

GREAT SOUTH



Southland Regional Development Agency

2021/22 Six-monthly report

To 31 December 2021



Company directory

SOUTHLAND REGIONAL DEVELOPMENT AGENCY LIMITED

Trading as Great South

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

DIRECTORS

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

REGISTERED OFFICE

Southland Regional Development Agency Limited
143 Spey Street, Invercargill

BANK

Westpac New Zealand Limited

AUDITORS

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

SHAREHOLDERS

Class A Shareholders

Invercargill City Council
Southland District Council
Gore District Council
Environment Southland

Class B Shareholders

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

MEMBERS

Community Trust South

LEGAL STATUS

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

COMPANIES OWNED BY SOUTHLAND REGIONAL DEVELOPMENT AGENCY LIMITED

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

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Southland snapshot



Population

104,400



GDP

\$6.7 billion



Total business units

14,160



Unemployment rate

3.3%

Message from the Chair

Our role at Great South has been a delicate balancing act of late, of trying to remain future-focused on new and innovative ways of doing business, extending what's possible, accentuating the positive, while at the same time supporting businesses and more importantly the people behind them to just 'get through this'.

While there is no getting away from the unprecedented challenges many in the region continue to face during this Covid era, in particular within the tourism and event sectors, we have to remind ourselves there are plenty of positives too.

The latter half of 2021 saw some exciting larger-scale developments that will see our region's economy prosper in the coming years, regardless of any decision as to whether Tiwai remains open beyond 2024.

Our space operations work programme that had been quietly developing over the past 18 years is now stand-alone company Space Operations NZ and we are excited and confident about the future prospects and growth potential of this business.

We have been supporting the development of a hyperscale data centre in Southland, as well as the companies wanting to develop green hydrogen within our region. Exciting prospects indeed!

The Net Zero Southland Report we released in 2021 forms the basis of much of the work we are doing to help lead environment and climate action for the region. A newly-announced project for 2022 is to manage the Government Waihōpai/Invercargill Decarbonisation Contestable Fund in partnership with the Energy Efficiency and Conservation Authority, that will see the transition of fossil fuel-fired boilers to more efficient energy sources.

Another project I am particularly excited by is the development of Bluff. The visionary Bluff Motupōhue Tourism Master Plan was signed off in late 2021 and with the strength of all the partners involved, I look forward to seeing Bluff Motupōhue steering the waka from the bottom of the south.

Looking further ahead, Great South is embracing its new role in leading the long-term plan workstream as part of the Government's Just Transition for Southland. It is called Beyond 2025 Southland - *He ara whakamua, he ara hou a Murihiku*/Moving forward, new pathways for Murihiku.

The future is bright!

Ian Collier
Great South Board Chair



Gaze to the south

The curiosity of Tamarereti

Across the great southern ocean of Tawhaki

There are the quivering lights of the Aurora

Return on the great wind Rakimaomao

to the blushing isle of Rakiura

Cross the pathway of Kiwa

Here are the works of Tuterakiwhanoa

inland are the waters of Rakaihautu

the forests of Kahukura

Return to the bountiful foodbaskets of Marokura

Alas this is Murihiku

Mātai ki te Tonga

Te mahirahira a Tamarereti

Whakawhiti Te Moana Tapokapoka a Tawhaki

Ara te Kurakura o Hinenui te po

Whakahoki ma te hau nui a Rakimaomao

Ki te muramura a Rakitamau

Whitianga Te Ara a Kiwa

Anei te mahi a Tuterakiwhanoa

Ki uta, nga puna o Rakaihautu

Ki uta, nga mgahere a Kahukura

Ki tai, nga mahingakai a Marokura

Te mana o Murihiku

Aue

WHO WE ARE

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, Maitaia Licensing Trust, Southland Chamber of Commerce, Southern Institute of Technology and its member Community Trust South.

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

CONSTITUTION OBJECTIVES

1. Achieve the objectives of our shareholders, both commercial and non-commercial
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.

WHO WE ARE

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.

WHO WE ARE

Our goals

LONG TERM STRATEGIC GOALS

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

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

SHORT TERM STRATEGIC GOALS

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

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

WHO WE ARE

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

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.

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.

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.

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.

COMMUNITY SUPPORT

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

SHAREHOLDER CONFIDENCE

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



WHAT WE DO

Developing a diverse and innovative economy

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

STRIVING TO MEET CLIMATE CHANGE TARGETS

Great South commissioned consultants Ernst & Young to establish best options for Southland to reduce emissions and to determine the cost of doing so. The resulting Net Zero Southland Report showed there were various pathways and options immediately available to reduce Southland's emissions and help meet the Government's net zero emissions target by 2050, while maintaining a positive economic position. Implementation is now well underway, with projects in the thermal energy sector progressing in partnership with the Energy Efficiency and Conservation Authority and in the primary sector, in partnership with Thriving Southland and the Ministry for Business Innovation and Employment (MBIE).

WORKING TOWARDS A DIVERSE ECONOMY

Space Operations NZ

Following increased international demand for its satellite ground station services, Great South's space operations business became stand-alone company Space Operations New Zealand Ltd. on 1 October 2021. Southland is ideally located for satellite ground stations, given its proximity to the South Pole, flat land with excellent horizon sightlines and lack of radio interference.

The new company shifted to its own premises, has five engineers on staff, including two postgraduate students from the University of Canterbury rocketry research group, and the CEO is Robin McNeill. Space Operations NZ is a wholly owned subsidiary of Great South. This news received widespread coverage on nationwide media, including a feature on One News and an interview on Radio New Zealand.

Hydrogen Production

Great South has completed 10 technical reports supporting the development of a global scale hydrogen production industry in Southland. These have included site planning and selection, infrastructure planning, water sourcing, hazard planning, seabed bathymetry and other geospatial work.

