

GREAT SOUTH



Southland Regional Development Agency

2023/2024 Annual Report

FOR YEAR END 30 JUNE 2024



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, Maria Pera, Peter Heenan and Rachel Lindsay

REGISTERED OFFICE

Southland Regional Development Agency Limited
143 Spey Street, Invercargill

BANK

Westpac New Zealand Limited

AUDITORS

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

SHAREHOLDERS AND MEMBERS

Class A Shareholders

Invercargill City Council
Southland District Council
Gore District Council
Environment Southland

Class B Shareholders

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

Members

Community Trust South

LEGAL STATUS

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

COMPANIES OWNED BY SOUTHLAND REGIONAL DEVELOPMENT AGENCY LIMITED

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

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Chair's message

As we reflect on the past year, which has proven to be challenging across multiple business sectors in Murihiku Southland, there have been a number of positive developments that underscore the region's resilience during a tough economic period. These achievements highlight the dynamic nature of our local economy and set a positive tone for the year ahead.

The recent announcement that Tiwai Point aluminium smelter will remain open until 2044 is a fantastic outcome for the region. The smelter has a far-reaching impact on the local economy and this announcement brings certainty for all that call Murihiku home.

Southland continues to demonstrate resilience and growth, particularly in the primary sector, which remains a cornerstone of New Zealand's export economy. The announcement of a new Fonterra UHT cream plant that will create 70 jobs is a particularly positive development for our largest industry.

Great South has faced its own set of challenges over the past year, prompting a thorough review of our organisational structure and operations in line with the priorities and expectations set by our shareholders. With this review now complete, we remain committed to delivering on our core objectives, which include:

- Providing local leadership
- Diversifying the regional economy
- Supporting business growth
- Promoting the region
- Advancing environmental sustainability

We are actively exploring diversification opportunities for the region, we know that the continued investment into building a vibrant Invercargill CBD, construction of the new Distinction Hotel, redevelopment of Te Unua Museum of Southland, and the revitalisation of Motupōhue Bluff are all set to enhance the local landscape and drive future visitation and tourism growth.

Great South is proud of our work through our subsidiary business, Space Ops NZ, which has been an integral contributor to the New Zealand space community since 2004. By supporting New Zealand's only commercial low Earth orbit satellite ground station, Great South is helping to further enhance our region's role in cutting-edge technology and economic diversification.

I would like to extend my gratitude to our shareholders, our rūnaka partners, the Great South Board, our Chief Executive and the wider Great South team for their support and dedication over the past 12 months. Although the period has been challenging, I am proud of the team's continued delivery of key agreed outputs.

We look forward to working closely with our shareholders and the wider Murihiku community to progress regional development in the best interests of Southland.



Ian Collier
Great South Board Chair

Mātai ki te Tonga
Te māhirahira a Tamarereti
Whakawhiti Te Moana Tapokapoka a Tawhaki
Ara te Kurakura o Hinenui te pō
Whakahoki ma te hau nui a Rakamaomao
Ki te 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

Chief Executive's message

As I reflect on the past year, I am proud of the progress we've made at Great South in driving growth and sustainability across Murihiku Southland. Our commitment to regional development continues as we create opportunities for our people, economy, and environment.

Over the past year, we have focused on the implementation of Beyond Southland 2025, a critical framework guiding our region's development. The plan outlines several diversification opportunities and five key enablers. Our team has been working diligently on agreed priorities from the plan, ensuring that each initiative contributes to the long-term success and sustainability of Southland.

A key aspect of the implementation process has been ensuring that decisions are informed by robust data analysis. By leveraging accurate insights into the region's demographics, economy, and environmental conditions, we can develop solutions that address the needs of our communities. Work on data, housing and sustainable energy solutions has already begun to take shape, with several projects now well underway.

Our leadership in sustainability has continued to shine through our Te Ara Toitū programme, which aims to guide Murihiku Southland to become carbon neutral by 2050. We were honoured to be recognised as an Ekos Carbon Conscious Organisation and to receive the Business Sustainability Award at The Grand Business South Awards. These accolades underscore our commitment to fostering a greener future for our region.

Tourism has always been a cornerstone of our economic diversification efforts, and we continue to unlock new opportunities in this sector. The launch of the Murihiku Southland Destination Strategy 2023-2029 is a key driver of sustainable tourism, setting a clear pathway to a regenerative visitor economy.

Our business support and diversification initiatives have also played a pivotal role in driving regional growth. We assisted 250 businesses last year through the RBP and Callaghan Innovation programmes. Partnering with the Southland District Council, we are proud to bring Mayors Taskforce for Jobs to our region. This is a community employment programme, focussed on connecting young Southlanders with employment opportunities. Through our Southland Youth Futures programme, we engaged with high school students from across the region supporting them with career exploration activities. These initiatives reinforce our commitment to developing a skilled and adaptable workforce that support our regional development aspirations.

I want to thank our shareholders, rūnaka partners, local businesses, and the wider community for their unwavering support. Together, we are creating a more vibrant, resilient, and prosperous future for Southland, and I look forward to continuing this journey with you all.



Chamí Abeyasinghe
Great South Chief Executive

About us

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

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

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

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

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

CONSTITUTION OBJECTIVES

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

GREAT SOUTH GOVERNANCE

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

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



Even better lives through sustainable development



Our priorities

▼ Regional leadership

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

▼ Support business growth

Support the growth of the business sector in Murihiku Southland

▼ Promote the region

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

▼ Diversify the economy

Investigate and support opportunities to diversify the Murihiku Southland economy

▼ Support environment and climate action

Lead Murihiku Southland towards achieving climate reduction targets

Our vision

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

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

What we value

KAITIAKITANGA

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

SOUTHLAND PROUD

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

SUSTAINABILITY

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

HERITAGE

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

BEING REAL

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

QUALITY OVER QUANTITY

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

COMMUNITY SUPPORT

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

SHAREHOLDER CONFIDENCE

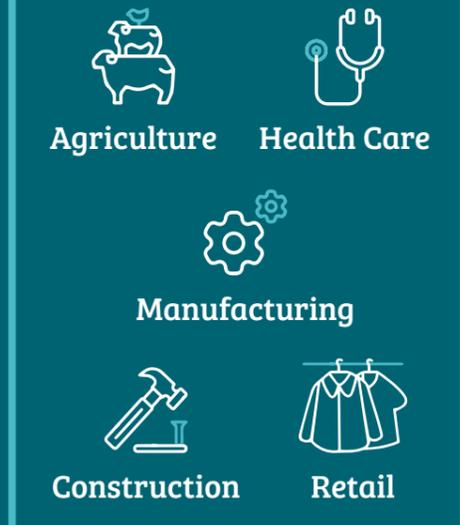
We are committed to working with our shareholders to instil in them a confidence in both Great South and the future of this region. Together, we'll make great things happen for Murihiku Southland.



