees to experience. This also helps ensure Murihiku Southland can grow direct air connectivity with our larger cities – especially the jet service between Auckland and Invercargill.

Great South has been fostering the many opportunities these new additions present for the region for some time. In September 2022, Great South hosted 31 regional tourism organisations from around New Zealand as part of Te Ūnga Mai, Regional Tourism NZ’s professional development programme, providing an opportunity to showcase the region and highlight key projects and progress.

An exciting announcement made during the year was that the Tourism Export Council of New Zealand will be holding its conference in the city in 2024 – the first time

this event has been held in Murihiku Southland. It will bring to our region the industry influencers who buy and sell tourism to domestic and international visitors. Great South had been proactively promoting the region to the TECNZ Board for some time.

Great South has also been working with the Invercargill City Council to create vibrancy in the city centre. A City Centre Coordinator role was created in 2020 in partnership with Invercargill City Council. Initially that role was established as a go-between for developers, Council contractors and city centre businesses. Now those works are complete, the role is about creating events and bringing people into the city. These events kicked off with the Esk-plore Your City Street Fest, followed by Flames on Esk in the Winter. Great South also supported the Hidden Markets and worked in partnership with ICC and Arts Murihiku on the inaugural Night of the Arts, which showcased culture and creativity in Murihiku.

In early 2023 Tourism New Zealand (TNZ) launched a campaign encouraging visitors and locals to rediscover New Zealand’s three main city centres – Auckland, Wellington and Christchurch. Great South leveraged this to create the “Re-View Invercargill” campaign, highlighting Invercargill’s newly redeveloped CBD. Great South also successfully lobbied for The Langlands to be featured in the nationwide TNZ campaign.





# Showcasing our region and events

**Residents and visitors to our region now have an improved experience when wanting to find information, by way of the redeveloped southlandnz.com website, which launched on 28 October 2022.**

The website is more dynamic, with greater ability for travellers to understand the options available during the season they are visiting and by area of interest. It is an improved user experience, especially for those who are not from our region for whom place names are of little relevance until they arrive and features include a trip builder, where users can choose particular activities or experiences to help form an itinerary.

The new site also provides Great South with more detailed data on site usage, making it easier to track where our visitors come from. There are sections on sustainable tourism and agritourism that feature relevant tourism businesses and experiences and there is opportunity to continuously add to these specific areas of interest.

For our region's event organisers and business owners with listings on the site, an extranet portal allows them to take ownership of their listing and add special deals. There are also tools available to support them with organising their events.

A key part of the site is the events calendar. Significant effort has gone into promoting this tool to event organisers to make sure they list their events there. We have also worked with partners for them to host our events calendar on their website.

Effort has also gone in to promoting southlandnz.com to the public as the 'go to' place to find out about events coming up in Murihiku Southland. This calendar also makes cluster marketing of events easier. Events involving wheels were marketed together as part of a Summer Wheels campaign, a long weekend of food events were marketed together as Taste Southland, and Heritage Month events were also marketed in this way.

Great South also manages the fiordland.org.nz website.



**More than  
500,000 people  
worldwide visited  
our promotional websites**

**Our promotional social media channels have  
more than 180,000 active followers**





38

key destination events supported with marketing and capability building



Great South provides marketing, ticketing and administration support for the Burt Munro Challenge. We were delighted to receive the Norman Hayes Memorial Trophy at the prize giving for the 2023 event, which is for a person or persons who have made a significant contribution to the event.







## Southland, home of agritourism

**Agriculture has long been the backbone of the Murihiku Southland economy and a core part of our region's identity. Development of agritourism therefore presents the opportunity for visitors to gain an authentic experience.**

Modelling to inform the Beyond 2025 Southland Regional Long Term Plan, showed tourism is set to grow, meaning there is significant opportunity for development in this space, particularly when agritourism can include anything from farmstays and paddock-to-plate experiences to rural markets and events and various other farm experiences.

Great South has been encouraging this diversification opportunity for the agricultural sector by hosting its own workshops, supporting Agritourism NZ to run its programme in the region and by running an agritourism campaign showcasing agritourism opportunities already on offer.

During June and July 2022, Great South offered free Agritourism workshops in Invercargill, Gore and Te Anau. Presented by Great South staff and Marijke Dunselman from Agritourism NZ, along with local agritourism operators Tom O'Brien from Welcome Rock and Laura Koot from Real Country, the workshops covered development and marketing of a tourism business. More than 30 took part in the workshops.

To build awareness of Agritourism and the breadth of tourism activity it includes, a marketing campaign launching Murihiku Southland as 'the home of agritourism in New Zealand' ran from 20 November 2022 to 18 March 2023. The campaign linked viewers to an agritourism platform on the newly redeveloped southlandnz.com website, highlighting existing agritourism activities within Murihiku Southland. Various advertising channels were used for the campaign, including billboards and bus backs. It performed particularly well in Auckland, Canterbury, Otago and Southland, with more than 1.6 million views of the campaign overall.

Later in the year, Great South partnered with Marijke Dunselman from Agritourism NZ to deliver the five-month Agritourism Accelerator Programme for new and existing agritourism operators in Murihiku Southland. The programme, in which 15 people took part, covered all aspects of starting and growing a successful agritourism business with a focus on planning, product development, marketing and health and safety.

Further opportunity for development includes tourism operators developing trade-ready offerings, which would allow agritourism to be promoted through international channels. There is also opportunity to develop more experiences linked to our region's food stories, in addition to the existing wealth of farmstays available. Great South will continue to work in this space.



# 576

articles featured  
the region – domestic  
and international

## Re-engaging with domestic and international travel markets

**As domestic and international travel has resumed now Covid-related impacts have settled, Great South has made a concerted effort to re-engage with key travel markets, for the benefit of the tourism sector, as well as communities throughout Murihiku Southland.**

As part of a contingent with Tourism New Zealand, Great South attended Kiwi Link USA and Kiwi Link UK-Europe events in July 2022, promoting Southland and Fiordland. These events were to reconnect Murihiku Southland and New Zealand tourism product with buyers in New Zealand's major markets after international borders re-opened. The events were timed to enable operators to fill bookings for the 2022/2023 summer season. As part of the USA trip, Great South, along with Destination Queenstown, Lake Wanaka Tourism and Tourism Central Otago, connected with 250 selected travel agents in Chicago, Boston, New York, Philadelphia and Washington DC to promote Southland and Fiordland.

Great South also attended TravMedia's International Media Marketplace in Sydney in February to meet with and pitch Southland and Fiordland to 150 travel media, including editors, journalists, freelancers, broadcasters and digital influencers.

New Zealand's most important tourism event TRENZ returned in May 2023 – the first time the event had been held in person since 2019, due to Covid. Great South attended along with other tourism operators from our region, promoting the tourism offerings available in Southland and Fiordland to the 330 international buyers from 25 different markets in attendance.

With a newly developed city centre and accommodation options for the region, the focus has been to put Murihiku Southland on the map as a business events destination. Great South attended Meetings in June, which is the only tradeshow in New Zealand for the Business Events industry, organised by Business Events Industry Aotearoa.



