

# Annual Report

# 22

# Directory

## Nature of Business

Business Services

## Registered Office

Level 3, Public Trust Building  
422 Moray Place, Dunedin 9016

## Postal Address

PO Box 5713, Dunedin 9058

## Phone

03 479 0181

## Email

[info@business-south.org.nz](mailto:info@business-south.org.nz)

## Website

[www.business-south.org.nz](http://www.business-south.org.nz)

## Incorporated Number

9429049261219

## Inland Revenue Number

134-227-273

## Bankers

Westpac New Zealand

## Auditor

Crowe Australasia

## Lawyers

Anderson Lloyd  
Van Aart Sycamore

## BOARD OF DIRECTORS

### Neil Finn-House (Board Chair)

CEO, Mitre 10 Mega Dunedin | Mosgiel

### Grant McKenzie

CEO, Allied Press Limited

### Rebecca Twemlow

Managing Director, Firebrand

### Dominique Dowding

CEO, Grand Casino

### Will Martin

Legal Adviser, Otago University

### Lesley Brook

Research Project Co-ordinator, Otago Polytechnic

### Andrew Leys

Co-Owner, Harrisons Carpet Southern Lakes

### David Kiddey

Managing Director, Kiddey Consulting

### Business South Inc. Team

[www.business-south.org.nz/about/our-people/](http://www.business-south.org.nz/about/our-people/)

## NEW ZEALAND CHAMBER OF COMMERCE (NZCCI)

### Board Member

Mike Collins

## BUSINESS NEW ZEALAND BOARD

### Board Director

Neil Finn-House

### Board Director

Mike Collins

## BUSINESS SOUTH COMMITTEES

Central Otago Advisory Committee

Energy Committee

Retail Committee Waitaki Advisory Committee

## Life Members

Andrew Leys

Chris Staynes

David Humphrey

John Christie

Mike Ferrari

Phil Broughton

Steve Brocklebank

Stuart McLauchlan

## Partnerships

Air New Zealand

Allied Press

Aukaha

Business Central

Business New Zealand

Canterbury Employers' Chamber of Commerce

Central Lakes Trust

Central Otago District Council

Clutha District Council

Dunedin City Council

Dunedin Dream Brokerage

Education to Employment Brokerage service (My Next Move)

EMA

Grow Dunedin Partnership

InPhySec

KUMA

Lion Foundation

Ministry of Business, Innovation and Employment

Ministry of Social Development

New Zealand Trade and Enterprise

Noel Leeming

OfficeMax

Otago Community Trust

Otago Polytechnic

Otago Rail Trail Operators

Otago Regional Council

Pacific Trust Otago

Project China

Southern Hub Chambers

Southern Trust

Study Dunedin

Tertiary Education Commission

Torpedo7

University of Otago

University of Otago Business School

Waitaki District Council

Westpac

Workforce Central Dunedin

Young Enterprise Scheme

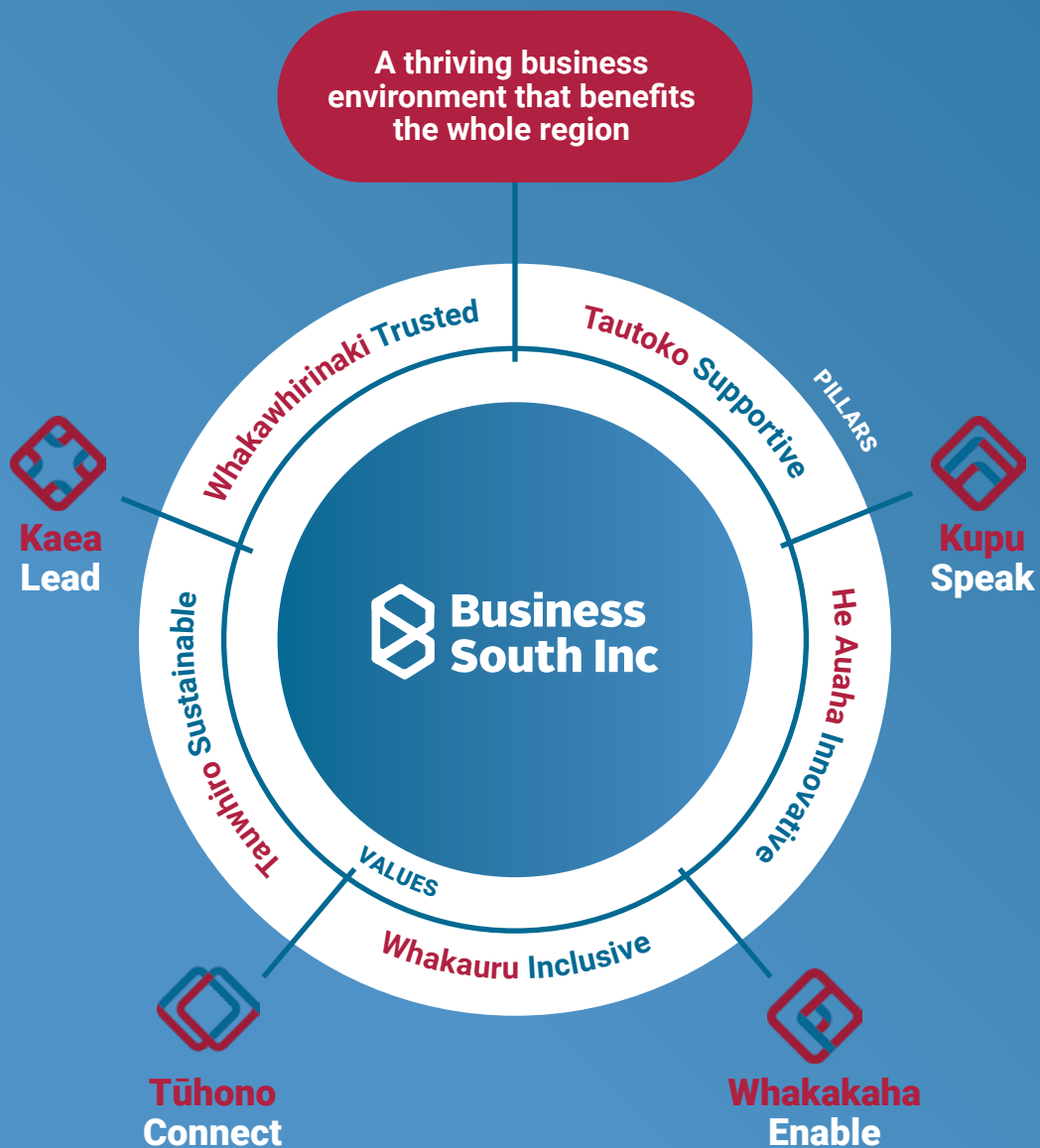
Youth Employment Success (YES)

