

Six-Monthly Report

To 31 December 2023



COMPANY DIRECTORY

SOUTHLAND REGIONAL DEVELOPMENT AGENCY LIMITED TRADING AS GREAT SOUTH

PO Box 1306, Invercargill 9810
(03) 211 1400

REGISTERED OFFICE

143 Spey Street, Invercargill, New Zealand

DIRECTORS

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

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:

Southland Chamber of Commerce, Invercargill Licensing Trust,
Mataura Licensing Trust, SIT | Te Pūkenga

Members:

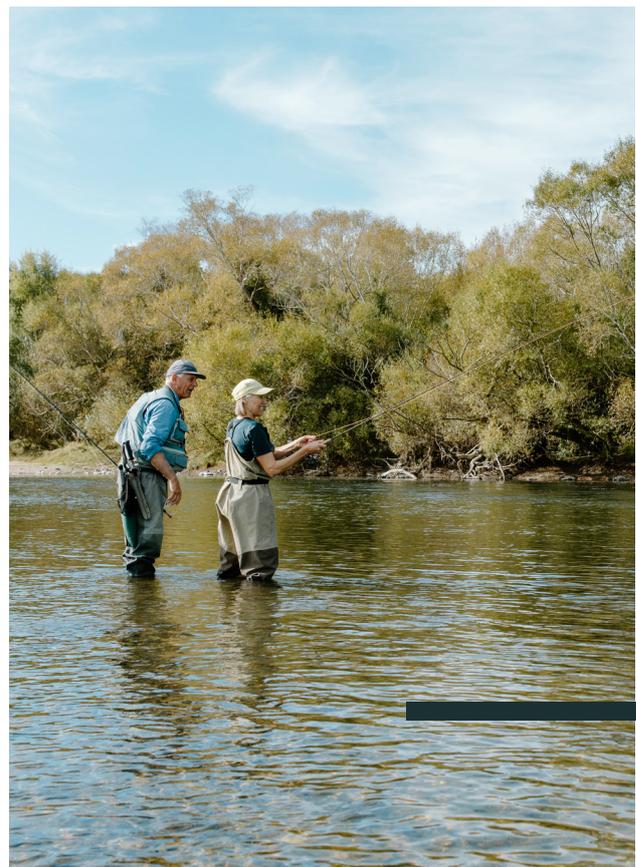
Community Trust South

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 GREAT SOUTH

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



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Chair's message

On behalf of the Great South team, I am pleased to present Great South's six-monthly report to our shareholders and stakeholders. Through this report, I trust you will see the progress we have made against our key performance measures, as we undertake important mahi on behalf of our region.

With the change in central government last year, we, like many other regions, are eagerly awaiting details of various government priorities and plans. As a region, we are fortunate to have already completed a comprehensive long-term plan, Beyond 2025 Southland. We know exactly what our priorities are for Murihiku Southland and have been proactive in gaining shareholder support as we approach relevant ministers to share our priorities as a region. We are ready to have a thorough discussion and outline what we need from central government that, in our view, will translate into positive social, economic and environmental outcomes.

Having received further endorsement and funding from the Ministry of Business, Innovation and Employment (MBIE), we are now well into executing the Beyond 2025 Southland plan, concentrating on data, energy and housing as the first phase of implementation. It was a proud moment for me as Great South Chair to see our organisation's work recognised at a national level, winning the Best Practice for Integrated Strategy award at the Economic Development New Zealand Best Practice Awards.

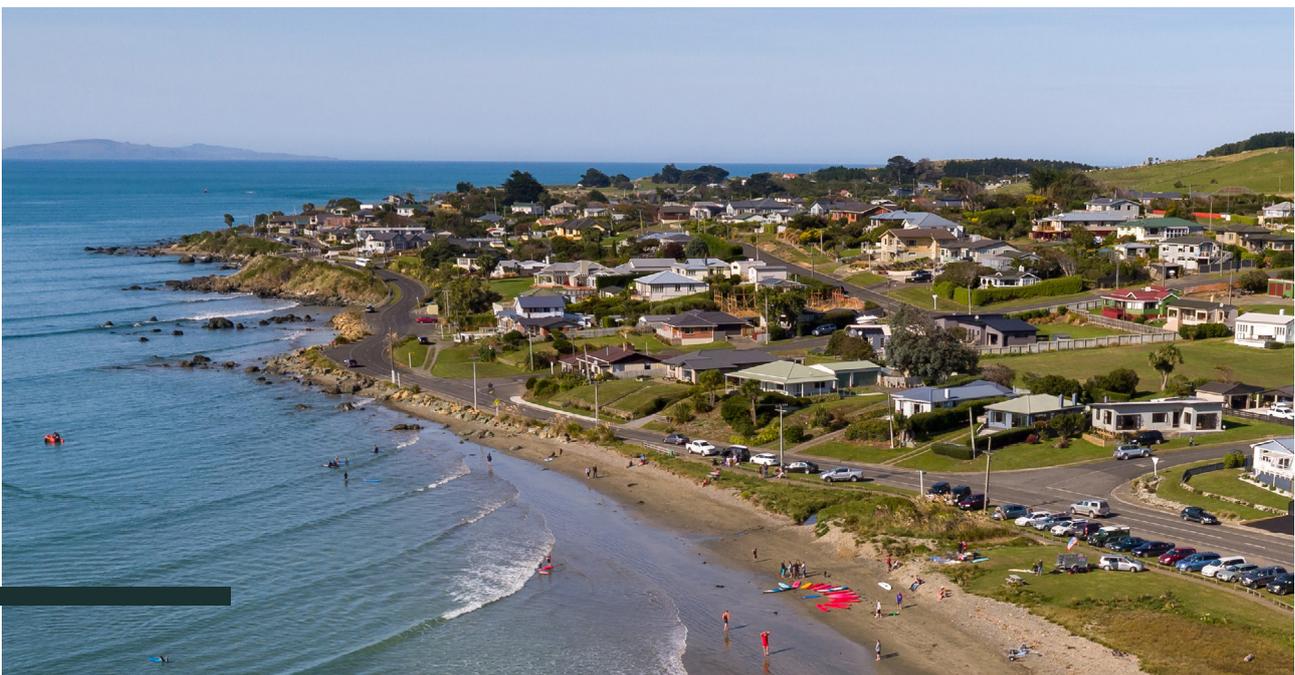
The new Murihiku Southland Destination Strategy 2023 – 2029 completed by our team and the Murihiku Southland Cycle Tourism Opportunity Assessment, both released at the end of last year, are excellent examples of the exciting potential that exists for the future of our region.

It is indeed very pleasing to see the opportunities we have before us and we are fully committed to working closely with our shareholders and stakeholders to deliver on the agreed priorities and outputs set for us as an organisation.

Working together in the best interests of Murihiku Southland will see our region continue to thrive.