# Developing a 'foodie' destination

**The opportunity for Murihiku Southland to attract visitors to the region based on its high-quality primary produce and kaimoana and to share its food stories was highlighted in the Southland Murihiku Destination Management Strategy released in 2019.**

To progress that aspiration, Great South released the Southland Murihiku Food Tourism Strategy in December 2021, based on analysis undertaken by Eat New Zealand. Murihiku Southland was one of the first regions in New Zealand to undertake such a comprehensive analysis of its potential to become a food tourism destination.

Since its release, Great South has worked closely with Eat New Zealand and Murihiku Southland's food production, events and hospitality sector. An event to celebrate the region's food offerings and stories, 'Our kai, our people, our place' was held in February 2023, where chefs from around the region shared dishes and the story behind them and experts in food storytelling shared insights. The event was about encouraging the hospitality sector to utilise local ingredients, share our unique food stories as well as to build capability in the sector.

Alongside the benefits for tourism, using local food and supporting the development of these networks shortens our regional supply chains, lowers emissions and improves our regional food security, reducing the risk that external disruptions can have on our businesses and communities.

To support this work, a food marketing campaign was launched promoting the region's various iconic food

offerings, food events and businesses, which linked to a food and drink homepage on southlandnz.com. In May, the same weekend as the Bluff Oyster & Seafood Festival would normally held (it was cancelled in 2023), Great South organised the event cluster-campaign Taste Southland, to promote food-based events in Invercargill and Bluff during that time.

Great South also supported the inaugural Hidden Markets, an evening celebrating regional produce and food along with live music in the Invercargill city centre, and was involved in delivering the inaugural eight-week Make It course, that started in August 2022. This was a partnership with Coin South, the Southern Pioneer Food Hub and the Southern Institute of Technology, where participants learnt the steps to create a food business.



# Southern Way touring route

**Working collaboratively as part of eight southern Regional Tourism Organisations, Great South led the development of the Southern Way inter-regional touring network.**

The Southern Way works with the airports in the regions with a focus on the big three gateways of Queenstown, Dunedin and Invercargill. The initial working title for this initiative was 45 South. It was a particularly special project for Great South, it being the brainchild and a legacy of former Chief Executive Graham Budd, who died unexpectedly in 2022. It was his long-held wish that regions work more closely together.

The Southern Way website launched on 2 May 2023 and showcases the touring network available for visitors wanting to explore the scenic southern regions of New Zealand, incorporating existing routes such as the Southern Scenic Route. It shares the depth and breadth of visitor experiences in the lower south of New Zealand, with suggested itineraries based on interests.

TRENZ, New Zealand's biggest international tourism event was held in Christchurch one week after the launch, providing an opportunity for the initiative to gain excellent exposure at that event.

Part of the idea behind the Southern Way is that communities benefit more from the travellers who spend more time in the region, supporting a more sustainable future for tourism. It aims to inform visitors and inspire them to slow down, explore further, stay longer and ultimately return and, given visitors don't see the boundaries locals do, encourages people to move between regions.

The collaboration also helps to scale advocacy for sustainable travel, with the ability to work together on strategies to improve infrastructure such as EV charging across the regions, as well as sharing intellectual property and data.

The development of the Southern Way collaboration was supported by MBIE through STAPP funding.







## SpaceOps NZ involved in SouthPAN

**Awarua Satellite Ground Station is to host a satellite uplink centre for SouthPAN, a project that will provide enhanced satellite positioning services across New Zealand and Australia.**

Construction start was marked with a visit to Awarua from Minister for Land Information Damien O'Connor, Australian Deputy High Commissioner Amy Guihot and other partners in the Trans-Tasman project on 24 March 2023.

It was another major milestone for Space Operations New Zealand Limited, wholly owned by Great South, which became a stand-alone company on 1 October 2021.

SouthPAN, which stands for Southern Positioning

Augmentation Network, is a joint partnership between Toitū Te Whenua Land Information New Zealand (LINZ) and Geoscience Australia. Amongst such things as improved airport safety, SouthPAN will allow smartphones to know their positions to within a few centimetres and help contractors find water pipes to within a spade-width.

Two 11-metre antennas are being built by Lockheed Martin Australia at Awarua that will link to a control centre in Invercargill, also hosted by SpaceOps NZ, employing six people, with operations to begin in 2024.

The Murihiku Southland facility will form a vital component of SouthPAN, working in tandem with an existing centre in New South Wales and ensuring greater resilience of services if one station is impacted by a major weather event or fire.



**SpaceOps NZ won the NZAS Innovation in Export Award at the DHL Export Southland 2022 Recognition Awards. SpaceOps NZ delivers satellite antenna hosting and launch support services for the international 'new space' industry, with its main antenna hosting site at Awarua. SpaceOps NZ's services are considered to be "weightless" exports.**

# Statement of service performance measures

This report has been prepared in accordance with PBE FRS 48 Service Performance Reporting.

## OUR PURPOSE

Great South's purpose is to drive economic, social and cultural growth in Murihiku Southland.

## OUR VISION

Even better lives through sustainable development.

## OUR PRIORITIES

**Regional Leadership:** Great South provides leadership for the region through advocacy, writing submissions, long-term planning and representing Murihiku Southland nationally.

**Support Business Growth:** Great South supports the growth\* of the business sector in Murihiku Southland.

**Support Environment and Climate Action:** Great South works with businesses across Murihiku Southland supporting them to achieve climate change targets as the region heads towards being carbon neutral by 2050.

**Diversify the Economy:** Great South investigates and supports opportunities to diversify the Murihiku Southland economy.

**Promote the Region:** Great South promotes Murihiku Southland as a desirable place to live, work and visit.

\* Growth refers to diversification and expansion of the business sector.

PRIORITY AREA	DESCRIPTION	MEASURE	RESULT
<b>Regional leadership</b>	<b>Lead the Long-Term Plan pillar within the Southland Just Transition Programme</b>	Beyond 2025 Southland long-term plan delivered by 30 June 2023	Beyond 2025 Southland Regional Long Term Plan was delivered to regional stakeholders with a launch at Te Rau o Te Huia, Invercargill, on 28 June 2023. <i>2022: Measure is new in 2023, therefore no comparative information presented.</i>
<b>Support business growth</b>	<b>Engage with businesses through a Great South programme - this includes tourism and event support, and business services</b>	A minimum of 250 business engagements* for the year <i>* Business engagements include any interaction with a client business, including emails, phone calls and in-person meetings</i>	Great South engaged with 256 businesses (not unique) via the Regional Business Partner network, out of which 171 had one-on-one business consultations, connecting them with useful resources and networks. An additional 37 businesses were supported with reducing carbon emissions (see below). <i>2022: 493 engagements. This included 164 tourism businesses who were engaged with regarding Tourism Communities: Support, Recovery and Re-set Plan funding.</i>
<b>Support environment and climate action</b>	<b>Support Southland businesses to reduce carbon emissions, including Southland farmers</b>	Support* at least 40 businesses to reduce their carbon emissions <i>* Support includes workshops and specific emission reduction projects</i>	Representatives from 8 businesses, took part in the Decarbonisation Workshop Series organised by Great South, plus 18 businesses took part in the Southland Murihiku Sustainable Tourism Programme (including the pilot programme in 2022). These workshops give businesses the knowledge, tools and resources they need to measure their own emissions. In addition, Great South is directly managing 11 boiler and thermal energy conversion projects for businesses that were recipients of the Government Waihōpai Invercargill Decarbonisation Contestable Fund, which will reduce Southland's overall emissions. <i>2022: Measure is new in 2023, therefore no comparative information presented.</i>
		Establish a model to measure and capture carbon emissions	Great South established a model to calculate the region's emissions in 2017, which was peer reviewed in 2018 by Aecom and ThinkStep. This model continues to be used but is modified to reflect the updates the Global Warming Potential factors published by the Intergovernmental Panel on Climate Change and adopted by the Ministry for the Environment (MFE). This calculator is adapted every year to keep up to date with the latest methodology. In addition, as part of the Decarbonisation Workshop Series, businesses are supported to use the MFE calculator. In some cases, Great South has created an emissions inventory calculator tailored to the more complex needs of a particular business on request. All workshop participants are encouraged to seek independent verification and audit and a range of audit options are presented. A partnership with Ekos was negotiated, which gives Southland businesses a 35% discounted rate on third-party verification process. <i>2022: measure is new in 2023, therefore no comparative information presented.</i>
	<b>Refresh the Southland Energy Strategy</b>	Southland Energy Strategy is updated and published	The Southland Murihiku Regional Energy Strategy 2022-2050 was released in draft for public consultation in March 2023. The final report is to be published in the first week of October 2023. <i>2022: measure is new in 2023, therefore no comparative information presented.</i>