Datagrid - Zero Emissions Data Centre

Assistance has been provided to Datagrid, a company planning to build New Zealand's first hyperscale data centre in Southland. This has involved route planning for fibre and power, mapping, and assisting the business to select the most suitable data centre site by providing radiometric and soils data. Work is expected to commence on the submarine cable laying later in 2022. The total value of the onshore and offshore work is now in excess of \$1 billion.

Health & Wellness Foods

Great South continued to provide support to New Zealand Functional Foods, the company that is progressing an oats beverage processing facility in Southland. It has provided the company advice, including for developing its investment information memorandum and helping with designing its processes to be carbon neutral. In addition, Great South has continued investigations into new vegetable protein-based industries for commercialisation at scale and has started assessment of other options.

PROVIDING DATA-DRIVEN DECISION MAKING TOOLS

Great South has developed digital mapping tools that offer insights (soil quality, elevation and slope), suitable for a variety of land use applications. Making use of both satellite imagery and on-ground information collected by airborne surveys and terrestrial sensors, these tools provide significantly more detailed information than other currently published maps. They will be particularly useful to councils and decision makers for understanding climate risks such as a sea level rise, flood management and for determining potential hazards such as slips. In addition, the ability to make best use of land according to its characteristics is of benefit to farmers, especially for environment planning and winter grazing activities.

A range of data integration techniques are being used to support large scale projects in the region as well as specialist commissions.

ANALYSING SOUTHLAND'S HOUSING SITUATION

Great South completed a Southland Housing Situation Analysis Report in December 2021 and shared its findings with the Southland Housing Action Group, councils, and potential investors. There is increasing evidence to show that the lack of availability and cost of housing is adversely impacting on the ability to retain people within the region. In particular, young people are leaving Southland in increasing numbers.

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 its Awarua Ground Station. These services are now available to all residents and businesses throughout Southland, including the marine environment as far south as the Snares Islands.

Great South has monitored and advocated for more effective rural broadband and mobile services in Southland. A report on the status of mobile blackspots on main touring routes has been commissioned for release next financial year. This work will be undertaken in May 2022.

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

WHAT WE DO

Supporting local business

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

PROVIDING BUSINESS DEVELOPMENT SERVICES

As the NZTE 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. As the effects of COVID-19 continued, this service was a vital support to the business community and there was a large uptake for the services provided – particularly from Fiordland tourism businesses.

During the first half of the 2021-22 year, Great South carried out discovery sessions with 88 businesses and issued \$94,211 worth of capability management vouchers.

DELIVERING TOURISM BUSINESS SUPPORT (COVID-19)

Great South is the lead agency for the delivery of the Tourism Communities: Support, Recovery and Re-set Plan in Southland and worked with MBIE on defining the criteria for funding that became available to tourism businesses within the Southland District Council rating area from August 2021. The funding was for the five areas in New Zealand hardest hit by a lack of international tourists, including Fiordland. There were to

be three initiatives – business advisory support, an advice implementation grant and a kickstart fund. However, a further nationwide lockdown in August, due to the onset of the COVID-19 delta variant, put the potential of any international border openings on hold and the kickstart fund (meant to assist tourism businesses to get ready for international visitors) remains on standby.

During this reporting period, \$143,480 of Tourism Business funding was administered to 41 businesses (advice and implementation grants) and a further 36 applications were in progress for payment as at 31 December 2021.

OFFERING YOUTH EMPLOYMENT OPPORTUNITIES

Southland Summer Of Work

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 September 2021, it held the inaugural 'Southland Summer of Work', to link students with summer work opportunities.

What was to be an in-person event moved online due to Covid restrictions, which turned out to be a popular move with employers taking on the challenge to create engaging videos to entice students to work for them, in many cases utilising the skills of their younger staff members. There was a high degree of engagement from the students and being digital meant the event was accessible regionwide.

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 fruit picker demand.

Getting Students 'Work Ready'

Great South's Southland Youth Futures has created a 'Work Ready Passport' programme targeted at year 10 and 12 students. The programme is delivered in schools by guest facilitators, who help young people to develop the knowledge, personal skills, attitudes, and behaviours that employers seek. As at 31 December, 91 students had enrolled for the programme, which was to be delivered term one 2022 (since delayed due to Covid).

AIDING BUSINESSES WITH CARBON GOALS

Through its Carbon Neutral Advantage programme, Great South supports businesses to help reduce their carbon footprint and insulate against the rising cost of carbon, by connecting them with the information and tools needed to make the necessary changes. During the period, one Carbon in Business workshop (developed by Great South) was attended by 20 businesses from all over Southland.

SUPPORTING SKILLED MIGRANTS AND THEIR EMPLOYERS

Great South offers a free service to help skilled migrants better understand the Southland work environment and find meaningful employment. At the same time it supports Southland businesses to plan their recruitment of skilled migrants and to address any cultural challenges they may encounter in the workplace. During the period, 31 skilled migrants were engaged with one-on-one, resulting in eight finding employment within Southland.



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

WHAT WE DO

Growing Southland's tourism economy

More important now than ever is that Southland is front of mind as a preferred visitor destination for domestic and international travellers. It has a direct impact on the economy by increasing the likelihood of retaining and attracting migrants, new business and investment to the region. With competition between regions at a premium, Great South will continue to focus on Southland's unique offerings, making sure it not only promotes these, but that the region delivers what visitors want to see. This is also a key way that Great South can support the tourism sector and particularly tourism businesses, who are facing significant challenges due to COVID-19. Growing Southland's visitor economy sustainably and continuing to support tourism operators will ensure a resilient tourism sector beyond COVID-19. Great South will take full advantage of international tourism recovery opportunities when they arise as borders reopen.

