

GREAT SOUTH



Southland Regional Development Agency

Statement of intent

For year ending 30 June 2022



Company directory

SOUTHLAND REGIONAL DEVELOPMENT AGENCY LIMITED

Trading as Great South

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DIRECTORS

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

REGISTERED OFFICE

Southland Regional Development Agency Limited
143 Spey Street, Invercargill

BANK

Westpac New Zealand Limited

AUDITORS

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

PURPOSE OF THIS STATEMENT OF INTENT

In accordance with the requirements of Section 64(1) of the Local Government Act 2002, this Statement of Intent publicly sets out the overall intentions and activities for Great South, Southland's Regional Development Agency, and the objectives to which those activities will contribute.

The objectives and strategic activities outlined in this document have been established in response to the shareholders' letter of expectation, which was received 30 October 2020, and will be used to hold the organisation accountable for achieving its overall vision and goals.

SHAREHOLDERS

Class A Shareholders

Invercargill City Council
Southland District Council
Gore District Council
Environment Southland

Class B Shareholders

Invercargill Licensing Trust
Mataura Licensing Trust
Southland Chamber of Commerce
Southern Institute of Technology

MEMBERS

Community Trust South

LEGAL STATUS

Southland Regional Development Agency Limited ("SRDA") was incorporated in New Zealand on 29 March 2019 under the Companies Act 1993 (NZBN 9429042001096).

COMPANIES OWNED BY SOUTHLAND REGIONAL DEVELOPMENT AGENCY LIMITED

Space Operations New Zealand Limited – 100%
NZ Functional Foods Limited – 49%

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Foreword

Great South has a clear mandate from our shareholders to provide advocacy, leadership and a strong voice for Southland on our focus areas of regional development.

Southland has endured a turbulent period of uncertainty, which will carry forward to the year ahead. This does of course sit within a global context, with the ongoing COVID-19 pandemic and climate change being two of the significant issues affecting and influencing us all.

At a national level, the Government is implementing a raft of legislative change, and structural change in some sectors, which will directly affect much of our community. These are therefore changes that Great South must incorporate into our work programme so that we can most effectively lead, inform and support regionwide decision making.

Regionally, the planned Tiwai Point aluminium smelter closure (now the end of 2024) continues to be an issue of significance that presents both challenges and opportunities, all of which are being very actively considered and developed.

Great South's approach to these, and many other issues, requires a mix of core, forward thinking projects and strategic initiatives as well as a nimble and adaptable approach to more immediate or unforeseen opportunities.

Almost all Great South's activity is undertaken with other organisations and we are proud of our record of successful partnership activity. In particular, we are very pleased to be participating in the Just Transitions partnership with Government, Ngai Tahu and other key stakeholders through the Murihiku Regeneration project, which will help establish a refreshed strategic vision for the region in the years ahead. While this work gets underway, we will continue to focus on key areas of delivery in response to our shareholders' expectations as outlined in this Statement of Intent.

To start the new year, we are particularly pleased to be signing an enduring Memorandum Of Understanding with our four Murihiku Rūnanga; Awarua, Hokonui, Ōraka-Aparima and Waihōpai. We are very grateful for the ongoing support of our shareholding councils, Invercargill City Council, Gore District Council, Southland District Council and Environment Southland and our positive working relationships with Invercargill Licensing Trust, Maitara Licensing Trust, Southern Institute of Technology, Southland Chamber of Commerce and Community Trust Southland. We are clear about our mandate as an organisation and totally focused on our vision of achieving 'Even better lives through sustainable development'.



Ian Collier
Board Chair



Graham Budd
Chief Executive

About us

Great South was established as the Southland Regional Development Agency in March 2019.

Committed to driving economic, social and cultural growth, Great South has a clear mandate to leverage opportunities for Southland in the areas of economic and business development, tourism and events. This involves managing Southland's regional tourism organisations 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 regional development.

Through the essential support provided to Southland sectors and industries, Great South provides a unified voice for the region, establishes a strong platform for regional success and takes strides towards its clear vision of 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, Maitara Licensing Trust, Southland Chamber of Commerce, Southern Institute of Technology and its member Community Trust South.

Great South is developing a memorandum of understanding with all four Papatipu Rūnanga in Southland/Murihiku - Awarua, Hokonui, Ōraka-Aparima, and Waihōpai.

CONSTITUTION OBJECTIVES

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

GREAT SOUTH GOVERNANCE

The Board of seven independent directors is responsible for the strategic direction of Great South and the initiatives it is involved with. The Board oversees the business undertaken by Great South in accordance with the Local Government Act 2002, Companies Act 1993, the Company's Constitution and this 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.

OUR VISION

Even better lives through sustainable development

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

Southland has the drive, enthusiasm and leadership needed to establish itself on the world stage as a contemporary, connected and competitive place that is home to 'even better lives', and Great South is committed to achieving this vision.