Z Energy

# Connect. Navigate. Empower.

**Business South is your Southern business association.**

We champion the interests of Southern business, ensuring your voice is represented locally, regionally and nationally. We are proud to provide a wide range of services, support, training and networking opportunities for businesses of all sizes, at all stages of the business lifecycle.





# Report from the CEO

**The past 12 months have brought both excitement and challenges for Business South, but I am proud to report that this newly formed organisation is positioned strongly to Connect, Navigate and Empower businesses across the region. It gives me great pleasure to share this report, highlighting the progress of Business South.**

On 1 October 2021, Business South: Otago Chamber and Southern Employers, began operation as an incorporated society. The new entity was the result of a merger between the Otago Chamber of Commerce and Otago Southland Employers' Association.

Business South's first year has been extremely busy, with the completion of a complex workplan of merger activity during the challenging period of the COVID-19 pandemic. This included the establishment of a new governance constitution and supporting board, a new strategy and structure for the team, and new individual employment agreements for all staff. We also developed new policies, supporting

systems and processes, the technical amalgamation of both organisations' membership databases, and implemented new financial, payroll and human resources systems. As with any merger, there was a great deal of contract novation, including the re-accreditation of the Chamber for export documentation processes.

While all of this has been taking place, considerable focus has been placed on ensuring current and future members understand the value of being a member. This includes all the benefits of belonging to both the Business New Zealand and New Zealand Chamber of Commerce networks.

To assist in strengthening our culture, the Business South team has developed a new set of values which are woven into our operations – we are Sustainable, Innovative, Trusted, Supportive and Inclusive. Our new strategy is built on four pillars that define our role in advocating for and supporting the Southern business community:

1. We give the region an influential voice on important issues
2. We help businesses to achieve their vision of success throughout the business lifecycle
3. We facilitate meaningful connections, partnerships and collaborations
4. We are an exemplar of a high performing business.

Business South continues to work in partnership with others, and chairs the Chamber Hub which includes the Wanaka, Queenstown and Southland Chambers of Commerce. We are also proud partners of the Business New Zealand network alongside our counterparts in Auckland, Wellington and Christchurch.

The implementation of Business Navigators across the region has provided a pathway for businesses to help shape the current and future services of Business South, notably in the areas of advocacy,

legal services, training, events and links to specific workforce development opportunities. We continue to add value in the areas of workforce development, supporting the new Dunedin Hospital build, and helping deliver the Young Enterprise Scheme, Education to Employment (My Next Move), and our fantastic For Trades apprenticeship programme.

Business South continues to champion Southern business with supportive advocacy at national, regional and local levels. We maintain strong links through regional advisory groups and forums to ensure that our advocacy is informed and accurately reflects our members' views. I would also like to thank all local Government bodies in Otago and Southland for their support as we continue to explore and expand the role Business South plays in positively influencing economic development across the Southern region.

Our support to businesses during the COVID-19 period was, by necessity, extensive – we held frequent webinars for our members to outline changes and updates, met regularly with the Prime Minister to escalate local concerns, as well as issued and deployed funds to support businesses.

In June, we celebrated the launch of the new Business South strategy, the implementation of a new website with improved services and content, and also acknowledged the 161st anniversary of the Otago Chamber of Commerce. We are delighted to be hosting The Grand Business South Awards 2022 in November.

It was a big year for the Regional Business Partners team, actively supporting 333 businesses across Otago to access support and funding to grow their businesses. Over and above this, our expanded team of 11 worked with 1,078 tourism businesses in the Queenstown Lakes District through the Tourism Communities Funds and allocated \$16.5m of Government funding to support to navigate the effects of COVID-19. The RBP partnership with Government continues to deliver high quality support to small and medium enterprises across our region, and we were delighted to sign a contract with Ministry of Business, Innovation and Employment and Callaghan Innovation to continue to deliver this service for another six-year period.

I would like to thank all the stakeholders and partners of Business South for your continued support during this time of change as we embark on an exciting new future. To the team at Business South, I am proud to work with such dedicated and supportive people – thank you for your collective wisdom and continued commitment to supporting our members.

Finally, I extend a huge thank you to our members – I am grateful for your support and trust in the team at Business South, as we focus on providing quality services that support a thriving businesses environment and benefit the whole region.



Mike Collins  
CHIEF EXECUTIVE OFFICER

## Our Objectives

### 01 We give the region an influential voice on important issues.

#### STRATEGIES:

- 1.1 Proactively influence the national, regional and local agendas
- 1.2 Attract new businesses to the region
- 1.3 Build a strong economy
- 1.4 Advocate with purpose.

### 02 We help businesses to achieve their vision of success throughout the business lifecycle.

#### STRATEGIES:

- 2.1 Increase workforce availability, capacity and capabilities
- 2.2 Provide critical business insights
- 2.3 Build organisational capacity and capability
- 2.4 Foster local innovation with global impact.