SOUTHLAND SNAPSHOT



MAIN INDUSTRIES BASED ON EMPLOYEE NUMBERS



Figures sourced from MBIE, Infometrics and Statistics New Zealand

Regional Development Leadership

Championing the Future of Murihiku Southland

Great South is at the forefront of regional development for Murihiku Southland, driving strategic initiatives that shape the future of our community. Our leadership is demonstrated through the facilitation of the Beyond 2025 Southland Long-Term Plan, a comprehensive framework launched to set out the region's aspirations for economic, environmental, and social progress. This plan provides a clear vision for how these goals can be achieved and serves as a cornerstone for our long-term development efforts.

In addition to this foundational work, Great South has developed the Murihiku Southland Destination Strategy 2023-2029. This strategy highlights tourism as a critical diversification opportunity for the region. By laying the groundwork for a sustainable and regenerative visitor economy, we aim to ensure that tourism growth delivers tangible benefits to our communities and enhances regional development.

Our commitment to addressing energy needs and environmental challenges is reflected in the completion

of the Southland Murihiku Regional Energy Strategy. This strategy provides a detailed analysis of the current and future energy demands and supplies in the region, addressing both immediate and long-term challenges and opportunities in energy management.

Great South's dedication to environmental sustainability is further demonstrated by our latest Southland Greenhouse Gas Emissions Inventory, which shows a notable reduction of 14.8% in greenhouse gas emissions since 2018. This achievement underscores our progress toward a more sustainable future and our ongoing commitment to reducing our environmental impact.

The release of the Murihiku Southland Cycle Tourism Opportunity Assessment highlights the potential for growth in cycle tourism. Our region's cycle trails and mountain bike parks are positioned to evolve into a distinctive destination, offering new opportunities for tourism and regional engagement.

Through these efforts, Great South continues to lead the way in fostering regional development, ensuring a resilient and prosperous future for Murihiku Southland.





Regional Promotion

Transforming Murihiku Southland: Enhancing regional appeal through strategic tourism and events.

Tourism has always been a cornerstone for diversifying Murihiku Southland’s regional economy.

It is not just a driver of growth but a vital force in enhancing the region’s appeal, enriching both its liveability and attractiveness as a place to visit, work, and live. Beyond its economic impact, tourism has the power to uplift the social and economic wellbeing of our community.

We stand on the brink of a transformative opportunity to reshape the future of tourism in Murihiku Southland. By inviting visitors to experience our unique and extraordinary corner of the world, we can ensure that tourism brings enduring benefits, fostering a deep connection between our people and our remarkable region.

MURIHIKU SOUTHLAND DESTINATION STRATEGY

Launched in September and spearheaded by Great South, the Murihiku Southland Destination Strategy 2023-2029 sets a clear pathway for the development of our tourism

sector, with a vision rooted in effective destination management principles. This strategy marks a significant step in reimagining tourism in our region, aiming to establish a more sustainable and regenerative visitor economy.

The strategy is designed to benefit all Southlanders by delivering economic, cultural, social, and environmental advantages while safeguarding and enhancing our unique environment. It includes:

- 63 recommended projects across key areas such as environmental stewardship, leadership and capability development, access and infrastructure, product and experience enhancement, and storytelling.
- 24 priority projects identified as having the greatest potential to realise our vision and strengthen the region’s appeal as a premier visitor destination.
- Five key enablers crucial for the recovery and growth of our tourism sector:
 1. Workforce attraction and development
 2. Advocacy and regulatory planning

3. Establishment of a tourism leadership group
4. Data and insights
5. Quality accommodation development

The Murihiku Southland Destination Strategy reflects the aspirations of our communities and mana whenua, developed through extensive stakeholder engagement. It recognises tourism’s transformative potential to drive meaningful progress and deliver lasting economic, social, and cultural benefits across the region.

GET A LIFE CAMPAIGN

In May, the “Get A Life” tourism campaign and business toolbox were launched as part of a strategic effort to position Southland as an attractive destination for professionals and their families. This initiative aims to highlight the unique benefits of living and working in the region—benefits that many may not have previously considered.

The campaign focuses on promoting Southland as a place that offers not only professional opportunities but also an exceptional quality of life. It emphasises the region’s affordability, vibrant lifestyle, and diverse range of activities, creating a compelling case for relocation. The “Get A Life” campaign targets both individuals and businesses, providing them with a business toolbox to aid in making informed decisions about moving to or investing in Southland.

By showcasing Southland’s balance of professional growth and lifestyle, the campaign aims to challenge preconceived notions, encouraging professionals to explore the opportunities this region has to offer. This initiative represents a significant step in our ongoing efforts to stimulate regional development, attract talent, and strengthen the local economy.

ILT KIDZONE FESTIVAL

A popular event on the calendar, the 19th ILT Kidzone Festival offered Southland families an exceptional and

enjoyable experience. Held at Southland Girls’ High School, this year’s event was again coordinated and managed by Great South.

Under the theme ‘Make, Create, Play,’ the festival showcased an impressive array of over 100 engaging activities designed for children and their caregivers. This year’s offerings included several exciting new attractions, such as axe throwing, mini robots, and a sensory lane, among other innovative experiences.

The event saw a remarkable turnout, with 8,392 attendees participating in the diverse range of activities. The successful execution of this year’s festival reaffirmed its role as a key community event.

SOUTHLAND MURIHIKU EVENTS STRATEGY REVIEW

This year, we published our annual review of the Southland Murihiku Events Strategy, which highlighted our significant support for 140 regional and community events. Our efforts were aimed at promoting Southland Murihiku as a vibrant and engaging destination for both residents and visitors.

To enhance event planning and execution, we introduced an Event Organisers Toolkit. This resource is designed to assist organisers in efficiently coordinating events and contributes to the broader goal of stimulating regional activity and tourism.

We also undertook a major overhaul of the southlandnz.com website to better serve the community and promote regional events. The revamped site now features an enhanced events calendar, showcasing a wide array of activities throughout Southland. This update has proven successful, with the website listing 695 events over the past 12 months and drawing increased attention to our region’s diverse offerings.



Business Support and Diversification

Driving regional development through business support and diversification.

A vibrant business sector is the cornerstone of regional development, paving the way for innovation, job creation, and economic growth. By fostering new ways of thinking and enhancing business capabilities, efficiency, and competitiveness, we are laying the foundation for a thriving regional economy.

Addressing labour market challenges and retaining local talent are pivotal in this endeavour. Our commitment to supporting and diversifying the business landscape, along with linking young job seekers with local employers, aims to build a more resilient and skilled workforce, which is vital for the region's long-term economic growth and stability.

SUPPORTING LOCAL BUSINESSES AND STRENGTHENING THE ECONOMY

As the Regional Business Partner Network provider for Southland, Great South plays a crucial role in connecting small and medium-sized businesses with essential resources and support. Over the past year, we've allocated over \$130,000 of management capability funding, supported those applying for Callaghan Innovation funding and hosted a number of impactful events with local businesses. These efforts reflect our commitment to enhancing business development.

Our services have made a real difference for local businesses. Through confidential business assessments, we've helped companies identify what they need to improve and grow. This initial support, along with our delivery of the Regional Business Partner and Callaghan Innovation programmes have enabled businesses to enhance their technology and develop new products, benefiting the whole region.