PROMOTING SOUTHLAND AS A PREFERRED PLACE TO VISIT

Media & Trade

During the period, Great South facilitated media familiarisations for both the Fiordland and Southland Regional Tourism Organisations (Visit Fiordland and Visit Southland). These resulted in a total of 120 media results featuring the region in 28 different publications.

Great South also attended tourism trade events promoting Southland and Fiordland. These were mostly events and opportunities held online.

Campaigns

There were two major campaigns undertaken, one targeting Australian visitors when the Trans-Tasman bubble was open and the other drawing attention to Te Anau.

'Seeing is Believing' was to target Australian travellers to Queenstown during the ski season, showing that Fiordland was only a day's side trip and resulted in more than 250,000 digital impressions. But the campaign was cut short when Covid restrictions meant the Trans-Tasman bubble ended.

'Te Anau Time' was aimed at the domestic visitor market, for them to consider Te Anau as their next holiday destination, and its timing coincided with daylight saving. A PR stunt accompanying this campaign, suggesting Te Anau would be keeping its clocks wound forward, resulted in widespread national and international news coverage. At the time of writing this report, Great South is still seeing the significant impact of this campaign through feedback from various members of the tourism sector in New Zealand and overseas.

International Marketing Alliance

A new International Marketing Alliance comprising only the two Southland regional tourism organisations (Visit Southland and Visit Fiordland) was formed to create better international marketing of the region. Previously Southland had been part of an alliance with Dunedin, Waitaki and Clutha as part of the Pure Southern Land IMA, while Fiordland was part of the Southern Lakes IMA. This followed on from Great South assuming responsibility for Visit Fiordland on 1 April 2021.

UNDERTAKING A 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 was released in October that showed 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.

PROGRESSING DESTINATION DEVELOPMENT

Food Tourism

The opportunity to attract visitors to Southland based on the strength of its unique food was identified as part of the Southland Murihiku Destination Management Strategy developed in 2019 and a key priority 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, including a feature on One News during the summer holidays.

Key opportunities identified in the Strategy 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 an accompanying implementation plan were finalised and released in December 2021. This work was completed in partnership with Invercargill City Council and Awarua and Waihopai Rūnaka. At least half of the projects within the visionary plan are already underway. Projects, led by various stakeholders, include the now complete cycle trail between Invercargill and Bluff, building on the Predator Free Bluff project, commercial developments and a large pouwhenua to stand atop Motupōhue Bluff Hill.



Leverage the potential of tourism to support Southland's economy

WHAT WE DO

Advancing Southland's events

Events are the key driver of domestic visitation and are a crucial part of how Great South is promoting and positioning the Southland region until there is greater certainty around international travel. Until then, Great South remains focussed on enabling a collaborative approach to maximising the benefits of events for the region. This includes strengthening its position as a preferred business events destination and partnering with neighbouring regional tourism organisations and MBIE, through the Regional Events Fund. Guided by the Southland Murihiku Events Strategy, Great South will focus on supporting events that tell a unique story and that promote overnight visitation, and on upskilling event organisers to focus and mature the event sector.

SUPPORTING AND ATTRACTING DESTINATION EVENTS

Southland Murihiku Events Strategy

Implementation of the Southland Murihiku Events Strategy has continued, with a focus on events to drive domestic visitation. Supporting the organisers of the key destination events identified within the strategy, particularly with marketing and creating networking opportunities, was a focus.

'Southland's Unmissable Events' Calendar

In November, Great South launched an online destination events calendar on its promotional website southlandnz.com. This featured the key events identified as destination events in

the Southland Murihiku Events Strategy and each event was equally represented with consistent written content, images and video to give the look and feel of the event and entice visitors to experience it for themselves. This work was undertaken with the event organisers. With the events organised by season, the intention is that advertising campaigns will attract visitors to the region throughout the year.

Regional Event Funding

In a further round of Regional event funding, Great South distributed more than \$550,000 to 32 events across Southland and Fiordland. The Southland fund is now exhausted, while \$220,500 remains in the Fiordland fund for two further funding rounds in 2022. Recipients included established local events such as the Te Anau Tartan Festival as well as one-off events to be held within the region such as Spirited Women – All Women's Adventure Race.

AIDING EVENT ORGANISERS (COVID-19)

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 with many more events to follow as 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 helped event organisers to navigate these changes and make decisions as to whether their events could go ahead.

Great South continued to develop tools to help event organisers whose events did proceed, 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, went ahead and for the first time was held at Southland Girls' High School, after 15 years of holding the event at James Hargest College. The event, themed 'adventure' was very successful with several days sold out.

