

GREAT SOUTH



Southland Regional Development Agency

2021/22 Annual report

For year end 30 June 2022



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), Rachel Lindsay, Lucy Griffiths, Jason Franklin, Peter Heenan, Maria Pera and Jeff Grant

REGISTERED OFFICE

Southland Regional Development Agency Limited
143 Spey Street, Invercargill

BANK

Westpac New Zealand Limited

AUDITORS

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

SHAREHOLDERS

Class A Shareholders

Invercargill City Council
Southland District Council
Gore District Council
Environment Southland

Class B Shareholders

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

MEMBERS

Community Trust South

LEGAL STATUS

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

COMPANIES OWNED BY SOUTHLAND REGIONAL DEVELOPMENT AGENCY LIMITED

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



Contents

3 Message from the Chair

WHO WE ARE

5 Southland snapshot

5 About us

6 Our vision

6 Our goals

7 Our values

WHAT WE DO

8 Developing a diverse and innovative economy

10 Strengthening local business

12 Growing Southland's economy through tourism

14 Advancing Southland's events

16 Establishing Space Operations New Zealand Limited

17 Looking ahead to 2022/23

PERFORMANCE MEASURES

18 Regional economic development

20 Regional business development

22 Regional tourism development

24 Regional events development

FINANCIAL STATEMENTS

26 Consolidated statement of comprehensive revenue and expense

27 Consolidated statement of cash flows

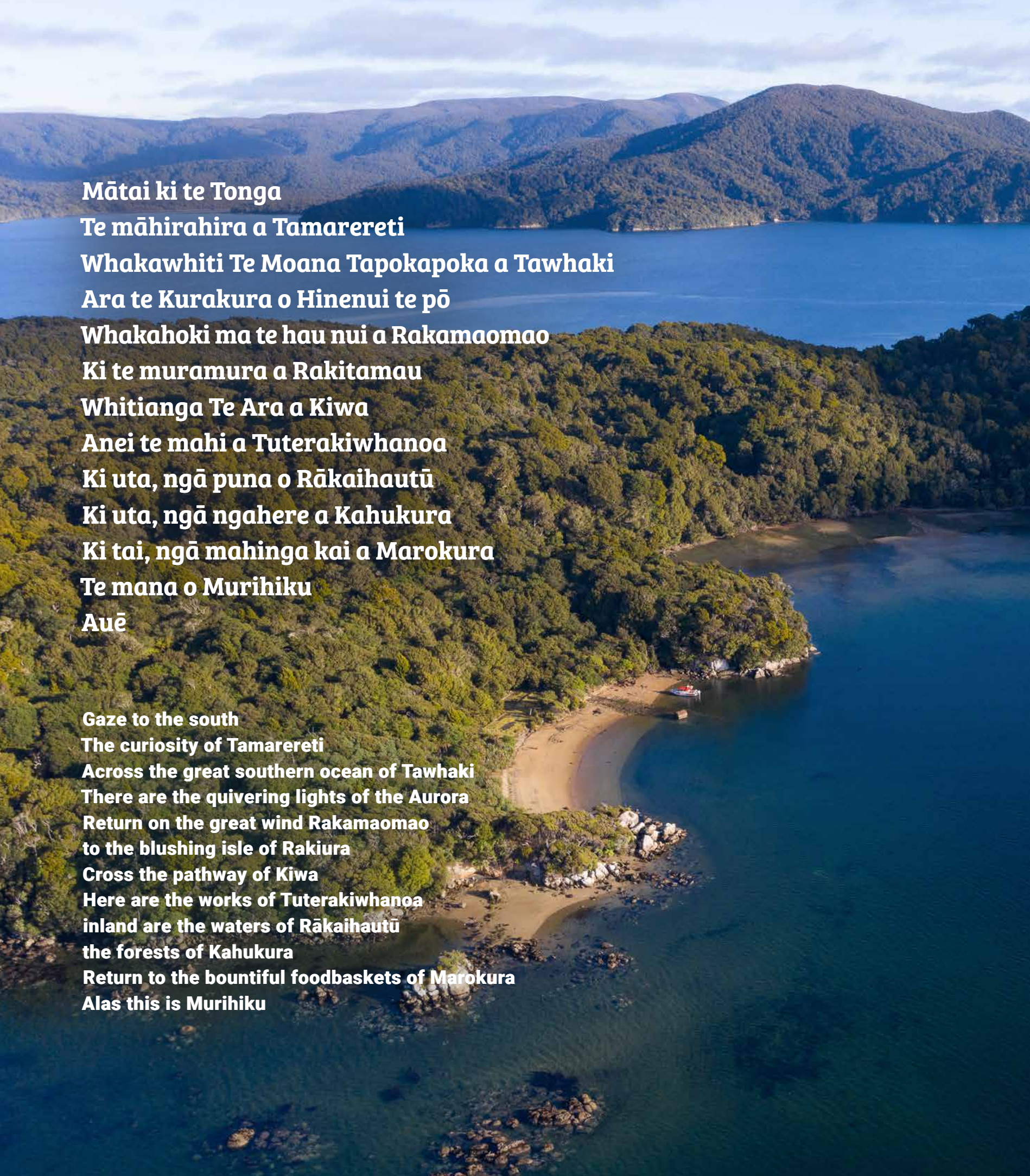
28 Consolidated statement of changes in equity

29 Consolidated statement of financial position

30 Notes to the financial statements

38 Corporate report

39 Independent auditor's report



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

Message from the Chair

I am in an unusual situation writing this message from the perspective of both the Chief Executive and Chair of Great South.

Sadly, our previous chief executive Graham Budd died unexpectedly on 15 April 2022, which was a huge shock to the Great South team. It has been important to provide the team with as much support as possible as they came to terms with the situation and I have been incredibly impressed with the way they have continued with their work programmes, and now work towards what will be a very full and exciting 2023 under the leadership of our new Chief Executive Chami Abeysinghe. Chami brings a wealth of experience and knowledge to the team as we look to support a number of new key infrastructure projects and capital investment coming to the region.

Now that things have moved on in terms of Covid and we are able to operate and live in comparative normality, it feels quite foreign to be reflecting on where we were at only a year ago.

It has been an extraordinarily difficult time for everyone in the region, as the impacts of Covid started to take full effect; another lockdown in August 2021 and Covid cases finally hitting Southland in significant numbers in the new year – affecting everyone both personally and professionally. Major events for the year that bring significant income and exposure for the region were cancelled and a string of other cancelled events and conferences followed. Business supply chains were and still are impacted, employers struggled with limited arrival of skilled migrants and our tourism industry battled on – for many, access to the Government's tourism communities funding administered by Great South was a lifeline.

A major highlight of the year that will bring long-term benefits to our region was our space operations business becoming a stand-alone company (Space Operations New Zealand Limited). The company is wholly-owned, and proudly so, by Great South and its shareholders. We look forward to further developing and growing this international business, which is attracting some of New Zealand's best talent to the region.

So what will this next year bring? Definitely more change. Long-term planning for the region as part of the Government's Just Transition workplan is already underway. Beyond 2025 Southland, which is an update to the 2015 Southland Regional Development Strategy, will provide a foundation for our future direction as a region. We look forward to the launch of this plan in 2023.

Working closely with our Mana Whenua partners, our shareholders, central government agencies, community groups and other stakeholders throughout Murihiku Southland, we look forward to ensuring that the opportunities we are involved with are realised for the benefit of all – career opportunities, viable and sustainable businesses, and a lifestyle second to none.

It continues to be an absolute privilege to Chair the board of Great South and to work alongside our team in the best interests of Murihiku Southland.

Ian Collier

Great South Board Chair & Acting Chief Executive





SOUTHLAND SNAPSHOT

Figures sourced from Infometrics - YE 30 June 2022

Geographic area
31,218 km²



NZ tradeable exports
15%

GDP
\$7.24b

Unemployment rate
2.6%

Average household income
\$102,100

Current population estimate
102,400

Main economic driving industries:



Agriculture



Food/Processing



Construction



Manufacturing



Tourism



Net emissions for 2021
4,968,510 tCO₂e

12% decrease from previous year

About us

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

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

A memorandum of understanding with all four Papatipu Rūnanga in Southland/Murihiku – Awarua, Hokonui, Ōraka-Aparima, and Waihōpai – was signed on 8 August 2022.

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 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 the Statement of Intent. The Chief Executive is responsible for the day-to-day operations of Great South, including the management of staff and reporting to directors on the performance against set priorities.

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 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. These goals have been revised for the 2022/23 year, please see new priority areas on page 17.

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

Our values

KAITIAKITANGA

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

SOUTHLAND PROUD

At the core of every successful region, you will find people who passionately contribute to the growth of the place they call home. 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.