OUR VALUES

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.

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.

Southland proud

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

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.

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.

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.

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.

Shareholder confidence

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



OUR GOALS

Long term strategic goals

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

Grow the population	Diversify the economy
Build a skilled workforce	Grow innovative businesses

Short term strategic goals

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

Retain jobs and a skilled workforce
Lead and facilitate the economic rebuild
Champion significant sustainability projects
Identify opportunities to build resilience and diversify within businesses

How we operate

Great South works for the benefit of the whole region. Its approach places equal importance on Southland's people, place, environment and economic development. In line with best management practice, we regularly review our processes, identifying opportunities to reduce the organisation's carbon footprint, work in partnership with local iwi, and ensure our practices and expenditure can withstand public scrutiny.

ROLES OF GREAT SOUTH

Great South's role will vary depending on the nature of the project or initiative. It may either support, manage, own, govern, facilitate, collaborate and /or advocate for its success. It will build on established partnerships with sector representatives and key Southland stakeholders.

TREATY OF WAITANGI

Great South is committed to meeting its obligations under the Treaty of Waitangi and collaborates with all four Southland-based Rūnanga on strategic projects.

SUSTAINABLE FOCUS

Great South is on a pathway to environmental sustainability, taking positive action towards carbon neutrality and integrating sustainable consideration in all its activities, providing leadership to local businesses and the community.

THE GREAT SOUTH TEAM

The most valuable asset at Great South is its people. The internal organisation values are: respect each other's contribution, work together to achieve great things for our region, care for each other and our place, enjoy work and have fun; simplified to 'respect', 'greatness', 'care' and 'fun'. Investment in staff will be made to ensure skills are relevant and up to date and that staff can contribute to the organisation efficiently and effectively.

HEALTH AND SAFETY

Great South embraces the belief that everyone has a right to a healthy and safe work environment and is committed to ensuring staff and anyone else on site is safe. While ensuring that the organisation meets its obligations with respect to New Zealand laws and regulations, Great South will also strive to create a culture where workers can contribute to the development of a thriving work environment and a place where social engagement is equally valued.

PARTNERING FOR SUCCESS

The future success of Murihiku depends on partnerships. Great South has established a unified response to regional development that encapsulates the views of its treaty partners, stakeholders and the wider community, and is committed to telling the shared stories of Southland - people and place.

FUNDING

As a council-controlled organisation, Great South receives funding from its Class A shareholders to cover core operational costs. Shareholders and various other local and national funders invest in Great South for the advancement of specific projects, initiatives and contracts that fall within the mandate of Great South to leverage opportunities in the areas of regional development.

WHAT WE DO

Develop a diverse and innovative economy

A diverse and innovative economy is vital to the region's future prosperity and resilience. An ability to leverage initiatives that increase gross domestic product, extend local industry capability, drive a lift in exports and create employment opportunities, but not at the expense of the environment or the wellbeing of its people, is essential for instilling confidence in the region.

ADVANCING ALTERNATIVE INDUSTRY

This is a time of unprecedented change for the Southland economy, with the potential closure of New Zealand's Aluminium Smelter (NZAS) on the Tiwai Peninsula in December 2024 and new regulations and market-changing consumer trends impacting on the agricultural sector. Now, more so than ever, identifying opportunities for regional economic diversification and advancing alternative industry at scale is critically important to ensuring the development of a diverse, strong and enduring economy, and one that profiles Southland as a preferred place to live, work and invest.

Great South will identify, investigate, support and facilitate initiatives that have the potential to bring significant and sustainable benefits to the region, leveraging Southland's competitive and comparative advantages. These include health and wellness food product development, agriculture, aquaculture, tourism and extending ground station services. It is essential to place more value on what is already produced and to extract more value from it in a carbon neutral manner. A focus on value-added product will be essential to offset the cost of carbon in transportation to international markets.

SUPPORT AGRICULTURAL SECTOR EXTENSION AND LAND USE CHANGE

With Southland's economy largely built upon agriculture and the primary industries, it is important that opportunities to extend these sectors are identified and developed. In partnership with local councils and sector representatives, Great South will assist farmer-led change by providing resources, statistical insights and support that will foster innovation. Of particular significance will be support provided to the agricultural sector as it embarks on the challenges presented by climate change, new farming regulations and market trends such as the increased interest in plant-based protein. Great South will lead knowledge sharing in this sector by providing specific data and tools that contribute to environmentally-sound planning and decision making and assist in developing new opportunities at scale to create viable pathways for land-use change.

SPACE OPERATIONS NEW ZEALAND

Great South's Awarua Satellite Ground Station continues to support satellite missions and launch campaigns for international space agencies and civilian small satellite companies. As demand for its facilities continues to grow, Great South is expanding its services in Southland and will continue its search for a second Satellite Ground Station site in Northland. This will maximise its ability to communicate with the ever-increasing number of satellites and allow more data to be collected, contributing to an important source of income for Great South.