PROFILING SOUTHLAND AS A CONFERENCE DESTINATION

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



Empower the event sector to create memorable events that encourage visitation

PERFORMANCE MEASURES

Regional economic development

SERVICE LEVEL STATEMENT	PERFORMANCE MEASURE	2021/22 TARGET	HALF-YEARLY MEASURE
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	Funding for the decarbonisation of Kew Hospital and Invercargill Prison boiler decarbonisation projects was attained via the Government decarbonisation fund. A separate \$3.77m decarbonisation fund was negotiated with the Energy Efficiency and Conservation Authority and will be implemented in Invercargill by December 2023. A road tax assessment for Southland was completed to assist local Councils to build a business case for increased funding.
	Identify new large-scale investment	Research and engage with potential investment opportunities	Great South investigated suitable sites for the planned \$1 billion DataGrid Data Centre and undersea fibre project and a final site was selected. The preferred site has been selected and purchased. 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. Assessments were undertaken and potential sites were assessed for establishment of a hydrogen production industry in Southland.
	Increase revenue for ground station services	Increase revenue on prior year	Following increased international demand for its satellite ground station services, Great South's space operations business became stand-alone company Space Operations New Zealand Ltd. on 1 October 2021. This news received widespread news coverage, including features on One News and Radio New Zealand.
	Encourage sector extension and resilience	Provide workshops and educational opportunities around sustainable business activities	The Net Zero Southland Report was completed and released. Workshops and education programmes have been designed and delivery has commenced. In addition, Great South has developed digital elevation, slope, radiometric and soil carbon data-driven mapping tools. These tools have so far been used by Councils and Iwi for identification of and planning around hazards. Promotion of the tools will commence in 2022.
	Provide support for development of aquaculture, oat beverages, and health & wellness food industries	Continue support for NZ Functional Foods, and other industry as identified	Great South provided advice and support to New Zealand Functional Foods in developing its investment information memorandum. Carbon neutral processing design inputs were also provided. Great South is investigating five new vegetable protein-based industries for commercialisation at scale and additional options are currently being assessed. Enquiries have been received from an international company interested in non-salmon-based aquaculture. Great South is working with Thriving Southland on how new crops can be integrated into existing farm systems.
	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
Advocate for greater digital connectivity		Continue to advocate for broadband services with government and other relevant agencies	An assessment of digital connectivity in Southland was completed. Mobile services remain behind schedule. Internet services are now available to all consumers regionwide.
Make submissions on Government policy and legislation		Make submissions on Government policy and legislation relevant to the key strategic goals	Submissions were completed for the National Emission Reduction plan and input has been provided on the Hydrogen Industry Framework and Climate Change Adaptation planning.
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	A post Covid Economic assessment was completed. It showed that as at August 2021, Southland's population was estimated at 104,400 and growing and that the regional economy (GDP) was \$6.63B, which was ahead of the pre-Covid figures. This work has been used to support a variety of planning including the Housing Assessment and ICC and SDC planning processes. A further economic and demographic report will be undertaken in April 2022.

PERFORMANCE MEASURES

Regional business services

SERVICE LEVEL STATEMENT	PERFORMANCE MEASURE	2021/22 TARGET	HALF-YEARLY MEASURE
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)	For the first half of the 2021-22 year, Great South's Business Growth Advisors carried out discovery sessions* with 88 businesses (over the MBIE KPI target). Key highlights for the period: • \$183,480 of Tourism Business Funding was administered to 41 businesses (Advice and Implementation grants), with 36 applications in progress for payment. • \$94,211 of capability management vouchers were issued. <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	During the period, three workshops were held for businesses, including Business Planning 101. The Covid Alert Level changes reduced ability to hold additional workshops that had been planned.
		Connect 12 businesses with Business Mentors NZ	During the period, seven businesses registered for Business Mentors NZ.
	Increase funding for local businesses	Connect 10 businesses with Callaghan R&D funding	Great South administered \$390,595.50 of Callaghan Innovation Grants to eight innovative Southland businesses.
Issue 130 co-funded vouchers for capability management training		Great South administered MBIE Capability vouchers to 68 businesses, to the value of more than \$94,000. These 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	Southland Youth Futures delivered 27 events and activities during the period, engaging with 1365 students and 75 at-risk students. These events and activities included 18 workplace tours, speaker presentations, as well as the very successful Southland Summer of Work virtual job fair and an inter-generational workshop for employers. The Work Ready Passport for schools, which includes a series of modules on improving employability skills was revamped and 91 students enrolled for the programme. As at 31 December 2021 there were 38 Employer Excellence Partners involved with Southland Youth Futures.
		Continue to support training, upskilling and redeployment and retention opportunities in sectors and locations that require support, including Te Anau basin and primary sector	The Skills Placement Programme engaged directly with 31 newcomers via one-on-one meetings or workshops, resulting in eight skilled migrants finding employment in Southland. During the period, six events were supported, including the Hokonui Culture Feast in Gore and Southern Institute of Technology O-Week. Two cross-cultural workshops were held and two workshops to upskill primary sector leadership and recruitment were held.
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	One Carbon In Business workshop was held with 20 businesses to help them with their carbon neutral strategies. Presentations were delivered to key rural stakeholders and catchment groups.