<b>Diversify the economy</b>	<b>Support the development of tourism product to attract visitors and provide economic benefit</b>	<p>Progress* at least 10 projects from the Southland Murihiku Destination Strategy (SMDS)</p> <p><i>* Progress refers to activities undertaken within project areas that are ongoing</i></p>	<p>Great South has continued its work in the below projects from the SMDS, with progress made in the following areas:</p> <p>Regional Touring Routes – Great South worked alongside eight Regional Tourism Organisations to create the Southern Way inter-regional touring network, which was launched on 1 May 2023.</p> <p>Agritourism – Workshops for developing agritourism were held and a 'Southland home of Agritourism in NZ' campaign ran in early 2023.</p> <p>Dark Skies – Approval was granted for Fiordland to upgrade from a Dark Sky Park to Dark Sky Sanctuary by the International Dark Sky Association. Workshops and community engagement sessions were held in Te Anau and a public meeting was held on Rakiura to discuss options for all-weather night sky interpretation.</p> <p>Sustainable Tourism – The Murihiku Sustainable Tourism Programme Pilot programme ran in 2022, and based on its success, a further programme started in Te Anau (end of June 2023).</p> <p>The Catlins – A contractor was engaged to investigate the potential for a coastal trail in the Catlins.</p> <p>Cycling – A cycle tourism opportunities assessment is underway with the support of a consultant. Great South also supported the Fiordland Trails Trust to complete an economic impact assessment of the Lake2Lake Trail.</p> <p>Heritage Tourism – Great South has partnered with Ōraka Aparima Rūnaka with projects of importance in relation to tourism.</p> <p>Food Tourism – A food storytelling event for those in the hospitality and food sectors took place in February.</p> <p>Walking – A hiking guide showcasing Fiordland day walks was created.</p> <p>Content Creation – New content (photos/video) was created to support cycling, dark skies and agritourism.</p> <p><i>2022: 16 projects were progressed.</i></p>
		<p>Deliver at least 21 prioritised* projects from the Strategic Tourism Asset Programme (STAPP) investment plans</p> <p><i>* Projects that had been assigned STAPP funding pre-Covid were re-prioritised when new Covid-related funds became available</i></p>	<p>21 STAPP projects were delivered across Murihiku Southland, including those mentioned in the measure above.</p> <p><i>2022: Measure is new in 2023, therefore no comparative information presented.</i></p>
<b>Promote the region</b>	<b>Promote Southland as a great place to live, work and visit</b>	<p>Increase traffic on southlandnz.com and fiordland.nz by 5%</p> <p>Baseline pageviews on 30 June 2022: Southland NZ: 871,254 Fiordland NZ: 296,559</p>	<p>Based on Google Analytics 4 reporting the Southland NZ website received 929,205 pageviews. The goal was to reach 914,817 pageviews (2022 baseline + 5%) at the end of June 2023, which surpassed this goal by 1.6%.</p> <p><i>2022: 871,254, which was a reduction of 10.47% from 2021.</i></p> <p>The Fiordland NZ website received 423,419 pageviews. The goal was to reach 311,387 pageviews (2022 baseline + 5%) at the end of June 2023, which surpassed this goal by 36%, mainly due to the success of the Te Anau Time campaign.</p> <p><i>2022: 296,559, which was an increase of 2.37% from 2021.</i></p>
		<p>Increase total engagement across all social media channels by 5%</p> <p>Baseline followers on 30 June 2022: Southland NZ: 143,806 Fiordland NZ: 25,780</p>	<p>Southland NZ has 152,871 followers across its social media channels. The goal was 150,996 followers, which surpassed the goal by 1.2%</p> <p><i>2022: 143,806 followers.</i></p> <p>Fiordland NZ has 35,834 followers across its social media channels. The goal was 27,069 followers, which surpassed the goal by 32.4%.</p> <p><i>2022: 25,780 followers.</i></p>

# Consolidated statement of comprehensive revenue and expense

For the year ended 30 June 2023

	Notes	Group 2023	Group 2022
<b>Revenue</b>			
<b>Class A Shareholder Funding</b>			
Core		1,697,387	1,657,600
Contract		2,068,895	1,716,783
<b>Total</b>	<b>See Note 3 (Page 32)</b>	<b>3,766,282</b>	<b>3,374,383</b>
<b>Other Revenue</b>			
Service Revenue	See Note 3 (Page 32)	2,442,775	3,463,864
Project Revenue	See Note 3 (Page 32)	3,173,718	2,356,498
Gain on Fair Value of Investments	See Note 14 (Page 35)	-	-
Interest		75,599	30,092
Foreign Exchange		-	42,568
Other Revenue		278	3,813
<b>Total</b>		<b>5,692,370</b>	<b>5,896,835</b>
<b>Total Revenue</b>	<b>See Note 2 (Page 32)</b>	<b>9,458,652</b>	<b>9,271,218</b>
<b>Expenditure</b>			
<b>Project and Service Expenditure</b>			
Regional Economic Development		3,039,438	2,120,279
Business Support Services		651,671	886,877
Regional Tourism Development		2,188,847	1,876,213
Regional Events Delivery		1,120,059	1,071,467
<b>Total</b>		<b>7,000,015</b>	<b>5,954,836</b>
<b>Core Expenditure</b>			
Audit Fees		69,974	81,960
Directors Fees		186,000	146,000
Employee Expense		790,224	818,381
Interest Expense		6,495	2,104
Foreign Exchange		22,409	-
Depreciation and Amortisation	See Notes 8 & 12 (Pages 34 & 35)	108,255	105,357
Other Overheads		717,172	664,165
<b>Total</b>		<b>1,900,529</b>	<b>1,817,967</b>
<b>Total Expenditure</b>		<b>8,900,543</b>	<b>7,772,803</b>
Share of Surplus / (Deficit) From Joint Venture	See Note 14 (Page 35)	-	(434,412)
<b>Net Surplus Before Tax</b>		<b>558,108</b>	<b>1,064,003</b>
Tax Expense	See Note 5 (Page 33)	158,387	270,484
<b>Total Comprehensive Revenue and Expense</b>		<b>399,721</b>	<b>793,519</b>

The accompanying accounting policies and notes form part of these consolidated financial statements.