Ian Collier

Great South Board Chair



Southland snapshot

NET EMISSIONS FOR 2022
4,947,505 tCO₂e



14.8% decrease from 2018 baseline

GEOGRAPHIC AREA
31,218 km²



CURRENT POPULATION
103,900



REGIONAL GDP

\$7.40b



AVERAGE HOUSEHOLD INCOME

\$108,600



UNEMPLOYMENT RATE

2.8%

MAIN INDUSTRIES BASED ON EMPLOYEE NUMBERS



Agriculture



Health Care



Retail

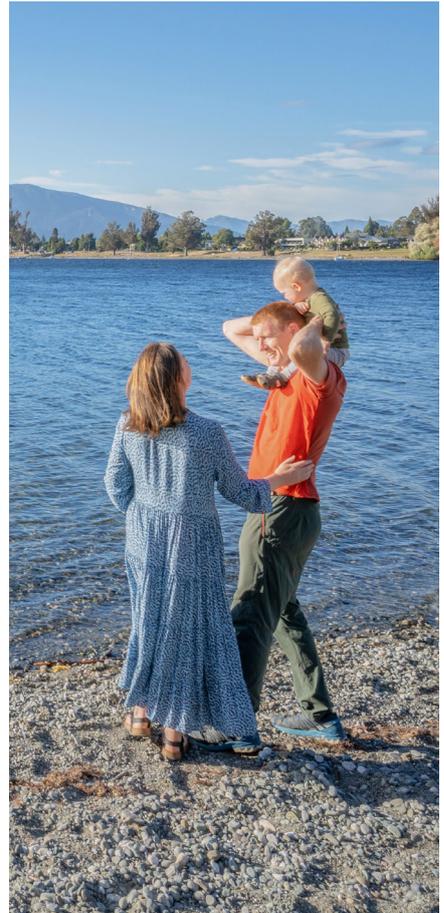


Manufacturing



Construction

Figures sourced from MBIE, Infometrics and Statistics New Zealand



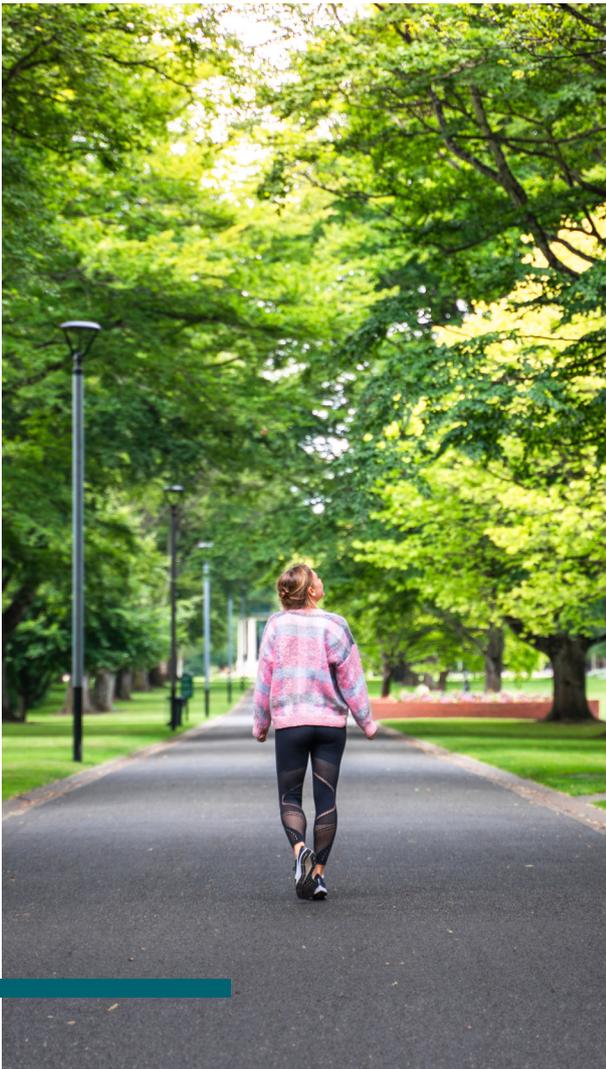
Mātai ki te Tonga
Te māhirahira a Tamarereti
Whakawhiti Te Moana Tapokapoka a Tawhaki
Ara te Kurakura o Hinenui te pō
Whakahoki ma te hau nui a Rakamaomao
Ki te muramura a Rakitamau
Whitianga Te Ara a Kiwa
Anei te mahi a Tuterakiwhanoa
Ki uta, ngā puna o Rākaihautū
Ki uta, ngā ngahere a Kahukura
Ki tai, 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

About us

Great South, Southland's regional development agency, is responsible for economic development and promotion of Murihiku Southland.

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



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

A Memorandum of Understanding between Great South and all four papatipu rūnaka in Murihiku (Awarua, Hokonui, Ōraka-Aparima, and Waihōpai) was signed on 8 August 2022. This significant milestone recognises a commitment to enduring collaboration and partnership in Murihiku Southland.

GREAT SOUTH GOVERNANCE

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

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

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

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 and to providing our communities with a strong foundation for the future.

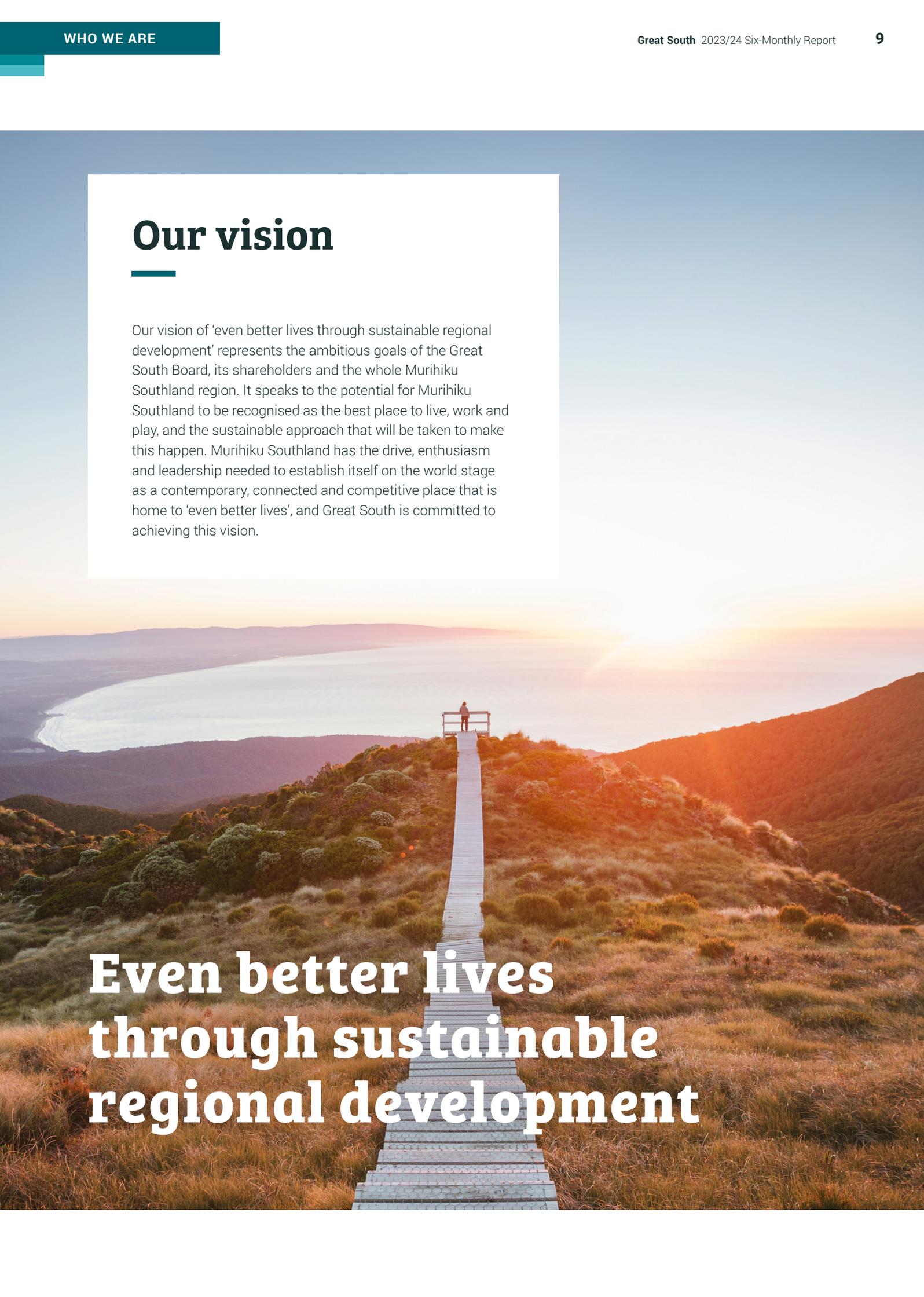
SHAREHOLDER CONFIDENCE

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



Our vision

Our vision of 'even better lives through sustainable regional 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.



**Even better lives
through sustainable
regional development**

How we champion sustainability

OUR PLAN – TE ARA TOITŪ

We understand that adopting a sustainable approach is fundamental for the future success of our region and to achieve our vision 'even better lives through sustainable regional development'. As a demonstration of regional leadership in this space, Great South plans to become a carbon neutral organisation by 2025, well before the net zero carbon emissions goal New Zealand has committed to by 2050. To achieve this goal, we are working on reducing our emissions as much as we can, and will otherwise offset with local carbon credits.

We have been measuring our emissions since 2018 and have taken various steps to reduce emissions. We are transparent about this, with the information shared on our greatsouth.nz website.

WHAT WE MEASURE

We measure direct greenhouse gas emissions from sources that are owned or controlled by Great South, such as emissions caused by fuel consumption in vehicles owned by the organisation, including our subsidiary company, Space Operations New Zealand.

We also measure indirect greenhouse gas emissions, such as those caused by the generation of electricity, business travel, staff commuting and waste, among others.

This information is communicated internally with our staff on a monthly basis.

INITIATIVES WE HAVE UNDERTAKEN

- Our diesel boiler has been replaced with heat pumps.
- Our building has been retrofit with double glazed windows.
- Lighting in our building has been upgraded to LED.
- Environmental awareness sessions have been held with staff on topics including active transport, waste and recycling, and energy efficiency.
- An audit of the vehicle fleet has been carried out to better understand transport needs and upgrades to electric vehicles have been made where possible.
- A waste audit has been carried out (biannual) to identify opportunities to divert waste from landfill.
- Staff are working from home more and more people are choosing to walk or cycle.

RESULTS

Our latest report for the 2022-23 financial year, shows emissions have reduced by 6% since 2018.

We received Carbon Conscious Organisation certification from Ekos in September 2023 and in November 2023, our work in this space was recognised at the Grand Business South Awards, where we won the sustainability category.

A key part of our work programme is working with businesses across the region to reduce carbon emissions. As well as supporting the conversion of fossil fuel heating and cooling systems to clean energy, Great South offers a three-day Decarbonisation Workshop Series for business, as well as the Murihiku Southland Sustainable Tourism Programme. A new Sustainable Tourism Webinar Series is in development, as is a one-day Decarbonisation Workshop Series for business.