SUSTAINABILITY

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

HERITAGE

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

BEING REAL

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

QUALITY OVER QUANTITY

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

COMMUNITY SUPPORT

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

SHAREHOLDER CONFIDENCE

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



Developing a diverse and innovative economy

A diverse and innovative economy that serves its people is vital to the region's future prosperity and resilience. An ability to leverage initiatives that increase gross domestic product, extend local industry and create employment opportunities without compromising the environment or the wellbeing of its people, is essential for instilling confidence in the region.

ADVANCING A DIVERSE ECONOMY

Great South has been working to progress various new industries for Southland, ensuring the region is ready to embrace change and new opportunities whether or not the NZAS Aluminium Smelter at Tiwai Point closes.

Hydrogen

Green hydrogen is one of the new industries being considered for Southland. In November 2022 it was announced that Meridian, Woodside, and Mitsui would be working together, with the support of Ngāi Tahu, to develop what will be a \$2 billion 600-megawatt project. Great South has developed multiple technical reports in support.

These included:

- Site selection
- Geospatial planning
- Wind modelling
- Seabed bathymetry surveying
- Hazard risk assessments
- Infrastructural planning

Great South General Manager Strategic Projects Stephen Canny is Chair of the New Zealand Hydrogen Council.

Datagrid

Great South provided support to Datagrid for its development of a hyper-scale data centre in Southland, including information that led to the company selecting a site for the project. The company announced in January 2022 it had purchased land in Makarewa and land-use consent has now been lodged with Southland District Council. Great South continues to investigate additional opportunities to advance Southland industry via the Data Centre.

NZ Functional Foods

A new industry for oats is nearing reality. NZ Functional Foods (NZFF) is developing a plant beverage processing plant at Makarewa and in July 2022 it was announced the project has Government backing, with a \$6 million investment from the Regional Strategic Partnership Fund.

Great South continues its long association with the development of an industry for oats by providing NZ Functional Foods support with the capital raise, energy planning, consent processes and site selection.

Space Operations NZ

Great South's highly-successful space operations programme became stand-alone company Space Operations New Zealand Limited on 1 October 2021 (see more on page 16). This was done to maximise opportunities in the growing international space sector and ultimately for the benefit of the region.

STRIVING TO MEET CLIMATE CHANGE TARGETS

Net Zero Southland

Great South commissioned Ernst & Young to establish options for Southland to reduce emissions and determine the cost, while ensuring there was no economic shock for the region. The resulting Net Zero Southland Report released in July 2021 showed there were various pathways available to reduce Southland's emissions and help meet the Government's net zero emissions target by 2050. Implementation is now well underway.

Government Waihōpai Invercargill Decarbonisation Contestable Fund

One of the key pathways to meet net zero emissions by 2050 identified in the Net Zero Southland Report was transitioning commercial fuel heating systems to low-emission alternatives, such as biomass boilers and heat pumps. In partnership with the Energy Efficiency and Conservation Authority, Great South administered the Government Waihōpai/Invercargill Decarbonisation Contestable Fund, which saw just over \$2.7 million allocated for 11 boiler and heating upgrades in the City.

Between this fund and the Government's separate state sector decarbonisation fund, aimed at hospitals and tertiary institutions, 87 of Southland's 190 boilers had been converted to renewable energy at year end.

Insulating business from rising carbon costs

Great South also supports businesses to reduce their carbon footprint, through its Carbon in Business workshop series. The series of three workshops supports them to calculate their carbon emissions and identify where they can make the most effective change to reduce emissions – reducing risk and cost exposure from the rising cost of carbon. Due to Covid restrictions only one Carbon in Business workshop series was held during the year, which was attended by 20 Southland businesses.

An additional programme to support tourism operators with implementing sustainability commitments was designed and developed during the year. Delivery of the 12-week Murihiku Sustainable Tourism Pilot programme began 25 July 2022 and 11 tourism operators took part.

ANALYSING SOUTHLAND'S HOUSING SITUATION

Following on from work previously undertaken by Great South that identified a housing shortage for Southland, a Southland Housing Situation Analysis Report was

completed in December 2021. Its findings were shared with the Southland Housing Action Forum, councils and potential investors.

As part of Beyond 2025 Southland (see more on page 17), Great South worked with councils on identifying infrastructural constraints around housing. Further to this, a detailed investigation of housing needs and spatial planning requirements was undertaken specifically for housing within Southland District.

IMPROVING CONNECTIVITY AND DIGITAL SERVICES FOR THE REGION

Great South has supported the delivery of wide area low orbit satellite broadband services in Southland via Space Operations New Zealand's satellite ground station facilities at Awarua. These services are now available to all residents and businesses throughout Southland, including the marine environment as far south as the Snares Islands.

An assessment of mobile blackspots on main touring routes has been undertaken identifying where service provision is needed.



More than 3 major new industries in development



Net Zero Southland Report released



Over \$2m allocated to 11 businesses to decarbonise heating systems



310 businesses engaged with



\$213,485 in capability vouchers issued to 147 businesses



\$1.9m granted to 164 businesses*

via the Tourism Communities Support, Recovery and Re-set Plan

**Not unique*



2728 students engaged with through Southland Youth Futures

Strengthening local business

Developing a thriving business sector paves the way for innovation, creates employment opportunities, increases confidence and ultimately leads to success. Encouraging new ways of thinking; supporting business capability, efficiency and competitiveness; addressing labour market challenges and retaining talent in the region is key.

PROVIDING BUSINESS DEVELOPMENT SERVICES

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

Great South carried out discovery sessions with 208 businesses and issued \$213,485 worth of capability management vouchers to 147 businesses.

Workshops

Due to Covid restrictions, fewer than usual workshops were held. Those that were held were on topics of

relevance such as a supply chain simulation workshop and lean management.

Supporting business to meet climate goals

Please refer to economic development section on page 9.

DELIVERING TOURISM BUSINESS COVID SUPPORT

Great South was the lead agency for the delivery of the Tourism Communities: Support, Recovery and Re-set Plan in Southland. Working with MBIE, it helped to define the criteria for funding that became available from August 2021 to tourism businesses within the Southland District Council rating area.

The funding was allocated for the five areas in New Zealand hardest hit by a lack of international tourists, which included Fiordland. The three initiatives as part of the fund were business advisory support, an advice implementation grant and a kickstart fund. Commencement of the kickstart fund was initially delayed. Its purpose was to get businesses ready for the return of international visitors and when the COVID-19 delta variant emerged, international border openings were put on hold, impacting the fund. All three funds closed on 31 August 2022. At year end, 122 businesses had received \$589,314 for advice and implementation grants and 42 businesses had received Kick-start funding totalling \$1,303,968.

SAFEGUARDING A FUTURE WORKFORCE

Great South's Southland Youth Futures programme aims to future-proof Southland's labour force by connecting young people with employment opportunities within the

region. In total, 2728 students engaged with Southland Youth Futures through various programmes and events.

Getting students 'work ready'

Southland Youth Futures created the Work Ready Passport programme targeted at year 10 and 12 students. The programme is delivered in schools by Great South staff and guest facilitators, who help young people to develop the knowledge, personal skills, attitude, and behaviours that employers seek. The programme consists of a series of modules focused on pre-employability skills. At year end, 401 high school students had been through the programme.

Summer of Work

The inaugural Southland Summer of Work, designed to link students with summer work opportunities, was held in September 2021. Due to Covid restrictions the event was held online. The event received a high degree of engagement from the students. A total of 235 students registered for the event and 50 found employment as a direct result. In addition, the event concept was picked up by Central Otago for them to meet demand for fruit pickers.

OFFERING FIORDLAND COVID SUPPORT

While Fiordland's tourism industry was impacted by a lack of international travellers due to COVID-19, Great South appointed a Fiordland employment and resource planner in partnership with the Ministry of Social Development and MBIE. The role was established to support those in the tourism industry to find alternative employment opportunities. However, over time the focus shifted to supporting employers with filling vacancies – particularly in the hospitality sector. The two-year fixed-term role came to an end in October 2022.

SUPPORTING SKILLED MIGRANTS AND THEIR EMPLOYERS

Funding for the nationwide Skills Placement Programme funded by MBIE came to an end on 30 June 2022. The programme was to be phased out in 2020 but the contract was extended for two further years while New Zealand continued to deal with the impacts of COVID-19. The work involved supporting skilled migrants to better understand the Southland work environment and find meaningful employment, while at the same time supporting businesses with recruitment of skilled migrants. In the year 2021-22, 72 migrants were engaged with one-on-one, resulting in 27 finding permanent work within Southland, while five businesses were supported with recruitment.

Growing Southland's economy through tourism

Keeping Southland front of mind as a preferred visitor destination for domestic and international travellers has a direct impact on the economy. It increases the likelihood of retaining and attracting new migrants to the region, as well as new business and investment. Growing Southland's visitor economy sustainably and continuing to support tourism operators ensures a resilient tourism sector beyond COVID-19.

