



New Zealand

The Global Language of Business

# VISIBILITY MATTERS.

# 2021

# ANNUAL REPORT





# GS1 New Zealand Annual Report

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# CHAIR'S REPORT

Sean Goodwin - Chair

New Zealand, like the rest of the world, is rapidly moving into an age where visibility around people, things and events is fundamental to how we all live and work. Covid-19, and society's response, have obviously become powerful drivers this past year.

Look at how quickly we have adopted – or at least, accommodated ourselves to – new systems for identifying places of possible Covid-19 spread, for detecting infections and for recording progress of vaccination across New Zealand's population. These are all systems that raise visibility around the pandemic so that individuals, government agencies, healthcare providers and businesses can work together on containing the spread and on lessening the damage of this awful virus to human wellbeing (physical, mental and economic).

GS1 has, of course, long been in the visibility business!

Our data standards and systems are tools for making it possible, and/or easier, to identify, describe, track, trace and communicate about all manner of things in today's world.

Not surprisingly, GS1 business entity and location identifiers are fundamental in the nation's Covid Tracing system. Every QR code scan captures a unique location number originating from us.

As disruptive and stressful as it is, Covid-19 is only one of many factors fuelling the need for greater visibility in every area of work and life.

Economic globalisation, the complexity of supply chains, border control and regulatory requirements, market competition, business efficiency imperatives and consumer information demands .. all of these,



drive the need for ever more certainty and precision in how we identify, capture and share vital information about products, locations and assets - with maximum ease, consistency and efficiency. GS1 standards and solutions provide the 'oil' to streamline how systems can better enable supply chain functioning, traceability and information sharing with authorities, consumers and others.

## Rising to challenges

I am very confident in saying that GS1 New Zealand is rising to these challenges, in concert with other GS1 member organisations around the world. In 2021, we continue apace to develop the ways in which our standards and systems are being applied here for an increasing array of uses.

The NZBN Organisational Parts (OP) programme is an excellent example: This builds on the New Zealand Business Number system which provides each business entity with unique identifiers and a core set of standardised business information, all readily available in digital form for multiple uses by that entity and other parties. OPs are now being added as unique identifiers for locations and organisational parts (physical, functional and digital) within particular businesses.



There is huge value to be realised in moving to this next level of identification and data sharing, especially as companies and agencies grapple with challenges arising from Covid-19. As supply chains are disrupted or need rapid re-configuration, and as border and other agencies seek more trading data and more information on product shipments, systems that enable such visibility – and help create new, more efficient solutions – have increasing utility for all parties involved.

GS1 works with the Government on the OP programme and in this, we are confirming our status as a trusted partner of all the Government agencies involved.

The past year has also seen us significantly expand GS1's utility to the Healthcare and Building Supplies & Hardware sectors, through innovations for enabling both data suppliers and users in both sectors, to make greater use of GS1-based product catalogues. User-interfaces are being vastly improved. Indeed, GS1's MyProducts 2.0 upgrade promises to provide faster, more accurate and comprehensive data storage and data sharing in the near future.

The GS1 team takes a trusted-partner approach to Healthcare and Building Products & Hardware sector members. Our focus is on their "customer journey" as owners and users of data: We want them to be able to easily pick up and use our systems to provide greater value, whatever their particular need or level of sophistication.

While these two sectors are priorities for growth in their use of GS1 standards and systems, Food & Grocery and other sectors also remain extremely important. The GS1 team has no loss of focus on servicing these sectors. Food & Grocery businesses might be further along their "customer journey" but they will continue to receive GS1 support and forward-planning in their use of the National Product Catalogue and all the applications the NPC enables.

### Our performance

There is no standing still! And that statement applies equally to GS1's own business performance, with income for 2020-21 up 9% on the prior year, thanks to growth in members and in our service delivery. All GS1 revenue streams grew significantly more than budgeted. We continued to manage costs very well through the year and finished with a modest surplus which was, again, above budget.

Your organisation is in strong shape. Early in 2022, the Board and management team will be reviewing our strategic plan, conscious of increasing demands on GS1 and also of the opportunities we can see for adding value to, and helping to protect our members right across the spectrum.

### The GS1 team

I am pleased to report that GS1's people have remained well while continuing to thrive, despite Covid-19's threat to the health of all Kiwis, and despite the restrictions we currently live and work in.

These are not easy times. I am very proud of how Peter Stevens and the team have retained a strong focus on service to GS1 members – and to the whole New Zealand economy. The nation's Food & Grocery sector has stood up against the strains of lockdown and against pandemic-related pressures on supply chains. GS1 has stood up beside this sector.

I take this opportunity to sincerely thank my Board and all the GS1 team for a superb effort over the past year. Some of that effort has gone into supporting our colleagues in GS1 organisations around the world where Covid-19 has taken a much heavier toll. We are very much part of a global network and I am proud of the professionalism demonstrated by Peter and team, both at home and in our international connections.

The future looks daunting given serious threats to public health, to many members' businesses and to economic growth to general. It's clear, however, that GS1 has a very positive contribution to make by enabling all New Zealanders to record, share and use digital data and information with greater efficiency and for a growing array of purposes.

The world needs visibility on locations, products and assets like never before. It's our business to help meet that need in our country – and we will.



**Sean Goodwin**

Board Chair

# CEO'S REPORT

Dr Peter Stevens - CEO



'Visibility' was chosen very deliberately as the theme for this Annual Report.

Oxford defines the noun 'visibility' as "the state of being able to see or be seen". I'm sure some readers might immediately imagine that this could be referring to the desirability of being able to predict the course of the pandemic that we are all suffering through. Others might jump to their own lives and seek visibility going forward about when they might see loved ones again, or travel for work or holiday. Or even whether things will ever 'get back to normal' again.

Here at GS1 we are not immune to – and very much share – these very human desires. But visibility was chosen to reflect the huge pressure on our members and our organisation to gain visibility of their supply chain and critical locations of interest to their business – forecasting demand, next availability dates for supply, provenance of items and dealing with the seemingly incessant escalation from their business and customers for data, attributes and traceability data. Part of this demand has been driven by the pandemic and the 'double-clicked' digitisation of local and global economies (estimates suggesting 10 years growth in eCommerce in the last 12 months). However, some of the pressure is just simply the maturation of customer demand and expectation.

For all of these reasons, GS1 has been very busy in the last 12 months, and it is my pleasure to report on some of the activities and achievements, viewed through the 'lens' of a balanced scorecard.

