

GREAT SOUTH



Southland Regional Development Agency

2025/2026 Annual Report

For year end 30 June 2026

COMPANY DIRECTORY

SOUTHLAND REGIONAL DEVELOPMENT AGENCY LIMITED

Trading as Great South

PO Box 1306, Invercargill 9810

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www.greatsouth.nz

DIRECTORS

Ian Collier (Chair), 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%

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Chair's message

A highlight for me as Chair of Great South has been to see the benefits that have come from the Southland Regional Development Strategy (SoRDs) launched 10 years ago. Despite the challenges that the region has faced over this period we now have a more compelling proposition as a region for visitors, potential investors or those who are already living in Southland. Whilst the primary industry continues to be the backbone of the Southland economy, the past year has seen significant progress being made on a number of large infrastructure projects, all bringing significant benefits to Southland and ultimately to New Zealand.

There is no doubt that external global issues, changes to central government policy, ongoing reform affecting local government and wider economic pressures have created uncertainty and added costs for businesses, communities and families. In this environment, having an economic development plan supported by a strong regional voice, good evidence based data to rely on and a clear understanding of Southland's long-term priorities has become even more important.

Great South has a vital role to play in this. We engage with a broad range of stakeholders to understand what trends are emerging, where new opportunities lie ahead and ensuring that we deliver on the goals set by our shareholders.

Aquaculture is one example of this. The launch of the Murihiku Southland Aquaculture Pathway represents another important step towards realising the potential and growth of an industry that already makes a significant contribution to Southland's future economy. Developed collaboratively with iwi, councils, industry, government and regional partners, the Aquaculture Pathway provides a shared direction around the investment, infrastructure, workforce and other outcomes required to support this growth.

Its subsequent recognition at the Economic Development New Zealand Best Practice Awards was a welcome acknowledgement for all those who participated in the development of the plan, with recognition being given for both the quality of the work and the collaborative approach behind it.

The tourism industry continues to recover well post covid, with projected visitor numbers to Southland forecasted to grow which in turn helps support numerous businesses throughout the region. We will continue to work collaboratively with our neighbouring regions to leverage off the success of the '[Southern Way](#)' initiative which is supported by Invercargill, Queenstown and Dunedin airports.



Work has continued on providing evidence based data for the the [Southland Data and Insights Hub \(DISH\)](#). This critical source of data is being used as a source of key inputs for decision makers completing their due diligence on like future housing needs, options for energy generation and land use. A reliable data source is particularly important as the physical and political landscape continues to change.

The ongoing growth of our subsidiary business, Space Operations NZ Ltd, is very much in line with the expansion of the wider space industry in New Zealand and globally. Recently constructed buildings at Awarua will house a number of our customers. The team at Space Operations have built strong relationships with their customers both in New Zealand and overseas. New contracts have been secured and there are several new opportunities being pursued, all which will help support the investment being made in the business on behalf of our shareholders. With more equipment being installed at both sites and more new customers to accommodate, the future is looking very promising.

We are confident that Central and local government reforms have the potential to reshape responsibilities and the way regional priorities are delivered. While structures may change, Southland's underlying needs do not. As a Board, our focus is on ensuring Great South remains responsive to change while continuing to deliver value for its shareholders and the wider region.

This year also marked the retirement of Steve Canny after 25 years with Great South. Over that time, Steve has been a passionate advocate for Murihiku Southland and a driving force behind many ideas that have helped move the region forward. His ability to see opportunity, challenge conventional thinking and champion Southland has left a lasting legacy. On behalf of the Board, I thank Steve for his dedication, leadership and 25 years of service to the region.

Finally, I would like to acknowledge my fellow Directors and thank Chami and the Great South team for their commitment and professionalism throughout another busy year. I also thank our shareholders for their continued confidence in the outcomes Great South is delivering, our iwi partners for their ongoing engagement with our team, industry, business and community partners. Great South's work relies on collaboration, and the achievements outlined in this Annual Report are only achieved through a wider team effort.

There is much for Southland to be positive about. As we navigate the changes ahead, Great South will remain focused on helping Murihiku Southland make the most of its opportunities and supporting a strong, resilient and prosperous region for generations to come.



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

The past year has brought to light both the significant opportunities ahead for Murihiku Southland and the importance of strong, coordinated regional development.

Against a backdrop of economic and policy change, our focus has remained on the things we can influence - bringing people together, providing good information, supporting businesses and communities, advocating for Southland and helping create the conditions for our region to prosper.

I am proud of what our team and partners have achieved during the 2025 – 2026 financial year.

A particular highlight has been the progress made in aquaculture. The launch of the Murihiku Southland Aquaculture Pathway brought iwi, councils, industry, government and other partners together around a shared direction for an industry with significant potential. This was complemented by completion of the Aquaculture Infrastructure and Supply Chain project, helping build a clearer understanding of what will be required to enable future growth.

Reliable and sound data continues to underpin our work. Tourism, housing and economic data was regularly updated and made available throughout the year - through DISH, while research supporting an Air Travel survey completed last year involved more than 2,300 travellers and businesses providing a strong evidence base for advocating for improved air connectivity.

Our regional promotion activity also delivered strong results. Fifteen media familiarisation visits contributed to 357 pieces of positive media coverage with a cumulative global reach of more than 517 million views. We strengthened travel trade relationships and continued destination development, including work through the Motupōhue Bluff Tourism Master Plan. The updated Events Strategy will also help guide how events can contribute to visitation, vibrant communities and the regional economy.

Supporting Southland's businesses and people remained central to our work. This included bringing Olympic champion Rob Waddell to Invercargill to share his insights into high performance and leadership and working alongside MBIE to secure 320 refurbished laptops for young people across the region. We also continued to explore diversification opportunities across agriculture, forestry and emerging industries.

Preparing for Southland's future energy needs has been another important focus. Our Energy in the Landscape work, including new regional solar and wind maps, is helping build understanding of renewable energy opportunities and inform conversations about future development. The (Solar) Powering Southland event brought around 170 businesses, farmers, industry specialists and communities together to explore the practical opportunities presented by solar energy.

This year also saw us farewell Steve Canny after an extraordinary 25 years with Great South and previously Venture Southland. Steve has played an instrumental role in a wide range of projects that have helped shape our region. His ability to look ahead, see what could be possible and bring people together to make things happen leaves an enduring legacy.

Looking across the year, what stands out is how interconnected our work is. Housing, connectivity, tourism, business capability, aquaculture, energy and workforce development all contribute to the same bigger picture - a strong and resilient Murihiku Southland.

None of this happens without people. I want to sincerely thank the Great South team for their hard work, adaptability and commitment throughout the year. I also thank our Board and shareholders for their continued support, and our iwi, government, business, industry and community partners who work alongside us.

These partnerships are fundamental to what Great South can achieve and I look forward to continuing that work together as we create even better lives through sustainable regional development and position Murihiku Southland strongly for the future.



Chami Abeysinghe
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, Maitaia Licensing Trust, Southland Business Chamber, Southern Institute of Technology (SIT) 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, 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 six 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 regional development

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.