The Management Capability Fund has provided vital financial support to strengthen management skills and boost business performance, helping companies become more resilient and achieve steady growth. Our workshops, events, and training opportunities have equipped businesses with essential skills and created valuable networking opportunities.

Our business support ecosystem also offers a robust network of resources and ongoing assistance, helping businesses tackle challenges and access the support they need. This comprehensive approach contributes to the success of individual businesses and enhances the overall economic growth of our community.



MAYORS TASKFORCE FOR JOBS

Launched in February, the Mayors Taskforce for Jobs (MTFJ) Community Employment Programme is a crucial initiative, designed to future-proof Murihiku Southland's labour force by connecting young people with valuable employment opportunities. This programme aims to address key barriers to employment and significantly enhances the region's economic and social vitality. Great South delivers MTFJ on behalf of Mayor Rob Scott and the Southland District Council.

Targeted at individuals aged 16 to 24 within the Southland District, the programme provides essential support to help young people overcome common challenges such as limited access to services, training opportunities, and obtaining a driver's licence. By offering dedicated assistance throughout the employment process, Great South ensures that young people are well-prepared to enter the workforce and meet local employment needs.

The benefits of the programme extend beyond individual employment outcomes. By linking young job seekers with local employers, it contributes to the development of a more resilient and skilled workforce, which is vital for the region's long-term economic growth and stability. Through this initiative, Great South is not only addressing immediate employment gaps but also investing in the future success of Murihiku Southland, reinforcing the region's commitment to nurturing local talent and driving sustainable development.

SOUTHLAND YOUTH FUTURES

Established in 2014, Southland Youth Futures (SYF), is Great South's flagship career exploration programme dedicated to connecting young Southlanders with diverse

career and training opportunities across the region. This initiative plays a crucial role in bridging the gap between education and employment, focusing on developing work readiness skills and enhancing career prospects for local youth.

The programme has made a substantial impact, engaging 1,881 students through a variety of activities. This year the Work Ready Passport programme has directly involved 228 students from high schools throughout the region. This initiative helps young people develop the personal skills, attitudes, and behaviours that employers seek, thereby enhancing their employability and readiness for the workforce.

In addition to the Work Ready Passport, Southland Youth Futures has organised nine workplace tours, offering students practical insights into various industries and career paths. The Girls in Trade event, which saw participation from 67 students, has been particularly effective in promoting career opportunities in trades, helping to diversify the local workforce.

Collaborating with schools, training providers, local employers, and community organisations, these programmes offer valuable experiences such as industry-specific events, workplace visits, and guest speaker sessions. This comprehensive approach not only prepares young people for the workforce but also contributes to a more skilled and adaptable labour force in Murihiku Southland. By investing in local youth, we support the region's long-term economic growth and vitality.

Net Zero Southland

Te Ara Toitū:

Driving sustainability for a thriving region

At Great South, we are dedicated to advancing sustainability through our Te Ara Toitū programme. Our aim is to lead Murihiku Southland towards carbon neutrality by 2050, recognising that reducing carbon emissions is crucial for building a strong and resilient regional economy.

Te Ara Toitū highlights our commitment to fostering innovation and sustainability. By focusing on carbon reduction, we are positioning our region to capitalise on future opportunities and thrive in an eco-conscious world.

NET ZERO SOUTHLAND: ADVANCING REGIONAL SUSTAINABILITY

Great South is dedicated to helping businesses across Murihiku Southland reduce their carbon emissions and work towards carbon neutrality by 2050. Our comprehensive approach involves measuring greenhouse gas emissions, producing the Net Zero Southland Report, and providing targeted support through our Decarbonisation and Sustainable Tourism workshops.

In September, we were recognised as an Ekos Carbon Conscious Organisation, a testament to our commitment and progress. Additionally, three of our staff members

are working towards certification as auditors, which will enhance our ability to guide businesses through their decarbonisation efforts.

Our Decarbonisation Workshop Series has successfully engaged over 70 local businesses, while our Murihiku Southland Sustainable Tourism Programme and Sustainable Tourism Webinar Series have involved 18 businesses in advancing sustainable tourism practices. Through our partnership with Ekos, businesses participating in these programmes can now benefit from reduced rates for carbon certification, further supporting their sustainability goals.

Our dedication to sustainability has been recognised with the Business Sustainability Award at The Grand Business South Awards for Te Ara Toitū – Great South's sustainability programme. This accolade underscores our commitment in empowering businesses to lower their emissions.

Initiatives like the Government Waihōpai Invercargill Decarbonisation Contestable Fund actively support the transition to clean, renewable energy. Through these concerted efforts, Great South is driving significant progress towards a greener future for Murihiku Southland, reinforcing our commitment to regional sustainability and environmental stewardship.

GREAT SOUTH SNAPSHOT

TOTAL EMISSIONS FOR 2023/2024

193.4 tCO₂e



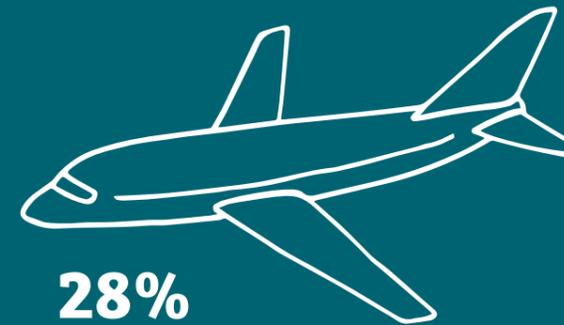
31% decrease from 2018 baseline

4.24 tCO₂e

EMISSIONS PER FTE

22.1 tCO₂e

EMISSIONS PER \$1m REVENUE



28%

BUSINESS TRAVEL



23%

ELECTRICITY

17%

STAFF COMMUTE



12%

WELL TO TANK



8%

VEHICLE FLEET



9%

ILT KIDZONE FESTIVAL



1%

WASTE





Beyond 2025 Southland

Strategic vision and implementation for regional growth

In June 2023, Great South launched the Beyond 2025 Southland Plan, a strategic initiative designed to guide regional development and ensure a prosperous future for Murihiku Southland. This plan aligns our long-term ambitions with actionable steps to build a resilient and thriving region.

Southland's vast and picturesque landscape offers significant advantages, enhancing the lifestyle of its residents and making it an attractive location for growth. Although our smaller population presents some challenges, it also enables a focused and agile approach to regional planning. To fully leverage these opportunities, clear priorities and accurate data are essential.

The Beyond 2025 Southland Plan includes 124 recommendations across key areas such as advocacy, environment, economy, and community. Following this, Great South has developed an implementation plan

centred on five critical factors that will drive the strategy forward through various initiatives and projects.

DATA

Effective regional development hinges on robust data collection and analysis. By providing insights into demographics, economic trends, and environmental conditions, accurate data empowers policymakers to make informed decisions, drive sustainable growth, and ensure equitable wellbeing for all Southlanders.