## Our customers

As mentioned above, a huge focus during the year was to support, across a number of sectors, the flow of good-quality, standardised product master data from our members to their trading partners.

Foodstuffs New Zealand, a long-term consumer of data from our National Product Catalogue, dramatically expanded the number of product attributes that they needed from their suppliers and the level of integration of all the assets into the 'payload'. This was a very intensive project for us (nicknamed 'Project Enchilada'), and was focussed on enhancing the completeness and accuracy of supplier content to deliver:

- Flexibility for data provisioning (to allow multiple options for suppliers to provision data, either themselves, via 'digital proof' uploads for GS1 to digitise, or providing the physical product for GS1 content creation);
- More impetus for our members to send a physical product to our ProductFlow team, to ensure we get high quality, 'digital twins' for them;
- Integration of conformance information into the digital payload.

For Countdown, a focus was on expanding the range of full nutritional, ingredient, claims and image data to support their online store. GS1 assisted by working with their suppliers and in Countdown's online-fulfilment store in Auckland. Synergistic for this effort were 6-monthly Ministry of Primary Industries-commissioned audits of our OnPack dataset. These audits involved the physical collection of products off shelves (typically 500-1000 per audit), providing an excellent example of aligning objectives between the regulator and the market - each party explicitly recognising the other benefits from their individual efforts to build a comprehensive and high quality dataset for all.

In the DIY/hardware/construction sector, the focus for the year has been split between a major software rebuild and working with the regulator, the Ministry of Business, Innovation and Employment on amendments to the Building Act. Although the DIY/hardware/construction sector has used the National Product Catalogue for many years, suppliers had looked enviously for some time at the successful 'front end' to the National Product Catalogue (known as NPC Rapid) that has been deployed in the grocery sector for some time. Intuitive and context sensitive to the retailer's specific requirements for data attributes, NPC Rapid had been built in-house by our digital product team. The catalyst for extending the NPC Rapid concept for the DIY/hardware/construction sector, was Mitre 10's major systems replacement. We were commissioned to provide the default pathway for their suppliers (our members) to share product master data with them. GS1's digital team completely reconceptualised how NPC Rapid could be rebuilt using modern frameworks, and embedded directly into the MyGS1 portal (better supporting the customer journey and a user's overall experience). In a global first for the GS1 community (demonstrated internationally), the new MyProducts 'Share' system is:

1. Highly intuitive;
2. Context sensitive to both the retailer and the product category; and
3. Extensible to support both standardised attributes (that will move through the Global Data Synchronisation Network) and retailer-specific data elements.

Regarding the amendment to the Building Act, GS1 NZ's government team was recognised by the regulator as subject matter experts in the development of regulations for the mandatory provision of product information on building and construction products. This process involved submissions, workshops and presentations to select committees and the Minister.

In the healthcare sector, the team has supported the lead data recipient (Southern Cross Hospitals) and a very intensive programme of work with the Ministry of Health and NZ Health Partnerships, to prepare for on-boarding standardised master data into the new Health System Catalogue.

In the global transport and logistics sector enhanced visibility took a major step forward in the last year with the publication of a standard known as Scan4Transport. The standard supports companies across the transport process including 'first mile' in transit, and 'last mile' activities - enabling them to capture core logistics data required to complete a transport task. By scanning a GS1 2D barcode on a shipping label with encoded standardised logistics data, transport operators across the world can now interoperate with each other. This opens up significant track and trace and supply chain visibility options and we are delighted that NZ Post has taken the lead in New Zealand in implementing Scan4Transport throughout their operations.

In addition to the activities reported above, the government engagement team has been very busy supporting the COVID-19 contact tracing team, as well as extending the GS1 National Location Manager to support a range of expanded use cases. The existing relationship with the Ministry for Primary Industries for food research was extended to support the biosecurity team around ingredients and claims on imported food. A relationship was forged with a new client - Statistics New Zealand - during the year to support the nationally-critical task of measuring inflation. And in a COVID world, supply chain challenges have put fresh impetus behind getting good information about consignments and products to border officials. We supported both NZ Customs, China Customs and the US Department of Agriculture with unique identification via the GS1 Global Trade Item Number and core product master data on NZ exports.

## Operational processes

The comprehensive re-building of our core business and customer-facing systems proceeded apace during the year. This is the first major rebuild of our core systems since 2008. This programme of work involves aligning processes to support an end-to-end customer journey from the birth-to-death of a business (starting with NZ Business Number allocation and ending with its de-registration).

Our new systems better support the lifecycle of our members' products in the market, and dealing with any issues such as recalls along the way! Process changes introduced during the year illustrated the maturation of the digital product group – including the introduction of agile scrums, product portfolio meetings to prioritise customer features, and innovation days. These process changes have also driven a more structured cadence for software development. We continue to work on improving our delivery process so that we can deliver useful software updates to our members more regularly. We are capable of releasing to production code on a daily basis, if required.



## Our team

Not surprisingly, pastoral care for the team through periodic pandemic lock-downs dominated the year. Decisions had to be made 'on the fly', balancing, as always, the need to serve our members while keeping our team safe. The ProductFlow team really took the lead as their roles necessitated the physical handling and processing of incoming products from our members, and as essential workers were able to travel into our premises.

In supporting the team, the organisation, with the inclusion of a cross section of staff, reviewed and refreshed our core, organisational values:

- **We Care - He maatau e tiaki**
- **We Aspire - Kotahi te wawata i a tatou**
- **We Connect - Kia hono tatau**

These now guide our actions as a team and as individuals. To further assist us in working remotely, which continues to impact the team, the internal intranet was replatformed using a modern, much more user-friendly platform. Although further enhancements will follow, the ability to search and access resource materials and the quality manual easily, will prove very beneficial for both the team and the customers they support.

## Organisational performance

As the Profit and Loss, Balance Sheet and accompanying notes will show, we had a great year and are in a strong financial position.

Posting another all-time record, revenues of \$10.90m (\$10.03m in the previous year) were driven by organic growth across a number of our service lines, and significant growth in some service lines, attributable to new customers and major projects.

For example, there was unprecedented demand for our content creation and ProductFlow services, and the government team continued to secure some major contracts including the ongoing build of the Organisational Parts/GLN Registry. In addition, there were pleasing signs that building out our 'customer journey' experience, gave our members more streamlined access to opt-in services that add value to them, while delivering revenue.