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



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

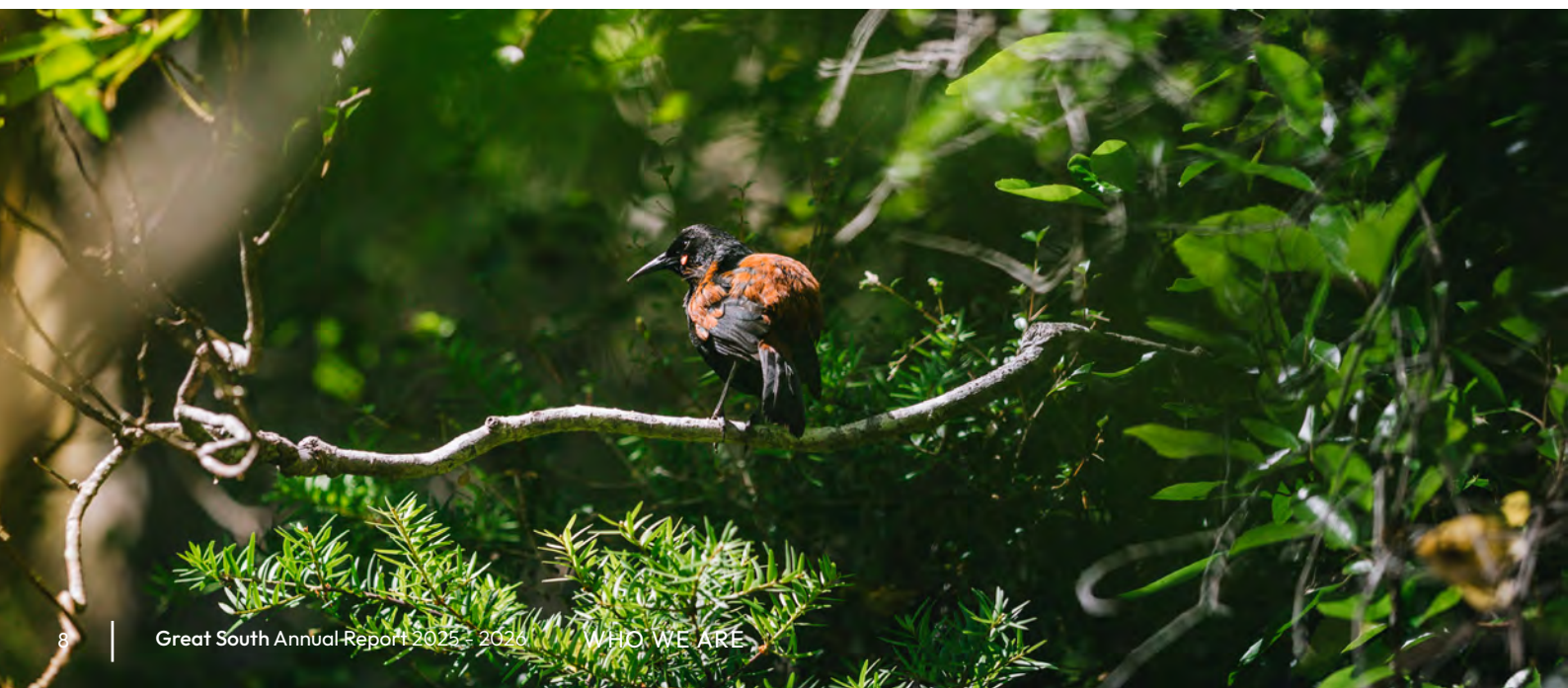
We focus on doing a smaller number of things well, rather than spreading ourselves too thinly. The nature of our involvement may vary across different regional initiatives, but we will at all times be committed to the development of the place we call home.

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

NET EMISSIONS FOR 2024

4,609,795 tCO₂e

23.6% decrease from 2018 baseline



CURRENT POPULATION

104,850

GEOGRAPHIC AREA

31,218 km²



REGIONAL GDP

\$9.94b



UNEMPLOYMENT RATE

4.7%



AVERAGE HOUSEHOLD INCOME

\$120,900

MAIN INDUSTRIES BASED ON EMPLOYEE NUMBERS



Accommodation
& Food Services



Manufacturing



Agriculture



Health Care



Retail

Figures sourced from MBIE, Infometrics and Statistics New Zealand



Regional Development Leadership

Leading Regional Development

Great South's role as Murihiku Southland's regional development agency is about looking beyond individual projects to the bigger picture. Understanding what the region needs to prosper, identifying opportunities and bringing the right people together to help turn them into action.

Throughout 2025 - 2026, this meant providing the evidence, coordination and advocacy needed to progress some of Southland's most important long-term opportunities. From housing and connectivity to aquaculture and infrastructure, Great South continued to work alongside councils, iwi, government, industry and communities to help position the region for sustainable growth.

BETTER INFORMATION, BETTER DECISIONS

Good regional decision-making starts with good information. Through the Data Insights Southland Hub (DISH), Great South continued to build a shared evidence base for Murihiku Southland, publishing tourism, housing and economic data throughout the year.

By bringing regional information together in one place, DISH makes it easier for councils, businesses, investors and community organisations to understand what is happening across Southland and use that knowledge to inform planning and investment.

This capability was strengthened through a Memorandum of Understanding with Environment Southland to better align spatial planning and natural hazard data. Great South also explored the use of artificial intelligence tools to support analysis and day-to-day operations.

Together, this work is helping ensure decisions about Southland's future are increasingly grounded in robust regional evidence.



GIVING SOUTHLAND A STRONGER VOICE

Regional leadership also means ensuring Southland's interests are represented in decisions being made beyond the region.

Great South prepared and submitted four submissions on issues of regional significance during the year, twice the annual target.

Connectivity was another important focus. A regional telecommunications assessment examined mobile coverage and fibre reliability, with recommendations providing a basis for continued engagement with national infrastructure agencies and the Rural Connectivity Group.

Air connectivity also emerged as an important area of advocacy. Research commissioned by Great South involving more than 2,300 travellers and businesses identified significant unmet demand. Up to 30% of potential trips were not taken in 2025 because of factors including availability, pricing and scheduling, equivalent to more than 100,000 missed flights. Reinstating a direct Invercargill - Wellington service emerged as the highest priority for travellers.

The research provides a strong evidence base for Great South's ongoing conversations with airlines and stakeholders and demonstrates the wider importance of connectivity to business, tourism and regional growth.

PLANNING FOR THE HOMES OUR COMMUNITIES NEED

Housing remained another key focus, reflecting its importance to Southland's ability to attract and retain people and support economic growth.

Great South completed an Ageing Sector Investigation into the implications of Southland's changing population and a case study examining innovative and diverse housing solutions.

This was complemented by support for Invercargill City Council and Southland District Council spatial planning and the presentation of likely future housing needs at the Murihiku Regeneration Hui.

Together, the work is creating a clearer picture of not simply how much housing Southland may need, but what type, where and for whom.

CREATING A PATHWAY FOR AQUACULTURE GROWTH

One of the year's most significant regional development milestones was the launch of the Murihiku Southland Aquaculture Pathway in September 2025.

Developed by Great South alongside iwi, councils, industry, government agencies and community voices, the Pathway provides a shared roadmap for growing a sustainable and innovative aquaculture sector. It focuses on the conditions required to unlock growth, including investment, infrastructure, workforce development, research and regulation.

The opportunity is considerable. Fishing and aquaculture already generate more than \$272 million annually in Southland and employ more than 500 people, while economic modelling indicates aquaculture could become a billion-dollar regional industry within the next two decades.

The strength of the collaborative approach was recognised nationally, with Great South receiving a Highly Commended award at the Economic Development New Zealand Best Practice Awards in the Excellence in Sector and Cluster Development category.

Work continued beyond the Pathway itself. The Murihiku Southland Aquaculture Infrastructure and Supply Chain project was completed, while two hui brought education providers and funders together around future workforce needs.

Aquaculture demonstrates Great South's regional development role in action. Identifying an opportunity, building the evidence, bringing partners together and creating a pathway towards growth. It is an approach that extends across Great South's work and provides the foundation for ensuring Southland is not only ready for opportunity, but visible to the people who can help realise it.

Regional Promotion

Strengthening Southland's Profile

Building a strong region is only part of the equation. Southland also needs to be visible and compelling to visitors, travel partners, event organisers and people considering where they might spend their time and money.

