



Statement of Intent

2022 - 2025



Company directory

SOUTHLAND REGIONAL DEVELOPMENT AGENCY LIMITED

Trading as Great South
PO Box 1306, Invercargill 9810
(03) 211 1400
www.greatsouth.nz

DIRECTORS

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

REGISTERED OFFICE

Southland Regional Development Agency Limited
143 Spey Street, Invercargill

BANK

Westpac New Zealand Limited

AUDITORS

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

SHAREHOLDERS

<i>Class A Shareholders:</i>	<i>Class B Shareholders:</i>
Invercargill City Council	Invercargill Licensing Trust
Southland District Council	Mataura Licensing Trust
Gore District Council	Southland Chamber of Commerce
Environment Southland	Southern Institute of Technology

MEMBERS

Community Trust South

LEGAL STATUS

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

COMPANIES OWNED BY SOUTHLAND REGIONAL DEVELOPMENT AGENCY LIMITED

Space Operations New Zealand Limited:
Great South owns 100% of Space Operations New Zealand Limited.

NZ Functional Foods Limited:
Great South holds 49% of NZ Functional Foods Limited.

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 states the planned activities, intentions and performance measures for the Southland Regional Development Agency, Great South, for the next three years. It is written in response to the shareholders' letter of expectation, received 2 November 2021.

Great South is tasked with leading the future growth aspirations of Southland on behalf of our shareholders, stakeholders and the wider Southland community.

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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 muramura 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 Rakimaomao, to the blushing isle of Rakiura
Cross the pathway of Kiwa
Here are the works of Tuterakiwhanoa
Inland are the waters of Rakaihautu, the forests of Kahukura
Return to the bountiful foodbaskets of Marokura
Alas this is Murihiku

Foreword

We are pleased to present the Statement of Intent for 2022 - 2025.

Firstly I would like to thank our shareholders in advance for their ongoing support which is vitally important to how our team feel about the organisation they represent. I would also like to acknowledge the efforts of our board and management team who work tirelessly in the best interests of Southland.

With international borders re-opening, Invercargill's CBD taking shape and all of us welcoming visitors back to the region, we are looking to the future with a greater degree of optimism and certainty. The transformation of Invercargill's CBD with a whole new retail experience and quality accommodation, allows us to promote conferences and events knowing that we have a very compelling proposition to offer prospective visitors.

Inflationary pressures and ongoing labour shortages continue to present challenges across many industry sectors despite higher commodity prices and strong global demand. We expect this trend to continue at least in the short term as global markets respond to the war in Ukraine and supply chain issues impact on most industry sectors.

With the ongoing uncertainty surrounding the future of the New Zealand Aluminium Smelter at Tiwai Point, it is exciting to see the emergence of new industries such as green hydrogen production, data centres and oat milk production, all of which Great South are supporting in various ways. With further announcements expected around aquaculture, it is pleasing to see the continued focus on diversifying our economy.

Great South is working with a broad range of stakeholders across the region to assist with Central Government's 'Just Transition' plan and leading the revision of SoRDs through the development of 'Beyond 2025 Southland' our new long-term regional plan. This plan will set the strategic framework and priority projects that the region will be focussed on over the next 10 years. Underpinning this programme of work, we are committed to building an enduring partnership with our four local Runanga to incorporate and embrace Te Ao Maori into the work we do and the culture we are nurturing across the organisation.

As proud ambassadors for Southland we do all we can to ensure that Southland is represented at regional and national forums and we continue to advocate for our fair share of Central Government support across a wide spectrum of projects.

In the tourism space, we are now returning to the international stage, attending trade shows in relevant markets and after a renegotiation of Regional Business Partner Network delivery we are delighted to be continuing with this programme and supporting Southland businesses.

Now, rather than just supporting businesses to survive we can return to encouraging growth and innovation and in particular making sure businesses are connected in the digital world.

Forging a new path forward post Covid. Together. Stronger.




Ian Collier, Great South Board Chair

About us

Great South, Southland's regional development agency, is responsible for economic development and promotion of the Southland region. Established in March 2019, it began full operations in July that year.

Great South is a council-controlled organisation, jointly owned by Invercargill City Council, Southland District Council, Gore District Council, Environment Southland, Invercargill Licensing Trust, Maitaura Licensing Trust, Southland Chamber of Commerce, Southern Institute of Technology and its member Community Trust South.

We are governed by an independent Board of Directors.

Great South receives funding from its shareholding Councils to cover core operational costs, Central Government agencies who contract Great South to perform specific services, as well as private sector partners.

Great South also owns Space Operations New Zealand Ltd., making it a council-controlled trading organisation as defined in section 6 of the Local Government Act 2022. It has its own board of directors and CEO and produces its own Statement of Intent.

Great South also has a 49% share in New Zealand Functional Foods and has representation on the board.