# Consolidated statement of financial position

As at 30 June 2023

	Notes	Group 2023	Group 2022
<b>Assets</b>			
<b>Current Assets</b>			
Cash and Cash Equivalents	See Note 6 (Page 33)	2,144,907	9,509,002
Trade and Other Receivables	See Note 7 (Page 34)	2,084,174	2,616,503
Prepayments		34,977	23,159
Stock		6,317	900
<b>Total</b>		<b>4,270,375</b>	<b>12,149,563</b>
<b>Non-Current Assets</b>			
Deferred Tax Asset	See Note 5 (Page 33)	44,362	40,575
Property, Plant and Equipment	See Note 8 (Page 34)	1,947,099	1,631,344
Intangible Assets	See Note 12 (Page 35)	100,000	100,000
Assets Under Construction	See Note 9 (Page 34)	266,704	27,931
<b>Total</b>		<b>2,358,164</b>	<b>1,799,851</b>
<b>Total Assets</b>		<b>6,628,539</b>	<b>13,949,414</b>
<b>Liabilities</b>			
<b>Current Liabilities</b>			
Trade and Other Payables	See Note 10 (Page 34)	907,042	734,515
Employee Entitlements	See Note 4 (Page 33)	399,870	356,544
Finance Lease		-	11,583
Income Tax Payable	See Note 5 (Page 33)	75,728	268,296
Income Received in Advance	See Note 11 (Page 35)	2,188,278	9,920,575
<b>Total</b>		<b>3,570,918</b>	<b>11,291,513</b>
<b>Total Liabilities</b>		<b>3,570,918</b>	<b>11,291,513</b>
<b>Net Assets</b>		<b>3,057,621</b>	<b>2,657,901</b>
<b>Equity and Reserves</b>			
Share Capital		1,338,421	1,338,421
Retained Earnings		1,719,200	1,319,480
<b>Total Equity and Reserves</b>	See Note 15 (Page 36)	<b>3,057,621</b>	<b>2,657,901</b>

The accompanying accounting policies and notes form part of these consolidated financial statements.



Ian Collier - Chair



Peter Heenan - Director

# Consolidated statement of changes in equity

For the year ended 30 June 2023

	Notes	Group 2023	Group 2022
Opening Balance (At 1 July)		2,657,901	1,864,382
<b>Equity</b>			
<b>Comprehensive Revenue and Expense</b>			
Comprehensive Revenue and Expense		399,721	793,519
<b>Total</b>	<b>See Note 15 (Page 36)</b>	<b>399,721</b>	<b>793,519</b>
<b>Share Capital</b>			
Share Capital Issued		-	-
Uncalled Share Capital		-	-
<b>Total</b>	<b>See Note 15 (Page 36)</b>	<b>-</b>	<b>-</b>
<b>Total Equity</b>		<b>3,057,621</b>	<b>2,657,901</b>
Attributable To: Equity Holders of The Company		3,057,621	2,657,901
Closing Balance (At 30 June)	See Note 15 (Page 36)	3,057,621	2,657,901





# Consolidated statement of cash flows

For the year ended 30 June 2023

	Notes	Group 2023	Group 2022
Cash and Cash Equivalents Beginning of Year		9,509,002	1,657,332
<b>Cash Flow From Operating Activities</b>			
Receipts From Shareholders		3,766,282	4,370,633
Receipts From Other Operating Activities		6,003,579	12,292,130
Interest Received		71,607	30,092
Repayment of Other Operating Income		(6,722,617)	-
Payments to Suppliers		(7,186,549)	(3,717,872)
Payments to Employees		(1,664,336)	(3,818,223)
Interest Paid		(2,503)	(2,104)
Tax Paid		(354,741)	(25,881)
Net GST Movement		(612,035)	(265,536)
<b>Net Cash Flow From Operating Activities</b>		<b>(6,701,312)</b>	<b>8,863,240</b>
<b>Cash Flow From Investing Activities</b>			
Purchases of Fixed Assets		(662,782)	(1,011,570)
Investment		-	-
<b>Net Cash Flow From Investing Activities</b>		<b>(662,782)</b>	<b>(1,011,570)</b>
<b>Cash Flow From Financing Activities</b>			
Repayment of Funding		-	-
<b>Net Cash Flow From Financing Activities</b>		<b>-</b>	<b>-</b>
<b>Net Increase / (Decrease) In Cash and Cash Equivalents</b>		<b>(7,364,094)</b>	<b>7,851,670</b>
Cash and Cash Equivalents End of Year	See Note 6 (Page 33)	2,144,907	9,509,002



# Notes to the consolidated financial statements

## NOTE 1: STATEMENT OF ACCOUNTING POLICIES

### REPORTING ENTITY

The Southland Regional Development Agency Ltd Group consists of Southland Regional Development Agency Ltd and Space Operations New Zealand Ltd. Both companies are New Zealand registered companies under the Companies Act 1993, and are deemed to be Council Controlled Organisations under section 6 of the Local Government Act 2002.

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

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

### PRESENTATION CURRENCY AND ROUNDING

The consolidated financial statements are presented in New Zealand dollars and all values are rounded to the nearest dollar. The functional currency of the Group is New Zealand dollars.

### MEASUREMENT BASE

The consolidated financial statements have been prepared on an historical cost or fair value basis as per the 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 received. 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 act as an agent for third parties for some transactions. When incurring expenditure as an agent, this is accounted for via the Consolidated Statement of Financial Position, and not as revenue and expenditure on the Consolidated 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 consolidated 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 Consolidated 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 Consolidated 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.



Current tax and deferred tax is charged or credited to the Consolidated 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 Group, 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 Group 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 are capitalised if they meet the definition of an asset and the cost exceeds \$1,000.

##### 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 the Group 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.

##### 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 Consolidated 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 the Group 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:	0% - 33%	3 - 10 years
ILT Kidzone:	13.5% - 33%	3 - 7.5 years
Vehicles:	13.5%	7.5 years
Land:	0%	Indefinite

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 Consolidated 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 Group 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 a joint venture 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.

Goodwill has been assessed to have an infinite useful life on the basis the business is ongoing. Goodwill is subject to annual impairment testing.

##### 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
----------------------	-------	-------------

##### 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 NZ Functional Foods Ltd is equity accounted for in the Companies consolidated 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 consolidated financial statements using the equity method. The investment in a joint venture is initially recognised at cost and the carrying amount in the consolidated 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 consolidated 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 companies 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 Consolidated 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 Consolidated 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 Group 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 Consolidated Statement of Financial Position on the basis of Southland Regional Development Agency Group's general and, where applicable, particular accounting policies. All financial instruments disclosed in the Consolidated Statement of Financial Position are recorded at fair value or amortised cost. Revenue and expenditure arising from these financial instruments is recognised in the Consolidated Statement of Comprehensive Revenue and Expense.