Throughout 2025 and into 2026, Great South continued to take Murihiku Southland to the world, combining destination marketing, media, trade relationships, events and destination development to grow awareness of the region and create opportunities for local communities and businesses.

TAKING SOUTHLAND TO THE WORLD

Great South's consumer marketing continued to connect Southland and Fiordland with the audiences most likely to visit.

More than 91% of traffic to both SouthlandNZ and FiordlandNZ websites came from identified target markets, comfortably exceeding the annual target of 85%. Ten digital campaigns were delivered alongside five Tourism Boost Funding partner campaigns, extending the region's reach through collaboration.

Media activity delivered particularly strong results. Great South hosted 15 media familiarisation visits, five times the annual target, giving journalists and content creators an opportunity to experience Southland first-hand.

These visits contributed to 357 pieces of positive media coverage, with a cumulative global reach of more than 517 million and an advertising value equivalent of more than \$6.2 million.

Behind those numbers is an important regional outcome, Southland's landscapes, people, businesses and experiences reaching audiences that individual operators and communities would find difficult to access alone.



TURNING AWARENESS INTO VISITATION

Great South continued to complement consumer marketing with strong relationships across the travel trade.

The region was represented at five key trade events, including TRENZ and Tourism New Zealand industry events, putting Southland experiences directly in front of influential travel sellers and decision-makers.

Six partnered trade famils were completed, three times the annual target, while three new Murihiku itineraries were developed and another two supported through trade partners.

This activity helps convert awareness into actual travel by giving those selling New Zealand first-hand knowledge of Southland and compelling ways to incorporate the region into visitor itineraries.

The cruise sector was also strengthened, with a local cruise network established and pre and post season meetings held in Bluff to improve coordination and readiness.

BUILDING DESTINATIONS PEOPLE WANT TO VISIT

Promoting Southland is also about continually strengthening the experience visitors find when they arrive.

A significant milestone during the year was the release of an updated Motupōhue Bluff Tourism Master Plan Implementation Plan, setting priorities for the next three to five years.

The refreshed plan builds on progress already achieved, with five major projects completed since the Master Plan was launched in 2021, and further initiatives underway. The next phase focuses on progressing Te Taurapa o Te Waka – the Motupōhue Bluff Hill Experience, strengthening operator capability and product packaging and developing a more cohesive Motupōhue Bluff story through improved on-site and digital storytelling.

Great South also progressed work to establish Murihiku Southland as a Dark Skies destination, advanced Taurapa feasibility work and supported the Matariki Pou project all strengthening both the visitor proposition and the stories that make Southland distinctive.



EVENTS THAT CREATE ENERGY AND CONNECTION

Events continued to provide another reason to visit and explore the region.

Great South supported the successful delivery of the Burt Munro Challenge, while introducing digital capability to help strengthen its future delivery.

Six event clusters were promoted across a broad range of interests, and 11 seasonal campaigns were delivered against a target of four. Five of Southland's major unmissable events were supported through 74 promotional posts, with additional exposure through Air New Zealand's Kia Ora magazine.

Together, these activities help ensure there are compelling reasons to visit Southland throughout the year while supporting communities and local businesses to benefit from visitor activity.

Regional promotion is therefore about more than marketing a destination. It is about strengthening the destination itself, building the connections that bring people here and ensuring Southland has the profile to compete for visitors, events and opportunities.



Business Support and Diversification

Stronger Businesses, Stronger Communities

Strong businesses and skilled people are fundamental to a resilient regional economy.

Great South's business support and diversification work combines practical support for businesses and people with longer-term work to identify where new opportunities may emerge. During 2025 and 2026, this ranged from bringing new expertise into Southland and improving digital access for young people to investigating new opportunities across agriculture and forestry.

BUILDING BUSINESS CAPABILITY

Providing Southland businesses with access to ideas, expertise and practical support remained an important focus.

A highlight was Great South bringing Olympic gold medallist and world champion rower Rob Waddell to Invercargill for 'The High Performance Advantage' event.

The evening used Waddell's experience across elite sport, leadership and business to explore the behaviours that underpin high performance, including work ethic, commitment to quality, mindset, resilience and determination. Great South developed the event as an opportunity for Southland businesses to hear directly from someone who has performed at the highest level and consider how those lessons could translate into their own organisations.

It is an example of Great South's wider business support role, bringing knowledge, expertise and opportunities into the region that help local businesses build capability and confidence.

Great South also continued development of the Murihiku Southland Business Guide, alongside a condensed version and Regional Industry Capability Reports. These resources help showcase the businesses, expertise, infrastructure and supply chains already present in Southland, making regional capability easier for businesses and potential investors to understand.

SUPPORTING SOUTHLAND'S FUTURE WORKFORCE

Building a strong regional economy also means helping young Southlanders understand the opportunities available to them and giving them the skills, connections and confidence to take their next step.

Great South continued to support young people into employment and training through the Mayors Taskforce for Jobs, connecting young Southlanders with employers and providing practical support to help them move successfully into the workforce.

CareerFest provided another important connection between young people and their future careers, bringing students face-to-face with employers, education providers and industries from across the region. Events such as Girls in Trade also helped broaden our rangatahi's understanding of the pathways available to them, showcasing opportunities within trades and industries where women have traditionally been underrepresented.

Together, these initiatives help young people see the breadth of careers available in Murihiku Southland and make more informed decisions about their future. Just as importantly, they give employers an opportunity to connect with the next generation of workers and build awareness of the skills and roles their industries will need.

Improving access to technology was another practical way Great South supported young people during the year. Working with the Ministry of Business, Innovation and Employment, 320 refurbished laptops were secured for young Southlanders and distributed through Southland Youth Futures, Your Corps and Southland Boys' High School. The initiative is helping remove barriers to digital access and giving more young people the tools they need for learning, developing skills and preparing for employment.

Taken together, this work is about more than helping youth find their first job. It is about creating clearer pathways between education, training and employment, helping young Southlanders build a future here and strengthening the pipeline of skills and talent available to the region's businesses and industries.

CONNECTING OPPORTUNITIES ACROSS THE ECONOMY

These projects demonstrate the increasingly interconnected nature of regional economic development.

Housing affects the ability of businesses to attract workers. Digital access helps young people build skills. Connectivity links Southland businesses to customers and markets. Aquaculture growth requires new workforce capability and infrastructure. Renewable energy can help existing industries remain competitive while creating new opportunities of its own.

Great South's role is to understand these connections and help businesses, government, industry and communities work across them.

By supporting businesses and people while exploring new ways to generate value from Southland's existing strengths, Great South is helping build a more diverse and resilient economy. One that is better equipped to respond to change and take advantage of new opportunities.



Net Zero Southland

Building a Net Zero Future

Southland's economic future and its transition to a lower-emissions economy are closely connected.

Through Net Zero Southland and implementation of the Southland Murihiku Regional Energy Strategy, Great South continued to help the region, identify opportunities and translate long-term ambitions into practical initiatives.

The approach is grounded in evidence while recognising that transition needs to work for Southland's businesses, industries and communities.

UNDERSTANDING WHERE SOUTHLAND STANDS

Reliable data is critical to understanding progress and deciding where future effort should be focused.

Great South completed the Southland Regional Greenhouse Gas Emissions Inventory, continuing regional emissions monitoring and providing an evidence base for understanding where emissions are generated and how they are changing.

The year also provided an opportunity to assess Southland against its 1990 emissions baseline. The assessment found the region was 5.7% below the baseline, exceeding the 5% reduction benchmark and equating to approximately 49,500 tonnes below the target level.

This information provides an important reference point for the region and helps ensure conversations about Southland's transition are based on evidence.

TURNING RENEWABLE POTENTIAL INTO PRACTICAL INFORMATION

Implementation of the Southland Murihiku Regional Energy Strategy 2022 - 2050 continued during the year, with progress across solar, wind and biomass.