Illustrative of this transformation is the new MyProducts module of our MyGS1 member's portal. The legacy MyGS1 allocation module (known as ProductVault) was not directly embedded in the customer journey and did not lead members easily to create a barcode for an allocated product. Used since December 2020 to on-board new members, the new MyProducts provides a holistic approach for joining members up with a GS1 Global Company Prefix, while leading them seamlessly through the process to:

- Allocate Global Trade Item Numbers (GTINs) to each product;
- Capture key master data information easily against that GTIN;
- Publish their 'Product Passport' directly to the GS1 Global Registry (to assist in such things as web searches and listing their products in marketplaces); and,
- Create a barcode graphic of the GTIN to go on their physical product.

By streamlining the process flow in MyProducts members' uptake of their free annual allocation of barcode graphics increased, and there was an immediate inflection point in revenue generation from paid graphics beyond their free allocation. This was quite a feat on a \$140,000 revenue line with only new members using the new system (rising from ~300 by the end of the financial year). Modelling indicates that once all our existing members (~8000) have been migrated onto the new MyProducts platform, barcode graphic generation will become even more of a major contributor to our revenues - and margin.

The operating surplus<sup>1</sup> was strong (\$0.944m vs \$0.923m in the prior year), and our bottom-line surplus of \$223,056 reflects the sizable, non-cash depreciation line (mainly attributable to software development).

Globally, GS1 New Zealand rose one place to rank 17th (out of 115 countries), and either 1st or 2nd in terms of the key effectiveness metrics as used by GS1 Global Office (financial strength against 'surrogate indicators' of market size such as Gross Domestic Product or population). Largely, in recognition of the work we do both locally and globally, for the first time, I was elected as a member of the Global GS1 Advisory Council (previously I was appointed directly by the Global CEO).

### Well done team GS1 NZ

Finally I'd like to take the opportunity to thank the GS1 NZ team who once again demonstrated their commitment - especially through the ongoing Covid restrictions. A special mention to our Auckland team - who managed to 'keep the lights on' and support our GS1 customers while feeling the impacts personally of the elongated lockdown. And, to our GS1 NZ Board, in a year that was particularly challenging on their own businesses - they still managed to keep supporting GS1 NZ and our ambition to open up a world of opportunity for New Zealand business.



**Dr Peter Stevens**  
**Chief Executive**  
20 October 2021

<sup>1</sup> Operating surplus reflects EBIT and depreciation.

# THE YEAR AT A GLANCE

## FY21

Annual results comparison

▲ 9.00%

### \$10.90m

Total Revenue & Other Income  
(excluding interest)