CONSTITUTION OBJECTIVES

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

GREAT SOUTH GOVERNANCE

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

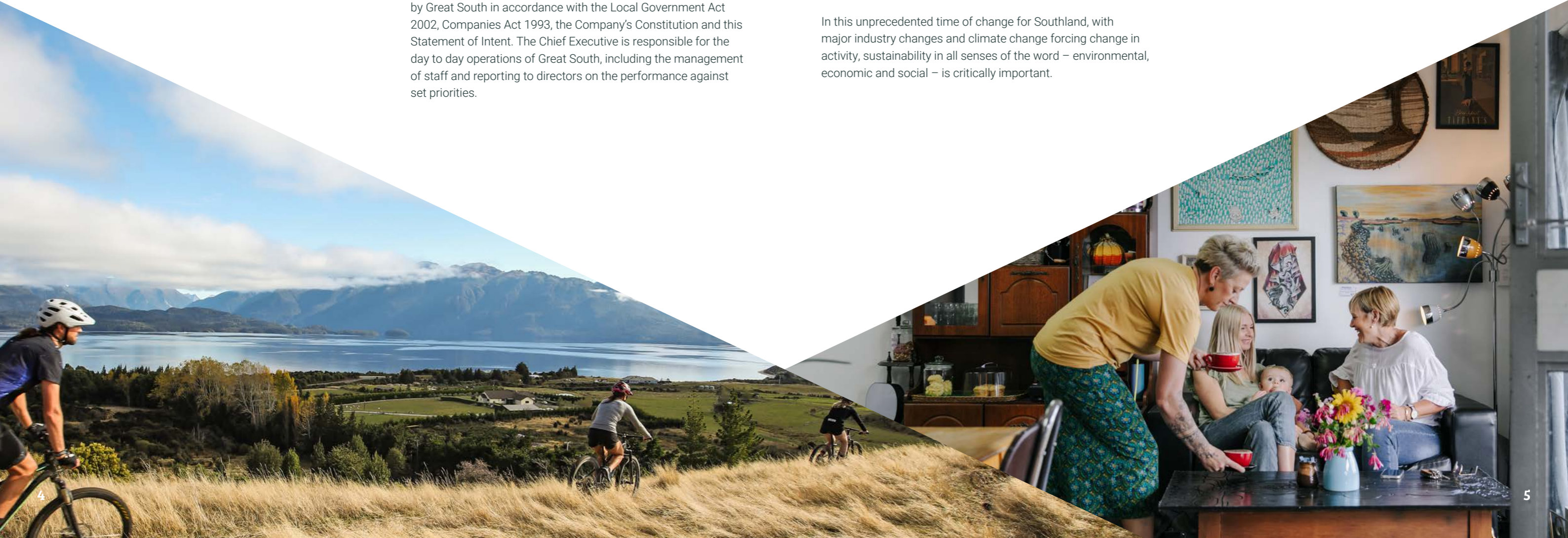
Our vision of 'even better lives through sustainable development' frames all the work we do, ensuring Southland is the best place to live, work and visit.

We want Southland to be the best place to start and sustain a business, the best place to travel in, to host an event or conference, to study, migrate to, or invest in. By creating a region that is the best place in New Zealand to live, visit and work, we create a platform for the region to prosper – economically and in terms of vibrancy and liveability.

In this unprecedented time of change for Southland, with major industry changes and climate change forcing change in activity, sustainability in all senses of the word – environmental, economic and social – is critically important.

Our priorities

- ① Regional leadership
- ② Diversify the economy
- ③ Support business growth
- ④ Promote the region
- ⑤ Support environment and climate action



How we operate

PARTNERING FOR SUCCESS

The future success of Murihiku depends on partnerships. Great South works with stakeholders and the wider community and is committed to telling the shared stories of Southland - people and place.

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

PEOPLE AND CULTURE

The most valuable asset at Great South is our people. We are committed to creating a positive work environment and ensuring staff skills are relevant and up to date, allowing our people to thrive. We will regularly survey staff to ensure we are on track.

A key focus will be to embed our values in the organisation:

- 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

TE REO MAORI

We will seek opportunities to support and raise the presence of Te Reo Māori through our activities and our day-to-day operations.

This includes:

- A commitment to facilitating the upskilling of our team in both Te Reo and Tikanga Māori
- Introducing Te Reo into communications and marketing material where appropriate
- Incorporating a Māori perspective into our business growth work as appropriate

SUSTAINABLE FOCUS

Great South is taking positive action towards becoming carbon neutral and integrating sustainable considerations into all activities, including purchasing decisions and operational practises. We will set an example for the region including the businesses, stakeholders and communities we work with. This is reflected in our goal to reduce our emissions by 10% for the 2022-23 year.

HEALTH AND SAFETY

Great South will take every practicable step to ensure the health and safety of our employees, contractors, visitors and attendees at events we manage. This includes adoption of the Government's COVID-19 Protection Framework and compulsory vaccine passes for all staff, customers and contractors.

OPERATIONAL EFFICIENCIES

In line with best management practice, we seek continuous improvement of processes and IT systems, to allow staff to operate in the most effective manner. We continue to assess each purchasing decision and contract negotiation to ensure it can withstand a level of scrutiny as expected in the public sector.

HOW WE ARE FUNDED

Great South receives its primary funding from its shareholding councils. It has also successfully secured funding from commercial and government partners.

Examples of this include:

- MBIE and Callaghan Innovation for the Regional Business Partner Programme (RBP)
- MBIE for Southland Youth Futures
- MBIE Strategic Tourism Asset Protection Programme (STAPP)
- MBIE Regional Event Fund (REF)
- Commercial engagements via Space Operations NZ

ROLES OF GREAT SOUTH

Great South works for the benefit of the whole region, placing equal importance on Southland's people, place, environment and economy.