Regional solar and wind energy mapping tools were developed to make information about renewable energy potential more accessible and help inform conversations about future generation and investment.

The Southland Region Biomass Supply and Demand Outlook added another piece to that picture, investigating how forestry residues and low-grade logs could potentially provide a renewable source of process heat.

Together, this work is helping move the regional energy conversation from what might be possible to where opportunities exist and how they could work in practice.

POWERING SOUTHLAND

That practical focus was particularly evident through Great South's (Solar) Powering Southland event in February.

Great South brought together farmers, industry professionals, solar specialists, financial representatives, installers and community members for a full day focused on Southland's solar future.

Rather than simply promoting solar, the event was designed to give people the information they needed to make informed decisions. Experts shared practical advice on system planning, installation and costs, while a banking panel explored financing options. Attendees could also speak directly with solar specialists about what solar could look like for their own homes, farms or businesses.

The strong regional turnout demonstrated growing interest in how renewable energy can support affordability, resilience and long-term sustainability.

It also reflected Great South's wider approach to Net Zero Southland, by bringing together information, expertise and people so businesses and communities can understand the opportunities and make decisions that work for them.



RECOGNISING 25 YEARS OF REGIONAL LEADERSHIP

The year also marked the end of an era for Great South, with General Manager Strategic Projects Steve Canny retiring after 25 years of contribution to Murihiku Southland.

Since joining Venture Southland in 2001, Steve has played a central role in many initiatives that have helped shape the region. His work included establishing New Zealand's first ubiquitous regional broadband network, developing and managing SpaceOps New Zealand, more than 20 years of regional energy planning, supporting the development of the Hump Ridge Track as a Great Walk and extensive work across climate change, decarbonisation and emissions reduction. He was appointed a Member of the New Zealand Order of Merit in 2017.

His contribution reflects the long-term thinking that sits behind much of Great South's strategic work, identifying emerging opportunities early, building partnerships and helping position Southland for what comes next.

That same thinking connects Great South's work across all four priorities. Regional leadership provides the evidence and direction to plan for growth. Regional promotion takes Southland's people, places and opportunities to the world. Business support and diversification strengthen the people and industries that drive the economy. Net Zero Southland helps ensure that growth is resilient and sustainable, building access to high value markets, especially for our exporters.

Together, they support one overarching purpose - creating even better lives through sustainable regional development and positioning Murihiku Southland strongly for the opportunities ahead.

GREAT SOUTH SNAPSHOT

TOTAL EMISSIONS FOR 2025/2026

240.1 ze



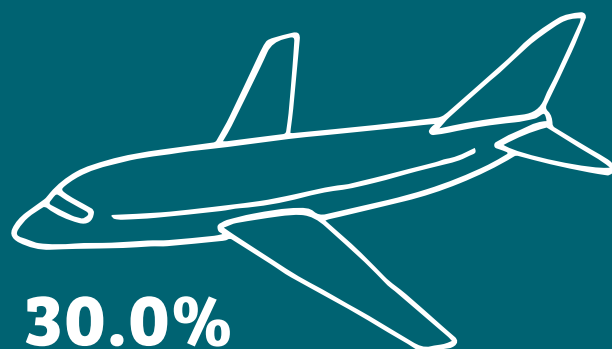
15% decrease from 2018 baseline

6.11 tCO₂e

EMISSIONS PER FTE

23.1 tCO₂e

EMISSIONS PER \$1m REVENUE



30.0%

BUSINESS TRAVEL



25.4%

ELECTRICITY

10.9%

STAFF COMMUTE



11.6%

WELL TO TANK



12.1%

VEHICLE FLEET



9.6%

OTHER



0.4%

WASTE



Space Operations New Zealand

Strengthening regional innovation and global connectivity

Space Operations New Zealand (Space Ops NZ) continued to strengthen its position in the global space industry during 2025 - 2026, building its international reputation, expanding its capability and investing in the infrastructure needed to support future growth.

A wholly owned subsidiary of Great South, SpaceOps provides satellite ground segment services to customers from around the world. Its operations span the Awarua Satellite Ground Station near Invercargill and the Warkworth Space Centre north of Auckland, providing capability across low, medium and geostationary Earth orbit missions through to lunar and deep-space activity.

During the year, SpaceOps continued to grow its commercial activity and strengthen its position as a trusted provider of satellite ground segment services.

Reliable infrastructure and technical capability remain central to that work, with SpaceOps continuing to support customers across a range of missions and orbital environments. This strong operational foundation, combined with growing international relationships and new opportunities, is helping position the company for its next phase of growth.

Alongside its day-to-day operations, SpaceOps continued to secure and develop new opportunities, including contracts to support space missions and launches using its own antennas and to host additional customer infrastructure at Awarua. The team also continued building relationships internationally and showcasing Southland's capability within the global space sector.

A significant milestone during the year was the beginning of construction on a new headquarters and equipment facility at Awarua.

The \$4.55 million project will provide purpose-built office, workshop and supporting infrastructure to enable the next phase of SpaceOps' growth. Supported through the Regional Infrastructure Fund alongside SpaceOps' own investment, the development is expected to increase Southland workforce in the Space Industry from 21 to

around 30 highly skilled roles.

The investment reflects how far the operation has evolved. What began as a satellite ground station opportunity in Southland has developed into a specialist, New Zealand-owned company supporting an increasingly sophisticated range of international space missions.

That capability was demonstrated on the world stage through SpaceOps' involvement in NASA's Artemis II mission.

SpaceOps was one of a small number of organisations internationally selected to help track NASA's Orion spacecraft during its journey around the Moon. Using the large antennas at Warkworth, with support from the SpaceOps team in Invercargill, the company contributed specialist tracking capability to the mission.

Preparing for Artemis II drew on expertise across the SpaceOps team, including engineering, software development and antenna operations and further demonstrated the growing technical capability SpaceOps has developed in lunar and deep-space communications.

The Artemis II involvement is a significant endorsement of that capability. It places a Southland-headquartered company alongside organisations from around the world contributing to one of the most significant space exploration programmes of this generation.

It also illustrates the wider value SpaceOps creates for Murihiku Southland.

The company is bringing highly specialised engineering and technology roles to the region, attracting international customers and building expertise in an industry with significant global growth potential. At the same time, continued investment at Awarua strengthens Southland's position within New Zealand's growing space sector.

SpaceOps is a strong example of regional economic diversification, turning Southland's geographic advantages into a commercially successful business serving the global space sector. With continued investment at Awarua and growing capability at Warkworth, it is well positioned to build on that success and create new opportunities for Murihiku Southland.



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 regional development.

OUR PRIORITIES

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

Net Zero Southland: 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.

Regional Promotion: Great South promotes Murihiku Southland as a desirable place to live, work and visit.

Business Support & Diversification: Great South investigates and supports opportunities to diversify the Murihiku Southland economy along with supporting the attraction and retention of a skilled workforce to our region.