\$10.03m - FY20

▲ 15.23%

### \$4.86m

Subscription income

\$4.22m - FY20

▼ 34.71%

### \$223k

Surplus for the Year

\$342k - FY20

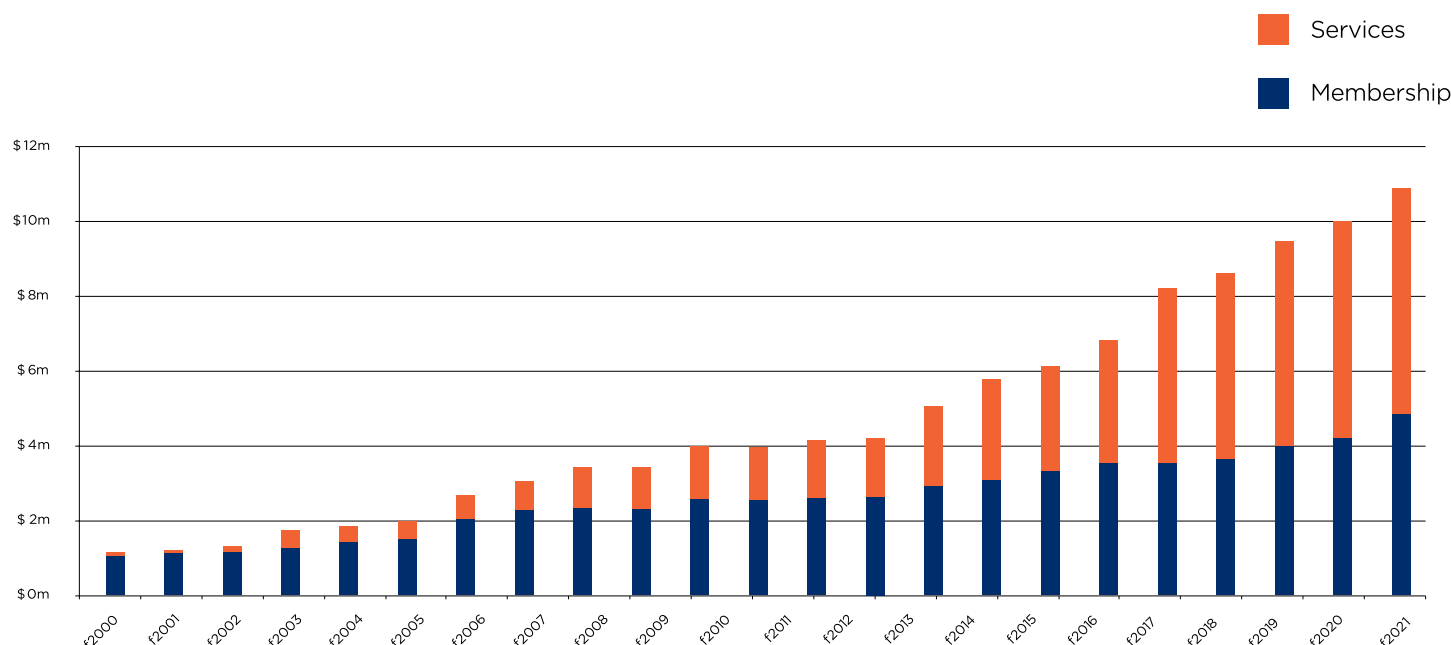
▲ 3.96%

### \$6.04m

Other fees & operating income

\$5.81m - FY20

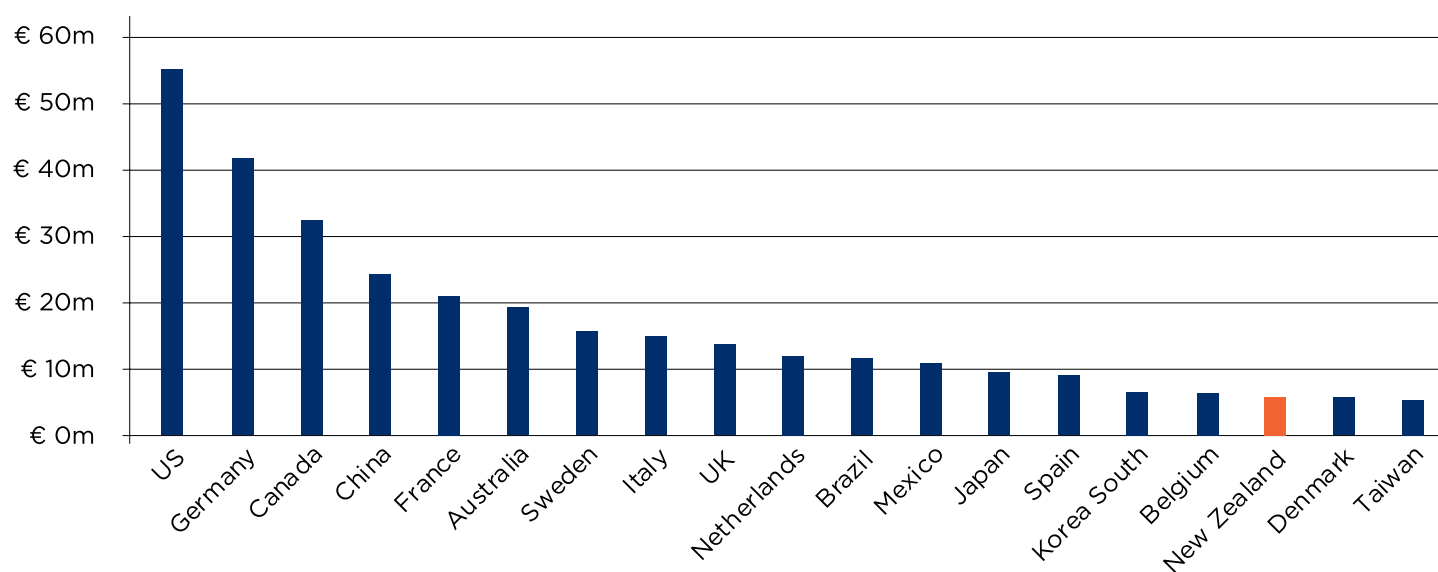
# Translating strategic success into financial results



We now have a 42:58% split in our revenues reflecting the value and relevance our members place on our opt-in services.

▲ 18th in 2020

**17th**  
Ranked Globally



GS1 New Zealand is ranked 17th globally in terms of annual turnover amongst all 115 GS1 member organisations.





# **GS1 NEW ZEALAND IN ACTION**





## Health System Catalogue – GS1 standards helping save money (and ultimately lives)

*“A defining outcome, will be the ability for improved, overall clinical decision-making leading to much improved patient safety outcomes – and lives”.*

Shayne Hunter - Deputy Director-General Data & Digital, Ministry of Health.  
GS1 New Zealand Board member

In 2019, Cabinet approved the Finance Procurement Information Management (FPIM) Business Case, which specified the need for all District Health Boards (DHBs) to improve procurement value for money in order to manage escalating costs.

To enable these activities, all DHBs are required to adopt a single national procurement catalogue - known as the Health System Catalogue (HSC) - national data standards, a central and enhanced data repository of actual spend, and a framework for procurement compliance. These enablers would address the data and compliance requirements for PHARMAC's annual national procurement of about 250,000 medical devices, representing a future, potential savings of \$32m per annum.

GS1 is a strategic partner in the FPIM ecosystem. During 2021, a dedicated GS1 healthcare team member has been 'embedded' in

New Zealand Health Partnerships (the Programme Managers), to assist with development of catalogue data standards and encourage suppliers to get their data set ready for loading.

GS1 global identification standards (especially the Global Trade Item Number and Global Location Number) and the National Product Catalogue (NPC) are an integral part of the HSC implementation that will enable efficient, electronic exchange of accurate, standards-based, supplier provisioned product data with DHBs and, to other recipients such as Southern Cross Hospitals.

Utilising GS1's global standards to create structured master data can enhance the whole ecosystem – ensuring higher accuracy, trust and visibility leading to improved resilience across the healthcare sector.

Planned benefits of the system, once implemented, will include more streamlined, accurate and effective ordering, better analysis of spend behaviours to identify savings and supply chain efficiencies. Financial processes will also be enhanced, including receiving invoices electronically from suppliers in a way that they can be automatically captured into the DHB Accounts Payable systems, thereby, improving efficiencies, and lowering transaction costs. It is intended, although out of scope currently, that good product master data will power clinical systems right through to the patient's bedside.

The first tranche of supplier onboarding began in August with a minimum of 100 suppliers and corresponding items being populated into the catalogue. While the initial focus is on medical devices, pharmaceuticals and medical consumables will be included in the HSC development in the future.

# New digital location identifiers help prepare businesses for the future

*"The opportunity is available now for businesses to innovate using these globally recognised unique digital identifiers"*

This year, GS1 NZ launched with The Ministry for Business Innovation & Employment, the New Zealand Business Number (NZBN) Organisation Parts - GS1 Global Location Numbers (GLNs) initiative. The opportunity is available now for Kiwi businesses to innovate using these globally recognised, unique digital identifiers for different parts of their business.

An organisation can now assign Organisation Part identifiers to different physical or logical parts of the business (e.g., branches, departments, delivery addresses, digital locations) to enable accurate, safe, digital interactions, and to ensure key messages between trading partners (e.g., purchase orders, invoices, deliveries) are directed to the right place.

## Laying the foundation - NZ Business Numbers (NZBNs)

What New Zealand has done better than our global counterparts, is to design synchronised registries between the Companies Office (on

behalf of the Government) and GS1 NZ, so that all NZBN identifiers and publicly available information are able to be delivered anywhere globally through the GS1-federated systems. This means a buyer for Tesco's in the UK, for example, would be able to find out easily and reliably who they were trading with in New Zealand by querying the trader's NZBN in the GS1 Global Registry Platform.

## The next logical step - NZBN Organisation Parts

Once a business knows who they are trading with, the next logical step is to enable supply chain and ecommerce transactions. To do that well, businesses need to identify key parts and locations where transactions happen. Easy to understand examples are the inwards goods location at a supermarket, or the pharmacy in a hospital.