### 03 We facilitate meaningful connections, partnerships and collaboration.

#### STRATEGIES:

- 3.1 Grow a supportive business community
- 3.2 Showcase regional success to inspire and motivate excellence
- 3.3 Support diversity and equity of business in the region
- 3.4 Build powerful partnership programmes that deliver value for businesses in the region.

### 04 We are an exemplar of a high performing business.

#### STRATEGIES

- 4.1 Build a sustainable business model
- 4.2 Deliver high value and exceptional experiences
- 4.3 Foster exceptional talent
- 4.4 Build and deliver on a Powerful brand
- 4.5 Enable technology and process.



# Our Board



Neil Finn-House  
CEO, MITRE 10 MEGA  
DUNEDIN | MOSGIEL



Grant McKenzie  
CEO, ALLIED PRESS  
LIMITED



Rebecca Twemlow  
MANAGING DIRECTOR,  
FIREBRAND



Dominique Dowding  
CEO, GRAND CASINO



Will Martin  
LEGAL ADVISER,  
OTAGO UNIVERSITY



David Kiddey  
MANAGING DIRECTOR,  
KIDDEY CONSULTING



Andrew Leys  
CO-OWNER,  
HARRISONS CARPET  
SOUTHERN LAKES



Lesley Brook  
RESEARCH PROJECT  
COORDINATOR,  
OTAGO POLYTECHNIC

# Report from the Board Chair

It is my pleasure to present the 2021/2022 annual report Business South Incorporated.

Our past year has been monumental in terms of realising the benefits of our vision to merge the Otago Chamber of Commerce with the Otago Southland Employers' Association and the Board has worked extremely hard to incorporate the new society, wind-up and close those organisations, set a new strategy and direction, and appoint and support our new Chief Executive in his endeavours to build his team and fulfil the vision. It has been a lot of work keeping the proud legacy of the past, keep a functioning business as usual programme, and initiate and support the ambitious change programme that has been set.

In and amongst these challenges was a complicated and expensive process with regard to the merger which has led to a financial loss as we have expensed the costs associated. The result was no surprise, and we have a very able Audit and Finance Committee which has kept a very close oversight upon the whole process and reported to the Board regularly. We retain a strong balance sheet and are focusing hard with our Chief Executive on the business model, to build a robust and high performing organisation that can deliver on behalf of its membership.

Adjusting to a post COVID-19 world has been difficult on some of our traditional areas of membership activity namely training and eventing, these challenges are starting to normalise now and we are confident that we are returning to a more predictable cadence in these areas to benefit members.



Our role in advocacy, with the five local and regional councils, central Government and its various ministries, continues to be a valuable way to influence decision making to better support business, and remains a strong mandate from the membership. At the outset of the incorporation of Business South, we were able to retain and grow our influence at the BusinessNZ Board table from one voice to two and with a smaller board now hold 25 percent of the seats giving us an equal voice with the greater Auckland, Wellington and Canterbury areas. With our Chief Executive being a Board member of the New Zealand Chamber network, we really do have the ear of national policy makers and a very short route to our advocacy being heard at the very highest levels of local and national Government.

Parochially, we are building networks and partnerships throughout the regions through a mixture of locally based business navigators who give us a presence, ear and local voice on the ground – and through our Chief Executive working with our Chamber colleagues, who have the local mandate to represent their membership to all work together for a stronger business community throughout Otago and Southland.

I would like to thank sponsors, committees and partners, along with our members. You have all contributed to a productive and successful year.

I would like to sincerely thank my fellow Directors for all their hard work on within Business South and the additional hours and commitment involved. They are a dedicated, caring and passionate advocates for our region who have all gone above and beyond in the last year to ensure we achieved a clean merger, and that the organisation was on a sound and solid footing to deliver for all of our futures.

The Board and I would like to thank Mike and the team for their efforts during the year. It has been a unique year and the team have done an outstanding job, and we are very proud of what they have and are achieving.

A handwritten signature in black ink, appearing to read "Neil Finn-House".

Neil Finn-House  
**BOARD CHAIRPERSON**





# Business group marks 160th anniversary

By Sally Rae, ODT

**It was an evening of celebration for Business South last night as the business group acknowledged both its past and its future.**

More than 160 people marked the 160th anniversary of the Otago Chamber of Commerce – the celebration having been delayed a year by Covid-19 – at a function at the Dunedin Public Art Gallery.

The Dunedin Chamber of Commerce was formed in 1861 during the Otago gold rush as the city enjoyed an economic boom but was

hampered by inadequate infrastructure. Its name was changed to the Otago Chamber of Commerce in 1965.

In 2020, members of the Otago Chamber of Commerce and Otago Southland Employers' Association voted to merge, creating the new entity Business South.

A new strategy was outlined by chief executive Mike Collins, who said the organisation gave the region an influential voice on important issues by advocating with purpose, attracting new businesses to the region and building a strong economy. It facilitated meaningful connections, partnerships and collaborations by developing a supportive business community showcasing regional success.

Business South belonged to the country's two largest and most influential business networks, Business NZ and the New Zealand Chamber of Commerce. It was also a member of the southern regional chamber hub, with Wanaka, Queenstown and Southland chambers.

Collectively, they shared a commitment to business growth, innovation, sustainability and success, Mr Collins said.



## Regional Business Partners

Our Regional Business Partners (RBP) team had a productive and successful year. We successfully tendered for and won the Regional Business Partners Government contract for Otago for the next six years. This is a vote of confidence in our team and the work they have done to support over 4,500 businesses in Otago over the ten years of delivering this contract. Our team continue to work with business owners and managers to identify the support they need to innovate, grow and become more sustainable. The team achieved a NPS promoter score of +82 for the year ended July 2022.