AMPLIFY SOUTHLAND'S VOICE

Great South will embrace its role to provide a unified voice for Southland at a national level. It will be proactive in working alongside major stakeholders for a coordinated and collaborative approach to addressing regional challenges such as improved infrastructure, digital connectivity, housing and services, and will work to attract its fair share of investment. As such, it will be required to take on a range of roles, be it management, governance, ownership, facilitation, support or advocacy.

PROVIDE DATA AND INSIGHTS

It is recognised that up-to-date data is essential for successful regional planning and to attract new investment to the region. Great South will analyse regional trends and liaise with central government on areas of the Southland economy that require support. Economic updates and information provided by Great South will inform decision making at a local and national level. An Advanced Data Analytics Capability is being developed to support the delivery of several regional initiatives, including adding value to Great South's space operations and contributing to land-use decision making.

Identify opportunities that encourage development and support new investment in the region

WHAT WE DO

Strengthen local business

A thriving business sector contributes to more people looking to work and invest in the region. Development in this area paves the way for innovation, creates new employment opportunities, increases confidence and ultimately leads to success. Key to this is encouraging new ways of thinking; supporting business capability, efficiency and competitiveness; addressing labour market challenges, and retaining talent in the region.

PROVIDE BUSINESS DEVELOPMENT SERVICES

In conjunction with the Regional Business Partner Network, Great South will work with Southland businesses at all stages, connecting them with resources and information needed to grow efficiently and effectively. Through partnerships with New Zealand Trade and Enterprise, Business Mentors New Zealand, and Callaghan Innovation, Great South will lead business capability building across the region, by connecting businesses with research and development funding, training opportunities, and facilitating a business mentoring programme. The support offered to Southland businesses through these programmes is essential for retaining and growing a thriving business sector.

RETAIN AND ATTRACT A STRONG WORKFORCE

To drive innovation, strengthen local business and guarantee the future prosperity of the region, it is vital that Southland is backed by a strong and future-focused workforce. Great South will be proactive in identifying initiatives that address the region's current and future labour market needs, with a focus on the

agricultural sector and associated businesses. This will include focusing on the retention and attraction of skills and talent in the region by connecting with Southland youth, supporting local businesses with their recruitment practices, and promoting Southland as a preferred place to live and work.

INSULATE AGAINST THE COST OF CARBON

Climate change and its associated costs pose a major challenge for the Southland region. In responding to this challenge, and adopting a sustainable organisational approach, Great South is leading the way for businesses to reduce their carbon footprint by providing them with the information, resources and advice needed to insulate themselves against the rising cost of carbon. This will help Southland to transition to a low emission future and ensure a healthy environment for generations to come.

FIORDLAND BUSINESS DEVELOPMENT

Within Southland, Fiordland was greatest impacted by the drop in international tourism due to COVID-19. Through support from the Ministry of Business Innovation and Employment and the Ministry of Social Development, Great South will continue to provide support to new and existing businesses and help to identify opportunities to make them more resilient for the future with or without tourism.

CREATE A VIBRANT INVERCARGILL CITY CENTRE

Supporting a thriving Invercargill City is beneficial to the whole region. Great South is contracted by Invercargill City Council to support and promote a positive, sustainable and engaging city centre shopping, business and leisure environment. This includes organising events that enliven the city centre and helping businesses to succeed, particularly while the Invercargill CBD redevelopment takes place.



**Build capability, capacity and innovation
within Southland's business sector**

WHAT WE DO

Grow Southland's tourism economy

Being a preferred visitor destination for domestic and international travellers has a direct impact on the economy; increasing the likelihood of retaining and attracting migrants, new business and investment to the region. With competition between regions at a premium, Great South will focus on Southland's unique offerings, making sure it delivers what visitors want to see. Growing Southland's visitor economy sustainably and continuing to support tourism operators will ensure a resilient tourism sector beyond COVID-19. Great South will take full advantage of international tourism recovery opportunities as they arise.

DESTINATION MANAGEMENT

Southland is home to some of New Zealand's most stunning natural environments. Great South is committed to ensuring these environments are preserved and, where possible, enhanced. It also aims for tourism growth to be achieved in alignment with social, cultural, infrastructural and environmental considerations, preserving Southland's reputation for southern hospitality. The Southland Murihiku Destination Strategy provides the framework for managing this growth and represents a shift in tourism planning to a holistic approach. Great South will plan for and sustainably grow the visitor economy across the five pillars of destination management; product development, marketing and promotion, sustainability, infrastructure and governance.