GS1 GLNs are being used to uniquely identify over 820,000 New Zealand locations - thanks to the boost from the ubiquitous COVID-19 Tracer posters. The deployment of

the posters has led to surprising outcomes. Who would have guessed that couriers are scanning Organisational Parts linked to NZBNs embedded in COVID-19 posters as proof of delivery for parcels? One-scan suffices for two tasks - health and safety as well as proof of delivery! **Efficiency delivered.**

## The future

Organisation Parts have the potential to turbo-charge the digitalisation of purchase orders, invoices, despatch notes and other supply chain and e-commerce processes. Identification of physical, digital and functional locations is also a key to delivering sophisticated solutions such as traceability, e-pedigree and authentication.

This is the new frontier for true visibility - the potential to create digital pathways to assist with tracking of food from the paddock-to-the-plate, medicine to specific cabinets in hospitals and locations of care.





## 2D in retail: A new dimension in barcodes



*“2D barcodes have immense potential, and we’re excited to see how they will improve food safety, traceability, and stock management.”*

**Richard Plunkett, GM Business Enablement, Woolworths**

The global migration to 2-dimensional (2D) barcodes – provides greater visibility for retailers and consumers.

To better enable the digital consumer, the global retail industry is embarking on one of the biggest changes since the original introduction of the barcode over 50 years ago: the adoption of 2D barcodes.

2D barcodes offer benefits for retailers in both online marketplaces and physical stores by delivering savings, increased food safety, enhanced traceability and greater visibility and trust for consumers.

Today, consumers are demanding more detailed information about the products they buy; from where and how a product was produced, to how best to use and recycle it.

The GS1 2D barcode can have significantly more product information encoded in it, such as batch/lot number, best before date, use-by-

date and weight – and all in one, single (and small) symbol. GS1 2D barcodes can also encode webpage links – so the customer can be guided to further information about the product or company or even manuals or video guides. One small barcode can reveal a wealth of information that just can’t be squeezed into a traditional linear barcode.

When the barcode is scanned at the checkout, customers can be alerted that the product is past its expiry date, and the system won’t allow the purchase. More accurate expiration date management will assist retailers in automating markdowns and date-based discounts.

Woolworths Australia is already working with their suppliers to roll out 2D barcodes in their supermarkets – and it is already, transforming how fresh foods are managed at the point-of-sale. New Zealand retailers will likely follow Australia’s lead in the coming year.

“2D barcodes have immense potential, and we’re excited to see how they will improve food safety, traceability, and stock management” Richard Plunkett, Woolworths General Manager of Business Enablement.

Globally, GS1 2D barcodes are fast becoming a vital element for retailers to increase supply chain visibility, delivering higher service and confidence levels for the end customer especially for perishable products such as fruit and vegetables and meat. In the future, consumers will access product information using smartphones, enabling retailers to increase product visibility and customer trust and better meet their expectations for food freshness and safety.

Beyond food safety and food waste, 2D barcodes have the potential to improve the traceability of the paddock-to-plate journey and provide greater visibility of products in other sectors like health and beauty.





## Exporting GS1 standards – visibility at the Chinese border

GS1 standards are used by the vast majority of New Zealand's product exporters, providing increased product visibility while streamlining the clearance process at the China border.

Our interoperable standards enable exporters and importers to exchange digital product information when exporting food and beverages, pharmaceuticals, cosmetics and other products.

The GS1 'Product Passport', contains product information that enables our members to provide visibility of products to distributors and retailers.



The same information is also required by border agencies to assist with and expedite import clearance. The Product ID, or Global Trade Item Number (GTIN – barcode number) has been adopted by New Zealand Customs and other customs agencies around the world.

Perhaps, one of the most advanced implementations of GTINs at the border is with China Customs. The GTIN is now asked for ‘upfront’ and is visible to all importers when making declarations. This provides China Customs with confidence in data integrity and risk analysis.

GS1 NZ is intrinsically part of the Chinese Customs’ clearance process now, with GTINs submitted at the border coming back to us to validate the product information from New Zealand exporters, using our product registry. A similar process is now happening with at least 25 other economies exporting to China.

This partnership creates opportunities to lower the costs for GS1 NZ members who are exporting products to China.

To illustrate this, China Customs has found that the implementation of the GTIN in their systems has improved the accuracy and consistency of data, resulting in a reduced import declaration time – down from 20 minutes to 10 seconds (a 99.9% reduction).

Extending further, in China the GTIN is being automatically matched to the custom’s Harmonized Tariff Code (the ‘HS Code’). The HS Code is required by all border agencies and statistics departments, and forms the basis for classifying products in trade agreements. Exporters find obtaining the right HS Code time-consuming and error-prone. The automation implemented by China Customs has eliminated this hassle, and simultaneously provided better data quality, bio-security risk management and food safety.

The path pioneered in China has real opportunities for enhancing NZ’s border processes. We are looking to work with NZ Customs and the Ministry for Primary Industries on how we can help at the border, by leveraging the Product Passport to help our international trade members.

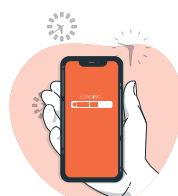
***"China Customs has found improved accuracy and consistency of data and a significantly reduced import declaration time."***

## GS1 helps by:

Improved accuracy, consistency and quality of data



Efficiency improvements



Reduction in import declaration time from 20 minutes to 10 seconds



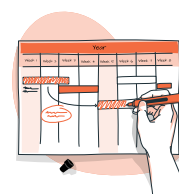
Validated origin and product data



Simplification through automation, improving regulatory compliance via automated data submission



Certainty; making forecasting and planning easier



# Enhancing our customers' GS1 journey - "one place" visibility

*"I need to make things simple for me and the businesses I work with- give me options that are matched to where I'm at in my business."*

GS1 member

As businesses and products go through life cycle journeys our vision was to support them digitally through their journey - what they need for where they are at.

Moving through the start-up, growth, scaling and exporting phases (not always sequentially) we're providing them with better visibility of what's required by trading and other business partners at various points along the way.

We're making it easier for them to provide their product or location information in one place with improved visibility and control of the data their partners and end-consumers are now demanding.

In today's digital world business owners are realising to effectively scale globally, unique product and location identification and structured data are paramount foundation blocks.

## **GS1 New Zealand unlocks a world of opportunity for Kiwi business**

GS1 is here to help organisations navigate these journeys to make it faster, scalable and more efficient - with less friction.