In addition to our ongoing RBP work, we secured a contract with Queenstown Lakes District Council (QLDC) to rollout out the Tourism Communities: Support, Recovery and Reset Plan. Through this contract our team of Growth Advisors have supported 1,200 businesses in the Queenstown Lakes through the effects of the pandemic. They have also allocated over \$19.5 million of grants for these businesses to receive advice, implement this advice and kickstart their businesses. We developed a constructive partnership with QLDC, Gemelli and Outreach Software to deliver this project.

Through our partnership with Business Mentor New Zealand we were pleased to be able to match 85 businesses owners and managers with business mentors.



## Advocacy

### SUBMISSIONS

#### Otago Regional Council Proposed Regional Policy Statement

Submitted 3 September 2021

#### Dunedin City Council – Annual Plan 2022/23

Submitted 28 April 2022

#### Waitaki District Council Annual Plan 2022/23

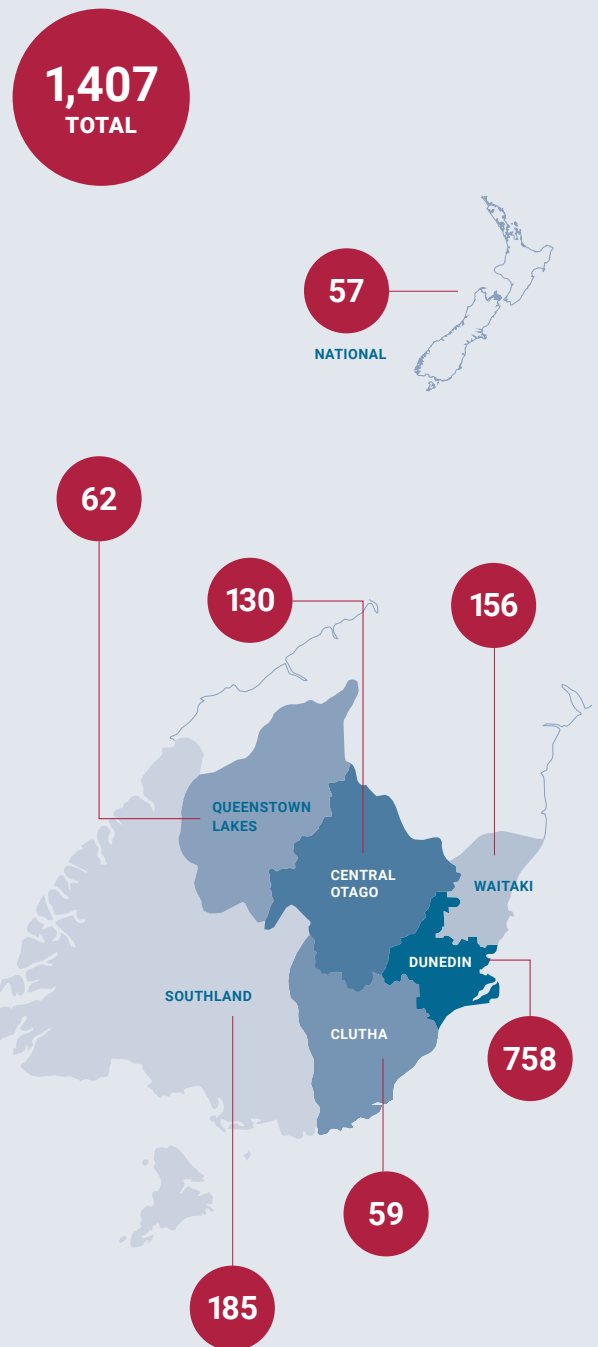
Submitted 5 May 2022

#### Otago Regional Council Annual Plan 2022/23

Submitted 9 May 2022

## Membership numbers

AS OF 30 JUNE 2022



## CENTRAL GOVERNMENT SUBMISSIONS

### Fair Pay Agreement Bill

Submission 19 May 2022

Business South ran a campaign against this legislation but there will also be submissions, a Select Committee hearing, media, advertising and a coordinated sustained campaign as well as continuing work to keep this breach of international labour law before the international labour organisation.

### NZ Income Insurance Scheme

Submission 26 April 2022

We consulted with members on the proposal to get their feedback and inform the final submission. It is important that any income insurance scheme is fair to both employers and employees and doesn't burden them with unsustainable costs.

### Immigration Reset

Business South in partnership with BusinessNZ actively talking to politicians and officials about the needs of business to acquire skills via immigration as well as by training staff from the domestic pool of talent. We are currently experiencing net-migration loss, which is expected to increase with the opening of the borders. As of March 2022, negative net migration was estimated at 7,300.

We are participating in advisory groups on operational and policy to push a continual improvement approach

### Climate Change, Emissions Reduction Plan Emissions Trading Scheme

Carbon (net) Zero Target by 2050

We are a collaborative partner of the Sustainable Business Council, whose membership includes the Climate Leaders Coalition, comprising companies which are at the forefront of working out ways to reduce emissions and invest in new technology.

We run a series of workshops for businesses that are keen to learn about emission reductions and how they can adapt to a low carbon future.

We believe we need better transparency about the cost impacts of Climate Change Policy and where they will fall. This analysis needs to be done so businesses can plan/adapt accordingly and know where to invest or disinvest.

### Resource Management Act Reform (RMA)

We are working with BusinessNZ on writing submissions, attending select committee hearings, meeting with officials and Ministers on this important issue.

### Dividend Integrity and Personal Services Attribution

Following the submission process, the Government backtracked on their proposed changes due to be included in the August Tax Bill, after a strong outcry from the business community.