HOUSING

Quality housing is a cornerstone of regional growth. Our strategy supports collaborative efforts between community and private sectors to deliver high-quality housing solutions. This not only meets the essential needs of Southlanders but also stimulates economic activity and enhances community vitality.

ENERGY

Our commitment to future-proofing Southland's energy needs focuses on sustainable and resilient solutions. We aim to balance affordability for residents with the need for competitive energy pricing to attract and support local industries, driving long-term economic growth.

WORKFORCE

To maintain Southland's economic leadership, it is crucial to develop a skilled and adaptable workforce. Our focus is on equipping the region's talent with the skills needed to meet current and emerging labour market demands, thereby supporting continued economic expansion.

REGULATORY AND PLANNING:

Effective regional development requires policies tailored to local needs. Our framework calls for regulatory adjustments based on detailed local data, advocating for policies that accommodate regional variations and support targeted growth initiatives rather than a one-size-fits-all approach.

The Beyond Southland 2025 strategy and implementation plan is crafted to propel our region into a future of sustained success, ensuring that we stay vibrant, resilient, and at the forefront of regional development.



SpaceOps New Zealand

Strengthening regional innovation and global connectivity

In July 2023, SpaceOps New Zealand took a significant step forward by acquiring Auckland University of Technology's radio astronomy facility in Warkworth, just north of Auckland. This acquisition not only enhances our capability in the space sector but also reinforces our role in supporting critical global infrastructure that underpins the digital economy.

Warkworth Space Centre plays a crucial role in ensuring the accuracy of GPS systems, which are essential for both local and global connectivity. By tracking the precise movements of the North and South Poles—essential for GPS functionality—SpaceOps NZ contributes to the reliability of services that businesses and communities depend on daily. While minor discrepancies in GPS might seem trivial for personal use, such as a slight deviation in navigation apps, the precision timing provided by these satellites is critical for the smooth operation of telecommunications and the broader digital ecosystem.

Every two weeks, Warkworth Space Centre plays a vital part in determining the exact location of the

poles by receiving radio signals from distant galaxies. These signals are analysed with the help of our highly accurate hydrogen-maser clock, one of the most precise timepieces in New Zealand. Working in conjunction with space centres across Tasmania, Australia, the USA, and Europe, this data is used to ensure that GPS satellites continue to deliver the precision required for modern technology to function efficiently.

Looking ahead, SpaceOps NZ is investing in upgrading the Warkworth antennas to expand our capabilities. These upgrades will enable us to support interplanetary exploration by tracking the positions and trajectories of spacecraft. This development positions New Zealand as a key player in the global space industry and enhances the region's reputation for innovation, creating new opportunities for high-tech industries and skilled jobs.

Through these initiatives, SpaceOps New Zealand is not only advancing the space sector but also contributing to the economic and technological growth of our region, strengthening New Zealand's position on the global stage.



Statement of service performance measures

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

OUR PURPOSE

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

OUR VISION

Even better lives through sustainable development.

OUR PRIORITIES

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

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

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

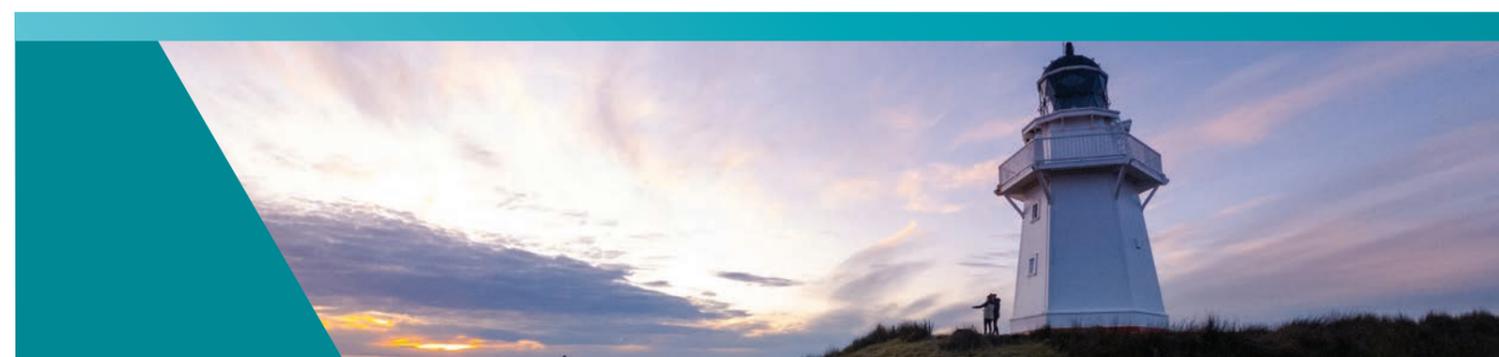
Diversify the Economy: Great South investigates and supports opportunities to diversify the Murihiku Southland economy.

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

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

FOCUS AREA	OBJECTIVES 30 JUNE 2024	TARGET	RESULT	OUTCOME 30 JUNE 2023
Beyond 2025 Southland Implementation Plan	BY 2025 Implementation Plan designed and approved by regional leaders and MBIE	By 30 June 2024	Achieved	Not a target for 2023
	BY 2025 - Three key projects identified and implemented	3	3 Achieved	Not a target for 2023
	Reporting to regional leaders and MBIE on all workstreams that have received funding under Just Transition	By 30 June 2024	Achieved	Not a target for 2023
Attraction of visitors to Murihiku Southland	Deliver and develop 4 destination promotion campaigns	4	11 Achieved	Not a target for 2023
	Facilitate 10 famils to the region	10	16 Achieved	Not a target for 2023
	Ensure at least 85% of traffic to Southland & Fiordland websites come from key markets (New Zealand, Australia, North America & Europe)	85%	Southland 94%, Fiordland 85% Achieved	Achieved
	From 2022 - 23 YE baseline: Increase traffic on southland.com and fiordland.nz by 5% Increase total engagement across all social media channels by 5%	Social Traffic Target of 160,553 Fiordland Social Media Target of 37,846	Social Media 162,415 Fiordland 43,232 Achieved	Achieved

FOCUS AREA	OBJECTIVES 30 JUNE 2024	TARGET	RESULT	OUTCOME 30 JUNE 2023
Tourism Sector Development	Progress 10 projects from the revised Murihiku Southland Destination Strategy	10	11 Achieved	Achieved
	Implement Murihiku Southland Business Events Strategy including feasibility of business events in Gore	By 30 June 2024	Draft strategy developed for release in Sep 2024. Gore feasibility has not been undertaken Not Achieved	Not a target for 2023
Alternative land use	Support provided to four projects that encourage land use diversification, including the completion of at least 2 feasibility studies	4	7 Achieved	Not a target for 2023
Business engagements	280 business engagements	280	250	Not a target for 2023
Data and dashboards	Repository designed	Data Repository Designed to Minimum Viable Product Level	Achieved	Not a target for 2023
	Dashboards developed and designed, and made available to councils	4	4 Achieved	Not a target for 2023
Carbon emissions reduction	120 businesses take part in decarbonisation workshops	120	44 Not Achieved	Not Achieved
	One-on-one meetings with 100 businesses are held regarding decarbonisation	100	25 Not Achieved	Not Achieved
	10 Murihiku Southland Businesses decarbonise their heating systems	10	11 Achieved	Achieved