PERFORMANCE MEASURES

Regional tourism development

SERVICE LEVEL STATEMENT	PERFORMANCE MEASURE	2021/22 TARGET	HALF-YEARLY MEASURE
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)	Great South facilitated media familiarisations for both the Fiordland and Southland Regional Tourism Organisations (RTOs), resulting in a total of 120 media results and 28 publications featuring the region. The results of a departure survey for visitors to Stewart Island carried out during the 2020/21 summer period were released. The information was used to support businesses on the Island to assess potential new options based on market demand and insights.
		Host 15 media familiarisations	Great South facilitated eight media familiarisations across its two RTOs.
		Deliver and develop four destination promotion campaigns	Great South facilitated two major campaigns during the period. 'Seeing is Believing' - targeted Australians with confirmed travel to Queenstown, resulting in more than 250,000 paid digital impressions. 'Te Anau Time' - aimed at the domestic market to consider Te Anau as their next holiday destination. An effective PR stunt to coincide with daylight saving resulted in Te Anau featuring in nationwide news across a week.
		Promote Southland as a destination at three relevant trade or industry events	Great South attended the Tourism Export Council of New Zealand conference in New Plymouth. Profiles for both the Southland and Fiordland RTO's were created on new online platform TRENZ Connect. Both RTOs were represented at the Tourism NZ Virtual Road Show Series, a virtual webinar for Australia. Online training was undertaken with travel agents in North America South East Asia and Australia to educate them on Southland tourism product.
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	Great South worked to ensure Southland tourism product was represented at trade shows. Businesses were supported in achieving Qualmark status. A review of accommodation operators that have the potential to become trade ready is underway. They will be helped with understanding the benefits and requirements.
		Attend national tourism industry forums	Great South attended the Regional Tourism New Zealand RTO meeting and will continue to have representation on the RTNZ Board, ensuring Southland's interests are represented in national conversations.
		Organise capability building workshops and develop tools based on need	The Southland Youth Futures Southland Summer of Work programme (mentioned in business section) helped address labour shortages in the tourism sector - particularly in Fiordland.
	Coordinate developments that support Southland tourism operators	Coordinate and develop business case for inter-regional touring routes	Great South has been working with local mana whenua and neighbouring regions on a number of projects, including on the 45 SOUTH NZ touring route initiative. Work began on a review of The Catlins Tourism Strategy review that will likely involve sustainability and agritourism projects and address the impacts of COVID-19.
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	Great South continued to progress key activity in core projects outlined in the Strategy: <ul style="list-style-type: none"> • Dark Skies – Destination Development Manager Amie Young was recognised with a Bright Star Award from the Royal New Zealand Astronomical Society. A process for continuous measurement of the sky quality was established for Rakiura and annual report to the International Dark Sky Association completed. • Food Tourism – The Southland Murihiku Food Tourism Strategy was released and shared with stakeholders. The Strategy was featured on One News. Advice on expansion was provided to the Savour the South event, and concepts for a Fiordland Food Event were explored. • Low Emission/Sustainable Tourism – Great South sought to establish where tourism operators were at on their sustainability journey and explored the option of adopting a pilot program for operators run by Tourism Industry Aotearoa. • Agritourism – A digital platform on southlandnz.com was completed, for promotion in 2022. • Bluff – Great South facilitated the Bluff Motupohue Tourism Master Plan and accompanying Implementation Plan, which were released in December, in partnership with Invercargill City Council (ICC) and local Rūnaka. Work continued with ICC, Environment Southland, Waihōpai and Awarua Rūnaka on interpretation panels for the Invercargill to Bluff cycleway. • Cycling – Great South worked with Southland Mountain Bike Club on trail analysis and itinerary development work for the region. Multi-day mountain biking itineraries were developed and added to southlandnz.com. Bluff to Invercargill cycle trail signage (as above).

PERFORMANCE MEASURES

Regional events

SERVICE LEVEL STATEMENT	PERFORMANCE MEASURE	2021/22 TARGET	HALF-YEARLY MEASURE
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	Delivery of the key priorities in the Southland Murihiku Events Strategy continued with support from MBIE's Regional Events Fund (REF). Great South distributed more than \$550,000 in Regional Events Funding to 32 events across Southland and Fiordland. The Southland fund was exhausted, while \$220,500 remained in the Fiordland fund for two further funding rounds in 2022. Work on a toolkit for event organisers began.
		Establish and facilitate networks of benefit to event organisers	Support networks were established for event organisers impacted by Covid level restrictions to share advice and a meeting for event organisers was held in November to offer guidance around the Government's Covid restrictions and the transition to the traffic light system.
Profile Southland as an events destination	Integrate events into domestic marketing activity to encourage travel to Southland	Support 20 events unique enough to encourage overnight stay in the region	Great South continued to work with organisers of 36 key destination events on marketing. During the period Southland events appeared in a number of online and print publications, including Air NZ's Kia Ora magazine and Stuff Travel Newsletters. Tools continued to be developed for event organisers to use during COVID-19 alert levels, for example sanitiser stations, and guidelines for running events under Government restrictions. An online destination events calendar, Southland Unmissable Events, was launched on 1 November and has already received more than 1622 pageviews. The calendar features the key destination events for the region throughout the year. Development of a cluster marketing plan promoting events along with tourism products began, to attract visitors to the region and extend length of stay.
		Profile Southland as a preferred business events destination	Develop a business events strategy
	Support events that enhance wellbeing, vibrancy and diversity	Support events as identified in the Southland Murihiku Events Strategy	Support delivery of high-profile events



FINANCIAL STATEMENTS

Statement of comprehensive revenue and expense

For the 6 months ended 31 December 2021

	Notes	31 Dec 2021 (Unaudited)	31 Dec 2020 (Unaudited)	30 Jun 2022 (SOI)	30 Jun 2021 (Unaudited)
Revenue					
Shareholder Investment					
Core		282,800	800,000	1,657,600	1,600,000
Contract		850,079	692,500	1,385,000	1,505,786
Total	See Note 2 (Page 26)	1,678,879	1,492,500	3,042,600	3,105,786
Other Revenue					
Service Revenue	See Note 2 (Page 26)	1,302,167	1,076,053	1,471,993	2,256,491
Project Revenue	See Note 2 (Page 26)	994,736	484,404	3,153,745	1,275,039
Other Revenue		4,523	640,721	-	1,022,697
Interest		3,112	-	-	-
Total		2,304,538	2,201,179	4,625,738	4,554,227
Total Revenue		3,983,417	3,693,679	7,668,339	7,660,013
Expenditure					
Project and Service Expenditure					
Regional Economic Development		945,831	854,578	869,681	1,676,670
Regional Business Services		517,506	428,932	1,103,612	862,641
Regional Tourism Development		815,467	758,824	2,308,660	1,828,705
Regional Events		537,470	161,956	1,413,553	432,712
Regional Wellbeing		-	-	-	(240)
Total		2,816,274	2,204,290	5,695,506	4,800,488
Core Expenditure					
Directors Fees		73,667	41,370	149,310	91,140
Employee Expense		429,569	427,948	817,564	861,058
Interest Expense		822	1,343	-	2,417
Depreciation and Amortisation	See Notes 8 & 12 (Pages 27 & 28)	43,010	232,646	90,000	276,752
Other Overheads		428,896	470,180	717,646	789,811
Total		975,963	1,173,487	1,774,520	2,021,179
Total Expenditure		3,792,237	3,377,777	7,470,025	6,821,667
Net Surplus Before Tax		191,180	315,902	198,314	838,346
Income Tax Expense	See Note 5 (Page 27)	55,945	(29,908)	55,528	(46,790)
Total Comprehensive Revenue and Expense		135,235	345,810	142,786	885,136