FOCUS AREA	OBJECTIVES 30 JUNE 2026	TARGET	RESULT	OUTCOME 30 JUNE 2025
Regional Development Leadership	Schedule of data reports are produced across three focus areas including: Housing, Economic and Tourism	3	Achieved	Not a target for 2025
	Evaluate options for the storage and use of Geospatial data and the use of AI data analysis tools.	By 30 June 2026	Achieved	Not a target for 2025
	Prepare a minimum of two submissions on issues of regional significance.	2	Achieved	Achieved
	Advocate for increased mobile coverage and reliable terrestrial fibre optic cable services for all of the region.	By 30 June 2026	Achieved	Not a target for 2025
	Support councils and stakeholders to apply for Government funds as applicable.	By 30 June 2026	Achieved	Achieved
	Facilitate regional coordination of housing including delivery of two projects.	2	Achieved	Not a target for 2025
	Support individual Councils with their housing planning (including Spatial Planning) considering current and future community	By 30 June 2026	Achieved	Achieved
	Implement agreed actions (max 2) from the Regional Aquaculture Strategy.	2	Achieved	Not a target for 2025
	Coordinate actions needed from councils and others to achieve aspirations as per the Regional Aquaculture Strategy	By 30 June 2026	Achieved	Not a target for 2025
Net Zero Southland	Produce the Regional Emissions Report for 2024 as soon as national monitoring data becomes available.	By 30 June 2026	Achieved	Not Achieved
	Evaluate the Southland Regional Emissions Reduction against the 1990 emissions and report on the findings by September	By 30 June 2026	Achieved	Not a target for 2025
	Seek public feedback on the revised Net Zero Southland Plan (2025) and publish the final report by March 2026.	By 30 June 2026	Not Achieved*	Not a target for 2025
	Support the Regional Energy Project Implementation including New Renewable energy projects, energy efficiency, wind, solar, biomass.	By 30 June 2026	Achieved	Not a target for 2025

FOCUS AREA	OBJECTIVES 30 JUNE 2026	TARGET	RESULT	OUTCOME 30 JUNE 2025
Regional Promotion	Ensure 85% of website traffic comes from key markets in NZ, Australia, North America, Europe, Asia.	85%	Achieved	<i>Achieved</i>
	3 media famils	3	Achieved	<i>Achieved</i>
	15 media results	15	Achieved	<i>Achieved</i>
	Attend 5 trade shows.	5	Achieved	<i>Achieved</i>
	Attend 2 partnered famils	2	Achieved	<i>Achieved</i>
	2 Murihiku itineraries adopted from Milford Opportunities Project	2	Achieved	<i>Achieved</i>
	Develop 1 new iwi experience	1	Not Achieved	<i>Achieved</i>
	Establish local cruise network	1	Achieved	<i>Not a target for 2025</i>
	Attend 3 Conference Events	3	Achieved	<i>Achieved</i>
	Events sales calls	By 30 June 2026	Achieved	<i>Not a target for 2025</i>
	10% increase on number of events listed (baseline: 690)	10%	Not Achieved	<i>Achieved</i>
	10% increase on number of overall page views (baseline: 40,000)	10%	Not Achieved	<i>Achieved</i>
	15% increase on number of overall page views from within Southland (baseline: 14,000)	15%	Not Achieved	<i>Achieved</i>
	Support delivery of Burt Munro Challenge	By 30 June 2026	Achieved	<i>Achieved</i>
	Identify areas to develop capability of the BMC	By 30 June 2026	Achieved	<i>Not a target for 2025</i>
	Six cluster events	6	Achieved	<i>Achieved</i>
	Four seasonal campaigns	4	Achieved	<i>Achieved</i>
	Marketing of unmissable events	By 30 June 2026	Achieved	<i>Achieved</i>
	Progress 3 projects from MSDS which includes delivering the Murihiku Southland Sustainable Tourism programme	3	Achieved	<i>Achieved</i>
Business Support & Diversification	Maintain the regional guide to support new businesses to Southland	By 30 June 2026	Achieved	<i>Not a target for 2025</i>
	Undertake analysis of relevant agricultural sector data to feed into the Regional Emissions Report for 2026.	By 30 June 2026	Achieved	<i>Not a target for 2025</i>
	Investigate opportunities for new high value crops and establish links into new and emerging industries.	By 30 June 2026	Achieved	<i>Not a target for 2025</i>
	Develop a Murihiku Southland Agriculture Strategy alongside key stakeholders which also looks at new farm revenue opportunities	By 30 June 2026	Not Achieved**	<i>Not a target for 2025</i>
	Provide data and insights relating to changing land use and the impacts of carbon forestry.	By 30 June 2026	Achieved	<i>Not a target for 2025</i>
	Identify new opportunities to convert forestry waste low grade logs into biomass fuel supply.	By 30 June 2026	Achieved	<i>Not a target for 2025</i>
	Advocate for the establishment of a Regional Forestry plan and for value added wood processes	By 30 June 2026	Not Achieved***	<i>Not a target for 2025</i>

*Review of Net Zero Southland was pushed back considerably as we were waiting to include decarbonisation information from two of the region's main industries. The review was completed by 30 June however, public consultation will be completed in 2026/27 FY.

**Great South completed the scope for the Agriculture Strategy, however due to the proposed changes to the RMA, it was determined that it was prudent to delay this work until resource management changes were known.

***MPI indicated an interest in supporting Great South to develop a Forestry Strategy for the region with a desire to expand the scope of the project. This resulted in the work being rolled over to the 2026/27 FY

Consolidated statement of comprehensive revenue and expense

For the year ended 30 June 2026

	Notes	Group 2026	Group 2025
Revenue			
Class A Shareholder Funding			
Core		2,107,595	1,981,000
Contract		2,358,236	2,083,937
Total	3	4,465,831	4,064,937
Other Revenue			
Service Revenue	3	4,419,267	4,331,621
Project Revenue	3	1,302,832	940,275
Interest		61,767	36,699
Other Revenue		125,190	2,099
Total		5,909,056	5,310,694
Total Revenue	2	10,374,887	9,375,631
Expenditure			
Project and Service Expenditure			
Regional Economic Development		2,096,873	2,046,422
Business Support Services		501,793	583,711
Regional Tourism Development		1,731,794	1,003,171
Regional Events Delivery		560,188	756,746
Total		4,890,648	4,390,050
Core Expenditure			
Audit Fees		102,129	100,957
Directors Fees	4	166,000	182,000
Employee Expense	4	2,161,367	2,064,743
Foreign Exchange		36,437	64,067
Depreciation and Amortisation	8	254,057	216,578
Other Overheads		1,556,550	1,153,535
Total		4,276,540	3,781,880
Total Expenditure		9,167,188	8,171,930
Net Surplus Before Tax		1,207,699	1,203,701
Tax Expense	5	332,341	314,459
Total Comprehensive Revenue and Expense		875,358	889,242

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

Consolidated statement of financial position

As at 30 June 2026

	Notes	Group 2026	Group 2025
Assets			
Current Assets			
Cash and Cash Equivalents	6	3,255,898	3,141,941
Trade and Other Receivables	7	852,981	1,001,622
Prepayments		223,663	151,257
Total		4,332,542	4,294,820
Non-Current Assets			
Deferred Tax Asset	5	80,888	134,527
Property, Plant and Equipment	8	2,387,931	2,432,540
Intangible Assets	13	100,000	100,000
Assets Under Construction	9	1,565,547	353,722
Total		4,134,366	3,020,789
Total Assets		8,466,908	7,315,609
Liabilities			
Current Liabilities			
Trade and Other Payables	10	1,128,516	946,477
Employee Entitlements	4	495,578	252,511
Income Tax Payable	5	39,262	257,286
Income Received in Advance	11	1,257,987	1,487,304
Total		2,921,343	2,943,578
Non-current Liabilities			
Asset Development	12	386,597	88,421
Total		386,597	88,421
Total Liabilities		3,307,940	3,031,999
Net Assets		5,158,968	4,283,610
Equity and Reserves			
Share Capital		1,338,420	1,338,420
Retained Earnings		3,820,548	2,945,190
Total Equity and Reserves	15	5,158,968	4,283,610

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 2026

	Notes	Group 2026	Group 2025
Opening Balance (At 1 July)		4,283,610	3,394,367
Equity			
Comprehensive Revenue and Expense			
Comprehensive Revenue and Expense		875,358	889,242
Total	15	875,358	889,242
Share Capital			
Share Capital Issued		-	-
Uncalled Share Capital		-	-
Total	15	-	-
Total Equity		5,158,968	4,283,610
Attributable To: Equity Holders of The Company		5,158,968	4,283,610
Closing Balance (At 30 June)	15	5,158,968	4,283,610