### Business South and BusinessNZ Policy Progress Topics

- Climate Change
- Energy and Emissions
- COVID-19 Update
- Dividend Integrity and Personal Services Income Attribution
- Education, Skills and Immigration
- Employment Relations
- Export and Manufacturing
- Fire and Emergency NZ (FENZ) Funding Regime
- New Zealand Local Infrastructure Funding
- Wetland Regulations
- Monetary Policy
- Waste Policy

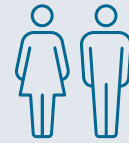
## Activities Data

137  
TOTAL

TRAINING, EVENTS AND  
ACTIVITIES HELD



TRAINING  
56



2,200  
ATTENDEES

EVENTS  
81



1  
AWARDS



Annual Central Otago Golf Tournament



Waitaki Business Awards







Taste Nature managing director Clinton Chambers (left), Business South community support Jo Chin and Brian McFarland show the new reusable food containers at Taste Nature. Photo: Christine O'Connor, courtesy Otago Daily Times

# Waste not, want not.

By Sally Rae, ODT

**A reuse revolution is potentially hitting Dunedin. Businesses are being encouraged to take part in a new reusable takeaway container system initiative - similar to borrowing a book from a library - to help drive down the amount of waste generated by single-use packaging products.**

It is a Taste Nature Social Enterprise charitable trust venture, co-ordinated by Brian McFarland, in conjunction with Business South, returnable packaging system Again Again and Dunedin City Council waste fund initiative.

Mr McFarland loved takeaway food - his partner was a nurse and he worked for a United States-based software company - so working irregular hours meant convenience food was an easy solution. What he did not love was all the waste created.

He started doing some research, figuring out how a system could work. He talked to restaurants and cafes, including Mr Chambers at Taste Nature, and decided it needed to be a bigger scheme.

Both he and Mr Chambers agreed it had to be an easy system for all involved and one of the hardest things was to start. Having someone like Mr McFarland driving and organising it was the key to the success of the project.

The first phase of the project was market research and a small funding grant had been obtained from the DCC.

Mr McFarland would be talking to businesses face-to-face and getting expressions of interest, hopefully by September 15.

From there, the second phase would be applying to the DCC's waste minimisation grants.

Applications for those grants are open until September 30 and there is \$70,000 of contestable funding available this year for local businesses working towards waste minimisation goals.

If successful, Mr McFarland would then set up the initiative in businesses and spend three months in a support role getting it up and going.

Part of the funding would be used to subsidise starter packs that businesses needed to purchase.



# New Dunedin Hospital Careers Fair

On May 26 and 27 2022, My Next Move and Workforce Central Dunedin hosted the New Dunedin Hospital Careers Fair. Attended by approximately 485 school students and 250 members of the public, 30 exhibitors showcased a range of trades and vocational pathways.

All exhibitors were required to provide a hands-on, interactive activity to showcase their industry. This ranged from a truck/forklift simulator, a plastic welding challenge, high fidelity medical mannequins, VR technology and much more. We received excellent feedback from exhibitors and attendees, with a Careers Advisor commenting "The Careers Fair last Friday was superb. The informative and interactive nature of this event meant that engagement was extremely high. A week on and the students who attended are still talking about it." We are grateful to the Ministry of Education for funding this event.







Dunedin Botanic Garden apprentice Claire Phillips says horticulture offers many different career paths. *Photo: Simon Henderson, courtesy Otago Daily Times*

## Trades Initiative

AS AT 30 JUNE 2022

17

TRADES HOSTS

39

TRADES APPRENTICESHIPS

# Varied apprenticeship a chance to earn & learn

By Simon Henderson, ODT

**A recent \$48,000 grant from the the Otago Community Trust will help support an additional 18 to 20 young people to take part in paid apprenticeships run by the For Trades Apprenticeship Training Trust, facilitated by Business South. Reporter Simon Henderson meets one young apprentice supported by the programme who has a real love of plants.**

A visit to the hairdressers prompted Claire Phillips to take up an opportunity for an apprenticeship at the Dunedin Botanic Garden.

"I actually came down to get dreads [dreadlocks] in Dunedin and the lady that was giving me the dreads told me about this apprenticeship and I thought, 'why not?'"

She is now almost two years into a three-year apprenticeship, uncovering the needs of the different plant collections at New Zealand's first botanic garden.

With collections including alpine plants, deciduous and evergreen trees, the camellia collection, the winter garden tropical and sub-tropical plants, native plants and the herb garden, working at the Botanic Gardens provided a lot of variety.

"Every six months you rotate into a different collection. You get such an array of plants."

There was much to ignite interest and to learn throughout the collections. "There is a curator for each collection and they look after you for the six months, so you go to them with questions, and they are your teacher."

Horticulture provided a very broad career choice, Miss Phillips said. "I have many interests, I really like perennials and bulbs, deciduous plants."

Growing vegetables and the medicinal uses of plants was also something she was enjoying learning.

"I think my big interest lies and plants themselves, I like to understand how they work."

"It just gives you so much, you know, being outdoors and being in open space."



Attending a gathering of Otago Central Rail Trail operators at the Waipiata Hotel are (from left) Grant Colquhoun, Donna Soler, Georgie McGregor, Nikki Hall, Anna Wilson, Liz Gilmore, Jennifer Balle, Sarah Davies with Greta Wilson in front of her, Mark Button, Emilie Bean, Matt Gorman, Matthew Jeffery, Mark Ford, Glen Chisholm and Shona Brown. *Photo: courtesy Otago Daily Times*

## Digital Boost Programme

465

BUSINESSES

31

COHORTS

In a partnership with the Ministry of Business, Innovation and Employment, we have invested in the digital enablement training of 465 business owners and managers across Otago. The training will be delivered over the next nine months through 31 cohorts, and run by experienced digital professionals. Particularly of note is the uptake from businesses along the Otago Central Rail Trail with 60 businesses actively receiving the training.

# Building skills and community

By Sally Rae, ODT

**Businesses on the Otago Central Rail Trail are getting digitally savvy.**

**The Ministry of Business, Innovation and Employment recently made funding available to support and enhance its Digital Boost programme, helping small and medium-sized enterprises become digitally proficient.**

Among the successful applicants in Otago was the Otago Central Rail Trail Operators Group, an incorporated society representing businesses serving the rail trail from Clyde to Middlemarch, which last month held workshops in Waipiata, Naseby and Alexandra.