DESTINATION PROMOTION

Inspiring visitors to choose to travel to Southland is vital to increasing overnight visitation and ensuring the region benefits from increased tourism expenditure. In its role managing both the Southland and Fiordland Regional Tourism Organisations, Great South proudly shares Southland's story with the world through a range of marketing campaigns, initiatives and publications. This involves working alongside a range of industry partners, including Tourism New Zealand and Air New Zealand, to maximise exposure for the region; and collaborating with neighbouring regions to develop and promote touring routes in the lower South Island, showcasing the taonga and experiences on offer. Funding from the Strategic Tourism Assets Protection Programme will be used to increase digital exposure for the region as well as a range of other marketing activity, including promotional campaigns. The strong media programme coordinated by Great South will result in digital and print exposure both nationally and internationally.

FACILITATING PRODUCT DEVELOPMENT

With demand for new tourism products and experiences identified in the Southland Murihiku Destination Strategy, Great South is committed to providing potential business ventures with the information, resources and advice needed to guide a product to market. This involves supporting local operators to better understand the regional tourism environment they operate in, as well as the nature of potential visitors and their expectations. This will enable them to make the most of the opportunities

available with tourism, helping them to consider product and experience development, and providing access to promotional tools that will further support development and awareness across marketing channels. With agriculture a dominant sector for the region, there is opportunity for Southland farmers to diversify their business and consider agritourism. Great South will continue to foster innovative thinking in this space.

DEVELOP TRADE AND INDUSTRY CHANNELS

There is significant potential for tourism operators and travel sellers to encourage increased visitation by new and existing markets. To leverage success in this area, Great South ensures that businesses are supported with their goals to connect with trade channels and that international travel sellers and industry networks are kept up to date with the range of attractions and experiences on offer across the region. This involves attending trade shows to promote Southland's attractions, hosting industry representatives in the region and carrying out frontline training on the activities Southland is home to. By establishing channels for trade between industry representatives and tourism operators, Southland's reputation across the world will continue to grow. Great South will support the extension of the local industry including realising the economic benefits of tourism.



Leverage the potential of tourism to support Southland's economy

WHAT WE DO

Advance Southland's events

Events are the key driver of domestic visitation and are a crucial part of how Great South is promoting and positioning the Southland region until the certainty around international travel returns.

Great South is taking a collaborative approach to maximising the benefits of events for the region, including strengthening its position as a preferred business events destination and partnering with neighbouring regional tourism organisations and MBIE, through the Regional Events Fund. Guided by the Southland Murihiku Events Strategy, Great South will focus on supporting events that tell a unique story and that promote overnight visitation, and on upskilling event organisers to focus and mature the event sector.

STRATEGIC EVENT PLANNING

To support the Southland events sector, Great South will implement the Southland Murihiku Events Strategy, showcasing the diverse events offered and sharing the region's unique stories to encourage visitation. Building upon the region's profile, it will establish an integrated approach to major events, visitor marketing, and economic development.

EVENT MANAGEMENT SUPPORT

Building up an exciting and action-packed events calendar that can be enjoyed by locals and those from further afield, Great South will focus its efforts on supporting Southland's

iconic events, including managing the ILT Kidzone Festival, and supporting the delivery of the Burt Munro Challenge. It will also offer support to other identified events that encourage overnight stay in the region. To support regional event delivery, Great South will connect event organisers with the resources, advice and promotional tools needed to encourage success, and highlight the social value events bring to the Southland region. Great South is administering the Southland and Fiordland Regional Event Funds, which will further support events either existing or new that attract overnight visitors.

ATTRACTING BUSINESS EVENTS TO SOUTHLAND

With travel motivations likely to have changed significantly, the national business events sector presents exciting opportunities for the Southland region. Business Events play a unique role in encouraging repeat visitation and utilising commercial accommodation, particularly in the off-peak seasons, and are therefore extremely beneficial. Business Events Southland, a division of Great South, will build upon key relationships with local and national sector representatives to encourage maximum exposure for the region as a business events destination.

SUSTAINABLE EVENTS

The long-term sustainability of our key events is essential for businesses in their forward planning, as well as for those planning to visit the region. Great South will ensure organisers of key events have a plan in place and professional capability for their event's future sustainability. Great South will also give event organisers the tools they need to incorporate environmental considerations into their event planning.

INVERCARGILL CITY CENTRE EVENTS

A vibrant Invercargill city centre is key to creating an impression for visitors to the region, particularly while the inner-city redevelopment takes place. Great South will work on events that benefit local retailers, attract visitors from around the region and overall lead to a vibrant hub for the region.



Empowering the event sector to create memorable events that encourage visitation

PERFORMANCE MEASURES

Regional economic development

Key Strategic Outcome: Identify opportunities, encourage development and support new initiatives and investment in the region that influence the creation of a diverse, innovative and resilient economy.