PROMOTING SOUTHLAND AS A PREFERRED PLACE TO VISIT

Great South markets Southland and Fiordland to national and international visitors by way of the two regional tourism organisations it manages – Visit Fiordland and Visit Southland. With borders closed for most of the year due to COVID-19, the focus remained mainly on domestic visitation.

One of the ways Great South gains exposure for the region is by hosting media familiarisations. Over the year, 23 media representatives were hosted across both the Fiordland and Southland Regional Tourism Organisations. This resulted in 340 media results featuring the region in 77 different publications – 153 featured Fiordland and 187 featured Southland.

While opportunity to travel was hampered due to COVID-19, some travel trade events continued online, allowing Great South to promote Southland and Fiordland

to Australia, North America and South East Asia. Additionally, Great South attended MEETINGS 2022, where Southland was promoted as a business events location, promoting pre and post event travel.

The opening of the new Langland's Hotel and Invercargill City redevelopments is attracting significant interest in the region.

Campaigns

Campaign activity was mostly directed at the domestic market, with only a fleeting presence in Australia for the short time borders were open.

By far the most successful campaign was Te Anau Time. It was cleverly launched to coincide with New Zealand entering daylight saving in September 2021, allowing a PR stunt where it was insinuated Te Anau would keep its clocks one hour forward permanently. This received national and international attention, catapulting Te Anau into the national consciousness at a time when it was most needed, given the lack of international travellers due to Covid. The campaign resulted in more than six million digital impressions, and has since won various national and international awards.

'Seeing is Believing' was a campaign that targeted Australian travellers to Queenstown during the ski season. Its purpose was to highlight that Fiordland was only a day's side trip away and the intention was for visitors to factor in for their future ski trips. In the short time the Trans-Tasman bubble was open, the campaign resulted in more than 250,000 digital impressions.

International Marketing Alliance

A new International Marketing Alliance (IMA) comprising only the two Southland regional tourism organisations (Visit Southland and Visit Fiordland) was formed to ensure improved international marketing of the region. The alliances are marketed by Tourism New Zealand at international tradeshows, making it easier to promote the entire country. Previously Southland had been part of the Pure Southern Land IMA, with Dunedin, Waitaki and Clutha. Fiordland had been part of the Southern Lakes IMA, with Queenstown and Wanaka. This was a natural progression after Great South assumed responsibility for Visit Fiordland on 1 April 2021.

Digital reach

Southland and Fiordland's respective brands have their own websites and social channels. At year end www.southlandnz.com had 871,254 page views and its social channels had 143,806 followers, keeping it in sixth position out of all RTOs in New Zealand. Meanwhile www.fiordland.org.nz had 296,559 page views and 25,780 followers across its social media channels.

Great South also has a digital image library where anyone can find promotional images of Southland and Fiordland to use free of charge, so long as it is for promotion purposes. At year end 595 users had signed up.

PROGRESSING DESTINATION DEVELOPMENT

The Strategic Tourism Assets Protection Programme*, set up by the government to support tourism in response to COVID-19, has enabled additional destination development activity which is summarised below.

Food tourism

The opportunity to attract visitors to Southland based on the strength of its food proposition was identified as part of the Southland Murihiku Destination Management Strategy developed in 2019. A key priority of the Strategy was to develop a food tourism strategy. The Southland Murihiku Food Tourism Strategy was released in December 2021. Southland is one of the first regions in New Zealand to undertake such a comprehensive analysis of the potential for a food tourism industry and there was wide media coverage of this. Key opportunities identified include: connecting local producers with the hospitality sector to deliver local and authentic Southland food experiences; establishing a regional food collective to support the development and promotion of Southland's food sector; using events to showcase Southland's iconic food stories; and supporting local Rūnaka to share Southland's cultural food stories.

The Strategy was shared with stakeholders around the region in December and implementation is now underway.

Bluff Motupōhue Master Plan

The Bluff Motupōhue Tourism Master Plan and implementation plan were released in December 2021, in partnership with Invercargill City Council and Te Rūnaka o Awarua. Projects include the now complete Te Ara Taurapa cycle trail between Invercargill and Bluff (cultural interpretation panels were funded by Great South), building on the Predator Free Bluff project, various commercial developments and a large pouwhenua to stand atop Motupōhue Bluff Hill. In March 2022, Great South employed a contractor to drive implementation of the plan.

Stewart Island visitor survey

A departure survey of more than 3000 visitors to Rakiura Stewart Island was carried out during the 2020/21 summer season. A report released in October showed that 93% of those visitors wanted to return to the Island. These results will be used to inform a number of projects and initiatives, including the current review of the Rakiura Stewart Island Visitor Levy.

* Great South received \$2.8m through the Strategic Tourism Assets Protection Programme which began in the 2020-21 year.



340 media results



6 million impressions for Te Anau Time campaign



Bluff Tourism Master Plan and Implementation Plan released





95 events supported



Over \$690,000 distributed to 32 events via the Regional Event Funds



Southland's Unmissable Events calendar launched



10,000 attended the ILT Kidzone Festival

Advancing Southland's events

Events are a key driver of domestic visitation. Great South remains focussed on enabling 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's focus is on supporting events that tell a unique story and promote overnight visitation, as well as upskilling event organisers, to focus and mature the event sector.

SUPPORTING AND ATTRACTING DESTINATION EVENTS

Implementation of the Southland Murihiku Events Strategy has continued, with a focus on supporting events that drive domestic visitation. Great South supported the organisers of the 36 key destination events

identified within the Strategy, mostly with marketing. Networking opportunities for these event organisers were also established.

Regional event funding

In partnerships with MBIE, Great South continued to administer the two separate Regional Events Funds – one for Southland and one for Fiordland. These were for events that attracted overnight visitation. More than \$690,000 was distributed to 32 events region-wide. The Southland fund was exhausted, while \$90,000 remains in the Fiordland fund for future funding rounds.

Southland's Unmissable Events calendar

In November 2021 Great South launched an online destination events calendar on its promotional website southlandnz.com. This features the key destination events identified in the Southland Murihiku Events Strategy and each event is represented with consistent written content, images and video, allowing visitors to get a better feel for the given event. This work was undertaken in partnership with the event organisers. The events in the calendar are organised by season and seasonal campaigns will attract visitors to the region throughout the year.

OFFERING EVENT ORGANISERS COVID SUPPORT

In the latter half of 2021 two of Southland's major events for the summer, the Burt Munro Challenge and Southern

Field Days, were cancelled due to Covid. This had a snowball effect. Many more events followed suit as the arrival of the Covid omicron variant was announced in New Zealand and a move was made to the traffic light system rather than Covid levels. Great South supported 95 regional and community event organisers to navigate these changes and make decisions as to whether their events could go ahead. It also continued to develop practical tools for use by event organisers such as hand sanitiser stations and guidelines for running events under Government restrictions.

DELIVERING ILT KIDZONE

Great South's major event for 2021, the ILT Kidzone Festival, was able to go ahead (the 2020 event was cancelled due to Covid). After 15 years of holding the event at James Hargest College, it was held at Southland Girls' High School. The six-day adventure-themed event was highly successful with several days sold out.

PROFILING SOUTHLAND AS A BUSINESS EVENTS DESTINATION

Preliminary work began on developing a business events strategy for the region. Great South has been working with Southland venues and accommodation providers on helping them to better attract events by developing high quality promotional collateral. Great South attended MEETINGS 2022 to attract more business events to Southland.





ESTABLISHING SPACE OPERATIONS NEW ZEALAND LIMITED

Great South's highly-successful space operation business became stand-alone company Space Operations New Zealand Limited on 1 October 2021 to meet demand from rapid growth in the international small satellite (smallsat) community. The company provides satellite antenna hosting and leasing, as well as launch support services to satellite companies, for a variety of purposes including providing internet services.

Southland has had an active role in the space community since 2004 when the Awarua Satellite Ground Station was established in conjunction with the European and French Space Agencies. Southland's location on the globe makes it the ideal location for a satellite ground station with a large number of low earth orbit satellite passing overhead. Most ground stations are in the Northern Hemisphere, so demand for ground stations in the Southern Hemisphere is high.

At year end there were 42 antennas on site, almost doubling the number of antennas it hosts since pre-Covid.



Looking ahead to 2022/23

REVISED DIRECTION

Great South has reviewed its goals and organisational objectives for the upcoming year to better reflect its areas of work to achieve its vision of 'even better lives through sustainable development'.