Consolidated statement of comprehensive revenue and expense

For the year ended 30 June 2024

	Notes	Group 2024	Group 2023
Revenue			
Class A Shareholder Funding			
Core		1,770,370	1,697,387
Contract		2,136,016	2,068,895
Total	See Note 3 (Page 30)	3,906,386	3,766,282
Other Revenue			
Service Revenue	See Note 3 (Page 30)	3,403,835	2,442,775
Project Revenue	See Note 3 (Page 30)	1,263,445	3,173,718
Interest		51,893	75,599
Other Revenue		4,045	278
Total		4,723,218	5,692,370
Total Revenue	See Note 2 (Page 30)	8,629,604	9,458,652
Expenditure			
Project and Service Expenditure			
Regional Economic Development		2,058,898	3,039,438
Business Support Services		480,817	651,671
Regional Tourism Development		1,038,214	2,188,847
Regional Events Delivery		1,018,833	1,120,059
Total		4,596,762	7,000,015
Core Expenditure			
Audit Fees		79,904	69,974
Directors Fees	See Note 4 (Page 31)	184,167	186,000
Employee Expense	See Note 4 (Page 31)	1,857,780	790,224
Interest Expense		86,724	6,495
Foreign Exchange		3,832	22,409
Depreciation and Amortisation	See Note 8 (Page 32)	276,077	108,255
Other Overheads		1,123,835	717,172
Total		3,612,319	1,900,529
Total Expenditure		8,209,081	8,900,543
Share of Surplus / (Deficit) From Joint Venture	See Note 15 (Page 34)	-	-
Net Surplus Before Tax		420,523	558,108
Tax Expense	See Note 5 (Page 31)	128,423	158,387
Total Comprehensive Revenue and Expense		292,100	399,721

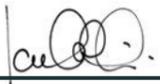
The accompanying accounting policies and notes form part of these consolidated financial statements.

Consolidated statement of financial position

As at 30 June 2024

	Notes	Group 2024	Group 2023
Assets			
Current Assets			
Cash and Cash Equivalents	See Note 6 (Page 31)	2,424,455	2,144,907
Trade and Other Receivables	See Note 7 (Page 32)	845,148	2,084,174
Prepayments		175,240	34,977
Stock		-	6,317
Total		3,444,843	4,270,375
Non-Current Assets			
Deferred Tax Asset	See Note 5 (Page 31)	110,062	44,362
Property, Plant and Equipment	See Note 8 (Page 32)	2,381,009	1,947,099
Intangible Assets	See Note 13 (Page 33)	100,000	100,000
Assets Under Construction	See Note 9 (Page 32)	8,215	266,704
Right-of-Use Assets	See Note 12 (Page 33)	1,454,317	-
Total		4,053,603	2,358,164
Total Assets		7,498,446	6,628,539
Liabilities			
Current Liabilities			
Trade and Other Payables	See Note 10 (Page 32)	594,008	907,042
Employee Entitlements	See Note 4 (Page 31)	440,209	399,870
Lease Liabilities	See Note 12 (Page 33)	90,271	-
Income Tax Payable	See Note 5 (Page 31)	73,087	75,728
Income Received in Advance	See Note 11 (Page 33)	1,525,092	2,188,278
Total		2,722,667	3,570,918
Non-current Liabilities			
Lease Liabilities	See Note 12 (Page 33)	1,426,058	-
Total		1,426,058	-
Total Liabilities		4,148,725	3,570,918
Net Assets		3,349,721	3,057,621
Equity and Reserves			
Share Capital		1,338,420	1,338,421
Retained Earnings		2,011,301	1,719,200
Total Equity and Reserves	See Note 15 (Page 34)	3,349,721	3,057,621

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


Ian Collier - Chair


Peter Heenan - Director

Consolidated statement of changes in equity

For the year ended 30 June 2024

	Notes	Group 2024	Group 2023
Opening Balance (At 1 July)		3,057,621	2,657,901
Equity			
Comprehensive Revenue and Expense			
Comprehensive Revenue and Expense		292,100	399,721
Total	See Note 15 (Page 34)	292,100	399,721
Share Capital			
Share Capital Issued		-	-
Uncalled Share Capital		-	-
Total	See Note 15 (Page 34)	-	-
Total Equity		3,349,721	3,057,621
Attributable To: Equity Holders of The Company		3,349,721	3,057,621
Closing Balance (At 30 June)	See Note 15 (Page 34)	3,349,721	3,057,621

Consolidated statement of cash flows

For the year ended 30 June 2024

	Notes	Group 2024	Group 2023
Cash and Cash Equivalents Beginning of Year		2,144,907	9,509,002
Cash Flow From Operating Activities			
Receipts From Shareholders		3,933,262	3,766,282
Receipts From Other Operating Activities		4,363,237	6,003,579
Interest Received		49,744	71,607
Repayment of Other Operating Income		-	(6,722,617)
Payments to Suppliers		(6,230,955)	(7,186,549)
Payments to Employees		(1,976,522)	(1,664,336)
Interest Paid on Leases		(114,461)	-
Interest Paid		(52)	(2,503)
Tax Paid		(196,764)	(354,741)
Net GST Movement		841,544	(612,035)
Net Cash Flow From Operating Activities		669,034	(6,701,312)
Cash Flow From Investing Activities			
Purchases of Fixed Assets		(314,463)	(662,782)
Net Cash Flow From Investing Activities		(314,463)	(662,782)
Cash Flow From Financing Activities			
Repayment of Leases		(75,023)	-
Net Cash Flow From Financing Activities		(75,023)	-
Net Increase / (Decrease) In Cash and Cash Equivalents		279,548	(7,364,094)
Cash and Cash Equivalents End of Year	See Note 6 (Page 31)	2,424,455	2,144,907



Notes to the consolidated financial statements

NOTE 1: STATEMENT OF ACCOUNTING POLICIES

REPORTING ENTITY

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

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

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

BASIS OF PREPARATION

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

STATEMENT OF COMPLIANCE

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

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

PRESENTATION CURRENCY AND ROUNDING

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

MEASUREMENT BASE

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

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Revenue

Revenue is measured at the fair value of consideration received.

Where funding is not conditional and Southland Regional Development Agency has no obligation to deliver a specific event or service, the revenue will be recognised when 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%	Indefinite

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

Impairment of Property, Plant and Equipment

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

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

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

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

Value in Use for Non-Cash Generating Assets

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

Value in Use for Cash Generating Assets

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

Intangible Assets

Goodwill

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

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

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

Amortisation

The carrying value of an intangible asset with a finite life is amortised on a straight-line basis over its useful life. Amortisation begins when the asset is available for use and ceases at the date that the asset is derecognised. The amortisation charge for each financial year is recognised in the surplus or deficit. The useful lives and associated amortisation rates of major classes of intangible assets have been estimated as follows:

Ground Station Lease	3.43%	29.15 years
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Goodwill has been assessed to have an infinite useful life on the basis the business is ongoing. Goodwill is subject to annual impairment testing.