SERVICE LEVEL STATEMENT	PERFORMANCE MEASURE	2021/22*	2022/23*	2023/24*
Identify new opportunities for economic development and support their development	Advocate for increased Central Government funding and support for Southland projects	Provide support to more Southland projects to receive funding	Provide support to more Southland projects to receive funding	Provide support to more Southland projects to receive funding
	Identify new large-scale investment	Research and engage with potential investment opportunities	Research and engage with potential investment opportunities	Research and engage with potential investment opportunities
	Increase revenue for ground station services	Increase revenue on prior year	Increase revenue on prior year	Increase revenue on prior year
	Encourage sector extension and resilience	Provide workshops and educational opportunities around sustainable business activities	Provide workshops and educational opportunities around sustainable business activities	Provide workshops and educational opportunities around sustainable business activities
	Provide support for development of aquaculture, oat beverages, and health & wellness food industries	Continue support for NZ Functional Foods, and other industry as identified	Monitor support provided for NZ Functional Foods, and other industry as identified	Review development of NZ Functional Foods, and other industry as identified
Advocate for improved connectivity, infrastructure and services across the region	Support the Southland Housing Forum to increase and improve housing stock across the region	Continue support to Southland Housing Forum	Continue support to Southland Housing Forum	Continue support to Southland Housing Forum
	Advocate for greater digital connectivity	Continue to advocate for broadband services with government and other relevant agencies	Continue to advocate for broadband services with government and other relevant agencies	Continue to advocate for broadband services with government and other relevant agencies
	Make submissions on Government policy and legislation	Make submissions on Government policy and legislation relevant to the key strategic goals	Make submissions on Government policy and legislation relevant to the key strategic goals	Make submissions on Government policy and legislation relevant to the key strategic goals
Provide data and insights on the region's performance	Communicate economic impact information to stakeholders and other groups as identified	Continue communication of economic information to stakeholders	Continue communication of economic information to stakeholders	Continue communication of economic information to stakeholders

* These performance measures may be impacted by Great South's need to be flexible and adopt to the needs of the region.

PERFORMANCE MEASURES

Regional business services

Key Strategic Outcome: Build capacity and capability, encourage innovation and business competitiveness, and increase confidence in the Southland region.

SERVICE LEVEL STATEMENT	PERFORMANCE MEASURE	2021/22*	2022/23*	2023/24*
Support businesses by providing the resources and training to position them to achieve growth	Engage with local businesses, particularly in key tourism centres - Fiordland and Invercargill CBD	275 business engagements (not unique)	275 business engagements (not unique)	275 business engagements (not unique)
	Upskill local businesses and promote resources, funding support and training available	Host seven workshops on relevant topics	Host seven workshops on relevant topics	Host seven workshops on relevant topics
		Connect 12 businesses with Business Mentors NZ	Connect 12 businesses with Business Mentors NZ	Connect 12 businesses with Business Mentors NZ
	Increase funding for local businesses	Connect 10 businesses with Callaghan R&D funding	Connect 10 businesses with Callaghan R&D funding	Connect 10 businesses with Callaghan R&D funding
Issue 130 co-funded vouchers for capability management training		Issue 130 co-funded vouchers for capability management training	Issue 130 co-funded vouchers for capability management training	
Coordinate initiatives that support the retention of talent in Southland	Support the provision of employment and training opportunities to maintain and grow a skilled Southland workforce	Host 20 events/workplace tours linking Southland youth with employment opportunities	Host 20 events/workplace tours linking Southland youth with employment opportunities	Host 20 events/workplace tours linking Southland youth with employment opportunities
		Continue to support training, upskilling and redeployment and retention opportunities in sectors and locations that require support, including Te Anau basin and primary sector	Continue to support training, upskilling and redeployment and retention opportunities in sectors and locations that require support	Continue to support training, upskilling and redeployment and retention opportunities in sectors and locations that require support
Identify initiatives and provide resources that support the region's transition to a low-emissions future and mitigate the impacts of climate change	Engage with urban and rural businesses around pathways for transitioning to a low emissions future	Continue to provide support for businesses with access to resources to achieve their emission-reduction goals	Continue to provide support for businesses with access to resources to achieve their emission-reduction goals	Review the resources available for businesses to achieve their emission reduction goals

* These performance measures may be impacted by Great South's need to be flexible and adopt to the needs of the region. They are also dependent on the extension of existing contracts.

PERFORMANCE MEASURES

Regional tourism development

Key Strategic Outcome: Leverage the potential of tourism across the region and position Southland as a preferred place to visit, live and work.