#### Statement of Cash Flows

Cash includes cash and cash equivalents as defined previously.

Operating activities include cash received from all revenue sources of Southland Regional Development Agency Group 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 Group.

#### Personnel Costs

##### Salaries and Wages

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

##### Defined Contribution 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 Group 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 have been no changes in accounting policies during the financial year.

#### CRITICAL ACCOUNTING ESTIMATES AND ASSUMPTIONS

The preparation of financial statements to conform to NZ IFRS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

The estimates and associated assumptions have been based on historical experience and other factors that are believed to be reasonable under the circumstances. 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:

- Property, Plant and Equipment (includes assumptions around useful life of assets, Note 7)
- Revenue (timing of revenue is assessed under Tier 2 PBE RDR guidance, Note 2)

## NOTE 2: TOTAL OPERATING REVENUE

	Group 2023	Group 2022
<b>Revenue</b>		
Exchange Revenue	7,614,063	5,558,703
Non Exchange Revenue	1,844,589	3,693,113
<b>Total Revenue</b>	<b>9,458,652</b>	<b>9,251,816</b>

## NOTE 3: REVENUE

	Group 2023	Group 2022
<b>Class A Shareholder Funding</b>		
<b>Core</b>		
Environment Southland	169,740	165,759
Gore District Council	155,436	151,792
Invercargill City Council	874,352	853,857
Southland District Council	497,859	486,191
<b>Total</b>	<b>1,697,387</b>	<b>1,657,600</b>
<b>Contract</b>		
Environment Southland	-	13,303
Gore District Council	60,000	60,000
Invercargill City Council	939,885	942,741
Southland District Council	1,069,010	700,739
<b>Total</b>	<b>2,068,895</b>	<b>1,716,783</b>
<b>Total Class A Shareholder Funding</b>	<b>3,766,282</b>	<b>3,374,383</b>
<b>Service Revenue</b>		
Invercargill i-SITE	-	6,373
Business Sector Support Services	581,647	1,190,744
Satellite Ground Station	1,861,128	2,266,748
<b>Total Service Revenue</b>	<b>2,442,775</b>	<b>3,463,864</b>
<b>Project Revenue</b>		
Investigation, Impetus and Assessment Fund	443,409	135,794
Carbon Neutral Advantage	-	65,075
Event Delivery	273,584	327,781
Event Support Funding	465,270	423,294
Tourism Support Funding	997,957	856,243
Other	993,498	548,311
<b>Total Project Revenue</b>	<b>3,173,718</b>	<b>2,356,498</b>



## NOTE 4: PERSONNEL EXPENDITURE

At 30 June 2023 there were 39 full-time employees (2022: 40) with the balance of staff representing 4.2 FTE (2022: 2.5).

	Group 2023	Group 2022
<b>Employee Remuneration</b>		
Salaries and Wages*	3,952,978	3,834,731
KiwiSaver Contributions	103,572	104,277
Increase / (Decrease) in Employee Entitlements	54,266	54,495
<b>Total Employee Remuneration</b>	<b>4,110,816</b>	<b>3,993,503</b>

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

Director Remuneration		
Ian Collier - Chair	68,000	48,000
Rachel Lindsay	16,000	16,000
Lucy Griffiths	16,000	16,000
Jason Franklin	16,000	16,000
Peter Heenan*	28,000	18,000
Maria Pera	16,000	16,000
Jeff Grant	16,000	16,000
John Yaldwyn**	10,000	-
<b>Total Director Remuneration</b>	<b>186,000</b>	<b>162,000</b>

\* Peter Heenan is the Chair of the Audit and Risk Committee.

\*\* John Yaldwyn is the Chair of Space Operations New Zealand Limited.

Total Remuneration By Band for Employees for the Year		
\$100,000 - \$109,999	-	2
\$110,000 - \$119,999	1	2
\$120,000 - \$129,999	2	-
\$130,000 - \$139,999	1	1
\$140,000 - \$149,999	1	1
\$150,000 - \$159,999	1	2
\$160,000 - \$169,999	1	-
\$170,000 - \$179,999	1	1
\$230,000 - \$239,999	-	1

Employee Entitlements		
Salaries and Wages	166,037	178,651
Annual and Other Leave Entitlements	233,833	177,893
<b>Total Employee Entitlements</b>	<b>399,870</b>	<b>356,544</b>

### Severance Payments

During the year there were no severance payments (2022: Nil).

## NOTE 5: INCOME TAX

	Group 2023	Group 2022
<b>Surplus / (Deficit) for the Year</b>	<b>558,108</b>	<b>1,064,003</b>
Share of Surplus / (Deficit) From Joint Venture	-	434,411
Capital Contribution	-	(539,524)
Non Deductible Expenditure	7,563	7,125
Taxable Income	565,671	966,015
<b>Tax at 28%</b>	<b>158,387</b>	<b>270,484</b>
Temporary Differences	3,786	4,413
<b>Tax Expense After Adjusting for Deferred Tax Asset</b>	<b>162,174</b>	<b>274,898</b>
<b>Plus / (Less) Effect of</b>		
Balance Brought Forward	268,297	19,280
Tax Paid / (Refunded)	(354,743)	(25,880)
<b>Income Tax Liability</b>	<b>75,728</b>	<b>268,297</b>

Recognised in  
Profit or Loss    Equity

Deferred Tax Asset		
<b>Balance at 1 July 2021</b>	36,162	-
Movements	-	-
Provisions	4,413	-
<b>Balance at 30 June 2022</b>	<b>40,575</b>	<b>-</b>
<b>Balance at 1 July 2022</b>	<b>40,575</b>	<b>-</b>
Movements	-	-
Provisions	3,787	-
<b>Balance at 30 June 2023</b>	<b>44,362</b>	<b>-</b>

## NOTE 6: CASH AND CASH EQUIVALENTS

Southland Regional Development Agency Group banks with Westpac and the funds are held in cheque accounts (with interest rates between 0.00% and 2.70%) (2022: Between 0.00% and 0.50%).

	Group 2023	Group 2022
<b>Cash and Cash Equivalents</b>		
Cheque Accounts	124,943	992,689
Online Saver Account	2,019,238	-
Short Term Deposits	-	8,516,063
Cash Floats	726	249
<b>Total Cash and Cash Equivalents</b>	<b>2,144,907</b>	<b>9,509,002</b>

## NOTE 7: TRADE AND OTHER RECEIVABLES

No provision for doubtful debts has been applied.