It's long and short-term goals have been consolidated into five priority areas as follows:

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

MEMORANDUM OF UNDERSTANDING WITH MURIHIKU RŪNAKA

A Memorandum of Understanding between Great South and all four Papatipu Rūnaka in Murihiku (Hokonui, Waihopai, Awarua and Ōraka-Aparima) was signed in August 2022. Following on from collaboration on projects such as the Bluff Motupōhue 2020 Tourism Master Plan, this significant milestone recognises the commitment to enduring collaboration and partnership in Murihiku. We look forward to continuing to work alongside our shareholder organisations and our partner organisations.

BEYOND 2025 SOUTHLAND

Great South has been contracted to facilitate long-term planning for the region as part of the Government's Southland Just Transition Workplan. The Workplan, launched in February 2022, is a Government and regional collaboration to support the delivery of a just transition for workers and the wider region in response to the planned closure of the NZAS Tiwai Point Aluminium Smelter in December 2024. It includes seven workstreams.

Beyond 2025 Southland is the long-term planning workstream and the updated Southland Regional Development Strategy (SoRDS) plan, which will be delivered in June 2023. The five pillars within it are: environment and climate change, diversification of the economy, strengthening of local business, resources and infrastructure, population and people.



Regional economic development

Identifying opportunities, encouraging development and supporting new initiatives and investment in the region that influence the creation of a diverse, innovative and resilient economy

SERVICE LEVEL STATEMENT	PERFORMANCE MEASURE	TARGET	RESULT	COMMENTS / KEY ACTIVITIES
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	Informationed provided	An updated economic and population analysis for the region was completed. Other reports provided include: • Electronic transaction reports • Data analysis in support of Tourism Infrastructure Fund applications • Visitor statistics for Fiordland
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	Support provided	A Southland Housing Analysis Report was undertaken and presented to the Southland Housing Action Forum. Worked with Councils on identifying infrastructural constraints around housing as part of Beyond 2025 Southland. A detailed investigation of housing needs and spatial planning requirements was undertaken specifically for housing in Southland District.
	Advocate for greater digital connectivity	Continue to advocate for broadband services with government and other relevant agencies	Advocacy continued	An assessment of digital connectivity was undertaken identifying where service provision is needed. Internet services are now available to all consumers region-wide.
	Make submissions on Government policy and legislation	Make submissions on Government policy and legislation relevant to the key strategic goals	Submissions completed	Submissions were completed for the national emission reduction plan and the National Hydrogen Strategy Framework.

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	Support provided	Administered the Government Waihōpai Invercargill Decarbonisation Contestable Fund in partnership with EECA. Just over \$2 million was allocated for 11 boiler and heating upgrades. A road tax assessment was undertaken to assist local Councils in building a business case for increased funding. Southland District Council further commissioned Great South to develop a business case to advance investment into the Southland roading and bridging network.
	Identify new large-scale investment	Research and engage with potential investment opportunities	Potential investment opportunities investigated and supported	DATA Investigated 20 sites for the \$1 billion DataGrid Data Centre and undersea fibre project, after which a suitable site at Makarewa was selected and purchased by the company. HYDROGEN Assessments of six potential sites were undertaken to facilitate establishment of a \$2 billion 600-megawatt hydrogen production and ammonia plant in Southland. Technical reports completed in support of the project include: • Site selection • Geospatial planning • Hazard risk assessments • Infrastructural planning • Seabed bathymetry surveying • Groundwater options • Wind modelling in the Tiwai / Bluff environs OTHER A presentation was made to the NZ Korea Tech Roadshow, involving a range of high net-worth Korean investors interested in Southland and NZ investment opportunities.
	Increase revenue for ground station services	Increase revenue on prior year	Result: Increased by 115%	Space Operations New Zealand Limited was established as a stand-alone company on 1 October 2021.
	Encourage sector extension and resilience	Provide workshops and educational opportunities around sustainable business activities	Achieved	Digital elevation, slope, radiometric and soil carbon mapping tools have been developed by Great South, for use by Councils and Iwi for hazard planning and remote detection of landslides. Seabed bathymetry has also been created to support offshore mooring systems. A workshop was held on the value of trees within farming systems. An economic and social impact report on the impacts of carbon forest has been received and Great South is working on modelling the effects on the farming sector. A contract was signed to measure carbon sequestration and evaluate the potential of marginal riparian and wetland plantings. A Carbon in Business workshop was held, attended by 20 businesses. The Net Zero Southland Report was completed and released. The Murihiku Sustainable Tourism Programme Pilot was designed (delivery began in July 2022).
	Provide support for development of aquaculture, oat beverages, and health and wellness food industries	Continue support for NZ Functional Foods, and other industry as identified	Support provided	Advice and support provided to New Zealand Functional Foods to develop an investment memorandum, as well as assistance with energy planning and consent processes. NZFF is developing a plant beverage processing plant at Makarewa. Partnered with Thriving Southland on investigations into five new vegetable protein-based industries as part of Beyond 2025 Southland strategy development. Initial support provided to an international company interested in non-salmon-based aquaculture. Oat growing agronomic modelling incorporating soil, plant and climate processes was undertaken in partnership with Thriving Southland and Abacus Bio, providing insights into how new crops can be integrated into existing farm systems.

Regional business development

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

SERVICE LEVEL STATEMENT	PERFORMANCE MEASURE	TARGET	RESULT	COMMENTS / KEY ACTIVITIES
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)	Result: 493 business engagements	329 engagements conducted with businesses Southland-wide in relation to Regional Business Partner Network programme. Business Growth Advisors carried out discovery sessions* with 208 businesses (over the MBIE KPI target). In addition, 164 tourism businesses were engaged with in relation to tourism funding: <ul style="list-style-type: none"> 122 businesses received \$589,314 of Tourism Business Funding (Advice and Implementation grants) across the Southland District Council rating area 42 businesses received Kick-start funding totalling \$1,303,968 <i>* Discovery sessions are one-on-one business consultations carried out by Great South's Business Growth Advisors as part of the Regional Business Partner Network.</i>
	Upskill local businesses and promote resources, funding support and training available	Host seven workshops on relevant topics	Result: Five workshops held	Five workshops held on business support topics including Covid Alert level changes reduced the ability to hold additional workshops
		Connect 12 businesses with Business Mentors NZ	Result: 15 businesses registered	15 businesses registered for business mentors.
	Increase funding for local businesses	Connect 10 businesses with Callaghan R&D funding	Result: 8 businesses received funding	\$380,595.50 of Callaghan Innovation Grants administered to 8 innovative Southland businesses. Callaghan Innovation suspended Project Grants and Getting Started Grants across NZ due to lack of budget.
Issue 130 co-funded vouchers for capability management training		Result: 147 vouchers distributed	Administered MBIE Capability vouchers to 147 businesses, equating to over \$213,485 for the year to date. The vouchers connect businesses with capability building and training opportunities across a range of business areas.	

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	Result: 29 events/ workplace tours held	2728 students engaged with the Southland Youth Futures programme through events, such as 20 workplace tours, 9 specialty speaker presentations, and the Work Ready Passport.
		Continue to support training, upskilling and redeployment and retention opportunities in sectors and locations that require support, including Te Anau basin and primary sector	Support provided	The Skills Placement Programme engaged directly with 72 newcomers via one-on-one meetings or workshops, resulting in 27 skilled migrants finding employment in Southland. 5 businesses were supported over this period and 8 new businesses have engaged with this workstream. 9 events supported, including: <ul style="list-style-type: none"> The Great South Job Search Hokonui Culture Feast Summer of Work 2021 Resident Visa (online information session) SIT O-Week SIT International Student Orientation Day (online session) A cross-cultural communication workshop was held in Gore. 3 workshops have been held to upskill primary sector leadership and to aid primary sector recruitment. These were attended by 30 farming businesses. The funding for this programme has now ceased.
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	Support provided	One Carbon in Business workshop was held with 20 businesses to help with their carbon neutral strategies. Presentations on emission reduction were provided to key rural stakeholders and catchment groups.