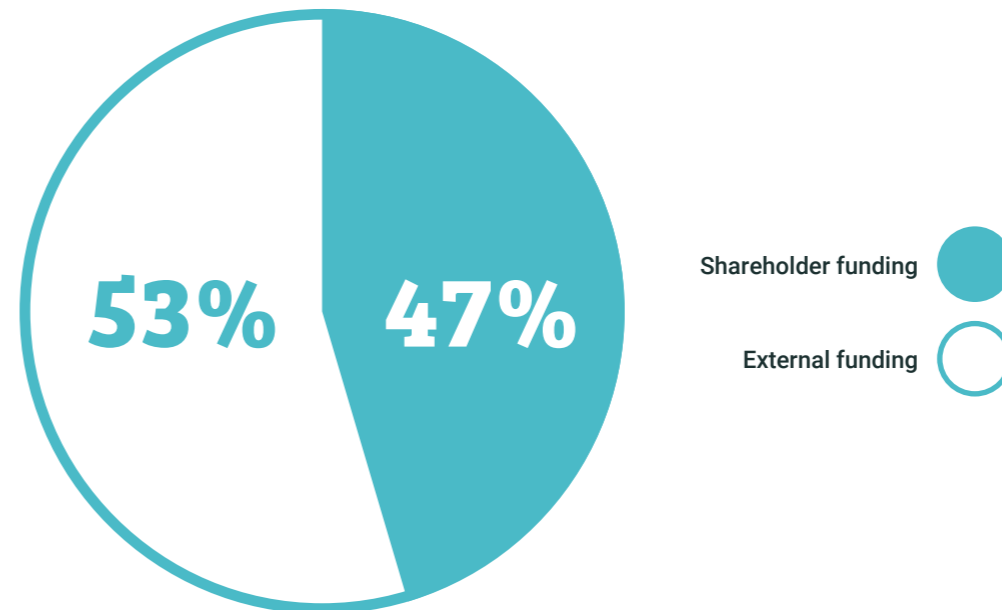
With the Government having declared a climate change emergency and committed to net zero emissions by 2050, and the planned closure of the NZ Aluminium Smelter at Tiwai Point in 2024, this is a time of unprecedented change for Southland and strong leadership is required.

Our role varies depending on the nature of the project or initiative we are involved with. We are always building on relationships with sector representatives and key Southland stakeholders, and now that we are more established as an organisation, increasingly our role is to lead.

Our roles may be to:



REVENUE SOURCES FOR 2022-23



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, place and environment continue to thrive.

SUSTAINABILITY

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

SOUTHLAND PROUD

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

HERITAGE

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

BEING REAL

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

QUALITY OVER QUANTITY

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

COMMUNITY SUPPORT

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

SHAREHOLDER CONFIDENCE

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

Regional indicators

Figures sourced from Stats NZ

Current population estimate

102,700

2021



Projected population estimate

106,400

2023



Employment rate

71%

YE 2022



Average household income

\$102,100

YE 2019



GDP per capita

\$65,468

YE 2021



Regional leadership

We provide leadership for the region, advocating, writing submissions, long-term planning and representing Southland nationally



<p>Supporting the Just Transition process</p>	<p>FACILITATE/ COLLABORATE</p>	<p>Just Transition is the process set up by Central Government to transition Southland to new industries, following the announcement that the NZ Aluminium Smelter at Tiwai would be closing. The process is important for ensuring the Southland community remains thriving and resilient beyond the planned closure. Great South is a member of the Just Transition secretariat and will continue to provide support to the Southland Just Transition Programme.</p>	
<p>Leading Beyond 2025 Southland</p>	<p>MANAGE</p>	<p>Great South was appointed by the Government's Just Transition Partnership team to lead development of a long-term plan for the region, refreshing the Southland Regional Development Strategy. Beyond 2025 Southland will play an important role in identifying priorities and areas of focus to ensure our people and place thrive into the future.</p>	
<p>Tiwai Point Regional Leadership</p>	<p>FACILITATE/ COLLABORATE</p>	<p>The Tiwai Point Regional Leadership Group includes representatives from Central and Local Government, and industry. Great South will continue to participate in and provide regional insight regarding the future of NZAS at Tiwai Point.</p>	
<p>Regional Skills Leadership Group</p>	<p>FACILITATE/ COLLABORATE</p>	<p>The Southland Regional Skills Leadership Group is one of 15 nationwide set up by the Government to identify and support meeting future skills and workforce needs. Great South is a member of the group along with other industry and organisation representatives. We will continue to participate and provide the group with regional insights to aid decision making.</p>	

<p>Data and insights</p>	<p>OWN</p>	<p>Up-to-date data is essential for successful regional planning and for attracting new investment to the region. It is also important for businesses looking at how they run their businesses in a COVID-19 environment. Great South has access to regional data and insights that it will continue to provide to help with regionwide decision making. It will also continue to analyse regional trends and liaise with Central Government on areas of the Southland economy that require support, such as tourism.</p>	
<p>Advocacy</p>	<p>ADVOCATE</p>	<p>Great South advocates on behalf of the Southland Region on a range of areas to ensure Southland is resourced appropriately and receives its share of Central Government support. We will continue to advocate for improved infrastructure and digital connectivity, housing and services, and attracting investment to the region.</p>	
<p>Southland representation</p>	<p>FACILITATE/ COLLABORATE</p>	<p>Great South is an ambassador for Southland, participating on various regional and national forums, organisations and boards. We also attend conferences and trade shows to promote the region.</p>	