SERVICE LEVEL STATEMENT	PERFORMANCE MEASURE	2021/22*	2022/23*	2023/24*
Manage regional tourism organisation services	Profile Southland and Fiordland as unique visitor destinations and continue to attract domestic and international visitors	90 media results featuring the region (advertising and editorial)	90 media results featuring the region (advertising and editorial)	90 media results featuring the region (advertising and editorial)
		Host 15 media familiarisations	Host 15 media familiarisations	Host 15 media familiarisations
		Deliver and develop four destination promotion campaigns	Deliver and develop four destination promotion campaigns	Deliver and develop four destination promotion campaigns
		Promote Southland as a destination at three relevant trade or industry events	Promote Southland as a destination at three relevant trade or industry events	Promote Southland as a destination at three relevant trade or industry events
	Increase digital exposure for the region via website and social media channels	Develop new southlandnz.com website Increase digital impressions on southlandnz.com and engagement across all social media channels	Increase digital impressions on southlandnz.com and engagement across all social media channels	Increase digital impressions on southlandnz.com and engagement across all social media channels
	Continue to support regional tourism services post COVID-19 recovery	Communicate funding and resource opportunities	Communicate funding and resource opportunities	Communicate funding and resource opportunities
Lead tourism sector coordination	Act as local, regional and national liaison, for building capability and market readiness	Provide trade-ready advice and support for 20 operators	Provide trade-ready advice and support for 20 operators	Provide trade-ready advice and support for 20 operators
		Attend national tourism industry forums	Attend national tourism industry forums	Attend national tourism industry forums
		Organise capability building workshops and develop tools based on need	Organise capability building workshops based on need	Organise capability building workshops based on need
Coordinate developments that support Southland tourism operators	Coordinate and develop business case for inter-regional touring routes	Develop inter-regional touring routes	Promote inter-regional touring routes	
Embrace a holistic approach to planning for and sustainably growing the visitor economy	Support implementation of projects identified in the Southland Murihiku Destination Strategy	Continue working with stakeholders and driving implementation	Continue working with stakeholders and driving implementation	Continue working with stakeholders and driving implementation

* These performance measures may be impacted by Great South's need to be flexible and adopt to the needs of the region.

PERFORMANCE MEASURES

Regional events

Key Strategic Outcome: Enhance wellbeing, encourage overnight visitation and showcase the region's uniqueness through the delivery of events.

SERVICE LEVEL STATEMENT	PERFORMANCE MEASURE	2021/22*	2022/23*	2023/24*
Support development of Southland's event sector and event sustainability	Provide event organisers with the information and resources they require	Develop and promote tools of benefit to event organisers	Develop and promote tools of benefit to event organisers	Develop and promote tools of benefit to event organisers
		Establish and facilitate networks of benefit to event organisers	Establish and facilitate networks of benefit to event organisers	Establish and facilitate networks of benefit to event organisers
Profile Southland as an events destination	Integrate events into domestic marketing activity to encourage travel to Southland	Support 20 events unique enough to encourage overnight stay in the region	Support 20 events unique enough to encourage overnight stay in the region	Support 20 events unique enough to encourage overnight stay in the region
		Profile Southland as a preferred business events destination	Develop a business events strategy	Promote Southland as a business events destination
		Support delivery of high-profile events	Support delivery of high-profile events	Support delivery of high-profile events
	Support events that enhance wellbeing, vibrancy and diversity	Support events as identified in the Southland Murihiku Events Strategy	Support events as identified in the Southland Murihiku Events Strategy	Support events as identified in the Southland Murihiku Events Strategy

* These performance measures may be impacted by Great South's need to be flexible and adopt to the needs of the region.



Financial statements

STATEMENT OF COMPREHENSIVE REVENUE AND EXPENSE

For the 12 months to June

	2021/22 Budget	2022/23 Budget	2023/24 Budget
Economic Development			
Revenue			
Shareholder Investment			
Core	1,657,600	1,705,670	1,748,312
Contract	1,385,000	1,385,000	1,385,000
Total	3,042,600	3,090,670	3,133,312
Other Revenue			
Service Revenue	880,000	410,167	206,000
Project Revenue	3,153,745	2,353,833	1,200,500
Total	4,033,745	2,764,000	1,406,500
Total Revenue	7,076,345	5,854,670	4,539,812
Expenditure			
Project and Service Expenditure			
Regional Economic Development	869,681	800,074	816,451
Regional Business Services	1,103,612	686,322	492,209
Regional Tourism Development	2,308,660	2,145,470	1,061,459
Regional Events	1,413,553	790,484	681,534
Total	5,695,506	4,422,350	3,051,653
Core Expenditure			
Directors Fees	149,310	153,640	157,481
Employee Expense	817,564	841,273	862,305
Depreciation and Amortisation	90,000	95,000	100,000
Other Expenses	717,646	746,804	762,539
Total	1,774,520	1,836,718	1,882,326
Total Expenditure	7,470,025	6,259,068	4,933,979
Net Surplus / (Deficit) From Economic Development	(393,680)	(404,397)	(394,167)
Other Activity			
Surplus / (Deficit) From Space Operations	591,993	595,017	595,819
Net Surplus / (Deficit) From Other Activity	591,993	595,017	595,819
Net Surplus / (Deficit)	198,313	190,619	201,652
Taxation	55,528	53,373	56,463
Net Surplus / (Deficit) After Taxation	142,786	137,246	145,190