Regional tourism development

Leveraging the potential of tourism across the region and positioning Southland as a preferred place to visit, live and work

SERVICE LEVEL STATEMENT	PERFORMANCE MEASURE	TARGET	RESULT	COMMENTS / KEY ACTIVITIES
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)	Result: 340 media results recorded	Facilitated 340 media results in 77 different publications, 153 of those featured Fiordland and 187 featured Southland.
		Host 15 media familiarisations	Result: 23 media famils hosted	Facilitated 23 media famils in Fiordland and Southland.
		Deliver and develop four destination promotion campaigns	Result: 5 campaigns facilitated	Facilitated five campaigns: <ul style="list-style-type: none"> • 'Seeing is Believing' – resulted in more than 250,000 digital impressions • 'Te Anau Time' (two versions) – resulted in over 6 million digital impressions • 'You're Due South' (re-launch) – resulted in over 2 million digital impressions • International Dark Sky Week campaign – resulted in 155,327 impressions
		Promote Southland as a destination at three relevant trade or industry events	Result: More than 6 trade/industry events attended	Attended more than six trade and industry events to promote the region, mostly virtually due to Covid restrictions. These included opportunities to promote Southland and Fiordland to Australia, North America, South East Asia, and MEETINGS 2022, where Southland was promoted as a business events location.
		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	Result: New southlandnz.com development underway Page views: 871,254 (10.47% down) Users: 292,875 (3.07% down) Sessions: 405,369 (.085% down)
		Increase digital impressions on fiordland.org.nz and engagement across all social media channels	Result: Page views: 296,559 (2.37% up) Users: 110,184 (1.91% up) Sessions: 136,394 (9.01% down) Average session duration: 01:49 minutes (8.78% up)	FiordlandNZ saw an impressive increase in reach and engagement across its social media and digital channels. Across all social media channels, the FiordlandNZ brand has 25,780 followers and is 23rd out of 31 RTOs based on number of followers.
	Continue to support regional tourism services post COVID-19 recovery	Communicate funding and resource opportunities	Achieved	Secured funding from the government's \$200m Tourism Communities: Support, Recovery and Re-set Plan and distributed to businesses working with MBIE. Individual tourism operator support was provided through one-on-one meetings with staff. \$353,318 of Tourism Business Funding administered to 80 businesses (Advice and Implementation grants) across the Southland District Council rating area (see page 20).

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	Achieved	Ensured Southland representation at trade shows. Working with Trade workshop held for Fiordland operators on 22 June. Continuing to support operators with media famils/articles. Took part in TRENZ Online Hui on 25-26 June.
		Attend national tourism industry forums	Achieved	Attended Regional Tourism New Zealand RTO meetings and continued representation on the RTNZ Board ensuring Southland's interests are represented in national conversations.
		Organise capability building workshops and develop tools based on need	Achieved	The Summer of Work programme (see page 21) helped address labour shortages in the tourism sector – particularly in Fiordland. Worked with Qualmark to organise a digital marketing workshop. Conducted agritourism workshops around the region to help build capability in this area and support farmers to diversify their income.
	Coordinate developments that support Southland tourism operators	Coordinate and develop business case for inter-regional touring routes	Plan developed and implementation underway	Worked with neighbouring RTOs on the Southern Way touring route and engaged a consultant to progress the project.
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	Achieved	Core projects from the Strategy progressed: DARK SKIES Progress made towards establishing Fiordland as a dark sky location. Supported SDC in successful Tourism Infrastructure Fund application for Matariki infrastructure. FOOD TOURISM Southland Murihiku Food Tourism Strategy completed and launched in December. Supported 'Savour the South' event with STAPP funding. Support provided for the launch of Feast Matariki at Te Rau Aroha marae in conjunction with Awarua Rūnaka. AGRITOURISM Itineraries developed on southlandnz.com. Increased digital assets available on visual library. Three workshops undertaken around the region. LOW EMISSION/SUSTAINABLE TOURISM Great South tourism sustainability pathway established. Tourism sustainability pilot programme developed. BLUFF Bluff Motupōhue Tourism Master Plan and accompanying Implementation Plan released in December in partnership with ICC and Rūnaka. Contractor engaged to drive the project. Funded cultural interpretation panels for the Invercargill to Bluff cycleway Te Ara Taurapa – a joint project with Awarua Rūnaka, Waihōpai Rūnaka and ICC. CATLINS Partnered with Clutha Development to review the Catlins Tourism Strategy. Contractor engaged to investigate the feasibility of a coastal walk throughout the Catlins. CYCLING Trail analysis and itinerary development work completed in conjunction with Southland Mountain Bike Club. Economic impact assessment for Fiordland's Lake2Lake trail investigated on behalf of Fiordland Trails Trust.

Regional events development

Enhancing wellbeing, encouraging overnight visitation and showcasing the region's uniqueness through the delivery of events

SERVICE LEVEL STATEMENT	PERFORMANCE MEASURE	TARGET	RESULT	COMMENTS / KEY ACTIVITIES
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	Achieved	<p>Delivery of key priorities in the Southland Murihiku Events Strategy continues with support from MBIE's Regional Events Fund (REF).</p> <p>More than \$692,500 of contestable Regional Events Funding distributed to 32 events across Southland and Fiordland. The Southland fund is now exhausted. \$90,000 remains in the Fiordland fund.</p> <p>18-month review of the Southland Murihiku Events Strategy presented to key stakeholders and an update report sent mid-July 2022.</p> <p>Developed toolkit resources to coincide with the launch of the new southlandnz.com (launched October 2022), including venues and supplier databases.</p> <p>Supported 95 regional and community events throughout the region with marketing, advice on holding events in a Covid environment, funding and sponsorship, event logistics, basic economic surveys and loan of equipment and signage.</p>
		Establish and facilitate networks of benefit to event organisers	Achieved	<p>A networking group was established for organisers of events that are part of Southland's Unmissable Calendar.</p> <p>Meeting held for event organisers about Covid government event restrictions and transition from levels to the traffic light system in November, with involvement from Public Health South.</p>
Profile Southland as an events destination	Integrate events into domestic marketing activity to encourage travel to Southland	Support 36 events unique enough to encourage overnight stay in the region	Events supported	<p>Continued to work with representatives of the region's 36 key destination events.</p> <p>Monthly events newsletter sent to 1,200 subscribers.</p>
		Profile Southland as a preferred business events destination	Underway	<p>Preliminary work on the strategy was undertaken, including desktop research of other convention bureaus.</p> <p>Development of incentive itineraries underway.</p>
	Support delivery of high-profile events	Event delivery supported	<p>Support and advice provided to event organisers as they considered regarding the challenges of operating in a COVID-19 environment.</p> <p>Planned and delivered ILT Kidzone 2022.</p> <p>Promoted Burt Munro Challenge to the Australian market via trade connections, including Sports Net Australia and Motorcycle Magic Tours.</p> <p>Worked with ILT to facilitate group travel to Bluff Oyster Festival.</p> <p>Provided support to Hospitality NZ with development of Savour the South and Long Lunch Te Anau.</p>	
Support events that enhance wellbeing, vibrancy and diversity	Support events as identified in the Southland Murihiku Events Strategy	Events supported	<p>Work continues to support 36 events identified in the Southland Murihiku Events Strategy. Each receives marketing plans and additional national promotion opportunities with a focus on visitation to the region, growing event attendance and highlighting Southland's places, spaces, and people.</p>	



Consolidated statement of comprehensive revenue and expense

For the year ended 30 June 2022

	Notes	Group 2022	Group 2021
Revenue			
Class A Shareholder Funding			
Core		1,657,600	1,600,000
Contract		1,716,783	1,505,786
Total	See Note 3 (Page 32)	3,374,383	3,105,786
Other Revenue			
Service Revenue	See Note 3 (Page 32)	3,487,030	2,256,491
Project Revenue	See Note 3 (Page 32)	2,356,498	1,275,039
Gain on Fair Value of Investments	See Note 15 (Page 35)	-	499,749
Interest		30,092	-
Other Revenue		3,813	162,865
Total		5,877,433	4,194,143
Total Revenue	See Note 2 (Page 32)	9,251,816	7,299,929
Expenditure			
Project and Service Expenditure			
Regional Economic Development		2,120,279	1,830,278
Business Support Services		886,877	862,641
Regional Tourism Development		1,876,213	1,534,205
Regional Events Delivery		1,071,467	573,604
Regional Wellbeing		-	(240)
Total		5,954,834	4,800,488
Core Expenditure			
Audit Fees		81,960	51,451
Directors Fees		146,001	91,140
Employee Expense		818,381	861,058
Interest Expense		2,104	2,417
Depreciation and Amortisation	See Notes 8 & 13 (Pages 34 & 35)	80,410	276,752
Loss on Disposal of Fixed Assets		-	-
Other Overheads		669,712	738,360
Total		1,798,567	2,021,179
Total Expenditure		7,753,402	6,821,667
Share of Surplus/(Deficit) From Joint Venture	See Note 15 (Page 35)	(434,411)	(65,439)
Net Surplus Before Tax		1,064,003	412,824
Tax Expense	See Note 5 (Page 33)	270,484	(46,790)
Total Comprehensive Revenue and Expense		793,519	459,614