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

FINANCIAL STATEMENTS

Statement of financial position

As at 31 December 2021

	Notes	31 Dec 2021 (Unaudited)	31 Dec 2020 (Unaudited)	30 Jun 2022 (SOI)	30 Jun 2021 (Unaudited)
Assets					
Current Assets					
Cash and Cash Equivalents	See Note 6 (Page 27)	10,065,213	2,012,582	1,781,606	1,657,332
Trade and Other Receivables	See Note 7 (Page 27)	3,165,475	2,237,811	300,000	2,091,715
Prepayments		58,584	39,910	40,000	16,667
Assets Held For Sale		597,507	-	-	295,865
Total		13,886,778	4,290,303	2,121,606	4,061,579
Non-Current Assets					
Deferred Tax Asset	See Note 5 (Page 27)	39,808	21,526	-	49,854
Investments		859,934	473,063	450,000	859,934
Property, Plant and Equipment	See Note 8 (Page 27)	853,145	638,503	1,660,000	699,328
Intangible Assets	See Note 12 (Page 28)	-	100,000	100,000	100,000
Total		1,752,887	1,233,092	2,210,000	1,709,117
Total Assets		15,639,665	5,523,396	4,331,606	5,770,695
Liabilities					
Current Liabilities					
Trade and Other Payables	See Note 10 (Page 28)	462,921	821,573	440,000	541,389
Employee Entitlements		380,546	299,326	135,000	309,633
Finance Lease	See Note 9 (Page 28)	16,249	15,186	-	15,709
Income Tax Payable	See Note 5 (Page 27)	78,551	21,526	55,528	32,972
Income Received in Advance	See Note 11 (Page 28)	12,272,937	2,595,635	1,100,000	2,569,504
Other Current Liabilities		-	-	100,000	-
Total		13,211,204	3,753,246	1,830,528	3,469,206
Non-Current Liabilities					
Borrowings		-	-	775,000	-
Finance Lease	See Note 9 (Page 28)	3,323	19,572	-	11,585
Total		3,323	19,572	775,000	11,585
Total Liabilities		13,214,527	3,772,818	2,605,528	3,480,791
Net Assets		2,425,139	1,750,578	1,726,078	2,289,904
Equity and Reserves					
Share Capital		1,338,421	1,338,421	1,338,421	1,338,421
Retained Earnings		1,086,718	412,157	387,657	951,483
Total Equity and Reserves	See Note 14 (Page 29)	2,425,139	1,750,578	1,726,078	2,289,904

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

FINANCIAL STATEMENTS

Statement of cash flows

For the 6 months ended 31 December 2021

	Notes	31 Dec 2021 (Unaudited)	31 Dec 2020 (Unaudited)	30 Jun 2022 (SOI)	30 Jun 2021 (Unaudited)
Cash Flow From Operating Activities					
Receipts From Shareholder Investment		1,238,312	1,367,500	3,042,600	3,105,786
Receipts From Other Operating Activities		11,496,021	1,693,193	5,341,582	3,571,333
Interest Received		3,112	-	-	-
Payments to Suppliers		(1,893,323)	(1,082,623)	(4,310,779)	(1,862,089)
Payments to Employees		(1,820,852)	(1,604,878)	(4,053,809)	(4,337,033)
Interest Paid		(822)	(1,343)	(38,750)	(2,417)
Net GST Movement		(102,427)	(108,844)	(80,000)	(148,816)
Total Cash Flow From Operating Activities		8,920,019	263,005	(99,156)	326,763
Cash Flow From Investing Activities					
Purchases of Fixed Assets and Intangibles		(512,149)	(79,270)	(1,075,000)	(498,380)
Purchases of Investments		-	(102)	-	-
Purchases of Intangibles		-	-	-	-
Total Cash Flow From Investing Activities		(512,149)	(79,372)	(1,075,000)	(498,380)
Cash Flow From Financing Activities					
Issue of Share Capital		-	-	-	-
Proceeds From Borrowings		-	-	775,000	-
Total Cash Flow From Financing Activities		-	-	775,000	-
Cash and Cash Equivalents at Beginning of Period		1,657,332	1,828,949	2,180,763	1,828,949
Net Increase / (Decrease) in Cash and Cash Equivalents		8,407,870	183,633	(399,157)	(171,617)
Cash and Cash Equivalents at End of Period	See Note 6 (Page 27)	10,065,202	2,012,582	1,781,606	1,657,332

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

FINANCIAL STATEMENTS

Statement of changes in equity

For the 6 months ended 31 December 2021

	Notes	31 Dec 2021 (Unaudited)	31 Dec 2020 (Unaudited)	30 Jun 2022 (SOI)	30 Jun 2021 (Unaudited)
Opening Balance		2,289,904	1,404,768	1,583,292	1,404,768
Equity					
Comprehensive Revenue and Expense					
Comprehensive Revenue and Expense		135,235	345,810	142,786	885,136
Total	See Note 14 (Page 29)	135,235	345,810	142,786	885,136
Share Capital					
Share Capital Issued		-	-	-	-
Uncalled Share Capital		-	-	-	-
Total	See Note 14 (Page 29)	-	-	-	-
Equity		2,425,139	1,750,578	1,726,078	2,289,904
Attributable To:					
Equity Holders of The Company		2,425,139	1,750,578	1,726,078	2,289,904
Closing Balance	See Note 14 (Page 29)	2,425,139	1,750,578	1,726,078	2,289,904

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

Notes to the financial statements

NOTE 1: STATEMENT OF ACCOUNTING POLICIES

REPORTING ENTITY

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

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

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

BASIS OF PREPARATION

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

STATEMENT OF COMPLIANCE

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

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

COVID-19

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

PRESENTATION CURRENCY AND ROUNDING

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

MEASUREMENT BASE

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

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Revenue

Revenue is measured at the fair value of consideration received.