Impairment of Intangible Assets

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

Joint Venture

The Company's 49% share of 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.

Trade and other Payables

Trade and other payables are initially measured at fair value, and subsequently measured at amortised cost using the effective interest method.

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

Great South Group has adopted PBE IPSAS 43 Leases from 1 July 2023.

CRITICAL ACCOUNTING ESTIMATES AND ASSUMPTIONS

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

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

the circumstances, continually evaluated and are based on historical experience and other factors, including expectations or future events that are believed to be reasonable under the circumstances.

Assumptions

The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities recognised in the financial statements are:

- Property, Plant and Equipment (includes assumptions around useful life of assets, Note 7)

Judgements

- Revenue (timing of revenue is assessed under Tier 2 PBE RDR guidance, Note 2)
- Lease classification (classification - as an operating or finance lease assessed under Tie 2 PBE guidance, Note 12)

NOTE 2: TOTAL OPERATING REVENUE

	Group 2024	Group 2023
Revenue		
Exchange Revenue	6,666,442	7,614,063
Non Exchange Revenue	1,963,162	1,844,589
Total Revenue	8,629,604	9,458,652

NOTE 3: REVENUE

	Group 2024	Group 2023
Class A Shareholder Funding		
Core		
Environment Southland	177,037	169,740
Gore District Council	162,119	155,436
Invercargill City Council	911,947	874,352
Southland District Council	519,267	497,859
Total	1,770,370	1,697,387
Contract		
Gore District Council	83,489	60,000
Invercargill City Council	972,123	939,885
Southland District Council	1,080,404	1,069,010
Total	2,136,016	2,068,895
Total Class A Shareholder Funding	3,906,386	3,766,282

Service Revenue		
Business Sector Support Services	656,014	581,647
Satellite Ground Station	2,747,821	1,861,128
Total Service Revenue	3,403,835	2,442,775

Project Revenue		
Investigation, Impetus and Assessment Fund	156,324	443,409
Event Delivery	302,586	273,584
Event Support Funding	209,136	465,270
Tourism Support Funding	91,004	997,957
Other	504,395	993,498
Total Project Revenue	1,263,445	3,173,718

NOTE 4: PERSONNEL EXPENDITURE

At 30 June 2024 there were 43 full-time employees (2023: 39) with the balance of staff representing 2.5 FTE (2023: 4.2).

	Group 2024	Group 2023
Employee Remuneration		
Salaries and Wages*	4,510,861	3,952,978
KiwiSaver Contributions	125,271	103,572
Increase / (Decrease) in Employee Entitlements	40,339	54,266
Total Employee Remuneration	4,676,471	4,110,816

* 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	52,333	68,000
Rachel Lindsay	16,000	16,000
Lucy Griffiths	16,000	16,000
Jason Franklin	16,000	16,000
Peter Heenan*	30,000	28,000
Maria Pera	16,000	16,000
Jeff Grant	16,000	16,000
John Yaldwyn**	21,833	10,000
Chami Abeysinghe***	-	-
Total Director Remuneration	184,166	186,000

* Peter Heenan is the Chair of the Audit and Risk Committee and a director of Space Operations New Zealand Limited.

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

*** Chami Abeysinghe is a director of Space Operations New Zealand Limited.

Total Remuneration By Band for Employees for the Year		
\$100,000 - \$119,999	6	1
\$120,000 - \$139,999	2	3
\$140,000 - \$159,999	3	2
\$160,000 - \$179,999	2	2
\$240,000 - \$259,999	1	-
\$260,000 - \$279,999	1	-

Employee Entitlements		
Salaries and Wages	265,313	166,037
Annual and Other Leave Entitlements	174,895	233,833
Total Employee Entitlements	440,209	399,870

Severance Payments

During the year there were no severance payments (2023: Nil).

NOTE 5: INCOME TAX

	Group 2024	Group 2023
Surplus / (Deficit) for the Year	420,523	558,108
Taxable Income	117,746	156,270
Non Deductible Expenditure	3,572	2,118
Prior Period Adjustments	7,106	-
Tax at 28%	128,424	158,387
Temporary Differences	32,984	3,786
Prior Period Adjustments - Current Tax	(39,823)	-
Prior Period Adjustments - Deferred Tax	32,718	-
Tax Expense After Adjusting for Deferred Tax Asset	154,303	162,173
Plus / (Less) Effect of		
Balance Brought Forward	75,727	268,297
Prior Period Adjustments	39,823	-
Tax Paid / (Refunded)	(196,766)	(354,743)
Income Tax Liability	73,087	75,727

	Recognised in	
	Profit or Loss	Equity
Deferred Tax Asset		
Balance at 1 July 2022	40,575	-
Movements	-	-
Provisions	3,787	-
Balance at 30 June 2023	44,362	-
Balance at 1 July 2023	44,362	-
Movements	-	-
Provisions	65,700	-
Balance at 30 June 2024	110,062	-

NOTE 6: CASH AND CASH EQUIVALENTS

Southland Regional Development Agency Group banks with Westpac and the funds are held in Transaction and OnCall accounts, with interest rates of 2.7% (2023: Between 0.00% and 2.7%).

	Group 2024	Group 2023
Cash and Cash Equivalents		
Transaction Account	1,004,308	124,943
Online Saver Account	1,419,119	2,019,238
Cash Floats	1,028	726
Total Cash and Cash Equivalents	2,424,455	2,144,907

NOTE 7: TRADE AND OTHER RECEIVABLES

No provision for doubtful debts has been applied.

	Group 2024	Group 2023
Trade and Other Receivables		
Trade Receivables	603,853	778,840
Accrued Revenue	106,996	88,594
Related Party Receivables See Note 17	134,299	418,611
GST Receivable	-	798,129
Total Trade and Other Receivables	845,148	2,084,174

Receivables From Exchange Transactions	845,148	1,286,045
Receivables From Non-Exchange Transactions	-	798,129

Receivables Ageing Profile at Year End		
Not Past Due	547,836	1,940,016
Past Due 1 - 60 Days	248,689	111,983
Past Due 61 - 120 Days	25,464	-
Past Due > 120 Days	23,159	32,174
Total Trade and Other Receivables	845,148	2,084,174