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

Consolidated statement of cash flows

For the year ended 30 June 2022

	Notes	Group 2022	Group 2021
Cash and Cash Equivalents Beginning of Year		1,657,332	1,828,950
Cash Flow From Operating Activities			
Receipts From Shareholders		4,370,635	3,105,786
Receipts From Other Operating Activities		12,292,130	3,388,978
Interest Received		30,092	-
Payments to Suppliers		(3,717,872)	(2,528,077)
Payments to Employees		(3,818,223)	(3,475,975)
Interest Paid		(2,104)	(2,416)
Tax Paid		(25,881)	-
Net GST Movement		(265,536)	(161,531)
Net Cash Flow From Operating Activities		8,863,242	326,765
Cash Flow From Investing Activities			
Purchases of Fixed Assets		(1,011,570)	(498,382)
Investment		-	-
Advance Subsidiaries		-	-
Net Cash Flow From Investing Activities		(1,011,570)	(498,382)
Cash Flow From Financing Activities			
Issue of Share Capital		-	-
Net Cash Flow From Financing Activities		-	-
Net Increase/(Decrease) In Cash and Cash Equivalents		7,851,672	(171,617)
Cash and Cash Equivalents End of Year	See Note 6 (Page 33)	9,509,004	1,657,332





Consolidated statement of changes in equity

For the year ended 30 June 2022

	Notes	Group 2022	Group 2021
Opening Balance (At 1 July)		1,864,382	1,404,768
Equity			
Comprehensive Revenue and Expense			
Comprehensive Revenue and Expense		793,519	459,614
Total	See Note 16 (Page 36)	793,519	459,614
Share Capital			
Share Capital Issued		-	-
Uncalled Share Capital		-	-
Total	See Note 16 (Page 36)	-	-
Total Equity		2,657,901	1,864,382
Attributable To: Equity Holders of The Company		2,657,901	1,864,382
Closing Balance (At 30 June)	See Note 16 (Page 36)	2,657,901	1,864,382

Consolidated statement of financial position

As at 30 June 2022

	Notes	Group 2022	Group 2021
Assets			
Current Assets			
Cash and Cash Equivalents	See Note 6 (Page 33)	9,509,002	1,657,332
Trade and Other Receivables	See Note 7 (Page 34)	2,616,503	2,091,715
Prepayments		23,159	16,667
Short Term Advances		-	-
Stock		900	-
Total		12,149,563	3,765,713
Non-Current Assets			
Deferred Tax Asset	See Note 5 (Page 33)	40,575	36,162
Property, Plant and Equipment	See Note 8 (Page 34)	1,631,344	699,328
Intangible Assets	See Note 13 (Page 35)	100,000	100,000
Assets Under Construction	See Note 10 (Page 34)	27,931	-
Work in Progress	See Note 9 (Page 34)	-	295,865
Investments in Other Entities	See Note 15 (Page 35)	-	434,412
Total		1,799,851	1,565,768
Total Assets		13,949,414	5,331,481
Liabilities			
Current Liabilities			
Trade and Other Payables	See Note 11 (Page 35)	734,515	618,359
Employee Entitlements	See Note 4 (Page 33)	356,544	265,073
Finance Lease		11,583	15,709
Income Tax Payable	See Note 5 (Page 33)	268,296	19,280
Income Received in Advance	See Note 12 (Page 35)	9,920,575	2,537,093
Total		11,291,513	3,455,514
Non-Current Liabilities			
Finance Lease		-	11,585
Total		-	11,585
Total Liabilities		11,291,513	3,467,099
Net Assets		2,657,901	1,864,382
Equity and Reserves			
Share Capital		1,338,421	1,338,421
Retained Earnings		1,319,480	525,961
Total Equity and Reserves	See Note 16 (Page 36)	2,657,901	1,864,382

Ian Collier - Chair

Peter Heenan - Director

Notes to the financial statements

NOTE 1: STATEMENT OF ACCOUNTING POLICIES

REPORTING ENTITY

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

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

STATEMENT OF COMPLIANCE

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

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

COVID-19

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

MEASUREMENT BASE

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

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Revenue

Revenue is measured at the fair value of consideration received.

Where funding is not conditional and Southland Regional Development Agency has no obligation to deliver a specific event or service, the revenue will be recognised when receipted. Where the funding has conditions attached to it, the funding is recognised as revenue upon entitlement as conditions pertaining to eligible expenditure have been fulfilled. The funding is held as a

liability until the specific conditions are met. In certain circumstances funding is not received until after the event, in which case the revenue will be accrued when it is highly probable the funding will be received.

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

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

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

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

Interest revenue is recognised using the effective interest method.

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

Revenue in Advance

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

Expenditure

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

Foreign Exchange Transactions

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

Goods and Services Tax (GST)

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

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

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

Income Tax

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

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

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

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

Equity

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

Cash and Cash Equivalents

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

Trade and Other Receivables

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

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

Property, Plant and Equipment

Property, plant, and equipment consists of the following asset classes: buildings, furniture and fittings, office equipment, plant and equipment, ground station equipment, ILT Kidzone equipment, motor vehicles and land. All asset classes are measured at cost, less accumulated depreciation and impairment losses. Individual assets are capitalised if they meet the definition of an asset and the cost exceeds \$1,000.

Additions

The cost of an item of property, plant and equipment is recognised as an asset if, and only if, it is probable that future economic benefits or service potential associated with the item will flow to the Group and the cost of the item can be measured reliably. In most instances, an item of property, plant and equipment is recognised at its cost. Where an asset is acquired at no cost, or for a nominal cost, it is recognised at fair value when control over the asset is obtained. Work in progress is recognised at cost less impairment and is not depreciated.

Disposals

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

Subsequent Costs

Costs incurred subsequent to initial acquisition are capitalised only when it is probable that future economic benefits or service potential associated with the item will flow to the Group and the cost of the item can be measured reliably. The costs of day-to-day servicing of property, plant, and equipment are recognised in the surplus or deficit as they are incurred.

Depreciation

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

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

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

Impairment of Property, Plant and Equipment

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

An impairment loss is recognised for the amount by which the asset's

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

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

Value in Use for Non-Cash Generating Assets

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

Value in Use for Cash Generating Assets

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

Intangible Assets

Goodwill

Goodwill on acquisition of businesses and subsidiaries is included in "intangible assets". Goodwill on acquisition of 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
----------------------	-------	-------------

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. The same approach applies to the impairment of intangible assets.

For further details, refer to the policy for Property, Plant, and Equipment in Note 8.

Joint Venture

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

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

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

Leases

Operating Leases

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

Finance Leases

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

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

Payables

Short-term payables are recorded at their fair value.

Financial Instruments

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

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

Statement of Cash Flows

Cash includes cash and cash equivalents as defined previously.

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

Personnel Costs

Salaries and Wages

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

Defined Contribution Schemes

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

Employee Entitlements

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

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

Changes in Accounting Policies

There have been no changes in accounting policies during the financial year.

CRITICAL ACCOUNTING ESTIMATES AND ASSUMPTIONS

In preparing these consolidated financial statements, the Group 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 consolidated financial statements are described in the notes to the financial statements.

NOTE 2: TOTAL OPERATING REVENUE

	Group 2022	Group 2021
Revenue		
Exchange Revenue	5,558,703	4,544,001
Non Exchange Revenue	3,693,113	2,755,928
Total Revenue	9,251,816	7,299,929

NOTE 3: REVENUE

	Group 2022	Group 2021
Class A Shareholder Funding		
Core		
Environment Southland	165,759	150,000
Gore District Council	151,792	150,000
Invercargill City Council	853,857	800,000
Southland District Council	486,191	500,000
Total	1,657,600	1,600,000
Contract		
Environment Southland	13,303	-
Gore District Council	60,000	60,000
Invercargill City Council	942,741	895,786
Southland District Council	700,739	550,000
Total	1,716,783	1,505,786
Total Class A Shareholder Funding	3,374,383	3,105,786
Service Revenue		
Invercargill i-SITE	6,373	21,784
Business Sector Support Services	1,190,744	1,172,031
Satellite Ground Station	2,289,914	1,062,675
Total Service Revenue	3,487,030	2,256,491
Project Revenue		
Investigation, Impetus and Assessment Fund	135,794	123,681
Carbon Neutral Advantage	65,075	162,153
Event Delivery	327,781	86,686
Event Support Funding	423,294	141,083
Tourism Support Funding	856,243	448,901
Other	548,311	312,535
Total Project Revenue	2,356,498	1,275,039

NOTE 4: PERSONNEL EXPENDITURE

At 30 June 2022 there were 45 full-time employees (2021: 42) with the balance of staff representing 1.5 FTE (2021: 1).

	Group 2022	Group 2021
Employee Remuneration		
Salaries and Wages*	3,834,731	3,386,766
KiwiSaver Contributions	104,277	88,996
Increase/(Decrease) in Employee Entitlements	54,495	53,857
Total Employee Remuneration	3,993,503	3,529,619

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

Director Remuneration		
Ian Collier - Chair*	48,000	23,940
Rachel Lindsay	16,000	9,450
Lucy Griffiths	16,000	12,600
Jason Franklin	16,000	9,450
Peter Heenan**	18,000	9,450
Maria Pera	16,000	12,600
Jeff Grant	16,000	9,450
Joc O'Donnell	-	1,050
Dean Addie	-	3,150
Total Director Remuneration	146,000	91,140

* Ian Collier received an additional \$45,945 remuneration for being Great South Interim Chief Executive from April to June 2022.