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

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

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

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

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

Interest revenue is recognised using the effective interest method.

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

Revenue in Advance

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

Expenditure

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

Foreign Exchange Transactions

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

Goods and Services Tax (GST)

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

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

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

Income Tax

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

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

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

Current tax and deferred tax is charged or credited to the Statement of Comprehensive Income, except when it relates to items charged or credited

directly to equity, in which case the tax is dealt with in equity.

Associates

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

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

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

Equity

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

Cash and Cash Equivalents

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

Trade and Other Receivables

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

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

Property, Plant and Equipment

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

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

Additions

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

Assets Held For Sale

Assets held for sale are not depreciated and are measured at the lower of carrying amount and fair value less costs to sell.

Disposals

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

Subsequent Costs

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

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

Depreciation

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

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

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

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

Impairment of Property, Plant and Equipment

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

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

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

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

Value in Use For Non-Cash Generating Assets

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

Value in Use For Cash Generating Assets

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

Intangible Assets

Goodwill

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

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

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

Amortisation

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

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

Ground Station Lease	3.43%	29.15 years
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Impairment of Intangible Assets

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

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

The same approach applies to the impairment of intangible assets.

Leases

Operating Leases

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

Finance Leases

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

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

Payables

Short-term payables are recorded at their fair value.

Financial Instruments

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

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

Statement of Cash Flows

Cash includes cash and cash equivalents as defined above.

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

Provisions

Southland Regional Development Agency recognises a provision for future expenditure of uncertain amount or timing when there is a present obligation (either legal or constructive) as a result of a past event, it is probable that expenditures will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are not recognised for future operating deficits.

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

Employee Entitlements

Employee benefits expected to be settled within 12 months after the end of the period in which the employee renders the related service are measured based on accrued entitlements at current rates of pay. These include salaries and wages accrued up to balance date, annual leave earned to, but not yet taken at balance date.

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

Changes in Accounting Policies

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

CRITICAL ACCOUNTING ESTIMATES AND ASSUMPTIONS

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

NOTE 2: REVENUE

	Jul-Dec 2021	Jul-Dec 2020
Class A Shareholder Investment		
Environment Southland	82,879	75,000
Gore District Council	105,896	105,000
Invercargill City Council	897,008	812,500
Southland District Council	593,096	500,000
Total Class A Shareholder Investment	1,678,879	1,492,500
Service Revenue		
Invercargill i-SITE	-	21,784
Business Sector Support Services	657,113	642,508
Satellite Ground Station	645,054	411,760
Total Service Revenue	1,302,167	1,076,053
Project Revenue		
Community Trust South	56,350	56,313
Event Delivery	193,460	10,796
Regional Event Fund	179,036	-
Strategic Asset Protection Programme	301,851	141,563
Other Project Revenue	264,040	275,733
Total Project Revenue	994,736	484,404

NOTE 3: PERSONNEL EXPENDITURE

	Jul-Dec 2021	Jul-Dec 2020
Employee Remuneration		
Salaries and Wages*	1,873,317	1,558,206
KiwiSaver Contributions	52,465	41,422
Increase/(Decrease) in Employee Entitlements	70,913	88,110
Key Personnel Expenditure		
Directors Fees	73,667	41,370
Directors	7	6

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

NOTE 4: INVESTMENT IN ASSOCIATES

Great South holds 980,000 shares (49%) in NZ Functional Foods Ltd.

	Jul-Dec 2021	Jul-Dec 2020
Investment		
Opening	859,933	-
Purchase of Shares	-	101
Net / Surplus / (Deficit)	-	-
Gain on Revaluation*	-	472,860
Total Investment	859,933	472,961

NOTE 5: INCOME TAX

	Jul-Dec 2021	Jul-Dec 2020
Surplus/(Deficit) for Period	191,180	315,902
Non-Taxable Revenue	-	-
Gain on Investment	-	(472,860)
Distribution From Venture Southland Trust	-	(167,756)
Non Deductible Expenditure	8,625	6,325
Tax at 28%	55,945	(89,149)
Plus / (Less) Effect of		
Balance Brought Forward	32,972	-
Tax Loss Not Yet Recognised	-	89,149
Tax Paid	(321)	-
Temporary Differences		
Provisions	(10,046)	21,526
Income Tax Liability	78,550	21,526
Current Tax	78,550	21,526
Prior Year Tax Expense	(32,651)	-
Deferred Tax	10,046	(21,526)
Tax Expense	55,945	-

NOTE 6: CASH AND CASH EQUIVALENTS

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

	Jul-Dec 2021	Jul-Dec 2020
Cash and Cash Equivalents		
Cheque Accounts	10,064,741	2,011,846
Cash Floats	472	736
Total Cash and Cash Equivalents	10,065,213	2,012,582

NOTE 7: TRADE AND OTHER RECEIVABLES

No provision for doubtful debts has been applied.