## **It all starts with helping companies starting out join GS1**

All businesses, when registering with the Government get allocated a special GS1 Global Location Number - known as a NZ Business Number or NZBN.

Allocated by the NZ Government, all core public data associated with the business is syndicated to GS1 NZ (and on to GS1's global systems such as the Global Registry Platform). This syndication allows GS1 NZ's systems to 'know' about a business even before they become a member. So on our website all they need to do is put in their NZBN and setting up membership is super simple. And, not surprisingly the NZBN is the core identifier GS1 NZ uses internally to identify the business and link all their critical product and location identifiers and services such as ProductRecallNZ.

Within minutes of digitally landing at GS1, companies can become members and enter the members' portal MyGS1.

## **The new MyGS1**

MyGS1 is being progressively re-architected and re-built - the first major re-work since 2008. Still at the core are the real-time registries and supporting services such as product allocation, barcode generation and user management. What's new is that the new MyGS1 will become the one place a member can conduct all their operations in a joined-up customer journey. In addition, the new MyGS1's services are enriched by substantial new capabilities. For example, after allocating a barcode number to a new product, a member will be able to automatically create a Product Passport and load it into the GS1

Global Registry Platform to help them sell their product to global retailers and to be loaded into search engines such as Google.

Once the Passport is created, members can enrich and share their product data with their trading partners based on their trading partner's (and end consumers') requirements.

It's a simple and intuitive customer experience. For example; it's clear when a payload of product data has been sent to a trading partner and if it's been accepted or if adjustments are required.

Shortly, members will also be able to manage their organisation's locations in the same way; assigning unique location identifiers GLN's from the GS1 Location Registry accessed via MyGS1.

In the near future additional requirements of trading partners will also be available in the new MyGS1 in an integrated and intuitive way - product photography, barcode verification or, all of the above in a ProductFlow report.

MyGS1 will provide a business with clear visibility of the status of their product and location data with GS1 and with their business and trading partners; at a glance they can determine if they have completed everything required to help sell their products or connect their locations externally.



# Pasture to plate – reliable, globally standardised traceability



***“Trading and the exchange of goods is based on trust, without it transactions cannot occur. New Zealand as a trading nation must operate at the highest levels of trust possible.”***

***Chris Claridge, CEO of Potatoes NZ,  
Founding Chair of Trust Alliance New Zealand***

Most often, folk associate the concept of traceability with product recall. Being a statutory requirement on suppliers of products, the ability to recall a product is clearly critical to consumer safety and regulatory compliance. The ability to manage a recall well, can often be a matter of life and death for the business. But having good traceability is much more than recall; it can provide a business with efficiency gains as well as the ability to deliver answers to the questions that consumers are increasingly asking such as: “Where did this come from?”, “Is it good for me?” or, “What is it made from?”

Traceability provides visibility to trading partners and consumers about the identification of any past or current location, the custody of an item, and knowledge of an item’s history. Traceability systems can:

- Locate defective and unsafe food and non-food products such as pharmaceuticals and electrical items – so they can be removed promptly from shelves.
- Validate the presence or absence of product attributes, such as organic farming methods, kosher foods, or non-allergenic cosmetics.
- Assist with fighting product counterfeiting.
- Provide reassurance to consumers about the provenance of what they are eating and the backstory.

The GS1 New Zealand team has been involved with a diverse range of traceability initiatives in the last year. A multi-year programme with United Fresh (the peak body for the fresh produce industry in NZ) culminated in the publication of a practical guidance document for all producers<sup>1</sup>. GS1

standards were at the core of the traceability guidelines. Numerous other initiatives for individual members beefed up their approaches to traceability. GS1 was also involved in a consortium of organisations that founded Trust Alliance New Zealand – a trusted, digital network (based on Blockchain technologies) for New Zealand producers, growers, exporters, retailers & consumers to easily share trusted data.

Responding to increasing consumer demand for pasture to plate visibility is likely to become more prevalent as a marketing strategy for New Zealand producers – increasing the overall value proposition of ‘brand New Zealand’. Underpinning this with interoperable globally recognised GS1 standards seems to be a ‘no brainer’.

<sup>1</sup> Available from [unitedfresh.co.nz/technical-advisory-group/sff](https://unitedfresh.co.nz/technical-advisory-group/sff)







# THE RESULTS

A closer look at our financial results







## Report of the Independent Auditor on the summary financial statements

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### To the Board Members of GS1 New Zealand Incorporated

#### Opinion

The summary financial statements, which comprise the summary statement of financial position as at 31 August 2021, the summary statement of comprehensive revenue and expense, summary statement of changes in equity and summary cash flow statement for the year then ended, and related notes, are derived from the audited financial statements of GS1 New Zealand Incorporated for the year ended 31 August 2021. In our opinion, the accompanying summary financial statements are consistent, in all material respects, with the audited financial statements.

#### Summary financial statements

The summary financial statements do not contain all the disclosures required by PBE IPSAS. Reading the summary financial statements and the auditor's report thereon, therefore, is not a substitute for reading the audited financial statements and the auditor's report thereon.

#### The Audited Financial Statements and Our Report Thereon

We expressed an unmodified audit opinion on the audited financial statements in our report dated 20 October 2021.

#### Other Information than the Summary Financial Statements and Auditor's Report Thereon

The Board Members are responsible for the other information. The other information comprises the annual report (but does not include the summary financial statements and our auditor's report thereon), which is expected to be made available to us after the date of this auditor's report.

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

In connection with our audit of the summary financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the summary financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

When we read the annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and will request that such matters are addressed.

#### Board Members Responsibility for the Summary Financial Statements

The Board Members are responsible for the preparation of a summary of the audited financial statements of GS1 New Zealand Incorporated in accordance with PBE FRS-43: *Summary Financial Statements*.

Chartered Accountants and Business Advisers  
Member of Grant Thornton International Ltd.



#### Auditor's Responsibility

Our responsibility is to express an opinion on whether the summary financial statements are consistent, in all material respects, with the audited financial statements based on our procedures, which were conducted in accordance with International Standard on Auditing (New Zealand) (ISA (NZ)) 810 (Revised), *Engagements to Report on Summary Financial Statements*. Our firm carries out other assignments for GS1 New Zealand Incorporated in the area of assurance and advisory services. The firm has no other interest in GS1 New Zealand Incorporated.