Consolidated statement of cash flows

For the year ended 30 June 2026

	Notes	Group 2026	Group 2025
Cash and Cash Equivalents Beginning of Year		3,141,941	2,424,455
Cash Flow From Operating Activities			
Receipts From Shareholders		4,465,830	4,064,937
Receipts From Other Operating Activities		6,091,838	5,377,351
Interest Received		12,734	30,176
Payments to Suppliers		(6,223,588)	(5,576,503)
Payments to Employees		(2,268,918)	(2,445,004)
Tax Paid		(496,726)	(172,089)
Net GST Movement		(44,050)	52,234
Net Cash Flow From Operating Activities		1,537,120	1,331,102
Cash Flow From Investing Activities			
Purchases of Fixed Assets		(1,423,163)	(613,616)
Net Cash Flow From Investing Activities		(1,423,163)	(613,616)
Net Increase / (Decrease) In Cash and Cash Equivalents		113,957	717,486
Cash and Cash Equivalents End of Year	6	3,255,898	3,141,941

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 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.

The 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 Organisation, 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 financial statements comply with Public Benefit Entity International Public Sector Accounting Standards (PBE IPSAS) Reduced Disclosure Regime (RDR). Southland Regional Development Agency is eligible and has elected to report in accordance with Tier 2 PBE standards RDR on the basis the entity has no public accountability and total expenses less than \$33m.

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 Southland Regional Development Agency 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 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 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 assets 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 Southland Regional Development Agency and the cost of the item can be measured reliably.

In most instances, an item of property, plant and equipment is recognised at its cost. Where an asset is acquired at no cost, or for a nominal cost, it is recognised at fair value when control over the asset is obtained.

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

Disposals

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

Subsequent Costs

Costs incurred subsequent to initial acquisition are capitalised only when it is probable that future economic benefits or service potential associated with the item will flow to 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 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.

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:

<u>Ground Station Lease</u>	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.

Leases

Operating Leases

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

Lease incentives received are recognised

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

All financial instruments are recognised in the Statement of Financial

Position on the basis of Southland Regional Development Agency Limited's general and, where applicable, particular accounting policies. All financial instruments disclosed in the 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 above.

Operating activities include cash received from all revenue sources of Southland Regional Development Agency and cash payments made for the supply of goods and services.

Investing activities are those activities relating to the acquisition and disposal of non current assets.

Financing activities comprise the change in equity and debt capital structure of Southland Regional Development Agency Ltd 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 Ltd has a contractual obligation or where there is a past practice that has created a constructive obligation and a reliable estimate of the obligation can be made.

Changes in Accounting Policies

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

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. 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:

Assumptions

- Property, Plant and Equipment (includes assumptions around useful life of assets, Note 8)

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 Tier 2 PBE guidance, Note 14)

NOTE 2: TOTAL OPERATING REVENUE

	Group 2026	Group 2025
Revenue		
Exchange Revenue	8,085,965	7,143,185
Non Exchange Revenue	2,288,922	2,232,446
Total Revenue	10,374,887	9,375,631

NOTE 3: REVENUE

	Group 2026	Group 2025
Class A Shareholder Funding		
Core		
Environment Southland	206,618	198,100
Gore District Council	188,825	181,407
Invercargill City Council	1,103,855	1,020,446
Southland District Council	608,297	581,047
Total	2,107,595	1,981,000
Contract		
Environment Southland	-	25,000
Gore District Council	60,000	61,880
Invercargill City Council	1,038,355	1,037,131
Southland District Council	1,259,881	959,926
Total	2,358,236	2,083,937
Total Class A Shareholder Funding	4,465,831	4,064,937

Service Revenue		
Business Sector Support Services	422,558	405,375
Satellite Ground Station	3,996,709	3,926,246
Total Service Revenue	4,419,267	4,331,621

Project Revenue		
Investigation, Impetus and Assessment Fund	170,495	117,302
Event Delivery	85,372	316,019
Tourism Support Funding	1,033,058	323,146
Other	13,907	183,808
Total Project Revenue	1,302,832	940,275

NOTE 4: PERSONNEL EXPENDITURE

At 30 June 2026 there were 38 full-time employees (2025: 36) with the balance of staff representing 1.3 FTE (2025: 0.7)

	Group 2026	Group 2025
Employee Remuneration		
Salaries and Wages*	4,490,954	3,939,395
KiwiSaver Contributions	131,875	119,374
Increase / (Decrease) in Employee Entitlements	243,067	(187,698)
Total Employee Remuneration	4,865,896	3,871,071

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

Director Remuneration		
Ian Collier - Chair	48,000	48,000
John Yaldwyn**	24,000	24,000
Lucy Griffiths	16,000	16,000
Maria Pera	16,000	16,000
Peter Heenan*	30,000	30,000
Rachel Lindsay	16,000	16,000
Jeff Grant	16,000	16,000
Jason Franklin****	-	16,000
Chami Abeysinghe***	-	-
Total Director Remuneration	166,000	182,000

* 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.

**** Jason Franklin resigned as a director of Great South on 30 June 2025.

Total Remuneration By Band for Employees for the Year		
\$100,000 - \$119,999	3	4
\$120,000 - \$139,999	6	1
\$140,000 - \$159,999	-	4
\$160,000 - \$179,999	3	4
\$180,000 - \$199,999	2	-
\$240,000 - \$259,999	1	1
\$260,000 - \$279,999	1	1

Employee Entitlements		
Salaries and Wages	215,617	13,166
Annual and Other Leave Entitlements	279,961	239,345
Total Employee Entitlements	495,578	252,511

Severance Payments

During the year there were severance payments made totalling \$14,000 (2025: \$15,500).

NOTE 5: INCOME TAX

	Group 2026	Group 2025
Surplus / (Deficit) for the Year	1,207,699	1,203,701
Taxable Income	338,157	337,034
Non Deductible Expenditure	(30,574)	2,334
Temporary Differences	-	(24,757)
Prior Period Adjustments	24,758	(153)
Income Tax at 28%	332,341	314,459
Deferred Tax	(48,346)	48,491
Prior Period Adjustments - Current Tax	4,588	6,814
Prior Period Adjustments - Deferred Tax	(4,588)	(6,661)
Tax Expense After Adjusting for Deferred Tax Asset	283,995	363,103
Plus / (Less) Effect of		
Balance Brought Forward	257,286	73,087
Prior Period Adjustments	(5,294)	(6,814)
RDTI Tax Credits	(117,904)	-
Tax Paid / (Refunded)	(378,821)	(172,090)
Income Tax Liability	39,262	257,286

Recognised in
Profit or Loss Equity

Deferred Tax Asset		
Balance at 1 July 2024	92,697	-
Movements	-	-
Provisions	41,830	-
Balance at 30 June 2025	134,527	-
Balance at 1 July 2025	134,527	-
Movements	-	-
Provisions	(53,639)	-
Balance at 30 June 2026	80,888	-

NOTE 6: CASH AND CASH EQUIVALENTS

Southland Regional Development Agency Group banks with Westpac and the funds are held in Transaction, OnCall and Term Deposit accounts, with interest rates between 0.3% and 3.55% (2025: Between 0.00% and 2.7%).