GREAT SOUTH ALSO SUPPORTS OUR REGION:

- ⊕ We monitor the region's emissions and share progress with regional leaders and the public
- ⊕ We provide data and insights that enable major decisions to be made on behalf of the region
- ⊕ We support the business sector to reduce carbon emissions by offering the Decarbonisation Workshop Series for business
- ⊕ We support the tourism sector to become more sustainable by offering the Murihiku Southland Sustainable Tourism Programme
- ⊕ We assist the move to clean renewable energy with programmes such as the Government Waihōpai Invercargill Decarbonisation Contestable Fund

Our priorities



Regional development leadership

Great South provides leadership for the region by facilitating the implementation of the Beyond 2025 Southland Long Term Plan and through advocacy, writing submissions and representing Murihiku Southland nationally.



Business support and diversification

Great South supports the growth of the business sector in Murihiku Southland and investigates and aids opportunities to diversify the economy. We also support the attraction and retention of a skilled workforce to our region to support new and existing industries.



Regional promotion

Great South promotes Murihiku Southland as a great place to live, work and visit and in doing so supports the attraction of tourists whose values align with ours.



Net Zero Southland

Great South works with businesses across Murihiku Southland to address carbon emissions, and facilitates and supports them in making reductions, as the region heads towards being carbon neutral by 2050.

Beyond 2025 Southland

After launching the Beyond 2025 Southland Regional Long Term Plan in June 2023, Great South now has a 12-month funding contract from Ministry of Business, Innovation and Employment (MBIE), to facilitate implementation of the plan.

This work stems from New Zealand's Aluminium Smelter announcing in 2020 that it would be closing its operation at Tiwai Point, and the Government put in place a Just Transition for Murihiku Southland to prepare the region for change.

As the regional development agency, and with our focus on economic diversification, Great South was contracted to lead this long-term planning work for the region. The Beyond 2025 Southland Regional Long Term Plan also doubled as a refresh of the Southland Regional Development Strategy, which was launched in 2016.

The innovative and robust approach taken to deliver the plan received national recognition, winning the Best Practice for Integrated Strategy award at the Economic Development New Zealand Best Practice Awards. It was recognised for demonstrating long-term benefits and providing inspiration for other regions across New Zealand.

Great South has been tasked with the role of facilitating the overall implementation of the plan and is continuing to work with key stakeholders in the region, including councils and Just Transition workstream leaders. A draft action approach has already been shared with stakeholders, which identifies the key parties that would deliver recommendations and projects, including Great South. Housing, energy, and data have been identified as the key areas of focus for Great South and implementation of these projects is well underway.

Additionally, with the change of Government in October 2023, a document was prepared on behalf of the region to present to new Government ministers highlighting key areas of focus for the region, as identified in the Beyond 2025 plan. The opportunities are in aquaculture, tourism, agriculture, housing, energy, roading/transport, forestry, and water.



Regional development leadership

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

LEADERSHIP

Through much of the work Great South undertakes it is providing leadership for Murihiku Southland, ensuring we get our fair share of funding from the Government, advocating on behalf of communities and sectors and leading the region towards meeting climate change and emission reduction goals. We represent Southland on numerous regional organisations in the fields of economic development, tourism and events.

BEYOND 2025 SOUTHLAND

Regional long-term planning

Following the launch of Beyond 2025 Southland Regional Long Term Plan in June 2023, Great South now has a 12-month funding contract from MBIE to facilitate implementation of the plan. Great South continues to work with key stakeholders in the region to deliver this work. A draft action approach was shared with stakeholders including councils, identifying the key parties that would deliver recommendations and

projects from Beyond 2025 Southland. One of these parties is Great South. The key areas of focus identified for us as an organisation are housing, energy and data. Implementation of these projects is well underway.

EDNZ Awards win

The Beyond 2025 Southland Regional Long Term Plan was recognised at the Economic Development New Zealand Best Practice Awards, by winning Best Practice for Integrated Strategy. This was in recognition of its demonstrating long-term benefits, an innovative and robust approach, and providing inspiration for other regions across New Zealand.

DATA AND INSIGHTS

Great South is regularly asked for data and insights that support business and economic development and to enable our region's leaders to make informed decisions on areas such as housing, climate change, tourism infrastructure and visitor statistics. Having data available is essential for business confidence and investment and for the region's leaders for long-term planning.

Great South is hoping to develop a data repository and dashboards that will be accessible to our shareholders and wider communities. After consultation with stakeholders on their data needs, an external consultant (Flock) was engaged to carry out the scope and engagement stage of establishing a data repository. Their report will be used to develop an RFP document to undertake development of the repository in 2024.



ADVOCACY

New Government

With the change of Government in October 2023, Great South facilitated documents to present to new Ministers on behalf of the region, highlighting opportunities of the highest importance, as identified in the Beyond 2025 Southland Regional Long Term Plan.

Improving connectivity

Great South continues to advocate for improved connectivity and digital services for the region. A report on the status of mobile blackspots on main touring routes has been completed.

Decarbonising Southland's heating systems

Following the success of the Government Waihōpai / Invercargill Decarbonisation Contestable Fund Great South continues to advocate for this programme to be rolled out to all of Southland and additional sites for the programme have been identified, such as Te Anau. The co-funding made it more affordable for businesses to transition from fossil-fuel thermal energy such as LPG, coal and diesel to low-emission energy sources. This work will be dependent on Government funding.



SUBMISSIONS

Great South completes submissions in areas relating to its work. A joint submission was made to the Ministry for the Environment, Ministry for Primary Industries and Ministry of Business, Innovation and Employment on: Review of the New Zealand Emissions Trading Scheme and A Redesigned Permanent Forestry Category within the New Zealand Emissions Trading Scheme. A submission was also made to the Ministry for the Environment on the Proposed National Policy Statement for Natural Hazard Decision-making 2023.

REGIONAL REPRESENTATION

Great South represents Southland on a variety of regional and national organisations including Wood South and the Regional Tourism NZ Board, as well as by attending tourism trade shows and conferences. Great South also represents Southland's interests in hydrogen by being part of the NZ Hydrogen Council.

Regional promotion

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

DESTINATION MARKETING

Campaigns

Great South continues to attract visitors to the region via marketing campaigns. A campaign to attract those visiting for the FIFA Women's World Cup to Southland continued from February through to the final in August 2023. Great South worked with Air New Zealand on a campaign to promote the Auckland – Invercargill jet service in December. With an aim to drive traffic to southlandnz.com, a campaign aimed at Dunedin and Australia ran from September to December. Other recent campaigns promoted our region's walking trails and sustainable travel offerings.

Familiarisations (famils)

Great South hosts various media outlets throughout the year to experience our tourism and event offerings and get a feel for the region. NZ Herald and Good Magazine were among those hosted. In addition, Great South hosted the crew filming Hoff Roding, including David Hasselhoff & Rhys Darby, who spent eight days in Invercargill, Fiordland and on Stewart Island.

Tourism New Zealand brought the top 10 wholesale agents from China to Fiordland and Great South also hosted cruise ship companies PPG Events (Silver Sea Ships) and ID Tours, who each have ships calling into Bluff for the 2023/2024 season.

With greater accommodation capacity and a newly developed Invercargill city centre, Great South has a focus on attracting business events to the region. Famils were held for the Tourism Export Conference NZ, who are holding their 2024 conference in Invercargill and Great South hosted FMG Young Farmers as part of a bid to host the 2025 Young Farmer Contest in the region.

DESTINATION DEVELOPMENT

Murihiku Southland Destination Strategy

The Murihiku Southland Destination Strategy 2023 – 2029, was launched in Invercargill, Te Anau and on Rakiura Stewart Island in September 2023, with a launch held in Gore two months later, delayed due to flooding.

The first Destination Strategy for the region was released in 2019 and reviewed 12 months later to reflect the impact of Covid. With tourism identified as a key diversification opportunity for the region in the Beyond 2025 Southland Regional Long Term Plan released at the end of June, along with aquaculture, the purpose of the new strategy was to ensure foundations were laid for a more sustainable and regenerative visitor economy, where both people and place benefit from any development.

The Strategy review was led by a strategic advisory group, including council, community and industry representatives, with input from mana whenua and Department of Conservation. It includes 63 projects, with 24 priorities, and recommends project enablers, including the need to establish a tourism leadership group.

Cycle tourism assessment

Great South engaged independent consultant Rob MacIntyre from Destination Planning Ltd to complete the Murihiku Southland Cycle Tourism Opportunity Assessment, with funding from the Government's Strategic Tourism Assets Protection Plan fund. The assessment, which was released around the region in December 2023, shows that with investment and greater coordination, Murihiku Southland is well poised to grow as a distinctive cycle tourism destination.