STATEMENT OF FINANCIAL POSITION

As at 30 June

	30 June 2022 Budget	30 June 2023 Budget	30 June 2024 Budget
Assets			
Current Assets			
Cash and Cash Equivalents	1,781,606	1,606,697	1,624,976
Receivables and Accruals	300,000	300,000	300,000
Prepayments	40,000	40,000	40,000
Stock on Hand	0	0	0
Total	2,121,606	1,946,697	1,964,976
Non-Current Assets			
Investments	450,000	450,000	450,000
Deferred Tax	0	0	0
Property, Plant and Equipment	1,660,000	1,740,000	1,715,000
Intangible Assets	100,000	100,000	100,000
Total	2,210,000	2,290,000	2,265,000
Total Assets	4,331,606	4,236,697	4,229,976
Liabilities			
Current Liabilities			
Payables and Accruals	440,000	440,000	440,000
Income Tax Payable	55,528	53,373	56,463
Income Received in Advance	1,100,000	1,000,000	1,000,000
Employee Entitlements	135,000	130,000	125,000
Other Current Liabilities	100,000	100,000	100,000
Total	1,830,528	1,723,373	1,721,463
Non-Current Liabilities			
Finance Lease	0	0	0
Borrowings	775,000	650,000	500,000
Total	775,000	650,000	500,000
Total Liabilities	2,605,528	2,373,373	2,221,463
Net Assets	1,726,078	1,863,324	2,008,513
Equity and Reserves			
Contributed Capital	1,338,421	1,338,421	1,338,421
Retained Earnings	387,657	524,903	670,092
Total Equity and Reserves	1,726,078	1,863,324	2,008,513

STATEMENT OF CASH FLOWS

For the 12 months to June

	2021/22 Budget	2022/23 Budget	2023/24 Budget
Cash Flows			
Cash Flow From Operating Activities			
Receipts From Shareholder Investment	3,042,600	3,090,670	3,133,312
Receipts From Other Operating Activities	5,341,582	4,303,984	3,173,411
Income Tax Paid	0	(55,528)	(53,373)
GST	(80,000)	(80,000)	(80,000)
Interest Paid	(38,750)	(34,875)	(31,000)
Payments to Employees	(4,053,809)	(3,776,809)	(3,636,804)
Payments to Suppliers	(4,310,779)	(3,322,352)	(2,262,267)
Total Cash Flow From Operating Activities	(99,157)	125,091	243,279
Cash Flow From Investing Activities			
Purchases of Fixed Assets and Intangibles	(1,075,000)	(175,000)	(75,000)
Total Cash Flow From Investing Activities	(1,075,000)	(175,000)	(75,000)
Cash Flow From Financing Activities			
Issue of Share Capital	0	0	0
Borrowings	775,000	0	0
Debt Repayments	0	(125,000)	(150,000)
Total Cash Flow From Financing Activities	775,000	(125,000)	(150,000)
Net Cash Flows	(399,157)	(174,909)	18,279
Cash Balances			
Cash, Cash Equivalents and Overdrafts at Beginning of Period	2,180,763	1,781,606	1,606,697
Cash, Cash Equivalents and Overdrafts at End of Period	1,781,606	1,606,697	1,624,976
Net Change In Cash Balances For Period	(399,157)	(174,909)	18,279

Accounting policies

REPORTING ENTITY

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

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

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

BASIS OF PREPARATION

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

STATEMENT OF COMPLIANCE

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

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

COVID-19

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

PRESENTATION CURRENCY AND ROUNDING

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

MEASUREMENT BASE

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

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Revenue

Revenue is measured at the fair value of consideration received.

Where funding is not conditional and Southland Regional Development Agency has no obligation to deliver a specific event or service, the revenue will be recognised when 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 acts as an agent for

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

Interest revenue is recognised using the effective interest method.

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

Revenue in Advance

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

Expenditure

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

Foreign Exchange Transactions

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

Goods and Services Tax (GST)

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

The net amount of GST recoverable from, or payable to, the Inland Revenue Department (IRD) is included as part of receivables or payables in the Statement of Financial Position.

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

Income Tax

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

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

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

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

Equity

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

Cash and Cash Equivalents

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

Associates

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

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

If the share of deficits of an associate equals or exceeds its interest in the associate, the group discontinues recognising its share of further deficits. After the group's interest is reduced to zero, additional deficits are provided for, and a liability is recognised, only to the extent that the group has incurred legal or constructive obligations or made payments on behalf of the associate. If the associate 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.

Trade and Other Receivables

Trade and other receivables are initially measured at fair

value and subsequently measured at cost, amortised where necessary, using the effective interest method, less any provision for impairment.