Economic diversification




Great South will investigate and support opportunities to diversify the Southland economy

Indicates shareholder funded activity  Indicates co-funded activity  Indicates externally funded activity 

Indicates Great South's role in activity



<p>Support hydrogen industry development</p>	<p>FACILITATE/ COLLABORATE</p>	<p>As time draws nearer to the planned closure of Tiwai in 2024, diversification of the Southland economy is essential. Green hydrogen, using renewable energy from Meridian Energy's Manapouri Power Station, is one such opportunity. Great South will continue to provide support to companies working in hydrogen, with information regarding land suitability, technology implementation and infrastructure planning.</p>	
<p>Support data centre development</p>	<p>FACILITATE/ COLLABORATE</p>	<p>Southland has the ideal climate, as well as access to available land and renewable energy making it attractive to the booming global data industry. Great South will continue to support potential data centre developments in Southland.</p>	
<p>Support New Zealand Functional Foods</p>	<p>OWN FACILITATE/ COLLABORATE</p>	<p>An oat beverage processing plant to be built in Southland is the outcome of years of work into developing an industry for oats by Great South. We will continue to support New Zealand Functional Foods, the company continuing this work, with relevant data and information.</p>	
<p>Support Space Operations NZ</p>	<p>OWN FACILITATE/ COLLABORATE</p>	<p>Great South's highly successful ground station services is now operated by Space Operations NZ, a subsidiary company of Great South. Great South will continue to offer administration support.</p>	

<p>Providing tools to support land use change</p>	<p>OWN FACILITATE/ COLLABORATE</p>	<p>Great South has developed digital mapping tools to help with land-use decision making, particularly around environmental concerns and climate change effects such as sea level rise and hazards like slips and flooding. These tools and their uses will be developed and promoted to support new land-use initiatives and promote sustainability.</p>	
<p>Creating opportunities in the film industry</p>	<p>FACILITATE/ COLLABORATE ADVOCATE</p>	<p>As a member of Film Otago Southland, Great South will continue to lead and seek opportunities for filming in Southland, working with the Southern Institute of Technology and other partners on extending opportunities in creative industries.</p>	
<p>Supporting tourism product development</p>	<p>FACILITATE/ COLLABORATE</p>	<p>The Southland Murihiku Destination Strategy identifies our region's unique selling points and key projects that have the potential to extend Southland's tourism offerings and will allow visitors to experience Southland's manaakitanga. Great South will continue to lead implementation of key projects in the Strategy. In addition, we will lead implementation of the Southland Murihiku Food Tourism Strategy released in 2021 and will facilitate implementation of the Bluff Motupohue 2020 Tourism Master Plan (released 2021), and Catlins Tourism Strategy (released 2022). Great South will seek opportunities for creating commissionable tourism product around the region.</p>	






Business growth, development and enablement

Indicates shareholder funded activity  Indicates co-funded activity  Indicates externally funded activity 

Indicates Great South's role in activity **GOVERN** **OWN** **MANAGE** **FACILITATE/ COLLABORATE** **ADVOCATE**

Great South will support the growth of Southland's business sector

<p>Supporting Southland businesses to realise their growth potential</p>	<p>MANAGE</p>	<p>Increased business capability leads to increased business competitiveness, expansion and growth. Great South supports small to medium businesses in Southland through delivery of the Regional Business Partner Programme. We work on behalf of MBIE and Callaghan Innovation, building capability through connections to expertise and resources. We will work to increase awareness of the programme.</p>	
<p>Administering tourism business funding</p>	<p>MANAGE</p>	<p>As the tourism sector continues to contend with the impacts of COVID-19 and limitations on international travel, Great South will continue to work with the government on attracting available funding to the region and making sure it gets to where it is needed most. Great South will continue to administer the Government's Tourism Communities: Support, Recovery and Re-set Plan, which includes the Tourism Kickstart Fund.</p>	
<p>Tourism industry capability building</p>	<p>FACILITATE/ COLLABORATE</p>	<p>When international travel came to a standstill in the wake of Covid-19, the ability to market digitally proved essential. Great South will continue to facilitate the digital upskilling of tourism businesses to ensure best utilisation of digital platforms for promotion purposes and will deliver the Southern Showcase event, where Southland tourism operators learn more about other tourism product within the region.</p>	

<p>Digital connectivity</p>	<p>ADVOCATE</p>	<p>For Southland businesses to flourish, it is essential for broadband and mobile coverage to be available regionwide. This is both for business owners and their customers. Great South will undertake field strength readings regionwide and map current broadband and mobile blackspot coverage, allowing us to advocate for services where they are still missing.</p>	
<p>Invercargill City centre coordination and promotion</p>	<p>MANAGE</p>	<p>A thriving Invercargill city centre is essential for the benefit of the whole of Southland. As the Invercargill central business district takes shape, with the newly built Langlands Hotel and the opening of Invercargill Central Limited's development in the city centre imminent, Great South is supporting the Invercargill City Council with revitalising the city centre, ensuring the continued success of retail, hospitality and tourism businesses.</p>	








Regional promotion and retention




Indicates shareholder funded activity  Indicates co-funded activity  Indicates externally funded activity 