Food and hiking guides

As part of its work in destination development, Great South developed a Murihiku Eats food guide, showcasing the range of food establishments in Southland that celebrate our regional food stories, as well as a Hike Fiordland guide, showcasing day walks that can be completed in Fiordland as an alternative or in addition to the Great Walks.



DELIVERING MAJOR EVENTS

Great South owns and organises popular annual family event ILT Kidzone Festival and continues to support the Burt Munro Committee with delivery of the Burt Munro Challenge, including marketing, ticketing and administration.

SUPPORTING KEY EVENTS

Great South continues to work with representatives of 37 selected events that form the Southland Unmissable Events Calendar. These are events that have been identified as unique Southland events and / or that attract out of region visitation.

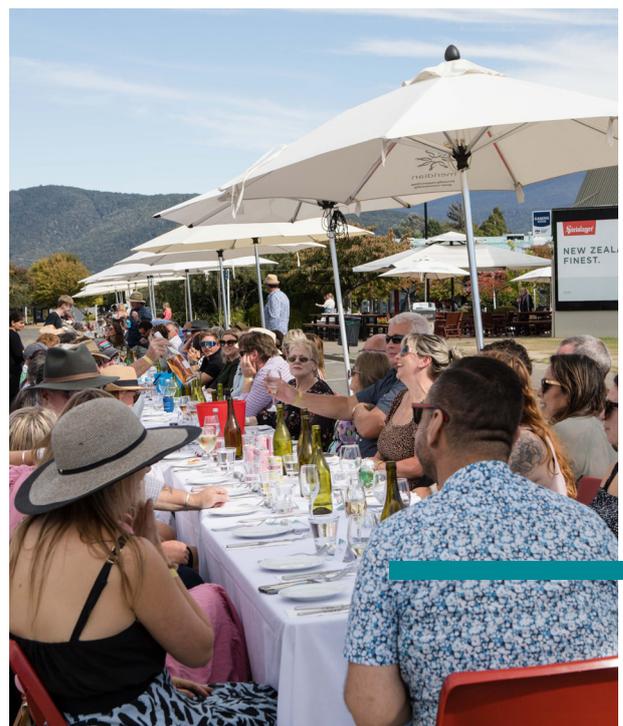
REGIONAL EVENTS FUND – FIORDLAND

The final round of the Fiordland Regional Events Fund was distributed in August 2023. The fund was established by the government as part of its post COVID-19 Tourism Recovery package to stimulate domestic tourism by supporting existing events or helping new events. Two contestable funds were set up, one for Fiordland and one Southland, which were administered by Great South. The Southland Regional Events Fund, with \$180,000 available for events within the Southland Regional Tourism Organisation area was exhausted in October 2021. The Fiordland Regional Event fund had \$580,000 available.

INVERCARGILL CITY CENTRE COORDINATION AND PROMOTION

Now that work to develop Invercargill's city centre is complete, Great South's focus is on supporting events that bring vibrancy and encourage visitation to the city centre, by way of various campaigns and events. Partnerships have been established with organisers of events that have previously been held elsewhere in Invercargill to be held in the city centre.

Events have included showing the FIFA Women's World Cup final on a big screen, two very popular Night Food Markets in September and November, and an ILT rugby fan zone that was created for the Rugby World Cup final games. Great South also supported a New Year's Eve Party on Don Street, and during Te Wiki o Te Reo Māori Language Week city centre businesses were offered resources to support them.



Business support and diversification

We investigate and support opportunities to diversify and grow Murihiku Southland's business sector

ECONOMIC DIVERSIFICATION

Hydrogen industry development

Green hydrogen is one of the new industries being considered for Southland being supported by Great South. In addition to technical papers already completed in support of Southern Green Hydrogen, liquefaction and geotechnical and sea level rise impact investigations on various sites and key transport routes in the Awarua area.

Datagrid – Zero emissions data centre

Great South continues to support Datagrid with infrastructural planning and energy needs as the company develops what will be New Zealand's first hyper-scale data centre at Makarewa.

SpaceOps NZ

As 100% owner of Space Operations New Zealand Ltd. Great South continues to provide the now stand-alone company with administration, accounting, communications, business and technical support.



LAND DIVERSIFICATION

Great South and its predecessor Venture Southland have undertaken various land diversification initiatives. Land that has traditionally been used for farming livestock, is increasingly being used for other purposes, including cropping. New infrastructure is also required to support the viability of switching to new land use. In Garston hops are being grown. Great South wrote an application in support of the development of a hops processing facility, that received a \$2.5 million commercial rates loan.

Great South has also completed work in support of a pilot project, along with a private farming application that will enable farmers to make informed decisions about production systems including soil type, growing degree days and slope. As part of the pilot project deep core soil sampling was undertaken to create a baseline for soil carbon and microbial activity.

BUSINESS DEVELOPMENT SERVICES

Free one-on-one business consultations

As the NZTE Regional Business Partner Network (RBPN) provider for Southland, Great South connects small and medium-sized businesses at all stages, with the resources and information they need. The RBPN is a Government initiative jointly managed by Callaghan Innovation and MBIE. During the first half of the 2023-24 FY, Great South held 112 one-on-one business engagements.

Online booking via greatsouth.nz now makes it easy to book consultations with our business advisors for appointments in Invercargill. Our business advisors also visit Te Anau and Gore periodically, which we promote via various channels.

Workshops

Great South also holds workshops throughout the year that support business capability and growth. This financial year we have hosted Callaghan Innovation's Lean Workshop, which was presented in Southland for the first time. In partnership with Coin South and Southland Business Chamber, we held a workshop aimed at exporters, 'All About the Shipping'. In addition, as part of the Southland Youth Futures Programme, a 'Retain Your Talent' workshop aimed at employers was held.

SOUTHLAND YOUTH FUTURES PROGRAMME

Work Ready Passport

Great South delivers the Kanoa-funded Southland Youth Futures (SYF) careers programme for the region, which builds links between young people and employers. As part of this, SYF delivers the Work Ready Passport programme in schools. Targeted at year 10 and 12 students, the programme is delivered by guest facilitators, who help youth to develop the knowledge, personal skills, attitudes, and behaviours that employers seek. In the last six months, 268 students completed the Passport programme.

Events

Southland Youth Futures delivers other events throughout the year that address labour market needs, including workplace visits and specialty workplace tours. One of these was a visit to the radiology department at Southland Hospital. Since July, SYF has engaged with 1968 students. In partnership with the Ministry of Social Development, SYF organised Southland Jobs Expo, held on 5 September. It was an opportunity for job seekers to explore current job vacancies in the region, connect with local employers from various sectors, discover growing industries and career pathways, and learn about training providers and support services. A Retain Your Talent Seminar was held for managers and HR professionals to share tips and tricks on how to retain a Gen Z workforce in November.

MAYORS TASKFORCE FOR JOBS

In December 2023, Great South was contracted by Southland District Council to deliver the Mayors Taskforce for Jobs. This is a Central Government-funded initiative to get young rural southlanders into jobs. The programme sits well alongside our existing Southland Youth Futures Programme, which also has a focus on Southland youth who are not yet in education, employment or training. The initiative is aimed at young people aged 16 to 24, and as Southland District Council has the contract, they must live within the Southland District Council rating area. Southland joins the more than 30 councils elsewhere in New Zealand already participating in this initiative.

FIORDLAND WELLBEING

Great South's Te Anau office now houses two Fiordland Community Wellbeing Coordinators on behalf of Te Hau Toka Trust. This was a development based on Great South's work in the community following Covid. The roles are funded by the Trust.



Net Zero Southland

We assist Murihiku Southland towards achieving net zero emissions targets

SUPPORT TO REACH NET ZERO

Decarbonisation programmes

Great South has various programmes to support Murihiku Southland businesses to address and reduce emission reduction. The three-day Decarbonisation Workshop Series for business is now well established and a new one-day taster version was developed and will begin in the new calendar year. Great South also offers a six-week Murihiku Southland Sustainable Tourism Programme. Following the pilot programme in July 2022, the first official intake of seven businesses completed the course in August 2023. As part of each programme, participants learn how to measure emissions and were supported to develop an action plan to address them.

Carbon certification with Ekos

A partnership between Great South and carbon emissions certification provider Ekos is helping reduce the cost barriers to achieving carbon certification for Murihiku Southland businesses. The partnership with Ekos came about as part of Great South going through its own carbon certification process.

Any business that takes part in either Great South's Decarbonisation Workshop Series for business, or its Murihiku Southland Sustainable Tourism Programme, is able to access a significantly reduced rate on their carbon certification. Going through the carbon certification process provides an opportunity to take a close look at the main causes of emissions in a business and to make changes to minimise these emissions. Independent validation is something customers, prospective staff, investors, funders and insurers are increasingly looking for and is something that will be important for all businesses to reach net zero carbon emissions by 2050.