	Group 2023	Group 2022
<b>Trade and Other Receivables</b>		
Trade Receivables	778,840	2,337,512
Accrued Revenue	88,594	96,973
Related Party Receivables	418,611	12,854
GST Receivable	798,129	169,164
<b>Total Trade and Other Receivables</b>	<b>2,084,174</b>	<b>2,616,503</b>
Receivables From Exchange Transactions	1,286,045	2,447,339
Receivables From Non-Exchange Transactions	798,129	169,164
<b>Receivables Ageing Profile at Year End</b>		
Not Past Due	1,940,016	1,441,648
Past Due 1 - 60 Days	111,983	349,867
Past Due 61 - 120 Days	-	361,224
Past Due > 120 Days	32,174	463,763
<b>Total Trade and Other Receivables</b>	<b>2,084,174</b>	<b>2,616,503</b>

## NOTE 9: ASSETS UNDER CONSTRUCTION

Property, plant and equipment in construction is detailed below:

	Group 2023	Group 2022
<b>Assets Under Construction</b>		
Opening Balance	27,931	-
Additions	238,773	27,931
Transfers / Disposals	-	-
<b>Closing Balance</b>	<b>266,704</b>	<b>27,931</b>

## NOTE 10: TRADE AND OTHER PAYABLES

	Group 2023	Group 2022
<b>Trade and Other Payables Under Exchange Transactions</b>		
Trade Payables	545,704	615,278
Related Party Payables and Accrued Expenses	-	30
Accrued Expenses	361,339	119,207
<b>Total Trade and Other Payables Under Exchange Transactions</b>	<b>907,043</b>	<b>734,515</b>

## NOTE 8: PROPERTY, PLANT AND EQUIPMENT

	Buildings	Furniture & Fittings	IT Equipment	ILT Kidzone Equipment	Vehicles	Land	Site Development	Ground Station Equipment	Total
<b>Cost</b>									
Balance at 1 July 2021	251,715	68,344	124,091	51,852	25,500	130,000	-	183,553	<b>835,055</b>
Additions	335,883	15,893	30,320	-	-	-	429,994	225,284	<b>1,037,374</b>
Reclassification	(25,207)	-	-	-	-	-	25,207	-	<b>-</b>
<b>Balance at 30 June 2022</b>	<b>562,391</b>	<b>84,237</b>	<b>154,411</b>	<b>51,852</b>	<b>25,500</b>	<b>130,000</b>	<b>455,201</b>	<b>408,837</b>	<b>1,872,429</b>
Balance at 1 July 2022	562,391	84,237	154,411	51,852	25,500	130,000	455,201	408,837	<b>1,872,429</b>
Additions	27,275	3,338	54,066	-	20,500	311,852	2,270	4,709	<b>424,010</b>
<b>Balance at 30 June 2023</b>	<b>589,666</b>	<b>87,575</b>	<b>208,477</b>	<b>51,852</b>	<b>46,000</b>	<b>441,852</b>	<b>457,471</b>	<b>413,546</b>	<b>2,296,439</b>
<b>Accumulated Depreciation</b>									
Balance at 1 July 2021	20,516	14,957	54,235	21,922	6,885	-	-	17,213	<b>135,728</b>
Depreciation Expense	12,575	9,798	45,161	11,126	3,443	-	2,591	20,663	<b>105,357</b>
Reclassification	(1,226)	-	-	-	-	-	1,226	-	<b>-</b>
<b>Balance at 30 June 2022</b>	<b>31,865</b>	<b>24,755</b>	<b>99,396</b>	<b>33,048</b>	<b>10,328</b>	<b>-</b>	<b>3,817</b>	<b>37,876</b>	<b>241,085</b>
Balance at 1 July 2022	31,865	24,755	99,396	33,048	10,328	-	3,817	37,876	<b>241,085</b>
Depreciation Expense	16,690	8,984	35,157	7,055	3,674	-	5,671	31,024	<b>108,255</b>
<b>Balance at 30 June 2023</b>	<b>48,555</b>	<b>33,739</b>	<b>134,553</b>	<b>40,103</b>	<b>14,002</b>	<b>-</b>	<b>9,488</b>	<b>68,900</b>	<b>349,340</b>
<b>Total Property, Plant &amp; Equipment</b>	<b>541,111</b>	<b>53,836</b>	<b>73,924</b>	<b>11,749</b>	<b>31,998</b>	<b>441,852</b>	<b>447,983</b>	<b>344,646</b>	<b>1,947,099</b>

Note: Depreciation for Space Operations is included under economic development as it is not a core expense of the Group.

<b>Carrying Amounts</b>									
At 30 June 2022	530,526	59,482	55,015	18,804	15,172	130,000	451,384	370,961	<b>1,631,344</b>
At 30 June 2023	541,111	53,836	73,924	11,749	31,998	441,852	447,983	344,646	<b>1,947,099</b>



## NOTE 11: INCOME RECEIVED IN ADVANCE

	Group 2023	Group 2022
<b>Income Received in Advance</b>		
<b>Income Received in Advance Under Exchange Transactions</b>		
Income Received in Advance	1,695,742	9,319,009
Related Party Income Received in Advance	35,649	35,649
<b>Total</b>	<b>1,731,391</b>	<b>9,354,658</b>
<b>Income Received in Advance Under Non-Exchange Transactions</b>		
Income Received in Advance	-	-
Related Party Income Received in Advance	456,887	565,917
<b>Total</b>	<b>456,887</b>	<b>565,917</b>
<b>Total Income Received in Advance</b>	<b>2,188,278</b>	<b>9,920,575</b>

## NOTE 12: INTANGIBLE ASSETS

	Goodwill	Lease Goodwill	Total
<b>Cost</b>			
<b>Balance at 1 July 2021</b>	100,000	200,000	<b>300,000</b>
Additions	-	-	-
Disposals	-	(200,000)	<b>(200,000)</b>
<b>Balance at 30 June 2022</b>	100,000	-	<b>100,000</b>
<b>Balance at 1 July 2022</b>	100,000	-	<b>100,000</b>
Additions	-	-	-
Disposals	-	-	-
<b>Balance at 30 June 2023</b>	100,000	-	<b>100,000</b>
<b>Accumulated Amortisation</b>			
<b>Balance at 1 July 2021</b>	-	200,000	<b>200,000</b>
Amortisation Expense	-	(200,000)	<b>(200,000)</b>
Impairment	-	-	-
<b>Balance at 30 June 2022</b>	-	-	<b>-</b>
<b>Balance at 1 July 2022</b>	-	-	<b>-</b>
Amortisation Expense	-	-	-
Impairment	-	-	-
<b>Balance at 30 June 2023</b>	-	-	<b>-</b>
<b>Total Intangible Assets</b>	<b>100,000</b>	<b>-</b>	<b>100,000</b>

Note: Lease goodwill related to the lease of land for the Satellite Ground Station from the Venture Southland Trust. This land was subsequently gifted to Southland Regional Development Agency Ltd, and therefore the goodwill associated with the lease removed.

Carrying Amounts			
<b>At 30 June 2022</b>	100,000	-	<b>100,000</b>
<b>At 30 June 2023</b>	100,000	-	<b>100,000</b>

## NOTE 13: COMMITMENTS

	Group 2023	Group 2022
<b>Operating Leases as Lessee*</b>		
<b>Expenditure on Operating Leases as Lessee</b>	<b>265,522</b>	<b>258,538</b>
Not later than one year	221,709	259,530
Later than one and not later than five years	279,950	467,707
Later than five years	-	-
<b>Total Operating Leases as Lessee Commitments</b>	<b>501,659</b>	<b>727,237</b>
<b>Operating Leases as Lessor**</b>		
<b>Revenue on Operating Leases as Lessor</b>	<b>1,397,170</b>	<b>1,199,931</b>
Not later than one year	1,324,095	1,301,302
Later than one and not later than five years	2,244,408	2,584,486
Later than five years	22,673	-
<b>Total Operating Leases as Lessor Commitments</b>	<b>3,591,176</b>	<b>3,885,788</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 2023 (2022: Nil).