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

Total Remuneration By Band for Employees for the Year		
\$100,000 - \$109,999	2	-
\$110,000 - \$119,999	2	-
\$120,000 - \$129,999	-	1
\$130,000 - \$139,999	1	2
\$140,000 - \$149,999	1	-
\$150,000 - \$159,999	2	-
\$160,000 - \$169,999	-	1
\$170,000 - \$179,999	1	-
\$230,000 - \$239,999	1	-
\$250,000 - \$259,999	-	1

Employee Entitlements		
Salaries and Wages	178,651	120,968
Annual and Other Leave Entitlements	177,893	144,105
Total Employee Entitlements	356,544	265,073

Severance Payments

During the year there were no severance payments (2021: Two severance payments totalling \$36,767 were made to two employees).

NOTE 5: INCOME TAX

	Group 2022	Group 2021
Surplus/(Deficit) for the Year	1,064,003	412,824
Non-Taxable Revenue	-	-
Gain on Investment	-	(499,749)
Share of Surplus/(Deficit) From Joint Venture	434,411	65,439
Capital Contribution	(539,524)	-
Distribution From Venture Southland Trust	-	(157,480)
Non Deductible Expenditure	7,125	11,859
Tax at 28%	270,484	(46,790)
Temporary Differences	4,413	14,636
Tax Expense After Adjusting for Deferred Tax Asset	274,898	(32,154)
Plus/(Less) Effect of		
Balance Brought Forward	19,280	51,434
Tax Paid/(Refunded)	(25,880)	-
Income Tax Liability	268,297	19,280

	Recognised in	
	Profit or Loss	Equity
Deferred Tax Asset		
Balance at 1 July 2020	21,526	-
Movements	-	-
Provisions	14,636	-
Balance at 30 June 2021	36,162	-
Balance at 1 July 2021	36,162	-
Movements	-	-
Provisions	4,413	-
Balance at 30 June 2022	40,575	-

NOTE 6: CASH AND CASH EQUIVALENTS

Southland Regional Development Agency Group banks with Westpac and the funds are held in cheque accounts (with interest rates between 0.00% and 0.05%) (2021: Between 0.00% and 0.10%).

	Group 2022	Group 2021
Cash and Cash Equivalents		
Cheque Accounts	992,689	1,657,090
Short Term Deposits	8,516,063	-
Cash Floats	249	242
Total Cash and Cash Equivalents	9,509,002	1,657,332

NOTE 7: TRADE AND OTHER RECEIVABLES

No provision for doubtful debts has been applied.

	Group 2022	Group 2021
Trade and Other Receivables		
Trade Receivables	2,337,512	746,198
Accrued Revenue	96,973	283,245
Related Party Receivables	12,854	1,012,073
GST Receivable	169,164	50,200
Total Trade and Other Receivables	2,616,503	2,091,715
Receivables From Exchange Transactions	2,447,339	2,041,515
Receivables From Non-Exchange Transactions	169,164	50,200
Receivables Ageing Profile at Year End		
Not Past Due	1,441,648	1,746,653
Past Due 1 - 60 Days	349,867	32,413
Past Due 61 - 120 Days	361,224	269,119
Past Due > 120 Days	463,763	43,530
Total Trade and Other Receivables	2,616,503	2,091,715

NOTE 8: PROPERTY, PLANT AND EQUIPMENT

	Buildings	Furniture & Fittings	IT Equipment	ILT Kidzone Equipment	Vehicles	Land	Site Development	Ground Station Equipment	Total
Cost									
Balance at 1 July 2020	223,594	52,485	84,953	51,852	25,500	-	-	68,157	506,541
Additions	28,121	15,859	39,138	-	-	130,000	-	115,396	328,514
Balance at 30 June 2021	251,715	68,344	124,092	51,852	25,500	130,000	-	183,553	835,056
Balance at 1 July 2021	251,715	68,344	124,092	51,852	25,500	130,000	-	183,553	835,056
Additions	335,883	15,893	30,320	-	-	-	429,994	225,284	1,037,373
Reclassification	(25,207)	-	-	-	-	-	25,207	-	-
Balance at 30 June 2022	562,391	84,237	154,411	51,852	25,500	130,000	455,201	408,837	1,872,429
Accumulated Depreciation									
Balance at 1 July 2020	9,763	7,442	13,664	10,795	3,443	-	-	7,007	52,113
Depreciation Expense	10,753	7,515	40,572	11,126	3,442	-	-	10,206	83,614
Balance at 30 June 2021	20,516	14,957	54,235	21,922	6,885	-	-	17,213	135,727
Balance at 1 July 2021	20,516	14,957	54,235	21,922	6,885	-	-	17,213	135,727
Depreciation Expense	12,575	9,798	45,161	11,126	3,443	-	2,591	20,663	105,357
Reclassification	(1,226)	-	-	-	-	-	1,226	-	-
Balance at 30 June 2022	31,865	24,756	99,397	33,047	10,327	-	7,3817	37,876	241,085
Total Property, Plant & Equipment	530,526	59,481	55,015	18,805	15,173	130,000	451,384	370,961	1,631,344

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

Carrying Amounts									
At 30 June 2021	231,199	53,387	69,856	29,931	18,616	130,000	-	166,340	699,328
At 30 June 2022	530,526	59,481	55,015	18,805	15,173	130,000	451,384	370,961	1,631,344

NOTE 9: WORK IN PROGRESS

Property, plant and equipment work in progress is detailed below:

	Group 2022	Group 2021
Work in Progress		
Ground Station	-	295,865
Total Work in Progress	-	295,865

NOTE 10: ASSETS UNDER CONSTRUCTION

Construction work is for the build of a new antenna - AWA-4.

	Group 2022	Group 2021
Assets Under Construction		
Ground Station Equipment	27,931	-
Total Assets Under Construction	27,931	-

NOTE 11: TRADE AND OTHER PAYABLES

	Group 2022	Group 2021
Trade and Other Payables Under Exchange Transactions		
Trade Payables	615,278	530,553
Related Party Payables and Accrued Expenses	30	650
Accrued Expenses	119,207	87,156
Total Trade and Other Payables Under Exchange Transactions	734,515	618,359

NOTE 12: INCOME RECEIVED IN ADVANCE

	Group 2022	Group 2021
Income Received in Advance		
Income Received in Advance Under Exchange Transactions		
Income Received in Advance	9,319,009	2,074,920
Related Party Income Received in Advance	35,649	93,700
Total	9,354,658	2,168,620
Income Received in Advance Under Non-Exchange Transactions		
Income Received in Advance	-	-
Related Party Income Received in Advance	565,917	368,473
Total	565,917	368,473
Total Income Received in Advance	9,920,575	2,537,093

NOTE 13: INTANGIBLE ASSETS

	Goodwill	Lease Goodwill	Total
Cost			
Balance at 1 July 2020	100,000	200,000	300,000
Additions	-	-	-
Disposals	-	-	-
Balance at 30 June 2021	100,000	200,000	300,000
Balance at 1 July 2021	100,000	200,000	300,000
Additions	-	-	-
Disposals	-	(200,000)	(200,000)
Balance at 30 June 2022	100,000	-	100,000
Accumulated Amortisation			
Balance at 1 July 2020	-	6,862	6,862
Amortisation Expense	-	193,138	193,138
Impairment	-	-	-
Balance at 30 June 2021	-	200,000	200,000
Balance at 1 July 2021	-	200,000	200,000
Amortisation Expense	-	(200,000)	(200,000)
Impairment	-	-	-
Balance at 30 June 2022	-	-	-
Total Intangible Assets	100,000	-	100,000

NOTE 13 CONTINUED...

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

Carrying Amounts			
At 30 June 2021	100,000	-	100,000
At 30 June 2022	100,000	-	100,000

NOTE 14: COMMITMENTS

	Group 2022	Group 2021
Operating Leases as Lessee*		
Expenditure on Operating Leases as Lessee	258,538	184,362
Not later than one year	259,530	186,200
Later than one and not later than five years	467,707	439,638
Later than five years	-	7,547
Total Operating Leases as Lessee Commitments	727,237	633,385
Operating Leases as Lessor**		
Revenue on Operating Leases as Lessor	1,199,931	630,594
Not later than one year	1,301,302	974,813
Later than one and not later than five years	2,584,486	3,124,910
Later than five years	-	-
Total Operating Leases as Lessor Commitments	3,885,788	4,099,723

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

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

Capital Commitments

There are no capital commitments as at 30 June 2022 (2021: nil).