Award win

Great South's work supporting the region to meet net zero emission goals by 2050 was recognised with a

win in the sustainability category at the Grand Business South Awards in Dunedin on 17 November 2023. The Award recognised our support for businesses via the previously mentioned decarbonisation programmes, as well as the Government Waihōpai Invercargill Decarbonisation Contestable Fund Great South established in partnership with EECA. Also recognised was Great South's commitment to sustainability as an organisation. In September 2023 it achieved carbon certification as a carbon conscious organisation with Ekos.

Great South has been actively working with businesses to reduce emissions for the region since 2018 when, in partnership with the Ministry for the Environment and the Tindall Foundation, it established the Carbon Neutral Advantage programme. It has been measuring the region's emissions since that time and commissioned the Net Zero Southland Report from Ernst & Young, which was released in July 2021.

SOUTHLAND EMISSIONS REPORT

In October 2023, Great South released the 2022 Greenhouse Gas Emissions Inventory, which showed regional greenhouse gas emissions had fallen 14.8% since the baseline year (2018). This reduction was put down mostly to reduced livestock numbers and the transition of a large number of boilers to clean energy. At the time, 91 of Southland's 189 coal-powered boilers had been converted.

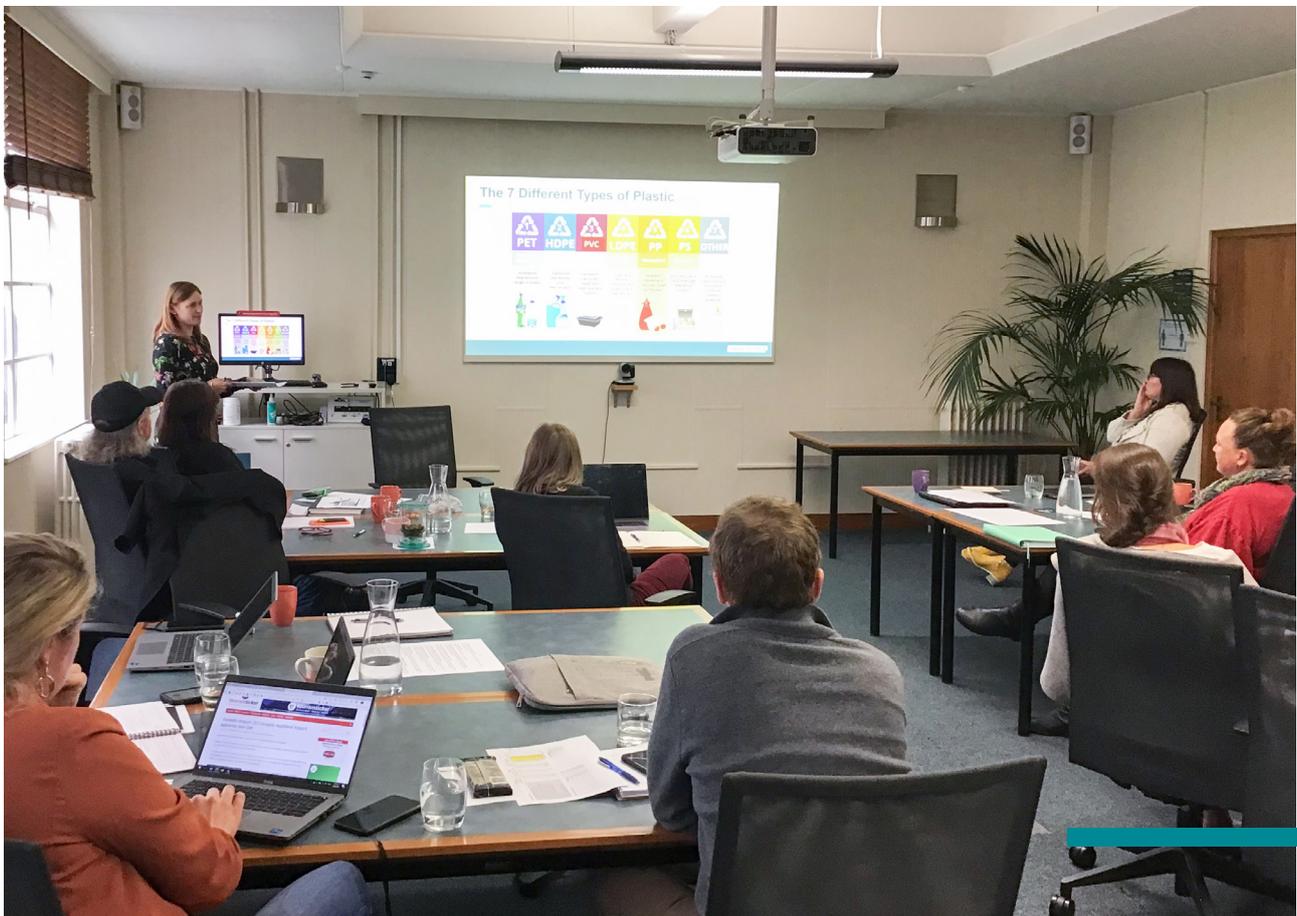


Performance measures

DESCRIPTION	KPI	HALF-YEAR RESULT
 Beyond 2025 Southland Implementation Plan Carry-out deliverables against the contract with MBIE, including designing and developing the Implementation Plan and investigation of resources and funding	Implementation Plan designed and approved by regional leaders and MBIE	<p>A draft implementation plan was presented to the Southland Just Transition Enduring Oversight Group and MBIE on 11 August 2023. It was also socialised with councils, key stakeholders and other Just Transition workstream leaders. The draft plan identifies four mechanisms to deliver recommendations and projects from the Beyond 2025 Southland Regional Long Term Plan. These are: Great South (through SOI), Just Transitions workstreams, Beyond 2025 Southland staff, and other organisations and stakeholders.</p> <p>A document has been prepared to present to new Government ministers highlighting six key areas of focus for the region. These are housing, aquaculture, energy, tourism, agriculture and transport/roading.</p>
	Three key projects identified and implemented	Housing, energy, and data have been identified as the key areas of focus for Great South. Implementation plans for each of these projects are underway.
	Reporting to regional leaders and MBIE on all workstreams that have received funding under Just Transition	Great South is meeting all requirements of the contract with MBIE.
 Tourism sector development Support the development of our regional tourism sector to attract visitors and provide economic benefit	Progress 10 projects from the revised Murihiku Southland Destination Strategy	<p>During September, a revised Murihiku Southland Destination Strategy was launched, researched and written by Great South, with input from a wide range of stakeholders. Projects progressed include:</p> <p><i>Cycle tourism</i> The Murihiku Southland Cycle Tourism Opportunities Assessment was launched and presented in Invercargill, Gore and Te Anau.</p> <p><i>Motupöhue visitor experience Te Taurapa o Te Waka</i> Awarua Rūnaka was supported to develop the concept for this visitor experience at the top of Bluff Hill.</p> <p><i>Southland Murihiku Food Tourism Strategy</i> The Murihiku Eats food guide was released, featuring hospitality providers that celebrate Southland's food story and food experiences across the region.</p> <p><i>Tourism sector sustainability</i> 6 operators took part in the second intake of the Murihiku Southland Sustainable Tourism Programme. Promotion of a potential programme to be held on Rakiura in April 2024 began, as did planning for a new Sustainable Tourism Webinar Series.</p> <p><i>Day walks</i> A Hike Fiordland Passport guide was created to raise the profile of day walks in the Fiordland alongside Great Walks.</p> <p><i>Southern Way</i> Met with three southern airports to establish a partnership in relation to this touring network. An MOU will be developed as a result.</p> <p><i>Dark skies</i> Presented the opportunity for Fiordland to become a Dark Sky Sanctuary to the kaitiaki rūpū group to gain their official support.</p> <p><i>Qualitative surveying</i> A digital-based surveying programme to gain visitor insights was established and will be trialled in Fiordland and on Rakiura.</p>
	Implement Murihiku Southland Business Events Strategy including feasibility of business events in Gore	Development of the Business Events Strategy continues.