	Group 2026	Group 2025
Cash and Cash Equivalents		
Transaction Account	856,930	345,895
Online Saver Account	1,198,030	2,794,950
Short Term Deposits	1,200,000	-
Cash Floats	938	1,096
Total Cash and Cash Equivalents	3,255,898	3,141,941

NOTE 7: TRADE AND OTHER RECEIVABLES

Notes	Group 2026	Group 2025
Trade and Other Receivables		
Trade Receivables	810,149	848,169
Accrued Revenue	-	121,253
Related Party Receivables 17	42,832	32,200
Total Trade and Other Receivables	852,981	1,001,622
Receivables From Exchange Transactions	852,981	1,001,621
Receivables From Non-Exchange Transactions	-	-
Receivables Ageing Profile at Year End		
Not Past Due	803,725	768,176
Past Due 1 - 60 Days	49,256	233,423
Past Due > 120 Days	-	23
Total Trade and Other Receivables	852,981	1,001,621

There are no doubtful debts as at 30 June (2025: \$109,829)

NOTE 9: ASSETS UNDER CONSTRUCTION

Property, plant and equipment in construction is detailed below:

	Group 2026	Group 2025
Assets Under Construction		
Opening Balance	353,722	8,215
Additions	1,211,825	532,262
Transfers / Disposals	-	(186,755)
Closing Balance	1,565,547	353,722

NOTE 10: TRADE AND OTHER PAYABLES

	Group 2026	Group 2025
Trade and Other Payables Under Exchange Transactions		
Trade Payables	888,476	667,833
Related Party Payables and Accrued Expenses	173	32,200
Accrued Expenses	239,868	246,444
Total Trade and Other Payables Under Exchange Transactions	1,128,516	946,477

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 2024	588,792	129,582	323,329	51,852	46,000	441,851	585,508	664,133	2,831,047
Additions	7,894	17,719	32,539	-	6,087	-	-	222,417	286,656
Reclassification	-	-	-	-	(21,501)	-	-	-	(21,501)
Balance at 30 June 2025	596,686	147,301	355,868	51,852	30,586	441,851	585,508	886,550	3,096,202
Balance at 1 July 2025	596,686	147,301	355,868	51,852	30,586	441,851	585,508	886,550	3,096,202
Additions	-	10,614	130,512	-	24,126	-	-	49,515	214,767
Reclassification	-	-	(1,804)	-	(3,515)	-	-	-	(5,319)
Balance at 30 June 2026	596,686	157,915	484,576	51,852	51,197	441,851	585,508	936,065	3,355,650
Accumulated Depreciation									
Balance at 1 July 2024	55,243	44,016	171,298	45,753	20,211	-	19,434	94,084	450,039
Depreciation Expense	17,578	16,924	52,731	3,630	3,965	-	14,074	107,676	216,578
Reclassification	-	-	-	-	(2,955)	-	-	-	(2,955)
Balance at 30 June 2025	72,821	60,940	224,029	49,383	21,221	-	33,508	201,760	663,662
Balance at 1 July 2025	72,821	60,940	224,029	49,383	21,221	-	33,508	201,760	663,662
Depreciation Expense	18,466	17,277	88,306	1,755	13,658	-	14,074	100,521	254,057
Disposals	-	-	-	-	-	-	-	-	-
Balance at 30 June 2026	91,287	78,217	312,335	51,138	34,879	-	47,582	302,281	917,719
Total Property, Plant & Equipment	505,399	79,698	172,241	714	16,318	441,851	537,926	633,784	2,387,931

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 2025	523,865	86,361	131,839	2,469	9,365	441,851	552,000	684,790	2,432,540
At 30 June 2026	505,399	79,698	172,241	714	16,318	441,851	537,926	633,784	2,387,931

NOTE 8 CONTINUED...

	Group 2026	Group 2025
Depreciation		
Property, Plant & Equipment	254,057	216,578
Total	254,057	216,578

NOTE 11: INCOME RECEIVED IN ADVANCE

	Group 2026	Group 2025
Income Received in Advance		
Income Received in Advance Under Exchange Transactions		
Income Received in Advance	1,186,153	1,461,544
Related Party Income Received in Advance	71,834	25,790
Total Income Received in Advance	1,257,987	1,487,304

NOTE 12: ASSET DEVELOPMENT

	Group 2026	Group 2025
Asset Development		
Open Balance	88,421	98,246
Capital Contributions Received	308,000	-
Released to Income	(9,824)	9,825
Total	386,597	88,421

NOTE 13: INTANGIBLE ASSETS

	Goodwill	Total
Cost		
Balance at 1 July 2024	100,000	100,000
Additions	-	-
Disposals	-	-
Balance at 30 June 2025	100,000	100,000
Balance at 1 July 2025	100,000	100,000
Additions	-	-
Disposals	-	-
Balance at 30 June 2026	100,000	100,000
Accumulated Amortisation		
Balance at 1 July 2024	-	-
Amortisation Expense	-	-
Impairment	-	-
Balance at 30 June 2025	-	-
Balance at 1 July 2025	-	-
Amortisation Expense	-	-
Impairment	-	-
Balance at 30 June 2026	-	-
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.

NOTE 13 CONTINUED...

Carrying Amounts		
At 30 June 2025	100,000	100,000
At 30 June 2026	100,000	100,000

NOTE 14: COMMITMENTS

	Group 2026	Group 2025
Operating Leases as Lessee*		
Expenditure on Operating Leases as Lessee	285,583	316,825
Not later than one year	209,147	205,351
Later than one and not later than five years	280,259	536,075
Later than five years	-	-
Total Operating Leases as Lessee Commitments	489,406	741,426
Operating Leases as Lessor**		
Revenue on Operating Leases as Lessor	3,372,851	3,000,388
Not later than one year	2,192,926	1,999,828
Later than one and not later than five years	3,688,469	4,641,549
Later than five years	4,668,450	3,310,663
Total Operating Leases as Lessor Commitments	10,549,845	9,952,040

* 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

As at 30 June 2026, SpaceOps NZ has committed to the completion of Phase 2 of the on-site accommodation at the Awarua Ground Station. The amount committed to complete this build is \$1,454,587 (2025: \$500,000).

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 2024	-	-	1,338,421	1,338,421	-	2,055,946	3,394,366
Profit/(Loss) After Tax	-	-	-	-	-	889,243	889,244
Share Capital Issued	-	-	-	-	-	-	-
Share Capital Uncalled	-	-	-	-	-	-	-
Distribution to Shareholders	-	-	-	-	-	-	-
Balance at 30 June 2025	-	-	1,338,421	1,338,421	-	2,945,189	4,283,610
Balance at 1 July 2025	-	-	1,338,421	1,338,421	-	2,945,189	4,283,610
Profit/(Loss) After Tax	-	-	-	-	-	875,358	875,358
Share Capital Issued	-	-	-	-	-	-	-
Share Capital Uncalled	-	-	-	-	-	-	-
Distribution to Shareholders	-	-	-	-	-	-	-
Balance at 30 June 2026	-	-	1,338,421	1,338,421	-	3,820,548	5,158,968

Note: Class A and B shares are uncalled as at 30 June 2026. 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 2026	Group 2025
Loans and Receivables at Amortised Cost			
Cash and Cash Equivalents	6	3,255,898	3,141,941
Trade and Other Receivables	7	852,981	1,001,621
Total Loans and Receivables at Amortised Cost		4,108,879	4,143,562
Financial Liabilities at Amortised Cost			
Trade and Other Payables	10	1,128,516	946,477
Total Financial Liabilities at Amortised Cost		1,128,516	946,477

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 aging profile.

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

NOTE 16 CONTINUED...

Liquidity Risk

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

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

All assets and liabilities of the group are due immediately.

Southland Regional Development Agency Ltd's objectives when managing capital are 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

Foreign Exchange and Currency Risk is the risk that changes in the currency markets could mean significant movements in the exchange rates between currencies. Southland Regional Development Agency Ltd is exposed to foreign exchange or currency risk through their lease of Awarua Ground Station to overseas customers.