#### Restricted Use

This report is made solely to the Board Members, as a body. Our audit work has been undertaken so that we might state to the Board Members, as a body, those matters which we are required to state to them in an auditor'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 Association and the Board Members, as a body, for our audit work, for this report or for the opinion we have formed.

#### Grant Thornton New Zealand Audit Limited

A handwritten signature in blue ink that reads "Grant Thornton".

**B Kennerley**

**Partner**

**Wellington**

**20 October 2021**

Chartered Accountants and Business Advisers  
Member of Grant Thornton International Ltd.

## Statement of Comprehensive Revenue and Expense

	2021 \$	2020 \$
<b>Revenue from exchange transactions</b>		
Subscription income	4,858,209	4,216,072
Other fees & operating income	6,039,145	5,809,280
<b>Revenue from non-exchange transactions</b>		
Interest income	67,177	120,822
FV gain/(loss) on managed fund	28,219	-
<b>Total Revenue</b>	<b>10,992,751</b>	<b>10,146,174</b>
<b>Expenses</b>		
Employee benefits	5,773,971	5,580,911
Other operating costs	3,509,878	2,912,335
Operating lease payments	673,147	599,128
Loss/(Gain) foreign currency	(3,715)	10,276
Depreciation and amortisation	816,414	701,906
<b>Total Expenses</b>	<b>10,769,695</b>	<b>9,804,556</b>
<b>Surplus before taxation</b>	<b>223,056</b>	<b>341,618</b>
Taxation	-	-
<b>Surplus for the Year</b>		
<b>Attributable to members</b>	<b>223,056</b>	<b>341,618</b>
<b>Other Comprehensive Revenue and Expense</b>		
Other Comprehensive revenue and expense for the year	-	-
<b>Total Comprehensive Revenue and Expense for the Year Attributable to members</b>	<b>223,056</b>	<b>341,618</b>

These financial statements were approved at a meeting of Members of the Board held on 20 October 2021



**Sean Goodwin**  
Board Chair



**Dr Peter Stevens**  
Chief Executive

The accompanying notes form part  
of these financial statements



## Statement of Changes in Equity

### For the year ended 31 August 2021

	Members Capital \$	Retained Earnings \$	Total Equity \$
<b>Balance at 1 September 2019</b>	-	4,574,419	4,574,419
<b>Comprehensive Revenue and Expense for the Year</b>			
Surplus for the year	-	341,618	341,618
Other comprehensive revenue and expense	-	-	-
<b>Comprehensive Revenue and Expense for the Year</b>	-	341,618	341,618
Transactions with members	-	-	-
<b>Balance at 31 August 2020</b>	-	4,916,038	4,916,038
<b>Comprehensive Revenue and Expense for the Year</b>			
Surplus for the year	-	223,056	223,056
Other comprehensive revenue and expense	-	-	-
<b>Comprehensive Revenue and Expense for the Year</b>	-	223,056	223,056
Transactions with members	-	-	-
<b>Balance at 31 August 2021</b>	-	5,139,094	5,139,094

The accompanying notes form part  
of these financial statements

## Statement of Financial Position

### As at 31 August 2021

	2021 \$	2020 \$
<b>Current Assets</b>		
Cash and cash equivalents	883,188	735,049
Trade and other receivables	2,781,979	2,779,475
Prepayments	471,400	425,445
Investments in bank deposits	3,950,000	5,000,000
<b>Total Current Assets</b>	<b>8,086,567</b>	<b>8,939,969</b>
<b>Current Liabilities</b>		
Trade and other payables	1,300,948	1,032,830
Income in advance	4,511,521	4,437,930
Employee entitlements	1,063,814	1,075,382
<b>Total Current Liabilities</b>	<b>6,876,283</b>	<b>6,546,142</b>
<b>Working Capital</b>	<b>1,210,284</b>	<b>2,393,827</b>
<b>Non Current Assets</b>		
Investments	1,238,290	217,657
Plant and equipment	728,312	770,723
Intangible assets	2,144,849	1,746,912
<b>Total Non Current Assets</b>	<b>4,111,451</b>	<b>2,735,292</b>
<b>Non Current Liabilities</b>		
Other Payables	182,641	213,081
<b>Total Net Assets</b>	<b>5,139,094</b>	<b>4,916,038</b>
Represented by		
Retained Earnings	5,139,094	4,916,038
<b>Total Equity</b>	<b>5,139,094</b>	<b>4,916,038</b>

The accompanying notes form part  
of these financial statements

## Statement of Cash Flows

For the year ended 31 August 2021

	2021 \$	2020 \$
<b>Cash Flows from Operating Activities</b>		
Receipts from operations	10,968,443	10,997,253
Payments to suppliers and employees	(9,788,687)	(8,453,886)
Interest received	67,177	120,822
<b>Cash Flow from Operating Activities</b>	<b>1,246,933</b>	<b>2,664,189</b>
<b>Cash Flows from Investing Activities</b>		
(Increase) / Reduction in bank deposits	57,586	(1,305,795)
Purchase of plant and equipment	(167,860)	(467,684)
Purchase of intangible assets	(988,522)	(855,994)
<b>Cash Flow from Investing Activities</b>	<b>(1,098,795)</b>	<b>(2,629,473)</b>
<b>Net Cash Flows for the Year - (Outflow)/Inflow</b>	<b>148,139</b>	<b>34,716</b>
<b>Cash Balance at Start of Year</b>	<b>735,049</b>	<b>700,333</b>
<b>Cash Balance at End of Year</b>	<b>883,188</b>	<b>735,049</b>

The accompanying notes form part  
of these financial statements

# Notes to the Financial Statements

## For the year ended 31 August 2021

### 1. Reporting Entity

GS1 New Zealand Incorporated (the “Association”) is a not-for-profit organisation, based in Wellington and Auckland, which is incorporated under the Incorporated Societies Act 1908. The Association is primarily established to improve efficiency and visibility in supply and demand chains and is deemed a public benefit entity.

The financial statements for the year ended 31 August 2021 have been approved for issue by the Board Members on 20 October 2021.

### 2. Summary Financial Statements

The Summary Financial Statements for the year ended 31 August 2021 have been extracted from the Full Financial Statements of GS1 New Zealand Incorporated. The Summary Financial Statements comply with generally accepted accounting practice in New Zealand (NZ GAAP) as it relates to summary financial statements (FRS 43: Summary Financial Statements). The Summary Financial Statements can not be expected to provide as complete an understanding of the financial performance and financial position of GS1 New Zealand Incorporated as the Full Financial statements.