 <p>Attraction of visitors to Murihiku Southland</p> <p>Promote Murihiku Southland as a great place to live, work and visit via campaigns, media and trade famils</p>	<p>Deliver and develop 4 destination promotion campaigns</p>	<p><i>Campaigns have included</i></p> <ul style="list-style-type: none"> • FIFA World Cup campaign (February to August) • Walking trail promotion campaign (June to December) • Southlandnz.com traffic-driving campaign (September to December), aimed at Dunedin and Australia • Sustainable travel promotion campaign (December) • Air New Zealand campaign (December), to promote the Auckland – Invercargill jet service
	<p>Facilitate 10 famils to the region</p>	<p><i>Media famils</i></p> <ul style="list-style-type: none"> • Filming for "Hoff Roading" featuring David Hasselhoff & Rhys Darby (8 days in Invercargill, Fiordland and on Stewart Island) • NZ Herald - Showcase Southern Scenic Route, cycling and food • Good Magazine - Invercargill stay and eat feature <p><i>Trade famils</i></p> <ul style="list-style-type: none"> • Tourism New Zealand brought the top 10 wholesale agents from China to Fiordland <p><i>Cruise famils</i></p> <ul style="list-style-type: none"> • Hosted cruise ship companies PPG Events (Silver Sea Ships) and ID Tours, who each have ships calling into Bluff for the 2023/2024 season <p><i>Business Events Southland famils</i></p> <ul style="list-style-type: none"> • Hosted FMG Young Farmers as part of a bid to host the 2025 Young Farmer Contest • Hosted Tourism Export Conference NZ famils ahead of 2024 conference to be held in Invercargill • Meetings Newz - Media • Tourism Management Solutions - Inbound operator
	<p>Ensure at least 85% of traffic to Southland & Fiordland websites comes from key markets (New Zealand, Australia, North America & Europe)</p>	<p><i>Website visitors from key markets</i></p> <p>Southlandnz.com: 388,522 views by key markets - 88% of traffic (440,277 total views)</p> <p>Fiordland.org.nz: 154,332 views by key markets - 85% of traffic (181,840 total views)</p>
	<p>From 2022-23 YE baseline: Increase traffic on southlandnz.com and fiordland.nz by 5% Increase total engagement across all social media channels by 5%</p>	<p><i>Total pageviews</i></p> <p>Southlandnz.com: 440,277 - 45.1% of our goal of 975,665</p> <p>Fiordland.org.nz: 154,332 - 40.9% of our goal of 444,590</p> <p><i>Total social media followers</i></p> <p>Southland NZ: 154,782 - 96% of our goal of 160,553</p> <p>Fiordland NZ: 41,193 - 109% of our goal of 37,846</p>
 <p>Alternative land use</p> <p>Support the diversification of agricultural land</p>	<p>Support provided to four projects that encourage land use diversification, including the completion of at least 2 feasibility studies</p>	<p>3 alternative land use crops have been investigated, 10 are currently under consideration.</p> <p>16 farm soils and soil carbon investigations were completed and reports prepared, to assist farmers to optimise production systems and better carbon sequestration on farm.</p>
 <p>Business engagements</p> <p>Number of businesses who are engaged with via the Regional Business Partner Network or through skills development workshops, events and webinars</p>	<p>280 business engagements</p>	<p>Great South engaged with 112 businesses via the Regional Business Partner network.</p> <p>Throughout 2023 there was a general slowdown in business activity. Capability training has been affected as other costs have taken priority for many business owners. This has led to engagement numbers being lower than anticipated.</p>

<p>Data and dashboards</p> <p>Develop and design dashboards for use by councils and stakeholders, and develop a repository for holding data that supports the work undertaken by Great South on behalf of the Shareholders</p>	Repository designed	After consultation with stakeholders on their data needs, an external consultant (Flock) was engaged to carry out the discovery stage of establishing a data repository. Their report will be used to develop an RFP document to undertake development of the Repository in 2024.
	Dashboards developed and designed and made available to councils	Based on consultation with key stakeholders and alignment with Beyond 2025 priorities, four key dashboards will be developed: Regional, Housing, Climate Change/Sustainability, and Tourism. External consultants Flock have scoped each of these dashboards and development will occur in 2024 with the first step being release of an RFP to seek external expertise.
<p>Carbon emissions reduction</p> <p>Support Murihiku Southland businesses to reduce carbon emissions, including farmers</p>	120 businesses take part in decarbonisation workshops	6 tourism operators took part in the second intake of the Murihiku Southland Sustainable Tourism Programme, based in Te Anau. A new sustainable tourism webinar series and a one-day decarbonisation workshop have been developed to be more accessible to businesses.
	One-on-one meetings with 100 businesses are held regarding decarbonisation	25 one-on-one meetings have been held with businesses. In addition, 1 proposal has been accepted to host decarbonisation workshops for community groups and charitable trusts, and a proposal to support one further business through its decarbonisation journey was accepted
	10 Murihiku Southland businesses decarbonise their heating systems	16 decarbonisation projects completed, or in advanced stages of completion, in Invercargill, Gore and Southland District. 2 businesses have consents and boiler conversions will be completed by March 2024. 2 more businesses are waiting for their consents to be completed.



SpaceOps NZ

Space Operations New Zealand Ltd (SpaceOps NZ) is a wholly-owned subsidiary of Great South and primarily provides satellite ground station antenna hosting and leasing services to the international space community.

Most of this activity takes place at its Awarua Satellite Ground Station, which is attractive for its globally unique geographical location.

SpaceOps NZ acquired Auckland University of Technology's Warkworth radio astronomy operation in July to undertake space geodesy observations and with a view to supporting deep space and lunar space operations in the future.

Key activities in the six months to 31 December 2023:

- Substantially upgraded the Awarua Satellite Ground Station site fencing and security systems.
- Completed site works to host two 13 metre antennas and associated buildings for the SouthPAN project, which will provide New Zealanders with precision GPS services.
- Began hosting Lockheed Martin's SouthPAN mission operations centre in Invercargill.
- Acquired AUT's 12 metre antenna and associated equipment at what is now called the Warkworth Space Centre, and concluded a lease with Spark for SpaceOps NZ to lease their 30 metre antenna at Warkworth.
- Concluded negotiations for undertaking space geodesy observations at Warkworth Space Centre.
- Redesigned and adopted an accounting system suitable for the company's needs to improve business efficiency.
- Assisted installing two new antennas for customers at Awarua Satellite Ground Station.
- Successfully recruited staff to fill all open positions.
- Staff attended conferences in Logan (Utah), Hobart and Christchurch to renew and develop sales opportunities.
- Entered into discussions with one potential customer to establish an optical ground station.

Consolidated statement of comprehensive revenue and expense

For the six months ended 31 December 2023

	Notes	PARENT 31 Dec 2023 (Unaudited)	PARENT 31 Dec 2022 (Unaudited)	PARENT 30 Jun 2024 (SOI)	GROUP 31 Dec 2023 (Unaudited)	GROUP 31 Dec 2022 (Unaudited)	GROUP 30 Jun 2024 (SOI)
Revenue							
Shareholder Funding							
Core		885,181	885,185	1,770,370	885,181	885,185	1,770,370
Contract		1,029,403	782,375	1,700,733	1,029,403	782,375	1,700,733
Total	2	1,914,584	1,669,560	3,471,103	1,914,584	1,669,560	3,471,103
Other Revenue							
Service Revenue	2	392,449	353,058	562,416	1,537,388	1,315,553	3,231,542
Project Revenue	2	691,044	1,561,288	1,971,323	691,044	1,561,288	1,971,323
Other Revenue		-	30,728	-	-	30,728	-
Interest Revenue		55,819	41,015	-	32,385	41,015	-
Total		1,139,311	1,986,089	2,533,739	2,260,817	2,948,584	5,202,865
Total Revenue		3,053,895	3,653,649	6,004,842	4,175,401	4,616,144	8,673,968
Expenditure							
Project and Service Expenditure							
Regional Economic Development		515,887	613,261	1,144,963	1,548,543	1,351,683	3,006,109
Regional Business Services		205,147	351,723	451,987	205,147	351,723	451,987
Regional Tourism Development		561,912	1,248,206	1,132,272	561,912	1,248,206	1,132,272
Regional Event Delivery		647,049	569,853	947,037	647,049	569,853	947,037
Beyond 2025 Southland		109,824	-	470,000	109,824	-	470,000
Total		2,039,818	2,783,043	4,146,259	3,072,475	3,521,464	6,007,405
Core Expenditure							
Directors Fees		73,000	73,000	176,000	97,000	73,000	176,000
Employee Expense		519,074	404,466	932,957	519,074	404,466	932,957
Interest Expense		4	17	-	4	17	-
Depreciation and Amortisation	8 & 12	27,970	31,207	60,000	58,883	55,807	60,000
Other Overheads		393,645	420,951	811,170	393,645	420,951	811,170
Total		1,013,693	929,641	1,980,127	1,068,606	954,242	1,980,127
Total Expenditure		3,053,511	3,712,684	6,126,386	4,141,081	4,475,706	7,987,532
Net Surplus Before Tax		384	(59,035)	(121,544)	34,320	140,438	686,436
Income Tax Expense	5	-	-	-	10,310	41,738	226,234
Total Comprehensive Revenue and Expense		384	(59,035)	(121,544)	24,010	98,700	460,202