Group chairman Matt Gorman said it had been "phenomenal" to see the businesses getting together and getting access to "first-class" training and resources.

Small business owners have access to a variety of resources to help them build knowledge, skills, confidence and trust in digital business tools, and help them adopt those tools within their own business models.

Donna Soler, of Middlemarch Lodge and Tours, said the benefits of being involved were "huge".

Not only was it a chance to learn things or improve skills, it also brought people together, she said.

That sense of unity was important; businesses were "all in competition but not really" as there was room for everybody.

She and her partner Annie Duncan came to Middlemarch last year and had found it a "perfect" spot, with a "fantastic" community and central location. The B&Bs in the Strath Taieri town were all quite different and they all worked together, she said.

The best thing that could happen would be for the train to return to the town, or the rail trail be extended all the way to Dunedin, giving people a reason to stay, she said.

Mark Button, of the Waipiata Country Hotel and Tussock Lodge, who hosted the first session at the hotel, said getting proficient in the digital space was important for businesses, and it was very well facilitated.

Paul Bishop, of Naseby Night Sky Tours, said there had already been better income this year than the previous year. It was mostly a New Zealand customer base.



# Tiaki Bees

Wanaka, Queenstown Lakes District

**Barna owns and operates Tiaki Bees, an apiculture business based in Wanaka. During a stressful time for tourism, Barna pivoted from operating 4x4 offroad vehicles to start beekeeping. Not only does Barna now have his own beehives, but part of the business operates a 'hive rental' system, where people can host a hive on their own property.**

Tiaki Bees has a mission to help the bees, give back to the environment, and encourage healthy, mindful living.

Working with his Growth Advisor, Nic, Barna identified the barriers to the growth of his business and utilised the Management Capability Fund to get some marketing strategy training.

Here is a summary of what Barna and Tiaki Bees achieved with the funding:

- Monthly Strategy Sessions to prioritise communications for each month. During these sessions we discussed what we achieved for the past month, what strategies worked best, and made a detailed plan for the month following.

- Together we developed a Christmas "Gift of Bees" Campaign which created the most website traffic Tiaki Bees has ever seen.
- Advice on the different advertising mediums in our region and support establishing a seasonal marketing budget.
- Development of new email marketing templates and advice on how often to send them.
- Testing of direct communication tactics including Wanaka App and QT Blogs and the importance of using your content in various ways i.e. on website, in social media, on eDMs.
- Setting up of new audiences and new traffic campaigns on social media which can be reused when needed.
- Recommendations for social media tactics on Facebook and Instagram.

"I just wanted to say a big thank you to everyone for the support with the Management Capability Funding for our business. I'm very happy to say that the funds have been of great help in improving my skills and understanding of marketing strategies that help grow our business and improve our services."





Kate Cooper (Manager - Membership Experience), Rebecca Finlay (Waitaki Business Navigator) and Grant Harrex (former Director - Workforce and Business Development). Photo courtesy Otago Daily Times

# Maximise your membership

## Are you getting the most out of your Business South membership?

**Our Membership Experience Manager, Kate Cooper, and Waitaki Business Navigator, Rebecca Finlay, are focused on ensuring that you are. Their roles are dedicated to member care and supporting you to extract the most value out of your membership.**

"We help navigate businesses to the Business South services that would benefit them – sometimes members may not be aware of these or how to access them," Rebecca says. "By connecting with as many members as possible, we gain an understanding of their current and future needs – and those of the region – to ensure Business South is well-placed to meet them."

Kate says there are many ways that Business South can assist members and support their businesses, with a view to strengthening the Southern business community and fostering our growth as a region.

One core focus is fostering member-to-member connection and collaboration.

"There are opportunities for Southern businesses to support and learn from one another, and to collaborate in certain areas – we are keen to

help facilitate those relationships," Kate says. "We can also make inter-regional connections which are great because there can be fewer competitive concerns."

Capability building is another way to improve business success. We have the expertise to help members create an individual plan for staff development, and the facilitators who can support them to implement it.

One of Business South's most critical roles is to provide advocacy for Southern businesses so they can influence the policy and legislative issues that affect them.

"To ensure we are as effective and proactive as possible, we want to connect with our members to understand their challenges, concerns and successes in order to champion their interests to decision-makers," Kate says. "This work benefits the whole business community."

The idea is to provide wrap-around value for members, she says.

"Another example could be steering members to expert business advice or employment relations guidance through AdviceLine, which is a free service for members, or to more intensive support from Business South's dedicated in-house Legal Team."

We'd love to hear from you and learn more about your business – contact Kate or Rebecca to organise a chat or a visit.

**All businesses:** [kate.cooper@business-south.org.nz](mailto:kate.cooper@business-south.org.nz)

**Waitaki businesses:** [rebecca.finlay@business-south.org.nz](mailto:rebecca.finlay@business-south.org.nz)

# Special Purpose Financial Report

for the year ending 30 June 2022

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## Statement of financial performance

For the year ended 30 June 2022

	NOTE	2022 \$
Revenue	3	2,670,445
Other income	4	40,362
<b>Total revenue</b>		<b>2,710,807</b>
Expenses	6	3,285,037
<b>Net profit (loss) before income tax</b>		<b>(574,230)</b>
Income tax expense		–
<b>Net Surplus</b>		<b>(574,230)</b>

This statement is to be read in conjunction with the notes to the financial statements on pages 4 to 9

## Statement of changes in equity

For the year ended 30 June 2022

	NOTE	2022 \$
Balance at 30 June 2021		–
<b>Net Surplus</b>		<b>(574,230)</b>
Members funds distributed from Otago Southland Employers Association		2,011,854
Members funds distributed from Otago Chamber of Commerce	6	\$466,906
<b>Balance at 30 June 2022</b>		<b>1,904,530</b>