Indicates Great South's role in activity

GOVERN OWN MANAGE FACILITATE/COLLABORATE ADVOCATE

Great South will promote Southland as a great place to live, work and visit

Deliver the Southland Youth Futures programme	OWN	Ensuring awareness of attractive and viable work opportunities for Southland youth within the region is important for safeguarding a future workforce. Great South will continue to work with Southland Youth to support them into employment and will continue to organise its successful events such as Girls in Trades, Job Search and Summer of Work.	
Support labour market needs	MANAGE	Great South will continue to promote Southland as an attractive location to live and work via its website southlandnz.com.	
Destination marketing	MANAGE	Via its regional tourism organisations, Visit Southland and Visit Fiordland, Great South will profile Southland and Fiordland as unique visitor destinations. Initially, marketing will continue to focus on domestic visitors and, as borders re-open, international visitors.	
	ADVOCATE	We will continue to work closely with key national tourism partners, including Tourism NZ, and will continue to partner with Air New Zealand and Invercargill Airport to advocate for flights into Invercargill, as the gateway to Murihiku.	
Southlandnz.com	OWN	Great South will operate southlandnz.com as the primary destination promotion website, as well as fiordland.org.nz, along with their associated social media platforms. Southland NZ is our key tool to promote Southland as a great place to live, work and visit. It is a valued promotional platform for Southland businesses who list on this site, and also provides practical information to support decision making and travel.	
Destination development	MANAGE	Great South will continue to lead key projects within the Southland Murihiku Destination Strategy, including facilitation of the Bluff Motupohue 2020 Tourism Master Plan, food tourism, heritage, agritourism, sustainable tourism and inter-regional touring routes. There will also be a particular focus on low-emission activities such as cycling, walking and dark skies, reflecting our desire to develop Southland as a sustainable tourism destination.	
	FACILITATE/COLLABORATE		

Business Events Southland	OWN	Business events, including conferences, play an important role stimulating travel and commercial bed nights, particularly during off-peak times. They also encourage repeat visitation to the region and are therefore extremely beneficial for Southland. To encourage this, Great South will deliver and implement a regional business events strategy with support from Tourism New Zealand. Operating as Business Events Southland, we will prospect for events and build on key relationships with sector representatives, both locally and nationally, to encourage maximum exposure for the region as a business events destination.	
	FACILITATE/COLLABORATE		
Delivering major events	OWN	Major and iconic events are a key reason why New Zealanders will travel. Great South will continue to deliver iconic family event the ILT Kidzone Festival and will also continue to provide delivery support to the Burt Munro Challenge, another iconic event celebrating Southland heritage.	
	FACILITATE/COLLABORATE		
Supporting key events	MANAGE	Great South will continue to implement the Southland Murihiku Events Strategy, supporting organisers of the 36 key destination events identified in the Strategy, as well as building capability and capacity in the sector. As long as international travel remains limited, we will continue to leverage events to drive domestic visitation and will support event organisers, venues and accommodation providers to encourage this. Great South will administer the remainder of the Fiordland Regional Events Fund on behalf of the Government.	
	FACILITATE/COLLABORATE		







Environment and climate action



Indicates shareholder funded activity  Indicates co-funded activity  Indicates externally funded activity 

Indicates Great South's role in activity



Great South will support the region towards achieving climate change targets

<p>Support implementation of Net Zero Southland Report</p>	<p>FACILITATE/ COLLABORATE</p>	<p>Great South will support the region to ensure major decisions address climate change and emissions reduction targets. Following the release of the Net Zero Southland Report in 2021, we will maintain a regional baseline for emissions and record reductions in emissions by all sectors – agriculture and tourism included. We will also upskill the business sector in emissions reduction targets.</p>	
<p>Develop Southland Regional Energy Strategy</p>	<p>MANAGE</p>	<p>With major new industries planned for Southland, including a data centre, an oats beverage processing plant and green hydrogen production facilities, Great South will develop a strategy outlining the current energy situation in the region and identify future needs and opportunities.</p>	
<p>Decarbonising Invercargill City</p>	<p>MANAGE</p>	<p>Great South will administer the Government Waihōpai/Invercargill Decarbonisation Contestable Fund in partnership with EECA, supporting businesses within the city to reduce their carbon emissions.</p>	
<p>Managing carbon offset practices</p>	<p>FACILITATE/ COLLABORATE</p>	<p>Making use of its soil carbon digital mapping tools, Great South will work on developing opportunities to measure carbon levels in soils and identify opportunities to increase carbon sequestration. We will also carry out an assessment of the social and economic implications of a change from farming to plantation forestry.</p>	

<p>Supporting primary sector with emissions and environment planning</p>	<p>FACILITATE/ COLLABORATE</p>	<p>Digital mapping tools developed by Great South will be used to assist the farming sector with emissions and environment planning. We will promote the tools and how they can be used.</p>	
<p>Facilitating sustainable Destination Management</p>	<p>FACILITATE/ COLLABORATE</p>	<p>Great South will help to ensure that key destinations within the region are well managed and take into consideration environmental, visitor, community and economic sustainability as tourism product is developed. Support will be given to the Milford Opportunities Project as it manages access into Milford Sound and creates tourism opportunities for Te Anau and the rest of Fiordland. Great South will also work with partners to develop and implement a 'Sustainable Catlins' proposition.</p>	