Consolidated statement of changes in equity

For the six months ended 31 December 2023

	Notes	PARENT 31 Dec 2023 (Unaudited)	PARENT 31 Dec 2022 (Unaudited)	PARENT 30 Jun 2024 (SOI)	GROUP 31 Dec 2023 (Unaudited)	GROUP 31 Dec 2022 (Unaudited)	GROUP 30 Jun 2024 (SOI)
Opening Balance		1,018,804	794,721	760,483	3,057,621	2,657,901	1,490,867
Equity							
Comprehensive Revenue and Expense							
Comprehensive Revenue and Expense		384	(59,035)	(121,544)	24,010	98,700	460,201
Total	14	384	(59,035)	(121,544)	24,010	98,700	460,201
Share Capital							
Share Capital Issued		1,350,421	1,350,421	1,350,421	1,350,421	1,350,421	1,350,421
Uncalled Share Capital		(12,000)	(12,000)	(12,000)	(12,000)	(12,000)	(12,000)
Total	14	1,338,421	1,338,421	1,338,421	1,338,421	1,338,421	1,338,421
Total Equity		2,357,609	2,074,107	1,977,360	3,081,631	2,756,601	3,289,489
Attributable to: Equity Holders of The Company		2,357,609	2,074,107	1,977,360	3,081,631	2,756,601	3,289,489
Closing Balance	14	2,357,609	2,074,107	1,977,360	3,081,631	2,756,601	3,289,489



Consolidated statement of financial position

As at 31 December 2023

	Notes	PARENT 31 Dec 2023 (Unaudited)	PARENT 31 Dec 2022 (Unaudited)	PARENT 30 Jun 2024 (SOI)	GROUP 31 Dec 2023 (Unaudited)	GROUP 31 Dec 2022 (Unaudited)	GROUP 30 Jun 2024 (SOI)
Assets							
Current Assets							
Cash and Cash Equivalents	6	2,071,881	8,503,616	281,029	2,212,816	9,199,094	-
Trade and Other Receivables	7	2,011,648	850,154	972,704	1,691,962	1,493,215	1,023,064
Prepayments		44,264	55,586	39,255	189,073	67,310	39,255
Income Tax Receivable	5	37,099	11,823	-	91,001	-	-
Stock		-	-	-	-	13,260	-
Total		4,164,891	9,421,179	1,292,988	4,184,852	10,772,879	1,062,319
Non-Current Assets							
Deferred Tax Asset	5	31,071	33,220	33,220	44,362	54,657	40,520
Investments		1,072,589	1,643,957	1,072,534	-	-	-
Property, Plant and Equipment	8	188,667	157,594	269,761	2,035,313	1,641,074	4,319,409
Assets Under Construction		-	-	-	323,617	212,358	-
Intangible Assets	12	-	-	-	100,000	100,000	-
Total		1,292,327	1,834,771	1,375,515	2,503,292	2,008,089	4,359,929
Total Assets		5,457,218	11,255,950	2,668,503	6,688,144	12,780,968	5,422,248
Liabilities							
Current Liabilities							
Bank Overdraft		-	-	-	-	-	975,651
Trade and Other Payables	10	374,862	492,603	463,953	607,340	799,064	614,732
Employee Entitlements		264,073	274,825	128,087	370,902	322,820	181,923
Finance Lease	9	-	5,893	-	-	3,324	-
Income Tax Payable	5	-	-	6,652	-	40,157	63,733
Income Received in Advance	11	2,460,674	8,408,522	105,755	2,628,271	8,856,433	2,96,720
Total		3,099,609	9,181,843	691,143	3,606,513	10,021,798	2,132,759
Non-Current Liabilities							
Finance Lease	9	-	-	-	-	2,569	-
Total		-	-	-	-	2,569	-
Total Liabilities		3,099,609	9,181,843	691,143	3,606,513	10,024,367	2,132,759
Net Assets		2,357,609	2,074,107	1,977,360	3,081,631	2,756,601	3,289,489
Equity and Reserves							
Share Capital		1,338,421	1,338,421	1,338,421	1,338,421	1,338,421	1,338,421
Retained Earnings		1,019,188	735,686	638,939	1,743,210	1,418,180	1,951,068
Total Equity and Reserves	14	2,357,609	2,074,107	1,977,360	3,081,631	2,756,601	3,289,489

Consolidated statement of cash flows

For the six months ended 31 December 2023

Notes	PARENT 31 Dec 2023 (Unaudited)	PARENT 31 Dec 2022 (Unaudited)	PARENT 30 Jun 2024 (SOI)	GROUP 31 Dec 2023 (Unaudited)	GROUP 31 Dec 2022 (Unaudited)	GROUP 30 Jun 2024 (SOI)
Cash Flow from Operating Activities						
Receipts from Shareholder Investment	1,914,584	1,667,558	3,471,103	1,914,584	1,667,560	3,471,103
Receipts from Other Operating Activities	1,403,102	2,114,937	3,473,984	2,886,056	2,994,302	6,678,072
Repayment of Other Operating Income	-	-	-	-	-	-
Interest Received	55,819	41,015	-	32,385	41,015	-
Payments to Suppliers	(2,011,583)	(1,905,142)	(3,980,197)	(4,568,756)	(4,407,577)	(4,935,047)
Payments to Employees	(1,480,572)	(1,842,723)	(3,253,808)	(28,968)	(33,724)	(4,383,933)
Interest Paid	(4)	(17)	-	(17)	(17)	73,600
Tax Paid	(38,260)	(105,083)	-	(177,039)	(228,139)	(140,771)
Net GST Movement	843,469	227,119	-	213,674	(91,828)	-
Total Cash Flow from Operating Activities	686,555	197,664	(288,918)	271,919	(58,408)	763,024
Cash Flow from Investing Activities						
Purchases of Fixed Assets	(43,581)	(10,802)	(207,000)	(204,010)	(251,502)	(3,053,250)
Purchases of Investments	-	(1,157,423)	-	-	-	-
Total Cash Flow from Investing Activities	(43,581)	(1,168,225)	(207,000)	(204,010)	(251,502)	(3,053,250)
Cash and Cash Equivalents at Beginning of Period						
	1,428,907	9,474,177	776,947	2,144,907	9,509,004	1,314,575
Net Increase / (Decrease) in Cash and Cash Equivalents	642,974	(970,561)	(495,918)	67,909	(309,910)	(2,290,226)
Cash and Cash Equivalents at End of Period	6	2,071,881	8,503,616	2,212,816	9,199,094	(975,651)



Notes to the consolidated financial statements

NOTE 1: ACCOUNTING POLICIES

REPORTING ENTITY

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

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

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

BASIS OF PREPARATION

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

STATEMENT OF COMPLIANCE

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

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

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.

FINANCIAL STATEMENTS

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, IT equipment, ILT Kidzone equipment, vehicles, land, and ground station equipment. All asset classes are measured at cost, less accumulated depreciation and impairment losses. Individual assets are capitalised based on Inland Revenue guidelines and if the purchase price 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 and 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
ILT Kidzone:	13.5% - 33%	3 - 7.5 years
Vehicles:	13.5%	7.5 years
Land:	0%	
Ground Station:	0% - 33%	3 - 10 years

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

Impairment of Property, Plant and Equipment

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

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

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

Value in Use for Non-Cash Generating Assets

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

Value in Use for Cash Generating Assets

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

Intangible Assets*Goodwill*

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

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

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

Amortisation

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

Ground Station Lease	3.43%	29.15 years
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Impairment of Intangible Assets

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

Subsidiaries

Southland Regional Development Agency Ltd consolidates in the group financial statements all entities where it has the capacity to control their financing and operating policies so as to obtain benefits from the activities of the subsidiary. This power exists where there is a majority voting power on the governing body or where such policies have been irreversibly predetermined by the parent or where the determination of such policies is unable to materially affect the level of potential ownership benefits that arise from the activities of the subsidiary.

Southland Regional Development Agency Ltd has 100% control of Space Operations New Zealand Ltd.

Joint Venture

Southland Regional Development Agency Ltd's 49% share of NZ Functional Foods Ltd is equity accounted for in the 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 Company's interest is reduced to zero, additional deficits are provided for, and a liability is recognised, only to the extent that the Company has incurred legal or constructive obligation or made payments on behalf of the joint venture. If the joint venture subsequently reports surpluses, the Company will resume recognising its share of those surpluses only after its share of the surpluses equals the share of deficits not recognised.

Leases*Operating Leases*

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

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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 Southland Regional Development Agency Group will obtain ownership at the end of the lease term, the asset is fully depreciated over the shorter of the lease term and its useful life.

Payables

Short-term payables are recorded at their fair value.

Financial Instruments

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

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

Statement of Cash Flows

Cash includes cash and cash equivalents as defined previously.

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

Provisions

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

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

Personnel Costs*Salaries and Wages*

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

Defined Contribution Schemes

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

Employee Entitlements

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

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

Changes in Accounting Policies

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

CRITICAL ACCOUNTING ESTIMATES AND ASSUMPTIONS

In preparing these consolidated financial statements, Southland Regional Development Agency Group has made estimates and assumptions concerning the future. These estimates and assumptions may differ from the subsequent actual results.