## NOTE 14: INVESTMENT IN OTHER ENTITIES

Southland Regional Development Agency Ltd holds 49% of NZ Functional Foods Limited.

	Group 2023	Group 2022
<b>New Zealand Functional Foods</b>		
<b>Opening Balance</b>	-	434,412
Shares Purchased	-	-
Shares Issued	-	-
Elimination of Non-Monetary Gain	-	-
Gain on Fair Value of Investment	-	-
Share of Surplus / (Deficit)	-	(434,412)
<b>Closing Balance</b>	<b>-</b>	<b>-</b>

Note: Southland Regional Development Agency Ltd has a 49% share in New Zealand Functional Foods Limited. For the year ended 31 March 2023 New Zealand Functional Foods Limited has made a loss. The Investment cannot go below zero therefore no share of this loss is recognised in the Consolidated Statement of Financial Performance or against the Investment.

## NOTE 15: EQUITY

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).

### ATTRIBUTABLE TO EQUITY HOLDERS OF THE GROUP

	Share Capital Class A	Share Capital Class B	Share Capital Class C	Total Share Capital	Additional Paid In Capital	Retained Earnings	Total
<b>Balance at 1 July 2021</b>	-	-	1,338,421	<b>1,338,421</b>	-	525,961	<b>1,864,382</b>
Profit/(Loss) After Tax	-	-	-	-	-	793,519	<b>793,519</b>
Share Capital Issued	-	-	-	-	-	-	-
Share Capital Uncalled	-	-	-	-	-	-	-
Distribution to Shareholders	-	-	-	-	-	-	-
<b>Balance at 30 June 2022</b>	-	-	1,338,421	<b>1,338,421</b>	-	1,319,480	<b>2,657,901</b>
<b>Balance at 1 July 2022</b>	-	-	1,338,421	<b>1,338,421</b>	-	1,319,480	<b>2,657,901</b>
Profit/(Loss) After Tax	-	-	-	-	-	399,721	<b>399,721</b>
Share Capital Issued	-	-	-	-	-	-	-
Share Capital Uncalled	-	-	-	-	-	-	-
Distribution to Shareholders	-	-	-	-	-	-	-
<b>Balance at 30 June 2023</b>	-	-	1,338,421	<b>1,338,421</b>	-	1,719,201	<b>3,057,622</b>

Note: Class A and B shares are uncalled as at 30 June 2023. 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

	Notes	Group 2023	Group 2022
<b>Loans and Receivables at Amortised Cost</b>			
Cash and Cash Equivalents	See Note 6	2,144,907	9,509,002
Trade and Other Receivables	See Note 7	2,084,174	2,616,503
<b>Total Loans and Receivables at Amortised Cost</b>		<b>4,229,081</b>	<b>12,125,505</b>
<b>Financial Liabilities at Amortised Cost</b>			
Trade and Other Payables	See Note 10	907,043	734,515
<b>Total Financial Liabilities at Amortised Cost</b>		<b>907,043</b>	<b>734,515</b>

### Credit Risk

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

Southland Regional Development Agency Group 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 above.

## NOTE 16 CONTINUED...

### Liquidity Risk

Southland Regional Development Agency Group 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

There is the risk that changes in the currency markets could mean significant movements in the exchange rates between currencies. Southland Regional Development Agency Group is exposed to foreign exchange or currency risk through the lease of Awarua Ground Station to overseas customers.

### Off Balance Sheet Financial Instruments

Southland Regional Development Agency Group 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 Consolidated Statement of Financial Position.

**NOTE 17: RELATED PARTIES**

Southland Regional Development Agency had the following related party transactions:

Related Party	2022			
	Revenue	Expense	Receivables	Payables
Invercargill City Council	1,796,599	310	-	-
Southland District Council	1,186,930	2,344	9,200	30
Gore District Council	211,792	100	-	-
Environment Southland	179,061	-	-	-
Invercargill Licencing Trust	82,719	-	2,300	-
Southland Chamber of Commerce	-	1,864	-	-
Southland Regional Heritage Committee	5,000	-	-	-
New Zealand Functional Foods Ltd	-	-	1,354	-
<b>Total</b>	<b>3,462,101</b>	<b>4,618</b>	<b>12,854</b>	<b>30</b>

Related Party	2023			
	Revenue	Expense	Receivables	Payables
Invercargill City Council	1,814,237	2,289	-	-
Southland District Council	1,587,199	9,350	418,611	-
Gore District Council	215,436	-	-	-
Environment Southland	169,740	-	-	-
Invercargill Licencing Trust	-	-	-	-
Mataura Licencing Trust	-	3,228	-	-
Southland Chamber of Commerce	26	13,328	-	-
Southland Regional Heritage Committee	-	-	-	-
New Zealand Functional Foods Ltd	-	-	-	-
<b>Total</b>	<b>3,786,638</b>	<b>28,195</b>	<b>418,611</b>	<b>-</b>

**NOTE 17 CONTINUED...****Related Parties**

- Southland Regional Development Agency is owned by Invercargill City Council, Southland District Council, Gore District Council, Environment Southland, Invercargill Licencing Trust, Mataura Licencing Trust, Southland Chamber of Commerce and Southern Institute of Technology.
- 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, former GM Finance and Operations, wife was Financial Controller at Stadium Southland Ltd.
- 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.

**Transactions**

No related party transactions have been written off or were forgiven during the 2023 year (2022: Nil).

	2023	2022
<b>Management Personnel Compensation</b>		
<b>Directors</b>		
Full-Time Equivalent Members	6	6
Remuneration	186,000	146,000
<b>Senior Management Team, Including the Chief Executive</b>		
Full-Time Equivalent Members	6	5
Remuneration	978,178	1,068,530
<b>Total Management Personnel Compensation</b>	<b>1,164,178</b>	<b>1,214,530</b>

**NOTE 18: POST BALANCE DATE EVENTS**

On 4 July 2023 Space Operations New Zealand Limited took ownership of Warkworth Space Centre.

**NOTE 19: CONTINGENT LIABILITIES AND CONTINGENT ASSETS**

There are no contingent assets or liabilities as at 30 June 2023 (2022: Nil).