This statement is to be read in conjunction with the notes to the financial statements on pages 4 to 9

# Statement of financial position

As at 30 June 2022

	NOTE	2022 \$
<b>Equity</b>		<b>1,904,530</b>
<b>Represented by:</b>		
<b>Current assets</b>		
Cash and short term deposits		1,213,058
Receivables	7	683,817
		<b>1,896,875</b>
<b>Non-current assets</b>		
Fixed assets	8	1,572,111
		<b>1,572,111</b>
<b>Total assets</b>		<b>3,468,986</b>
<b>Current liabilities</b>		
Payables	9	1,564,456
Provision for income tax		-
<b>Total liabilities</b>		<b>1,564,456</b>
<b>Net assets</b>		<b>1,904,530</b>

Approved for and on behalf of the Board of Directors



**Director**

27 September 2022



**Director**

27 September 2022

This statement is to be read in conjunction with the notes to the financial statements on pages 4 to 9

# Notes to the financial statements

## NOTE 01

### Reporting entity

The Business South Incorporated (Business South) is a society registered under the Incorporated Societies Act 1908.

Business South's mission is to lead, develop and promote the interests of business for the benefit of the Otago Southland community.

The special purpose financial report comprises statements of accounting policies, financial performance, changes in equity and financial position as well as notes to the financial statements contained on pages 4 to 9 of this special purpose financial report.

## NOTE 02

### Statement of accounting policies

#### BASIS OF PREPARATION

The financial statements have been specifically prepared for the purposes of meeting Business South's income tax requirements and reporting to members.

Business South is the ongoing entity that has resulted from the joining of the Otago Chamber of Commerce Inc (OCCI) and Otago Southland Employers' Association (OSEA). Both entities are dissolved and the net assets of these entities on dissolution, are transferred to Business South Equity.

#### GOING CONCERN BASIS OF ACCOUNTING

The financial statements have been prepared on a going concern basis, which assumes that Business South will continue to operate for the foreseeable future.

The current year financial statements show a loss of \$574,230.

The current year loss reflects significant merger costs and the ongoing impacts of COVID.

The 2023 budget shows a reduction in these costs and the return to a more acceptable financial result. Management continues to look for opportunities to reduce costs and increase revenue.

Business South has significant cash available and positive members funds.

#### HISTORICAL COST

These financial statements have been prepared on a historical cost basis, except for certain assets which have been revalued as identified in the specific accounting policies below. The financial statements are presented in New Zealand dollars (NZ\$).

#### CHANGES IN ACCOUNTING POLICY

As this is the first year of operations there have been no changes in accounting policies.

## SPECIFIC ACCOUNTING POLICIES

### Revenue Recognition

Business South has a number of different revenue streams, including:

- Membership Subscriptions
- Training and Events Fees
- Contract funding
- Employment Relation Advice Fees
- Export Documentation.

Revenue is measured at the fair value of the consideration received or receivable for the provision of the services, to the extent it is probable that the economic benefits will flow to the entity and revenue can be reliably measured.

For membership subscriptions the revenue is apportioned over the period of the membership.

Contract funding revenue is recognised proportionately as the costs of providing the contracted services are incurred.

Interest received is recognised as interest accrues.

### Accounts Receivable

Receivables are stated at their estimated realisable value after providing against debts where collection is doubtful. Individual debts that are known to be uncollectible are written off in the period that they are identified.

### Property, plant and equipment

Property, plant and equipment are stated at historical cost less any accumulated depreciation and impairment losses.

Depreciation is calculated on a diminishing value basis over the estimated useful life of the asset using depreciation rates published by Inland Revenue. Assets estimated useful life is reassessed annually. The following depreciation rates have been used:

Buildings	2% DV
Computers	30% - 67% DV
Office equipment	18% - 67% DV
Furniture and fittings	9% - 50% DV
Vehicles	30% DV

Any gain or loss arising on disposal is included in profit or loss in the year the asset is disposed.

### Impairment

If the estimated recoverable amount of an asset is less than its carrying value, the asset is written down to its recoverable amount and the impairment recognised in profit and loss.

### LEASES

Operating lease payments are recognised as an expense in profit or loss on a straight-line basis over the lease term.



# Notes to the financial statements

## INCOME TAX

The income tax expense in profit or loss represents the estimated current obligation payable in the current year to Inland Revenue adjusted for any differences between estimated and actual income tax payable in prior years.

## GOODS AND SERVICES TAX (GST)

All amounts are stated exclusive of GST except for payables and receivables which are stated inclusive of GST.

## NOTE 3

### Identified revenue included in the operating results for the year

	2022 \$
Employment Relations Advice Fees	178,102
Export Documentation	80,939
Training & Events Fees	247,155
Member Subscriptions	661,866
Contract Funding	1,429,545

## NOTE 4

### Other income

	2022 \$
Interest	1,661
Rent	38,701
	<b>40,362</b>

## NOTE 5

### Donations & Grants

Business South received a donations & Grants from the following sources

	2022 \$
Aotearoa Gaming Trust	20,000
Otago Community Trust	50,000

## NOTE 6

### Identified expenses included in the operating results for the year

	2022 \$
Business NZ Levy	93,009
Contractor and subcontractor payments	200,784
Doubtful debts	14,838
Depreciation of property, plant and equipment	24,990
Fringe benefit tax	15,205
Insurance	8,478
Legal	29,849
NZCCI levy	2,481
Operating lease expenses	112,671
Professional and consulting fees	57,434
Salary and Wages	2,049,042

## NOTE 7

### Receivables

	2022 \$
Receivables	594,378
Less provision for doubtful debts	(14,838)
<b>Net receivables</b>	<b>579,540</b>
Other receivables	71,354
Prepayments	32,923
	<b>683,817</b>