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 2022	542,981	73,422	194,719	51,852	25,500	130,000	453,975	361,636	1,834,085
Additions	27,275	3,338	54,066	-	20,500	311,851	2,270	4,709	424,009
Balance at 30 June 2023	570,255	76,760	248,786	51,852	46,000	441,851	456,245	366,346	2,258,094
Balance at 1 July 2023	570,255	76,760	248,786	51,852	46,000	441,851	456,245	366,346	2,258,094
Additions	18,537	52,822	74,543	-	-	-	129,263	294,769	569,935
Reclassification	-	-	-	-	-	-	-	3,018	3,018
Balance at 30 June 2024	588,792	129,582	323,328	51,852	46,000	441,851	585,508	664,133	2,831,047
Accumulated Depreciation									
Balance at 1 July 2022	21,671	24,018	95,200	33,047	10,327	-	2,591	15,885	202,739
Depreciation Expense	16,690	8,984	35,157	7,055	3,673	-	5,671	31,024	108,255
Balance at 30 June 2023	38,361	33,002	130,356	40,103	14,000	-	8,263	46,909	310,995
Balance at 1 July 2023	38,361	33,002	130,356	40,103	14,000	-	8,263	46,909	310,995
Depreciation Expense	16,883	11,013	40,941	5,650	6,210	-	11,171	47,175	139,043
Balance at 30 June 2024	55,244	44,016	171,298	45,753	20,210	-	19,434	94,084	450,038
Total Property, Plant & Equipment	533,549	85,566	152,031	6,100	25,790	441,851	566,075	570,049	2,381,009

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 2023	531,894	43,757	118,429	11,750	32,000	441,851	447,982	319,436	1,947,099
At 30 June 2024	533,549	85,566	152,031	6,100	25,790	441,851	566,075	570,049	2,381,009

NOTE 9: ASSETS UNDER CONSTRUCTION

Property, plant and equipment in construction is detailed below:

	Group 2024	Group 2023
Assets Under Construction		
Opening Balance	266,704	27,931
Additions	13,479	238,773
Transfers / Disposals	(271,968)	-
Closing Balance	8,215	266,704

NOTE 10: TRADE AND OTHER PAYABLES

	Group 2024	Group 2023
Trade and Other Payables Under Exchange Transactions		
Trade Payables	246,982	545,704
Related Party Payables and Accrued Expenses	134,299	-
Accrued Expenses	212,727	361,339
Total Trade and Other Payables Under Exchange Transactions	594,008	907,043

NOTE 8 CONTINUED...

	Group 2024	Group 2023
Depreciation		
Property, Plant & Equipment	139,043	108,255
ROU Assets	137,034	-
Total	276,077	108,255

NOTE 11: INCOME RECEIVED IN ADVANCE

	Group 2024	Group 2023
Income Received in Advance		
Income Received in Advance Under Exchange Transactions		
Income Received in Advance	1,461,545	2,152,629
Related Party Income Received in Advance	63,547	35,649
Total Income Received in Advance	1,525,092	2,188,278

NOTE 12: LEASES

	Group 2024	Group 2023
Right of Use Assets		
Equipment	16,544	-
Properties	1,437,773	-
Total	1,454,317	-

Lease Liabilities		
Current	90,271	-
Non-Current	1,426,058	-
Total	1,516,329	-

Amounts Recognised in the Statement of Comprehensive Income		
Depreciation	See Note 8	115,694
Interest Expense		135,801
Expenses relating to Short Term leases in Operating Expenses	319,650	265,522

NOTE 13: INTANGIBLE ASSETS

	Goodwill	Total
Cost		
Balance at 1 July 2022	100,000	100,000
Additions	-	-
Disposals	-	-
Balance at 30 June 2023	100,000	100,000
Balance at 1 July 2023	100,000	100,000
Additions	-	-
Disposals	-	-
Balance at 30 June 2024	100,000	100,000
Accumulated Amortisation		
Balance at 1 July 2022	-	-
Amortisation Expense	-	-
Impairment	-	-
Balance at 30 June 2023	-	-
Balance at 1 July 2023	-	-
Amortisation Expense	-	-
Impairment	-	-
Balance at 30 June 2024	-	-
Total Intangible Assets	100,000	100,000

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 2023	100,000	100,000
At 30 June 2024	100,000	100,000

NOTE 14: COMMITMENTS

	Group 2024	Group 2023
Operating Leases as Lessee*		
Expenditure on Operating Leases as Lessee	319,650	265,522
Not later than one year	237,446	221,709
Later than one and not later than five years	515,427	279,950
Later than five years	50,000	-
Total Operating Leases as Lessee Commitments	802,872	501,659
Operating Leases as Lessor**		
Revenue on Operating Leases as Lessor	2,320,293	1,397,190
Not later than one year	1,851,812	1,324,095
Later than one and not later than five years	3,171,274	2,244,408
Later than five years	3,540,436	22,673
Total Operating Leases as Lessor Commitments	8,563,522	3,591,176

* 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 2024 (2023: Nil).

NOTE 15: EQUITY

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

ATTRIBUTABLE TO EQUITY HOLDERS OF THE GROUP

	Share Capital Class A	Share Capital Class B	Share Capital Class C	Total Share Capital	Additional Paid In Capital	Retained Earnings	Total
Balance at 1 July 2022	-	-	1,338,421	1,338,421	-	1,319,480	2,657,901
Profit/(Loss) After Tax	-	-	-	-	-	399,721	399,721
Share Capital Issued	-	-	-	-	-	-	-
Share Capital Uncalled	-	-	-	-	-	-	-
Distribution to Shareholders	-	-	-	-	-	-	-
Balance at 30 June 2023	-	-	1,338,421	1,338,421	-	1,719,200	3,057,621
Balance at 1 July 2023	-	-	1,338,421	1,338,421	-	1,719,200	3,057,621
Profit/(Loss) After Tax	-	-	-	-	-	292,100	292,100
Share Capital Issued	-	-	-	-	-	-	-
Share Capital Uncalled	-	-	-	-	-	-	-
Distribution to Shareholders	-	-	-	-	-	-	-
Balance at 30 June 2023	-	-	1,338,421	1,338,421	-	2,011,300	3,349,721

Note: Class A and B shares are uncalled as at 30 June 2024. These shares have equal voting rights and no par value. Class C shares have no voting rights attached, and no par value.

NOTE 16: FINANCIAL INSTRUMENTS

Notes	Group 2024	Group 2023
Loans and Receivables at Amortised Cost		
Cash and Cash Equivalents See Note 6	2,424,455	2,144,907
Trade and Other Receivables See Note 7	845,148	2,084,174
Total Loans and Receivables at Amortised Cost	3,269,603	4,229,081
Financial Liabilities at Amortised Cost		
Trade and Other Payables See Note 10	594,008	907,043
Total Financial Liabilities at Amortised Cost	594,008	907,043

Credit Risk

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

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

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

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

NOTE 16 CONTINUED...

Liquidity Risk

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

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

All assets and liabilities of the group are due immediately.

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

Interest Rate Risk

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

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

Foreign Exchange and Currency Risk

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

Off Balance Sheet Financial Instruments

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

Fair Values

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

NOTE 17: RELATED PARTIES

Southland Regional Development Agency had the following related party transactions:

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

Related Party	2024			
	Revenue	Expense	Receivables	Payables
Invercargill City Council	1,884,069	8,982	-	-
Southland District Council	1,599,662	-	132,137	-
Gore District Council	245,619	-	2,162	-
Environment Southland	177,037	-	-	-
Invercargill Licencing Trust	101,430	-	-	-
Southland Chamber of Commerce	-	4,951	-	-
Southland Regional Heritage Committee	-	-	-	-
Total	4,007,817	13,933	134,299	-

NOTE 17 CONTINUED...