Performance measures

	DESCRIPTION	KPI 2022-23	KPI 2023-24	KPI 2024-25	
Regional leadership We will provide leadership for the region, advocating, long-term planning and representing Southland nationally Diversify the economy We will investigate and support opportunities to diversify the Southland economy Support business growth We will support the growth of Southland's business sector Promote the region We will promote Southland as a great place to live, work and visit Support environment and climate action We will lead the region towards achieving climate reduction targets	Southland's Just Transition Lead the Long-Term Plan pillar within the Southland Just Transition Programme	Beyond 2025 Southland long-term plan delivered by 30 June 2023	Support implementation of Beyond 2025 Southland long-term plan	Continue to support implementation of Beyond 2025 Southland long-term plan	
	Tourism product development Support the development of tourism product to attract visitors and provide economic benefit	Progress at least 10 projects from the Southland Murihiku Destination Strategy Deliver at least 21 prioritised projects from the Strategic Tourism Asset Protection Programme investment plans	Progress at least 10 projects from the Southland Murihiku Destination Strategy	Progress at least 10 projects from the Southland Murihiku Destination Strategy	Progress at least 10 projects from the Southland Murihiku Destination Strategy
	Business engagements Engage with businesses through a Great South programme - this includes tourism and event support, and business services	A minimum of 250 business engagements for the year	A minimum of 250 business engagements for the year	A minimum of 250 business engagements for the year	
	Attraction of visitors to Southland Promote Southland as a great place to live, work and visit	Increase traffic on southlandnz.com and fiordland.nz by 5% (Baseline: Southland: 815,000 page views, Fiordland 275,000 page views) Increase total engagement across all social media channels by 5%	Increase traffic on southlandnz.com and fiordland.nz by 5% Increase total engagement across all social media channels by 5%	Increase traffic on southlandnz.com and fiordland.nz by 5% Increase total engagement across all social media channels by 5%	
	Support businesses to reduce carbon emissions Support Southland businesses to reduce emissions including Southland farmers	Support at least 40 businesses to reduce their carbon emissions Establish a model to measure and capture carbon emissions	Support at least 50 businesses to reduce their carbon emissions Implement measurement and capture of carbon emissions	Support at least 60 businesses to reduce their carbon emissions Implement measurement and capture of carbon emissions	
	Southland Energy Strategy Refresh the Southland Energy Strategy	Southland Energy Strategy is updated and published	Support implementation of Southland Energy Strategy	Support implementation of Southland Energy Strategy	

	DESCRIPTION	KPI 2022-23	KPI 2023-24	KPI 2024-25
Internal measures	Financial management	Budget achieved	Budget achieved	Budget achieved
	Funding diversification	Increase of revenue from non-Council sources	Increase of revenue from non-Council sources	Increase of revenue from non-Council sources
	Employee engagement	Increase employee engagement rating to 70% As measured by AskYourTeam (Baseline: 67%)	Increase employee engagement rating to 70% As measured by AskYourTeam	Increase employee engagement rating to 70% As measured by AskYourTeam
	Great South emissions	Reduce Great South carbon emission per FTE by 10%	Reduce Great South carbon emission per FTE by 10%	Reduce Great South carbon emission per FTE by 10%

Space Operations NZ

Space Operations NZ provides satellite antenna hosting and launch support services for the international small satellite (Smallsat) community.

Southland's location on the globe makes it the ideal location for a satellite ground station, with a large number of low Earth orbit satellites passing overhead. Most ground stations are in the Northern Hemisphere, so demand for ground stations in the Southern Hemisphere is high. Rapid development in the Smallsat sector means its services are increasingly important and it is undertaking major growth to capitalize on its competitive advantages.

GOALS AND OBJECTIVES

Space Ops NZ is focused on delivering commercial returns that will be reinvested to upgrade and augment its facilities to meet customer expectations. It strongly supports and advocates for the peaceful use of space and recognises its responsibility as an international citizen in the space domain.

The Company will:

1. Deliver on its environmental protection obligations and encourage environmental protection, particularly pest control
2. Actively work towards becoming carbon neutral
3. Undertake public outreach
4. Ensure security of facilities, data and information

ACTIVITY FOR THE PERIOD

- Increasing the number of antennas it hosts on behalf of small satellite companies
- Increasing the number of satellite antennas it owns allowing it to lease more time to satellite operators wanting to communicate with their spacecraft
- Finding additional suitable satellite ground station sites in New Zealand
- Securing additional commercial contracts with global operators
- Investing in ongoing research and development and commercialising the results

PERFORMANCE TARGETS

DESCRIPTION	KPI 2022-23	KPI 2023-24	KPI 2024-25
Corporate social responsibility	Become carbon neutral by July 2023	Continue to meet carbon neutral targets	Continue to meet carbon neutral targets
Revenue	Increase revenue by 16%	Increase revenue by 16%	Increase revenue by 16%
Expenditure	Expenditure is within budget for each financial year	Expenditure is within budget for each financial year	Expenditure is within budget for each financial year
EBIT	Increase EBIT by 15%	Increase EBIT by 15%	Increase EBIT by 15%

DIVIDEND POLICY

No dividend will be declared for the 2022-23 financial year.