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

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

- Property, Plant and Equipment (includes assumptions around useful life of assets, Note 8)
- Revenue (timing of revenue is assessed under Tier 2 PBE RDR guidance, Note 2)

NOTE 2: REVENUE

	Jul - Dec 2023	Jul - Dec 2022
Class A Shareholder Funding		
Environment Southland	88,519	84,870
Gore District Council	111,055	107,718
Invercargill City Council	976,910	873,543
Southland District Council	738,100	601,430
Total Class A Shareholder Funding	1,914,584	1,667,560
Service Revenue		
Business Services	355,648	350,560
Satellite Ground Station	1,181,740	964,993
Total Service Revenue	1,537,388	1,315,553
Project Revenue		
Community Trust South	111,390	4,335
Event Delivery	199,845	163,853
Regional Event Fund	171,116	277,449
Strategic Asset Protection Programme	16,098	654,124
Other Project Revenue	192,594	461,528
Total Project Revenue	691,044	1,561,288

NOTE 3: PERSONNEL EXPENDITURE

	Jul - Dec 2023	Jul - Dec 2022
Employee Remuneration		
Salaries and Wages*	2,094,694	1,927,622
KiwiSaver Contributions	59,792	49,733
Increase/(Decrease) in Employee Entitlements	173,066	85,018
Key Personnel Expenditure		
Directors Fees	97,000	73,000
Directors	10	7

* 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.

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NOTE 4: INVESTMENT IN OTHER ENTITIES

Southland Regional Development Agency Ltd holds 49% of NZ Functional Foods Ltd (980,000 shares).

	Jul - Dec 2023	Jul - Dec 2022
NZ Functional Foods		
Opening Balance	-	-
Purchase of Shares	-	-
Gain on Revaluation	-	-
Net / Surplus / (Deficit)	-	-
Closing Balance	-	-

NOTE 5: INCOME TAX

	Jul - Dec 2023	Jul - Dec 2022
Surplus / (Deficit) for Period	34,320	140,438
Non Deductible Expenditure	2,500	8,625
Tax at 28%	10,310	41,738
Plus / (Less) Effect of: Balance Brought Forward	75,729	268,296
Plus / (Less) Effect of: Tax Paid	(177,039)	(283,958)
Temporary Differences: Provisions	-	14,081
Income Tax Liability	(91,000)	40,157

NOTE 6: CASH AND CASH EQUIVALENTS

Southland Regional Development Agency Ltd banks with Westpac and the funds are held in cheque accounts (with interest rates between 0.0% - 0.1%).

	Jul - Dec 2023	Jul - Dec 2022
Cash and Cash Equivalents		
Cheque Accounts	2,211,910	9,198,492
Cash Floats	906	602
Total Cash and Cash Equivalents	2,212,816	9,199,094

NOTE 7: TRADE AND OTHER RECEIVABLES

No provision for doubtful debts has been applied.

	Jul - Dec 2023	Jul - Dec 2022
Trade and Other Receivables		
Trade Receivables	1,487,326	928,411
Accrued Revenue	204,636	394,401
GST Receivable	-	170,403
Total Trade and Other Receivables	1,691,962	1,493,215
Receivables From Exchange Transactions	1,182,982	1,322,812
Receivables From Non-Exchange Transactions	508,980	170,403
Receivables Ageing Profile at Period End		
Not Past Due	1,649,442	1,254,230
Past Due 1 - 60 Days	27,479	86,558
Past Due 61 - 120 Days	1,936	16,585
Past Due > 120 Days	13,105	135,843

NOTE 8: PROPERTY, PLANT AND EQUIPMENT

	Buildings	Furniture & Fittings	IT Equipment	ILT Kidzone Equipment	Vehicles	Land	Ground Station	Site Development	Total
Cost									
Balance at 1 July 2023	589,666	87,575	208,477	51,852	46,000	441,851	413,547	457,471	2,296,439
Additions	-	13,522	36,129	-	-	-	16,985	77,443	144,079
Reclassification	-	-	-	-	-	-	3,018	-	3,018
Disposals	-	-	-	-	-	-	-	-	-
Balance at 31 December 2023	589,666	101,097	244,606	51,852	46,000	441,851	433,550	534,914	2,443,536
Accumulated Depreciation									
Balance at 1 July 2023	48,555	33,740	134,553	40,103	14,001	-	68,900	9,488	349,340
Depreciation Expense	8,422	4,517	17,895	2,825	3,106	-	17,449	4,669	58,883
Disposals	-	-	-	-	-	-	-	-	-
Balance at 31 December 2023	56,977	38,257	152,448	42,928	17,107	-	86,349	14,157	408,223
Carrying Amounts									
Total Property, Plant & Equipment	532,689	62,840	92,158	8,925	28,894	441,851	347,201	520,757	2,035,313

FINANCIAL STATEMENTS

NOTE 9: FINANCE LEASE

Finance lease liabilities relate to the lease of IT equipment.

	Jul - Dec 2023	Jul - Dec 2022
Finance Lease Commitments		
Not later than one year	-	3,324
Later than one and not later than five years	-	2,569
Total Finance Lease Commitments	-	5,893

NOTE 10: TRADE AND OTHER PAYABLES

	Jul - Dec 2023	Jul - Dec 2022
Trade and Other Payables		
Payables Under Exchange Transactions		
Trade Payables	327,349	426,677
Related Party Payables and Accrued Expenses	10,333	31,952
Accrued Expenses	183,546	340,435
Total	521,228	799,064
Payables Under Non-Exchange Transactions		
GST Payable	86,112	-
Total	86,112	-
Total Trade and Other Payables	607,340	799,064

NOTE 11: INCOME RECEIVED IN ADVANCE

	Jul - Dec 2023	Jul - Dec 2022
Income Received in Advance		
Income Received in Advance Under Exchange Transactions		
Income Received in Advance	1,094,456	7,901,201
Related Party Income Received in Advance	985,288	218,183
Total	2,079,744	8,119,384
Income Received in Advance Under Non-Exchange Transactions		
Income Received in Advance	-	-
Related Party Income Received in Advance	548,527	737,049
Total	548,527	737,049
Total Income Received in Advance	2,628,271	8,856,433

NOTE 12: INTANGIBLE ASSETS

	Goodwill
Cost	
Balance at 1 July 2023	100,000
Additions	-
Disposals	-
Balance at 31 December 2023	100,000
Accumulated Amortisation	
Balance at 1 July 2023	-
Amortisation Expense	100,000
Impairment/Disposal	-
Balance at 31 December 2023	100,000
Carrying Amounts	
At 31 December 2023	-

NOTE 13: COMMITMENTS

	Jul - Dec 2023	Jul - Dec 2022
Operating Leases as Lessee*		
Expenditure on Operating Leases as Lessee	160,795	114,488
Not later than one year	206,622	201,294
Later than one and not later than five years	305,272	309,103
Later than five years	-	-
Total Operating Leases as Lessee Commitments	511,894	510,397
Operating Leases as Lessor**		
Revenue on Operating Leases as Lessor	956,406	578,126
Not later than one year	1,934,089	1,053,200
Later than one and not later than five years	3,921,577	2,870,101
Later than five years	6,037,958	-
Total Operating Leases as Lessor Commitments	11,893,623	3,923,301

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

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

Capital Commitments

There are no capital commitments as at 31 Dec 2023 (2022: nil).

NOTE 14: EQUITY

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

* Class A and B shares are uncalled as at 31 December 2023. These shares have equal voting rights and no par value. Class C shares have no voting rights attached and no par value.

ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY

	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 2023	-	-	1,338,421	1,338,421	-	1,719,200	3,057,621
Profit / (Loss) After Tax	-	-	-	-	-	24,010	24,010
Share Capital Issued	-	-	-	-	-	-	-
Distribution to Shareholders	-	-	-	-	-	-	-
Balance at 31 December 2023	-	-	1,338,421	1,338,421	-	1,743,210	3,081,631

NOTE 15: FINANCIAL INSTRUMENTS

	Notes	Jul - Dec 2023	Jul - Dec 2022
Loans and Receivables			
Cash and Cash Equivalents	See Note 6	2,212,816	9,199,094
Trade and Other Receivables	See Note 7	1,691,962	1,493,215
Total Loans and Receivables		3,904,778	10,692,309
Financial Liabilities at Amortised Cost			
Trade and Other Payables	See Note 10	521,228	799,064
Total Financial Liabilities at Amortised Cost		521,228	799,064

Credit Risk

Credit risk is the risk that a third party will default on its obligations to Southland Regional Development Agency Ltd, causing it to incur a loss. Southland Regional Development Agency Ltd's credit risk arises from bank deposits and receivables. Southland Regional Development Agency Ltd manages this risk by holding deposits with banks that have a minimum AA- credit rating.

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

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

Liquidity Risk

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

Southland Regional Development Agency Ltd manages liquidity risk by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities. All assets and liabilities of the group are due immediately.

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

Interest Rate Risk

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

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

Foreign Exchange and Currency Risk

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

Off Balance Sheet Financial Instruments

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

Fair Values

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

NOTE 16: RELATED PARTIES

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

NOTE 17: POST BALANCE DATE EVENTS

There are no other post balance date events.

NOTE 18: CONTINGENT LIABILITIES AND CONTINGENT ASSETS

There are no contingent assets or liabilities as at 31 December 2023 (2022:\$nil).



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