## NOTE 8

### Fixed assets

	2022 \$
Land	625,000
Accumulated depreciation	–
<b>Net book value land</b>	<b>625,000</b>
Buildings	825,000
Accumulated depreciation	(5,500)
<b>Net book value buildings</b>	<b>819,500</b>

# Notes to the financial statements

	2022 \$
Computer equipment	19,249
Accumulated depreciation	(3,643)
<b>Net book value computer equipment</b>	<b>15,606</b>
Furniture and fittings	74,174
Accumulated depreciation	(3,960)
<b>Net book value furniture and fittings</b>	<b>70,214</b>
Office equipment	6,870
Accumulated depreciation	(890)
<b>Net book value office equipment</b>	<b>5,980</b>
Vehicles	39,790
Accumulated depreciation	(3,979)
<b>Net book value vehicles</b>	<b>35,811</b>
<b>Total net book value</b>	<b>1,572,111</b>

## NOTE 9

### Payables

	2022 \$
GST	135,155
Other Payables	211,860
Income in advance	1,047,634
Accrued Salaries	38,965
Provision for Holiday Pay	130,842
	<b>1,564,456</b>

## NOTE 10

### Non-cancellable operating leases

	2022 \$
Current	82,039
Non-current	7,525
	<b>89,564</b>

## NOTE 11

### Related parties

Director Rebecca Twemlow is the owner of Firebrand Holdings Ltd who provide web design, marketing and hail communications for Business South. Payments for services totalling \$80,796 have been made by Business South within the normal course of business.

Director Grant McKenzie is the CEO of Allied press who Business South has advertised with for \$4,432 within the normal course of business.

Director Dominique Dowding is the CEO of Grand Casino. Grand Casino has invoiced Business South for the on-charging of catering services which were provided by Scenic Hotels for \$1,920.

CEO Mike Collins and Director Neil Finn-House are Directors/Board Members of Business NZ. Business South incurred \$93,008 in relation to Business NZ Levies and received \$42,686 membership income in relation to National subscriptions.

Director Will Martin is employed by the University of Otago. Business South received \$21,000 in sponsorships in relation to the Young Enterprise Scheme and Business South Awards from the University of Otago.

From time-to-time other directors, their business entities, and staff, as members of Business South, purchase services from Business South within the normal course of business.

## NOTE 12

### Capital commitments and contingencies

Business South has no contracted future capital expenditure which has not been accounted for in the financial statements.

Business South has provided an undertaking to the Trustees of the For Trades Apprenticeship Training Trust (the Trust) that Business South will not call up the outstanding debtor balance of the Trust if it means that the Trust cannot meet its day-to-day obligations. Other than this matter, Business South has no other contingent liabilities at 30 June 2022.

## NOTE 13

### Subsequent events

No significant events have occurred subsequent to balance date.



# Independent Assurance Practitioner's Report

To the Members of Business South Incorporated

## REPORT ON THE SPECIAL PURPOSE FINANCIAL STATEMENTS

We have reviewed the accompanying special purpose financial statements of Business South Incorporated ("the Society"), which comprise the statement of financial position as at 30 June 2022 and the statement of financial performance, and statement of changes in equity for the year then ended, and a summary of significant accounting policies and other explanatory information. The special purpose financial statements have been prepared in accordance with the basis of accounting as described in Note 2 of the special purpose financial statements.

## DIRECTORS RESPONSIBILITY FOR THE SPECIAL PURPOSE FINANCIAL STATEMENTS

The Directors are responsible on behalf of the entity for the preparation of the special purpose financial statements in accordance with the accounting policies as disclosed in Note 2 of the special purpose financial statements and for such internal control as the Directors determine is necessary to enable the preparation of special purpose financial statements that are free from material misstatement, whether due to fraud or error.

## ASSURANCE PRACTITIONER'S RESPONSIBILITY

Our responsibility is to express a conclusion on the special purpose financial statements. We conducted our review in accordance with International Standard on Review Engagements (New Zealand) (ISRE (NZ)) 2400, Review of Historical Financial Statements Performed by an Assurance Practitioner who is not the Auditor of the Entity. ISRE (NZ) 2400 requires us to conclude whether anything has come to our attention that causes us to believe that the special purpose financial statements are not prepared in all material respects in accordance with the applicable financial reporting framework. This standard also requires that we comply with relevant ethical requirements.

A review of special purpose financial statements in accordance with ISRE (NZ) 2400 is a limited assurance engagement. The assurance practitioner performs procedures, primarily consisting of making enquiries of management and others within the entity, as appropriate, and applying analytical procedures, and evaluates the evidence obtained.

The procedures performed in a review are substantially less than those performed in an audit conducted in accordance with International Standards on Auditing (New Zealand). Accordingly, we do not express an audit opinion on the special purpose financial statements.

Other than in our capacity as independent review practitioner we have no relationship with, or interests in, the Society.

## CONCLUSION

Based on our review, nothing has come to our attention that causes us to believe that the special purpose financial statements of the Society for the year ended 30 June 2022 are not prepared, in all material respects, in accordance with the basis of accounting as described in Note 2 of the special purpose financial statements.

## BASIS OF ACCOUNTING AND RESTRICTION ON DISTRIBUTION AND USE

Without modifying our conclusion, we draw attention to Note 2 to the special purpose financial statements, which describes the basis of accounting. The special purpose financial statements are prepared for the purposes of meeting the Society's requirement to report to members. As a result, the special purpose financial statements may not be suitable for another purpose.

This report is made solely to the Society's Members, as a body. Our review has been undertaken so that we might state those matters we are required to state to them in an Independent Assurance Practitioner's Report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Society and the Society's Members as a body, for our review work, for our Independent Assurance Practitioner's Report, or for the conclusions we have formed.

A handwritten signature in blue ink that reads "CROWE".

**Crowe New Zealand Audit Partnership**  
**CHARTERED ACCOUNTANTS**

Dated at Dunedin this 27th day of September 2022

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442 Moray Place, Dunedin 9016  
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