Statement of comprehensive revenue and expense

For the 12 months to June

	PARENT			GROUP		
	2022/23 Budget	2023/24 Budget	2024/25 Budget	2022/23 Budget	2023/24 Budget	2024/25 Budget
Revenue						
Shareholder Investment						
Core	1,697,382	1,746,605	1,790,271	1,697,382	1,746,605	1,790,271
Contract	1,590,000	1,615,000	1,640,000	1,590,000	1,615,000	1,640,000
Total	3,287,382	3,361,605	3,430,271	3,287,382	3,361,605	3,430,271
Other Revenue						
Service Revenue	635,500	364,667	198,000	635,500	364,667	198,000
Project Revenue	3,093,787	1,273,183	1,354,588	3,033,787	1,213,183	1,294,588
Trading Revenue	-	-	-	1,615,225	2,061,344	2,250,048
Total	3,729,287	1,637,849	1,552,588	5,284,512	3,639,193	3,742,636
Total Revenue	7,016,669	4,999,455	4,982,859	8,571,894	7,000,799	7,172,907
Expenditure						
Project and Service Expenditure						
Regional Economic Development	1,502,566	787,747	818,312	1,502,566	787,747	818,312
Business Support Services	682,676	482,692	323,484	682,676	482,692	323,484
Regional Tourism Development	2,003,727	1,084,930	1,116,538	2,003,727	1,084,930	1,116,538
Regional Event Delivery	975,678	719,475	729,932	975,678	719,475	729,932
Total	5,164,648	3,074,843	2,988,267	5,164,648	3,074,843	2,988,267
Trading Expenditure						
Trading Expenditure	-	-	-	270,050	265,050	220,050
Total	-	-	-	270,050	265,050	220,050
Core Expenditure						
Directors Fees	162,000	166,698	170,865	212,000	216,698	220,865
Audit Fees	50,000	51,450	52,736	70,000	71,450	72,736
Employee Expense	849,583	891,961	936,436	1,583,948	1,711,503	1,780,564
Interest Expense	-	-	-	44,000	44,000	44,000
Depreciation and Amortisation	90,000	95,000	100,000	160,000	195,000	250,000
Other Expenses	695,574	719,502	734,554	769,974	793,902	804,954
Total	1,847,157	1,924,611	1,994,592	2,839,922	3,032,553	3,173,120
Total Expenditure	7,011,805	4,999,454	4,982,859	8,274,620	6,372,446	6,381,437
Net Surplus / (Deficit)	4,865	-	-	297,275	628,352	791,470
Taxation	1,362	-	-	83,237	175,939	221,611
Net Surplus / (Deficit) After Taxation	3,502	-	-	214,037	452,413	569,859

Statement of financial position

As at 30 June

	PARENT			GROUP		
	30 June 2023 Budget	30 June 2024 Budget	30 June 2025 Budget	30 June 2023 Budget	30 June 2024 Budget	30 June 2025 Budget
Assets						
Current Assets						
Cash and Cash Equivalents	2,091,766	1,990,405	1,880,405	2,717,692	2,487,808	2,408,340
Receivables and Accruals	300,000	300,000	300,000	850,000	850,000	850,000
Prepayments	40,000	40,000	40,000	40,000	40,000	40,000
Total	2,431,766	2,330,405	2,220,405	3,607,692	3,377,808	3,298,340
Non-Current Assets						
Investments	2,800,000	2,800,000	2,800,000	434,899	434,899	434,899
Deferred Tax	50,000	50,000	50,000	50,000	50,000	50,000
Property, Plant and Equipment	240,000	240,000	250,000	2,275,000	2,995,000	3,555,000
Total	3,090,000	3,090,000	3,100,000	2,759,899	3,479,899	4,039,899
Total Assets	5,521,766	5,420,405	5,320,405	6,367,591	6,857,707	7,338,239
Liabilities						
Current Liabilities						
Payables and Accruals	440,000	440,000	440,000	925,000	965,000	975,000
Income Tax Payable	1,362	-	-	83,237	175,939	221,611
Income Received in Advance	1,100,000	1,000,000	900,000	1,450,000	1,350,000	1,250,000
Employee Entitlements	250,000	250,000	250,000	290,000	295,000	300,000
Total	1,791,362	1,690,000	1,590,000	2,748,237	2,785,939	2,746,611
Non-Current Liabilities						
Borrowings	-	-	-	550,000	550,000	500,000
Total	-	-	-	550,000	550,000	500,000
Total Liabilities	1,791,362	1,690,000	1,590,000	3,298,237	3,335,939	3,246,611
Net Assets and Liabilities	3,730,404	3,730,405	3,730,405	3,069,354	3,521,768	4,091,628
Equity						
Contributed Capital	1,338,421	1,338,421	1,338,421	1,338,421	1,338,421	1,338,421
Retained Earnings	2,391,983	2,391,984	2,391,984	1,730,933	2,183,346	4,632,206
Total Equity	3,730,404	3,730,405	3,730,405	3,069,354	3,521,768	4,091,628