# Corporate report

For the year ended June 2023

## OWNERSHIP

Southland Regional Development Agency (trading as Great South) is a Limited Liability Company incorporated and registered under the New Zealand Companies Act 1993. The Group consists of Great South and wholly-owned subsidiary Space Operations New Zealand Limited. 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

The Directors of Southland Regional Development Agency are Ian Collier (Chair), Rachel Lindsay, Lucy Griffiths, Jason Franklin, Peter Heenan, Maria Pera and Jeff Grant

### Director interests

The following tables register the interests of the Directors:

#### Ian Collier – Register of interests

Bluff Distillery Limited – Shareholder
BOP Machinery and Equipment Limited – Shareholder
ELE Management Limited – Board Member
Glenross Forest GP Limited – Shareholder
Great South – Interim Chief Executive (April to September 2022)
Hood Aerodrome – Advisory Group Member
Justice of the Peace
Masterton Civic Centre Working Group – Chair
Masterton Showgrounds – Board Member
New Zealand Functional Foods – Board Member
Palmerston North Airport Limited – Contract Work
Ryman Healthcare – Contract Work
Southland Clean Energy Governance Group - Member
Space Operations New Zealand Limited – Board Member
Wairarapa A&P Society – Board Member

#### Rachel Lindsay – Register of interests

AWS Legal – Board Member / Partner
Southland Standards Committee – Member
Tuatapere Hump Ridge Track Limited – Director

#### Lucy Griffiths – Register of interests

Brackenridge Country Retreat and Spa – Chair / Shareholder
Hokai Tahī – Chair
Innov8 Aotearoa Limited – Owner / Director
Masterton Community Trust – Elected Trustee
Mirrabooka Limited – Director
Regional Net Proceeds Committee – Chair
Skyline Enterprises – Shareholder
Sustainable Food & Fibre Futures Fund (MPI) Independent Advisory Panel – Chair
Trust House Foundation – Deputy Chair
Trust House Limited – Deputy Chair
Waste Minimisation Fund (MfE) – Deputy Chair

#### Jason Franklin – Register of interests

Canoldir Investments Limited – Director / Shareholder
Electricity Networks Association – Director
PowerNet Limited – Chief Executive
PowerNet Limited subsidiaries and/or associated companies: OtagoNet, OtagoNet Properties, PowerNet Central – Director
SmartCo Limited – Director

#### Peter Heenan – Register of interests

Allied FH Limited – Director
Allied Queenstown Concrete Limited – Director
BCL Management Limited – Director
Bond Contracts Limited – Director
Cass Street Recycling Limited – Director
Hospice Southland – Trustee
HW Richardson Group Limited – Executive Director Finance
HWR Hydrogen – Director
Rangitikei Aggregates Limited – Director
Southern Aggregates Limited – Director
Space Operations New Zealand Limited – Director

#### Maria Pera – Register of interests

Kaitahu Tai Whenua Trust – Chair
Mast Limited – Director / Shareholder
Mataura Marae – Deputy Chair
Murihiku Holdings – Chair
Rio Tinto / NZAS Community Development Fund – Board Member
Whanau as First Navigators – Board Member

#### Jeff Grant – Register of interests

DNG Holdings (property company) – Director / Shareholder
Invercargill City Council Governance Group – Chair
Lakeland Wanaka Limited (tourism business) – Director / Shareholder
Northern Southland Vets – Shareholder
Thriving Southland – Chair
Tower Hill Trust (farm) – Director / Shareholder

# Independent auditor's report

---



## INDEPENDENT AUDITOR'S REPORT

### TO THE READERS OF SOUTHLAND REGIONAL DEVELOPMENT AGENCY LIMITED'S GROUP CONSOLIDATED FINANCIAL STATEMENTS AND PERFORMANCE INFORMATION FOR THE YEAR ENDED 30 JUNE 2023

The Auditor-General is the auditor of Southland Regional Development Agency Limited and its controlled entities (collectively referred to as 'the Group'). The Auditor-General has appointed me, Peter Taylor, using the staff and resources of KPMG, to carry out the audit of the consolidated financial statements and the performance information of the Group, on his behalf.

#### Opinion

We have audited:

- the consolidated financial statements of the Group on pages 26 to 37, that comprise the consolidated statement of financial position as at 30 June 2023, the consolidated statement of comprehensive revenue and expense, consolidated statement of changes in equity and consolidated statement of cash flows for the year ended on that date and the notes to the consolidated financial statements that include accounting policies and other explanatory information.
- the performance information of the Group on pages 24 to 25.

In our opinion:

- The consolidated financial statements of the Group on pages 26 to 37:
  - present fairly, in all material respects:
    - its consolidated financial position as at 30 June 2023; and
    - its consolidated financial performance and cash flows for the year then ended; and
  - comply with generally accepted accounting practice in New Zealand in accordance with Public Benefit Entity International Public Sector Accounting Standards (PBE IPSAS) Reduce Disclosure Regime (RDR), and
- the performance information of the Group presents fairly, in all material respects, the Group's actual performance compared against the performance targets and other measures by which performance was judged in relation to the Group's objectives for the year ended 30 June 2023.

Our audit was completed on 3 October 2023. This is the date at which our opinion is expressed. The basis for our opinion is explained below. In addition, we outline the responsibilities of the Board of Directors and our responsibilities relating to the consolidated financial statements and the performance information, and we explain our independence.



We have fulfilled our responsibilities in accordance with the Auditor-General's Auditing Standards.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Responsibilities of the Board of Directors for the consolidated financial statements and the performance information**

The Board of Directors is responsible on behalf of the Group for preparing consolidated financial statements that are fairly presented and that comply with generally accepted accounting practice in New Zealand. The Board of Directors is also responsible for preparing the performance information for the Group.

The Board of Directors is responsible for such internal control as it determines is necessary to enable it to prepare consolidated financial statements and performance information that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements and performance information, the Board of Directors is responsible on behalf of the Group for assessing the Group's ability to continue as a going concern. The Board of Directors is also responsible for disclosing, as applicable, matters related to going concern and using the going concern basis of accounting, unless the Board of Directors intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The Board of Directors' responsibilities arise from the Local Government Act 2002.

### **Responsibilities of the auditor for the audit of the consolidated financial statements and the performance information**

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements and the performance information, as a whole, are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit carried out in accordance with the Auditor-General's Auditing Standards will always detect a material misstatement when it exists. Misstatements are differences or omissions of amounts or disclosures, and can arise from fraud or error. Misstatements are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decisions of readers, taken on the basis of these consolidated financial statements and performance information.

We did not evaluate the security and controls over the electronic publication of the consolidated financial statements and the performance information.

As part of an audit in accordance with the Auditor-General's Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. Also:

- We identify and assess the risks of material misstatement of the consolidated financial statements and performance information, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- We obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.





- We evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.
- We evaluate the appropriateness of the reported performance information within the Group's framework for reporting its performance.
- We conclude on the appropriateness of the use of the going concern basis of accounting by the Board of Directors and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements and performance information or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- We evaluate the overall presentation, structure and content of the consolidated financial statements and the performance information, including the disclosures, and whether the consolidated financial statements and performance information represent the underlying transactions and events in a manner that achieves fair presentation.
- We obtain sufficient appropriate audit evidence regarding the consolidated financial statements and performance information of the entities or business activities within the Group to express an opinion on the consolidated financial statements and the consolidated performance information. We are responsible solely for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Board of Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify in our audit.

Our responsibilities arise from the Public Audit Act 2001.

### **Independence**

We are independent of the Group in accordance with the independence requirements of the Auditor-General's Auditing Standards, which incorporate the independence requirements of Professional and Ethical Standard 1: International Code of Ethics for Assurance Practitioners, issued by New Zealand Auditing and Assurance Standards Board.

Other than the audit, we have no relationship with, or interests in, the Group.

A handwritten signature in blue ink, appearing to read 'Peter Taylor', written over a light blue horizontal line.

Peter Taylor  
KPMG  
On behalf of the Auditor-General  
Christchurch, New Zealand



[www.greatsouth.nz](http://www.greatsouth.nz)

Visit our website to discover more about us and sign up for our newsletters to receive regular updates