A set of the Full Financial Statements can be obtained by contacting the General Manager Corporate Services on (04) 494 1068, or write to The General Manager Corporate Services, GS1 New Zealand Incorporated, 158 The Terrace, Wellington, 6011. The Full Financial Statements which were approved by the Board on 20 October 2021 have been audited by Grant Thornton who issued an unmodified opinion dated 20 October 2021.

The Full Financial Statements have been prepared in accordance with Generally Accepted Accounting Practice in New Zealand (“NZ GAAP”). They comply with Public Benefit Entity International Public Sector Accounting Standards (“PBE IPSAS”) and other applicable financial reporting standards issued by the New Zealand Accounting Standards Board for Not-For-Profit-entities. For the purpose of complying NZ GAAP, GS1 New Zealand Incorporated is a public benefit not-for-profit entity and is applying Tier 2 Not-For-Profit PBE IPSAS as it has expenditure of less than \$30 million.

### 3. Functional and Presentation Currency

The financial statements are presented in New Zealand dollars, which is the functional currency and presentation currency. All numbers presented have been rounded to the nearest dollar, unless otherwise stated.

### 4. Contingent Liabilities and Guarantees

The non-current term deposit with ASB is collateral for the lease premises guarantee obtained (2020: \$217,657).



## Notes to the Financial Statements

### For the year ended 31 August 2021

#### 5. Events occurring after the reporting period date

There have been no significant events occurring after the reporting date (2020: \$nil)

#### 6. COVID 19

In December 2019, a new virus, Covid-19 was detected in Wuhan, China. The virus was soon common in other countries and on 11 March 2020 the World Health Organisation declared that the outbreak should be considered a pandemic. The result of this pandemic has been a substantial reduction in economic activity throughout the world, as governments have introduced measures (such as the closure of national borders, the closure of nonessential businesses, the cancellation of public events and the imposition of restrictions on individuals) in an attempt to reduce transmission of the virus. A four-tier alert level system was introduced on 21 March 2020 to manage the outbreak within New Zealand. In late March 2020, the New Zealand Government ordered the first lockdown, during which non-essential businesses and organisations were not allowed to access their premises and individuals (other than essential workers or those undertaking essential business) were required to stay at home.

Since then, after a two-month nationwide lockdown, from 26 March to 27 May 2020, regionalised alert level changes have been used, where the Auckland Region has entered lockdown twice, in August – September 2020 and February–March 2021. The country then went for several months without any community transmission, with all cases restricted to the managed isolation system. On 18 August 2021, New Zealand again went under nationwide lockdown due to a case of community transmission in Auckland of the Delta variant, with subsequent community cases in Auckland and Wellington. Although restrictions have been eased for most regions since then Auckland and surrounding areas have remained in an extended period of lockdown and restriction.

GS1 staff have been able to continue working remotely in Auckland, or to operate back in their premises in Wellington, resuming most operations subsequent to balance date. The impact of the extended lockdown for our Auckland regional members is unknown at balance date.

GS1 has assessed the likely impact of COVID-19 on the organisation during the year and have concluded that the impact on the financial position and operating ability of the Association is low.

The Board are not able to assess the future impact of Covid-19 on GS1 given the uncertainty of the pandemic.

# Directory

as at 31 August 2021

## Nature of Business:

A not for profit incorporated organisation established to improve efficiency and visibility in supply and demand chains.

## Board Members:

**Sean Goodwin** (Chair, elected December 2018)  
**Ruth Brash** (Deputy Chair, elected December 2019)  
**Richard Allen** (elected December 2018)  
**Jason Bardell** (elected December 2014)  
**Catherine Beard** (elected December 2014)  
**Michael Broome** (elected December 2014)  
**Sally Copland** (elected December 2018)  
**Shayne Hunter** (co-opted August 2019)  
**Mark Rance** (elected December 2008)  
**Phil Wright** (elected December 2018)

## Senior Management:

**Peter Stevens** (Chief Executive)  
**Richard Manaton** (Chief Operating Officer)  
**Gary Hartley** (General Manager, Customer)  
**Rochelle Leahy** (General Manager, Corporate Services)  
**Nick Allison** (General Manager, Government)  
**Cameron Frith** (General Manager, Implementation & Support)

## Auditors:

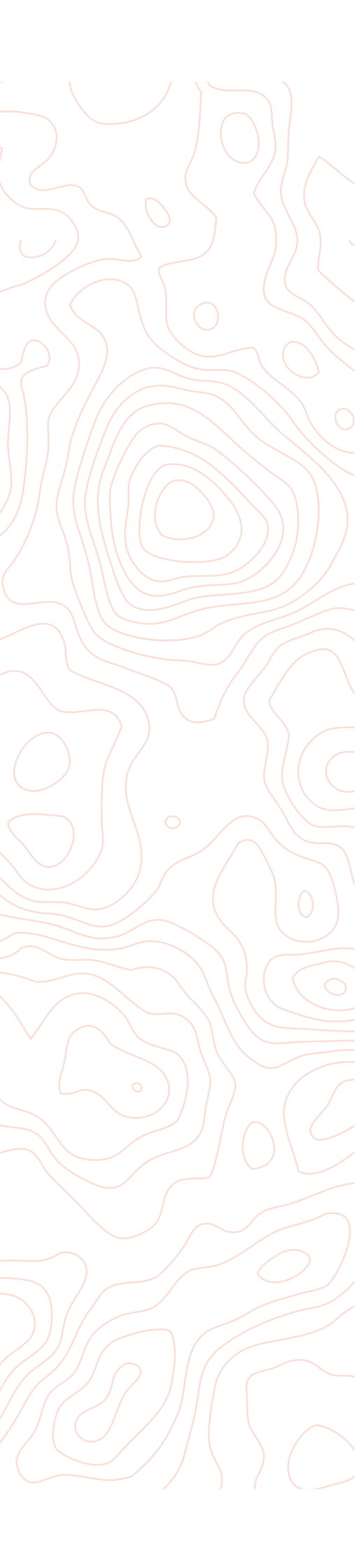
Grant Thornton New Zealand Audit Limited  
Wellington

## Business Location:

GS1 New Zealand is incorporated and domiciled in New Zealand.

The registered address is:

Level 2  
158 The Terrace  
Wellington



## **GS1 New Zealand**

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