Statement of cash flows

For the 12 months to June

	PARENT			GROUP		
	2022/23 Budget	2023/24 Budget	2024/25 Budget	2022/23 Budget	2023/24 Budget	2024/25 Budget
Cash Flow From Operating Activities						
Receipts From Shareholder Investment	3,287,382	3,361,605	3,430,271	3,287,382	3,361,605	3,430,271
Receipts From Other Operating Activities	3,729,287	1,612,849	1,552,588	6,380,028	3,674,193	3,802,636
Income Tax Paid	-	(1,362)	-	(178,000)	(83,237)	(175,939)
GST	(150,000)	(150,000)	(150,000)	(166,000)	(140,000)	(140,000)
Interest Paid	-	-	-	(44,000)	(44,000)	(44,000)
Payments to Employees	(3,732,687)	(3,402,592)	(3,192,894)	(4,462,052)	(4,217,134)	(4,032,022)
Payments to Suppliers	(3,556,821)	(1,471,863)	(1,699,965)	(3,981,271)	(1,911,313)	(2,120,415)
Total Cash Flow From Operating Activities	(422,839)	(51,362)	(60,000)	836,087	640,115	720,531
Cash Flow From Investing Activities						
Movement in Investments	783,000	-	-	-	-	-
Purchases of Fixed Assets and Intangibles	(50,000)	(50,000)	(50,000)	(700,000)	(870,000)	(750,000)
Total Cash Flow From Investing Activities	733,000	(50,000)	(50,000)	(700,000)	(870,000)	(750,000)
Cash Flow From Financing Activities						
Issue of Share Capital	-	-	-	-	-	-
Borrowings / (Repayments)	-	-	-	550,000	-	(50,000)
Total Cash Flow From Financing Activities	-	-	-	550,000	-	(50,000)
Net Change in Cash Flows	310,161	(101,362)	(110,000)	686,087	(229,885)	(79,469)
Cash Balances						
Cash, Cash Equivalents and Overdrafts at Beginning of Period	1,781,606	2,091,766	1,990,405	2,031,606	2,717,692	2,487,808
Cash, Cash Equivalents and Overdrafts at End of Period	2,091,766	1,990,405	1,880,405	2,717,692	2,487,808	2,408,340
Net Change in Cash Balances	310,160	(101,362)	(110,000)	686,086	(229,885)	(79,468)

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.

BASIS OF CONSOLIDATION

The consolidated financial statements are prepared by adding together like items of assets, liabilities, equity, revenue, expenses, and cash flows of entities in the group on a line-by-line basis. All intragroup balances, transactions, revenues, and expenses are eliminated on consolidation.

The consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. The consolidation of an entity begins from the date when Great South obtains control of the entity and ceases when Great South loses control of the entity.

Control over an entity is determined when Great South has exposure, or rights, to variable benefits from its involvement with the entity and has the ability to affect the nature or amount of those benefits through its power over the other entity. Great South considers all relevant facts and circumstances in assessing whether it has power over another entity. For example, the ability to appoint or remove a majority of the entity's governance and management, binding arrangements the Company enters into, group voting rights, and pre-determination mechanisms. The Company reassesses whether or not it controls another entity if facts and circumstances change.

Goodwill is recognised where there is an excess of the consideration transferred over the net identifiable assets acquired and liabilities assumed. If the consideration transferred is lower than the net fair value of the Great South interest in the identifiable assets acquired and liabilities assumed, the difference will be recognised immediately in surplus or deficit.

STATEMENT OF COMPLIANCE

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

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

COVID-19

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

PRESENTATION CURRENCY AND ROUNDING

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

MEASUREMENT BASE

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

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Revenue

Revenue is measured at the fair value of consideration received.

Where funding is not conditional and Southland Regional Development Agency has no obligation to deliver a specific event or service, the revenue will be recognised when 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 Expense. Any revenue component within these transactions will be treated accordingly.

Interest revenue is recognised using the effective interest method.

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

Revenue in Advance

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

Expenditure

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

Foreign Exchange Transactions

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

Goods and Services Tax (GST)

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

The net amount of GST recoverable from, or payable to, the Inland Revenue Department (IRD) is included as part of receivables or payables in the Statement of Financial Position. The net GST paid to or received from the IRD, including the GST relating to investing and financing activities, is classified as an operating cash flow in the Statement of Cash Flows.

Income Tax

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

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

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

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

Equity

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

Cash and Cash Equivalents

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

Trade and Other Receivables

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

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

Property, Plant and Equipment

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

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

Additions

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

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

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

Disposals

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

Subsequent Costs

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

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

Depreciation

Depreciation is provided on a straight-line basis on all property, plant and equipment at rates that will write off the cost of the assets to their estimated residual values

over their useful lives. The useful lives and associated depreciation rates of major classes of assets have been estimated as follows:

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

The residual value and useful life of an asset is reviewed, and adjusted if applicable, at each financial year end. An annual review for impairment is also undertaken on all assets and any impairment loss is recognised in the Statement of Comprehensive Revenue and Expense.

Impairment of Property, Plant and Equipment

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

An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable service amount. The recoverable service amount is the higher of an asset's fair value less costs to sell and value in use. If an asset's carrying amount exceeds its recoverable service amount, the asset is regarded as impaired and the carrying amount is written down to the recoverable service amount. The total impairment loss is recognised in the surplus or deficit.

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

Value in Use For Non-Cash Generating Assets

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

Value in Use For Cash Generating Assets

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

Intangible Assets

Goodwill

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

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

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

Impairment of Intangible Assets

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

Joint Venture

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

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

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

Leases

Operating Leases

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

Finance Leases

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

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

Payables

Short-term payables are recorded at their fair value.

Financial Instruments

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

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

Statement of Cash Flows

Cash includes cash and cash equivalents as defined above.

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

Personnel Costs

Salaries and Wages

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

Defined Contribution Superannuation Schemes

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

Employee Entitlements

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

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

Changes in Accounting Policies

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

CRITICAL ACCOUNTING ESTIMATES AND ASSUMPTIONS

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



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.

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.

DIVIDEND POLICY

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

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.