	Jul-Dec 2021	Jul-Dec 2020
Trade and Other Receivables		
Trade Receivables	1,754,395	1,811,033
Accrued Revenue	1,360,218	426,778
GST Receivable	50,862	-
Total Trade and Other Receivables	3,165,475	2,237,811
Receivables From Exchange Transactions	2,531,878	2,237,811
Receivables From Non-Exchange Transactions	633,597	-
Receivables Ageing Profile at Period End		
Not Past Due	2,509,033	2,195,556
Past Due 1 - 60 Days	-	-
Past Due 61 - 120 Days	504,575	2,657
Past Due > 120 Days	151,867	39,598

NOTE 8: PROPERTY, PLANT AND EQUIPMENT

	Land	Buildings	Furniture & Fittings	IT Equipment	Ground Station	ILT Kidzone Equipment	Vehicles	Space Operations NZ	Total
Cost									
Balance at 1 July 2021	130,000	251,715	68,344	124,092	183,553	51,852	25,500	-	835,056
Additions	-	-	12,207	21,305	-	-	-	169,749	203,261
Reclassification	(130,000)	(175,339)	(15,859)	(11,061)	(183,553)	-	-	515,812	-
Disposals	-	-	-	-	-	-	-	-	-
Balance at 31 December 2021	-	76,376	64,691	134,336	-	51,852	25,500	685,562	1,038,317
Accumulated Depreciation									
Balance at 1 July 2021	-	20,516	14,997	54,195	17,213	21,922	6,885	-	135,728
Depreciation Expense	-	4,269	4,896	22,070	4,749	5,563	1,721	5,699	48,968
Reclassification	-	(11,684)	(721)	(1,383)	(22,348)	-	-	36,136	-
Disposals	-	92	-	-	385	-	-	-	477
Balance at 31 December 2021	-	13,193	19,172	74,881	-	27,485	8,606	41,835	185,172
Carrying Amounts									
Total Property, Plant & Equipment	-	63,183	45,519	59,455	-	24,367	16,894	643,727	853,145

NOTE 9: FINANCE LEASE

Finance lease liabilities relate to the lease of IT equipment.

	Jul-Dec 2021	Jul-Dec 2020
Finance Lease Commitments		
Not later than one year	16,249	15,186
Later than one and not later than five years	3,324	19,572
Total Finance Lease Commitments	19,572	34,759

NOTE 10: TRADE AND OTHER PAYABLES

	Jul-Dec 2021	Jul-Dec 2020
Trade and Other Payables		
Payables Under Exchange Transactions		
Trade Payables	330,701	651,592
Related Party Payables and Accrued Expenses	40,852	-
Accrued Expenses	91,368	12,062
Total	462,921	663,654
Payables Under Non-Exchange Transactions		
Trade Payables	-	-
GST Payable	-	157,919
Total	-	157,919
Total Trade and Other Payables	462,921	821,573

NOTE 11: INCOME RECEIVED IN ADVANCE

	Jul-Dec 2021	Jul-Dec 2020
Income Received in Advance		
Income Received in Advance Under Exchange Transactions		
Income Received in Advance	11,419,217	2,595,635
Related Party Income Received in Advance	294,986	-
Total	11,714,203	2,595,635
Income Received in Advance Under Non-Exchange Transactions		
Income Received in Advance	-	-
Related Party Income Received in Advance	558,734	-
Total	558,734	-
Total Income Received in Advance	12,272,937	2,595,635

NOTE 12: INTANGIBLE ASSETS

Goodwill	
Cost	
Balance at 1 July 2021	100,000
Additions	-
Disposals	-
Balance at 31 December 2021	100,000
Accumulated Amortisation	
Balance at 1 July 2021	-
Amortisation Expense	100,000
Impairment/Disposal	-
Balance at 31 December 2021	100,000
Carrying Amounts	
At 31 December 2021	-
Total Intangible Assets	-

NOTE 13: COMMITMENTS

	Jul-Dec 2021	Jul-Dec 2020
Operating Leases as Lessee*		
Expenditure on Operating Leases as Lessee	99,973	98,225
Not later than one year	244,604	83,008
Later than one and not later than five years	482,141	39,860
Later than five years	-	-
Total Operating Leases as Lessee Commitments	726,745	122,868
Operating Leases as Lessor**		
Revenue on Operating Leases as Lessor	416,699	338,872
Not later than one year	1,053,200	638,686
Later than one and not later than five years	2,870,101	2,452,592
Later than five years	-	118,370
Total Operating Leases as Lessor Commitments	3,923,301	3,209,648

* 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 Dec 2021 (2020: nil).

NOTE 14: 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).

* Class A and B shares are uncalled as at 31 December 2021. These shares have equal voting rights and no par value. Class C shares have no voting rights attached, and no par value.

	ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY						Total
	Share Capital Class A	Share Capital Class B	Share Capital Class C	Total Share Capital	Additional Paid In Capital	Retained Earnings	
Balance at 1 July 2021	-	-	1,338,421	1,338,421	-	951,483	2,289,904
Profit / (Loss) After Tax	-	-	-	-	-	135,235	135,235
Share Capital Issued	-	-	-	-	-	-	-
Distribution to Shareholders	-	-	-	-	-	-	-
Balance at 31 December 2021	-	-	1,338,421	1,338,421	-	1,086,718	2,425,139

NOTE 15: FINANCIAL INSTRUMENTS

	Notes	Jul-Dec 2021	Jul-Dec 2020
Loans and Receivables			
Cash and Cash Equivalents	See Note 6	10,065,213	2,012,582
Trade and Other Receivables	See Note 7	3,165,475	2,237,811
Total Loans and Receivables		13,230,687	4,250,393
Financial Liabilities at Amortised Cost			
Trade and Other Payables	See Note 10	462,921	663,654
Total Financial Liabilities at Amortised Cost		462,921	663,654

Credit Risk

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

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

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

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

Liquidity Risk

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

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

All assets and liabilities of the group are due immediately.

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

Interest Rate Risk

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

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

Foreign Exchange and Currency Risk

Southland Regional Development Agency Ltd is not exposed to foreign exchange or currency risk.

Off Balance Sheet Financial Instruments

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

Fair Values

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

NOTE 16: RELATED PARTIES

All transactions conducted with related parties have been under normal supplier/client relationship terms and at arm's length.

NOTE 17: POST BALANCE DATE EVENTS

There are no other post balance date events.

NOTE 18: CONTINGENT LIABILITIES AND CONTINGENT ASSETS

There are no contingent assets or liabilities as at 31 December 2021 (2020:\$nil).