NOTE 15: INVESTMENT IN OTHER ENTITIES

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

	Group 2022	Group 2021
New Zealand Functional Foods		
Opening Balance	434,412	-
Shares Purchased	-	100
Shares Issued	-	979,900
Elimination of Non-Monetary Gain	-	(480,150)
Gain on Fair Value of Investment	-	499,750
Share of Surplus/(Deficit)	(434,412)	(65,439)
Closing Balance	-	434,412

NOTE 16: EQUITY

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

ATTRIBUTABLE TO EQUITY HOLDERS OF THE GROUP

	Share Capital Class A	Share Capital Class B	Share Capital Class C	Total Share Capital	Additional Paid In Capital	Retained Earnings	Total
Balance at 1 July 2020	-	-	1,338,421	1,338,421	-	66,347	1,404,768
Profit/(Loss) After Tax	-	-	-	-	-	459,614	459,614
Share Capital Issued	-	-	-	-	-	-	-
Share Capital Uncalled	-	-	-	-	-	-	-
Distribution to Shareholders	-	-	-	-	-	-	-
Balance at 30 June 2021	-	-	1,338,421	1,338,421	-	525,961	1,864,382
Balance at 1 July 2021	-	-	1,338,421	1,338,421	-	525,961	1,864,382
Profit/(Loss) After Tax	-	-	-	-	-	793,519	793,519
Share Capital Issued	-	-	-	-	-	-	-
Share Capital Uncalled	-	-	-	-	-	-	-
Distribution to Shareholders	-	-	-	-	-	-	-
Balance at 30 June 2022	-	-	1,338,421	1,338,421	-	1,319,480	2,657,901

Note: Class A and B shares are uncalled as at 30 June 2022. These shares have equal voting rights and no par value. Class C shares have no voting rights attached, and no par value.

NOTE 17: FINANCIAL INSTRUMENTS

Notes	Group 2022	Group 2021	
Loans and Receivables at Amortised Cost			
Cash and Cash Equivalents	See Note 6	9,509,002	1,657,332
Trade and Other Receivables	See Note 7	2,616,503	2,091,715
Total Loans and Receivables at Amortised Cost	12,125,505	3,749,047	
Financial Liabilities at Amortised Cost			
Trade and Other Payables	See Note 11	734,515	618,359
Total Financial Liabilities at Amortised Cost	734,515	618,359	

Credit Risk

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

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

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

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

NOTE 17 CONTINUED...

Liquidity Risk

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

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

All assets and liabilities of the group are due immediately.

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

Interest Rate Risk

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

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

Foreign Exchange and Currency Risk

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

Off Balance Sheet Financial Instruments

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

Fair Values

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

NOTE 18: RELATED PARTIES

Southland Regional Development Agency had the following related party transactions:

Related Party	2021			
	Revenue	Expense	Owed to SRDA	Owed by SRDA
Invercargill City Council	1,695,786*	5,349	421,250	-
Southland District Council	1,050,000	47,472	500,000	650
Gore District Council	210,000	-	52,500	-
Environment Southland	150,000	-	37,500	-
Invercargill Licencing Trust	50,000	-	-	-
Southland Chamber of Commerce	-	6,324	-	-
Southland Regional Heritage Committee	5,000	-	823	-
Total	3,160,786	59,145	1,012,073	650

Related Party	2022			
	Revenue	Expense	Owed to SRDA	Owed by SRDA
Invercargill City Council	1,796,599	310	-	-
Southland District Council	1,186,930	2,344	9,200	30
Gore District Council	211,792	100	-	-
Environment Southland	179,061	-	-	-
Invercargill Licencing Trust	82,719	-	2,300	-
Southland Chamber of Commerce	-	1,864	-	-
Southland Regional Heritage Committee	5,000	-	-	-
New Zealand Functional Foods Ltd	-	-	1,354	-
Total	3,462,102	4,618	12,854	30

* The related party revenue from Invercargill City Council in 2021 has been changed to \$1,695,786 from \$1,710,785. The prior year was done on cash basis.

Related Parties

- Southland Regional Development Agency is owned by Invercargill City Council, Southland District Council, Gore District Council, Environment Southland, Invercargill Licencing Trust, Maitua Licencing Trust, Southland Chamber of Commerce and Southern Institute of Technology.
- The late Graham Budd, formerly Chief Executive of Southland Regional Development Agency, was a director of Space Operations New Zealand Ltd, and Stephen Canny, GM Strategic Projects, is a director of Space Operations New Zealand Ltd.
- The late Graham Budd, formerly Chief Executive of Southland Regional Development Agency, was a director of NZ Functional Foods Limited.
- The late Graham Budd, formerly Chief Executive of Southland Regional Development Agency, partner is shareholder and director of Strategies Marketing Consultancy Ltd.

NOTE 18 CONTINUED...

- Bobbi Brown, GM Tourism and Events, is a Trustee of Regional Tourism New Zealand and a Board Member of Visitor Information Network, which manages i-SITE NZ.
- Tim Mackay, GM Finance and Operations, wife was Financial Controller at Stadium Southland Ltd.
- Joc O'Donnell, a former Southland Regional Development Agency Director, is a Trustee of HWR Family No 4 Trust.
- Great South and the Southland Regional Heritage Committee are Joint Committees of Invercargill City, Southland District, and Gore District Councils. Each Council is a shareholder of Southland Regional Development Agency.

Transactions

No related party transactions have been written off or were forgiven during the 2022 year (2021: nil).

	2022	2021
Management Personnel Compensation		
Directors		
Full-Time Equivalent Members	6	6
Remuneration	146,000	91,140
Senior Management Team, Including the Chief Executive		
Full-Time Equivalent Members	5	5
Remuneration	1,068,530	791,943
Total Management Personnel Compensation	1,214,530	883,083

NOTE 19: POST BALANCE DATE EVENTS

Chami Abeyasinghe started as Chief Executive of Great South in September 2022.

There are no other post balance date events.

NOTE 20: CONTINGENT LIABILITIES AND CONTINGENT ASSETS

There are no contingent assets or liabilities as at 30 June 2022 (2021: \$nil)

Corporate report

For the year ended June 2022

OWNERSHIP

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

DIRECTOR INFORMATION

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

Director interests

The following tables register the interests of the Directors:

Ian Collier – Register of interests

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

Rachel Lindsay – Register of interests

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

Lucy Griffiths – Register of interests

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

Jason Franklin – Register of interests

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

Peter Heenan – Register of interests

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

Maria Pera – Register of interests

Federation of Maori Authorities (FOMA) – South Island Representative
Kaitahu Tai Whenua Trust – Chair
Mast Limited – Director / Shareholder
Mataura Marae – Executive Member
Murihiku Holdings – Chair
Te Puni Kōkiri Maori Development – Senior Advisor

Jeff Grant – Register of interests

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

Independent auditor's report

TO THE READERS OF SOUTHLAND REGIONAL DEVELOPMENT AGENCY LIMITED'S GROUP CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

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

Opinion

We have audited:

- The consolidated financial statements of the Group on pages 26 to 37, that comprise the consolidated *statement of financial position* as at 30 June 2022, the consolidated *statement of comprehensive revenue and expense, consolidated statement of changes in equity and consolidated statement of cash flows* for the year ended on that date and *the notes to the consolidated financial statements that include accounting policies and other explanatory information*.

In our opinion:

- The consolidated financial statements of the Group on pages 26 to 37:
 - present fairly, in all material respects:
 - its consolidated financial position as at 30 June 2022; and
 - its consolidated financial performance and cash flows for the year then ended; and
 - comply with generally accepted accounting practice in New Zealand in accordance with Public Benefit Entity International Public Sector Accounting Standards (PBE IPSAS) Reduce Disclosure Regime (RDR).

Our audit was completed on 30 November 2022. This is the date at which our opinion is expressed. The basis for our opinion is explained below. In addition, we outline the responsibilities of the Board of Directors and our responsibilities relating to the consolidated financial statements, and we explain our independence.

Basis for our opinion

We carried out our audit in accordance with the Auditor-General's Auditing Standards, which incorporate the Professional and Ethical Standards and the International Standards on Auditing (New Zealand) issued by the New Zealand Auditing and Assurance Standards Board. Our responsibilities under those standards are further described in the Responsibilities of the auditor section of our report.

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

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

Responsibilities of the Board of Directors for the consolidated financial statements

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

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

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

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

Responsibilities of the auditor for the audit of the consolidated financial statements

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

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

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

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

- We identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- We obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- We evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.
- We conclude on the appropriateness of the use of the going concern basis of accounting by the Board of Directors and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to

draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- We evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- We obtain sufficient appropriate audit evidence regarding the consolidated financial statements of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible solely for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

Our responsibilities arise from the Public Audit Act 2001.

Independence

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

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



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