Related Parties

- Southland Regional Development Agency is owned by Invercargill City Council, Southland District Council, Gore District Council, Environment Southland, Invercargill Licencing Trust, Maitaia Licencing Trust, Southland Chamber of Commerce and Southern Institute of Technology.
- Bobbi Brown, GM at Great South, is a Board Member of Visitor Information Network, which manages i-SITE NZ.
- Stephen Canny, GM at Great South, is a Board Member of Community Trust South.
- 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 2024 year (2023: Nil).

	2024	2023
Management Personnel Compensation		
Directors		
Full-Time Equivalent Members	9	8
Remuneration	184,166	186,000
Senior Management Team, Including the Chief Executive		
Full-Time Equivalent Members	6	6
Remuneration	1,104,838	978,178
Total Management Personnel Compensation	1,289,004	1,164,178

NOTE 18: POST BALANCE DATE EVENTS

There are no post balance day events for 2024 (2023: Space Operations NZ Limited purchased Warkworth Station)

NOTE 19: CONTINGENT LIABILITIES AND CONTINGENT ASSETS

There are no contingent assets or liabilities as at 30 June 2024 (2023: Nil).

Corporate report

For the year ended June 2024

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:

Chami Abeyasinghe – Register of interests

Grace Street Project – Board Member
 Rotary Club of Invercargill – President
 Southland Boys' High School – Co Chair
 Space Operations New Zealand Limited – Board Member
 Thwaites Aluminium Limited – Provide consultancy services as required (Husband an employee)

Ian Collier – Register of interests

Bluff Distillery Limited – Shareholder
 BOP Machinery and Equipment Limited – Shareholder
 Glenross Forest GP Limited – Shareholder
 Hood Aerodrome – Advisory Group Member
 Justice of the Peace – Community
 Justice of the Peace Counsel for Wairarapa – Counsel Member
 New Zealand Functional Foods – Board Member
 Palmerston North Airport Limited – Contract Work
 Wairarapa A&P Society – Board Member

John Yaldwyn – Register of interests

4HF Facilities Limited – Director
 4HF Huia Farm Limited – Director
 4RF Australia Pty Limited – Director
 4RF Communications (Europe) Limited – Director
 4RF Limited – CTO
 Air New Zealand Limited – Shareholder
 Victoria University of Wellington – Advisory Board - Faculty of Engineering

Lucy Griffiths – Register of interests

Brackenridge Country Retreat and Spa – Chair / Shareholder
 Innov8 Aotearoa Limited – Owner / Director
 Masterton Community Trust – Elected Trustee
 Mirrabooka Limited – Director
 Rangitane - Tu Mai Ra Investments – Director
 Sustainable Food & Fibre Futures Fund (MPI) Independent Advisory Panel – Chair
 Trust House Foundation – Deputy Chair
 Trust House Limited – Deputy Chair
 Waste Minimisation Fund (MfE) – Deputy Chair

Jason Franklin – Register of interests

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

Peter Heenan – Register of interests

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

Maria Pera – Register of interests

Kaitahu Tai Whenua Trust – Chair
 Mast Limited – Director / Shareholder
 Matura Marae – Deputy Chair
 Murihiku Holdings – Chair
 Whanau as First Navigators – Board Member

Jeff Grant – Register of interests

Bolstridge-Mudge Trust – Trustee
 DNG Holdings (property company) – Director / Shareholder
 Lakeland Wanaka Limited (tourism business) – Director / Shareholder
 Northern Southland Vets – Shareholder
 Parkside Farm Limited – Director
 Southland Foundation – Board Member
 Thriving Southland – Chairman
 Tower Hill Trust (farm) – Director / Shareholder

Rachel Lindsay – Register of interests

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

Independent auditor's report



INDEPENDENT AUDITOR'S REPORT

TO THE READERS OF SOUTHLAND REGIONAL DEVELOPMENT AGENCY LIMITED'S GROUP FINANCIAL STATEMENTS AND PERFORMANCE INFORMATION FOR THE YEAR ENDED 30 JUNE 2024

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 financial statements and the performance information of the Group, on his behalf.

Opinion

We have audited:

- the financial statements of the Group on pages 22 to 36, that comprise the consolidated statement of financial position as at 30 June 2024, the consolidated statement of 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; and
- the performance information of the Group on pages 22 to 23.

In our opinion:

- the financial statements of the Group:
 - present fairly, in all material respects:
 - its financial position as at 30 June 2024; and
 - its financial performance and cash flows for the year then ended; and
 - comply with generally accepted accounting practice in New Zealand in accordance with Public Benefit Entity International Public Sector Accounting Standards (PBE IPSAS) Reduce Disclosure Regime (RDR); and
- the performance information of the Group presents fairly, in all material respects, the Group's actual performance compared against the performance targets and other measures by which performance was judged in relation to the Group's objectives for the year ended 30 June 2024.

Our audit was completed on 27 September 2024. 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 financial statements and the performance information, and we explain our independence.



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

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

Responsibilities of the Board of Directors for the financial statements and the performance information

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

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

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

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

Responsibilities of the auditor for the audit of the financial statements and the performance information

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

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

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

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

- We identify and assess the risks of material misstatement of the financial statements and the performance information, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- We obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- We evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.
- We evaluate the appropriateness of the reported performance information within the Group's framework for reporting its performance.
- We conclude on the appropriateness of the use of the going concern basis of accounting by the Board of Directors and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements and the performance information or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- We evaluate the overall presentation, structure and content of the financial statements and the performance information, including the disclosures, and whether the financial statements and the performance information represent the underlying transactions and events in a manner that achieves fair presentation.
- We obtain sufficient appropriate audit evidence regarding the financial statements and the performance information of the entities or business activities within the Group to express an opinion on the consolidated financial statements and the consolidated performance information. We are responsible solely for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

Our responsibilities arise from the Public Audit Act 2001.

Other information

The Board of Directors is responsible for the other information. The other information comprises the information included on pages 2 to 21, but does not include the financial statements and the performance information, and our auditor's report thereon.

Our opinion on the financial statements and the performance information does not cover the other information and we do not express any form of audit opinion or assurance conclusion thereon.

In connection with our audit of the financial statements and the performance information, our responsibility is to read the other information. In doing so, we consider whether the other information is materially inconsistent with the financial statements and the performance information or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on our work, we conclude that there is a material misstatement of this other information, we are required to report the fact. We have nothing to report in this regard.



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 (including International Independence Standards) (New Zealand) (PES 1)* issued by New Zealand Auditing and Assurance Standards Board.

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

A handwritten signature in blue ink, appearing to read 'Peter Taylor'.

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

GREAT SOUTH 

Southland Regional Development Agency

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our newsletters to receive regular updates