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

Property, Plant and Equipment

Property, plant, and equipment consists of the following asset classes: buildings, furniture and fittings, office equipment, plant and equipment, ground station equipment, ILT Kidzone equipment and motor vehicles.

All asset classes are measured at cost, less accumulated depreciation and impairment losses.

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

Additions

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

In most instances, an item of property, plant and equipment is recognised at its cost. Where an asset is acquired at no cost, or for a nominal cost, it is recognised at fair value when control over the asset is obtained.

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

Disposals

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

Subsequent Costs

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

The costs of day-to-day servicing of property, plant, and

equipment are recognised in the surplus or deficit as they are incurred.

Depreciation

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

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

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

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

Impairment of Property, Plant and Equipment

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

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

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

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

Value in Use for Non-Cash Generating Assets

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

Value in Use for Cash Generating Assets

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

Intangible Assets*Goodwill*

Goodwill on acquisition of businesses and subsidiaries is included in "intangible assets". Goodwill on acquisition of an associate is included in "investment in associate" 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
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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.

Leases*Operating Leases*

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

Finance Leases

A finance lease transfers to the lessee substantially all the risks and rewards incidental to ownership of an asset, whether or

not title is eventually transferred. At the start of the lease term, finance leases are recognised as assets and liabilities in the Statement of Financial Position at the lower of the fair value of the leased item and the present value of the minimum lease payments.

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

Payables

Short-term payables are recorded at their fair value.

Financial Instruments

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

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

Statement of Cash Flows

Cash includes cash and cash equivalents as defined above.

Operating activities include cash received from all revenue sources of Southland Regional Development Agency and cash payments made for the supply of goods and services.

Investing activities are those activities relating to the acquisition and disposal of non-current assets.

Financing activities comprise the change in equity and debt capital structure of Southland Regional Development Agency Ltd.

Provisions

Southland Regional Development Agency recognises a provision for future expenditure of uncertain amount or timing when there is a present obligation (either legal or constructive) as a result of a past event, it is probable that expenditures will be required to settle the obligation and a reliable estimate can be made of

the amount of the obligation. Provisions are not recognised for future operating deficits.

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

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.

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

Changes in Accounting Policies

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

CRITICAL ACCOUNTING ESTIMATES AND ASSUMPTIONS

In preparing these financial statements, Southland Regional Development Agency has made estimates and assumptions concerning the future. These estimates and assumptions may differ from the subsequent actual results. Estimates and assumptions are continually evaluated and are based on historical experience and other factors, including expectations or future events that are believed to be reasonable under the circumstances. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities recognised in the financial statements are described in the notes to the financial statements.

Shareholder requirements

STATEMENT OF INTENT

By 1 December each year Great South will deliver a draft Statement of Intent to the joint shareholders as required by the Local Government Act. The Joint Shareholders will provide feedback to the Great South board by 1 May each year, and the final document will be delivered by 15 June each year.

REPORTING

Half Yearly Reporting

By the end of February each year the Board must deliver to the Shareholders a report on the organisation's operations during that half year. The report must include the information required to be included by the LGA 2002 and the Statement of Intent and any other information requested by the Shareholders.

Annual Report

By the end of September each year, the Board must deliver to the Shareholders and make available to the public a report on the company's operations during the year. This will include audited financial statements and the performance targets and other measures by which performance was judged in relation to that organisation's objectives.

SHAREHOLDER MEETINGS

An annual meeting will be held before the end of September each year to present the annual report. The notice of the Annual Meeting will be no less than 10 working days before the meeting, unless agreed by all Shareholders who are entitled to attend and vote at the meeting.

SHAREHOLDER APPROVAL

Any subscription, purchase or acquisition by Great South of shares in a company or organisation will, require shareholder approval by special resolution as will the other matters outlined in Great South's constitution.

DIVIDEND POLICY

The Great South Board is not authorised to approve any dividends.

COMPENSATION FROM LOCAL AUTHORITIES

The Directors do not envisage any circumstances arising that would give rise to any claim from any local authority during the year other than those already stated in the financial statements.

NO SURPRISES

The Great South Board will keep the Shareholders, through the Joint Shareholders Committee informed on a "no surprises" basis. The board will be sensitive to the demand for accountability placed on the Councils from their respective ratepayers.

PUBLIC EXPECTATIONS

Great South is very mindful of the public scrutiny that comes with being a CCO. Great South will:

Build accountability and constructive working practices between their organisation and the shareholders.

Commit to transparency and accountability to the public. This includes fulfilling the planning, reporting and disclosure requirements of the Local Government Act 2002 as it applies to CCOs, and the requirements of the Local Government Official Information and Meetings Act 1987 as it applies to CCOs.

Ensure the organisation is fiscally disciplined with expenditure.

Embrace the Shareholder Councils' strategic priorities as set out in their Long-term Plans 2018-2028 and any other relevant documents.