Off Balance Sheet Financial Instruments

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

Fair Values

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

NOTE 17: RELATED PARTIES

Southland Regional Development Agency had the following related party transactions:

2025				
	Revenue	Expense	Receivables	Payables
Related Party				
Invercargill City Council	2,057,577	2,381	-	-
Southland District Council	1,540,973	-	-	-
Gore District Council	243,287	-	-	-
Environment Southland	223,100	-	28,750	-
Invercargill Licencing Trust	8,525	-	-	-
New Zealand Functional Foods Ltd	20	1,362	3,450	-
Southland Chamber of Commerce	-	-	-	-
Total	4,073,482	3,743	32,200	-

2026				
	Revenue	Expense	Receivables	Payables
Related Party				
Invercargill City Council	2,148,642	-	5,462	-
Southland District Council	1,923,090	-	34,092	-
Gore District Council	248,825	-	-	-
Environment Southland	206,618	-	-	-
Invercargill Licencing Trust	6,000	-	3,278	-
Southland Chamber of Commerce	-	3,627	-	173
Total	4,533,175	3,627	42,832	173

NOTE 17 CONTINUED...

Related Parties

- The Southland Regional Development Agency is owned by Invercargill City Council, Southland District Council, Gore District Council, Environment Southland, Invercargill Licencing Trust, Maitava 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.
- Mark Frood, GM at Great South is the Chair of the Tourism Central Otago Advisory Board.
- 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 2026 year (2025: \$Nil).

	2026	2025
Management Personnel Compensation		
Directors		
Full-Time Equivalent Members	8	9
Remuneration	166,000	182,000
Senior Management Team, Including the Chief Executive		
Full-Time Equivalent Members	8	6
Remuneration	1,553,296	1,198,995
Total Management Personnel Compensation	1,719,296	1,380,995

NOTE 18: POST BALANCE DATE EVENTS

There are no post balance day events for 2026 (2025: Nil)

NOTE 19: CONTINGENT LIABILITIES AND CONTINGENT ASSETS

There are no contingent assets or liabilities as at 30 June 2026 (2025: \$nil).

Corporate report

For the year ended June 2026

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, Peter Heenan, Maria Pera and Jeff Grant

Director interests

The following tables register the interests of the Directors:

Chami Abeyesinghe – Register of interests

Grace Street Project – Board Member
Rotary Club of Invercargill – International Director Immediate Past President
Space Operations New Zealand Limited – Board Member

Ian Collier – Register of interests

Bluff Distillery Limited – Shareholder
BOP Machinery and Equipment Limited – Shareholder
Dunedin City Council – Contractor
Glenross Forest GP Limited – Shareholder
Hood Aerodrome – Advisory Group Member
Justice of the Peace – Community
Justice of the Peace Counsel for Wairarapa – Counsel Member
Maris Vitae Advisory Board – Member
New Zealand Airport Association – Contractor
New Zealand Functional Foods – Board Member
Palmerston North Airport Limited – Contract Work
Wairarapa A&P Society – Board Member
Wairarapa Electrical and Appliances Ltd – Contractor

John Yaldwyn – Register of interests

4HF Facilities Limited – Director
4HF Huia Farm Limited – Director
4RF Australia Pty Limited – Director
4RF Limited – CTO
Air New Zealand Limited – Shareholder
NZ Space Limited – Director / Shareholder
RBIT Network Ltd – Director
Victoria University of Wellington – Advisory Board - Faculty of Engineering

Lucy Griffiths – Register of interests

Innov8 Aotearoa Limited – Owner / Director
Masterton Community Trust – Elected Trustee/ Chair Regional Net Proceeds Committee
Mirraboooka Limited – Director
Rangitane - Tu Mai Ra Investments – Director
CANZ Foundation – Trustee
Trust House Foundation – Chair
Trust House Limited – Deputy Chair
Tū Mai Rā Energy – Subsidiary Member
Waste Minimisation Fund (MfE) – Deputy Chair

Peter Heenan – Register of interests

Allied FH Limited – Director
Allied Queenstown Concrete Limited – Director
Blue Sky Meats – 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
Mataura Marae – Deputy Chair
Community Trust South – Trustee
Murihiku Holdings – Chair
Guardians of Fiordland – Board Member (Ministerial Appointment)
Whanau as First Navigators – Board Member

Jeff Grant – Register of interests

Bolstridge-Mudge Trust – Trustee
Lakeland Wanaka Limited (tourism business) – Director / Shareholder
Northern Southland Vets – Shareholder
Klifden Ridge Limited – Director / Shareholder
Parkside Farm Limited – Director
Southland Foundation – Board Member
Thriving Southland – Chairman
Manuherekia River Ltd – Chairman
Paddle Wanaka 2025 Ltd – Director / Shareholder
Tower Hill Trust (farm) – Director / Shareholder

Rachel Lindsay – Register of interests

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

Independent auditor's report



Independent Auditor's Report

To the shareholders of Southland Regional Development Agency Limited

The Auditor-General is the auditor of Southland Regional Development Agency Limited (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 performance information on his behalf.

Opinion

We have audited:

- the financial statements of the Group that comprise the statement of financial position as at 30 June 2026, the statement of comprehensive revenue and expense, statement of changes in equity and statement of cash flows for the year ended on that date and the notes to the financial statements that include material accounting policy information and other explanatory information on pages 22 to 33; and
- the performance information that consists of the statement of service performance of the Group for the year ended 30 June 2026 on pages 20 to 21.

In our opinion:

- the financial statements of the Group present fairly, in all material respects its financial position as at 30 June 2026 and its financial performance and cash flows for the year then ended in accordance with Public Benefit Entity International Public Sector Accounting Standards (PBE IPSAS) Reduce Disclosure Regime (RDR).
- the performance information of the Group accurately reports, in all material respects, the Group's actual performance compared against the performance targets and other measures adopted for the year ended 30 June 2026, and has been prepared, in all material respects, in accordance with section 68 of the Local Government Act 2002 (the Act).

Basis for our opinion

We carried out our audit in accordance with the Auditor-General's Auditing Standards, which incorporate the Professional and Ethical Standards and the International Standards on Auditing (New Zealand) issued by the New Zealand Auditing and Assurance Standards Board. Our

responsibilities under those standards are further described in the *Responsibilities of the auditor* section of our report.

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

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

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

The Board of Directors is responsible on behalf of the Group for preparing financial statements that are fairly presented and comply with Public Benefit Entity International Public Sector Accounting Standards (PBE IPSAS) Reduce Disclosure Regime (RDR). The Board of Directors is also responsible for preparing the performance information contained in the statement of service performance of the Group in accordance with the Act.

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 performance information of the Group, 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 there is an intention to liquidate the Group or to cease operations, or there is 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 performance information

Our objectives are to obtain reasonable assurance about whether the financial statements and 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 shareholders, taken on the basis of these financial statements and performance information.

We did not evaluate the security and controls over the electronic publication of the financial statements and 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 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 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 information we audited 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, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- We evaluate the overall presentation, structure and content of the performance information, including the disclosures, and assess whether the performance information achieves its statutory purpose of enabling the Group's shareholders to judge the actual performance of the Group against its objectives in its statement of intent.

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 during 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 all of the information included in the annual report other than the financial statements and performance information consisting of statement of performance, and our auditor's report thereon.

Our opinion on the financial statements and 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 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 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 that fact. We have nothing to report in this regard.

Independence

We are independent of the Group in accordance with 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)* issued by the New Zealand Auditing and Assurance Standards Board.

Other than in our capacity as auditor, we have no relationship with, or interests in, the Group.



Peter Taylor
KPMG
On behalf of the Auditor-General
Christchurch, New Zealand
30 September 2026



www.greatsouth.nz

Visit our website to discover more about us and sign up for
our newsletters to receive regular updates