

# Annual Report Pūrongo ā-Tau

Including Financial Statements

For the period ending 30 June 2025



Council  
Collaboration  
Into Action

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# Directors Report | Te Pūrongo a ngā Kaiwhakahaere Matua

## Regional Software Holdings Limited For the year ended 30 June 2025

On behalf of Regional Software Holdings Ltd (RSHL), and the ten regional sector shareholders, it is our pleasure to present our 2024/2025 Annual Report.

RSHL is the shared services organisation for the Regional Sector. RSHL delivers a wide range of digital, operational and financial programmes. All 16 regional and unitary councils in Aotearoa New Zealand are customers of RSHL, along with a small group of territorial authorities. As such, RSHL is one of, if not the most significant, shared-service undertaking in New Zealand. Regional government in New Zealand is clearly demonstrating its ability to work collaboratively for the betterment of our communities.

The structure of RSHL makes it simple, low risk and low cost for additional councils to join as shareholders and we look forward to more councils completing this simple step.

In the past year, RSHL has made steady progress in a demanding environment for the local government sector. Collaboration, shared services and new ways of working are more important than ever. Our major programmes such as IRIS, IRIS NextGen, Public Transport Ticketing Programme, Local Data Emissions Platform and WellsNZ all provide long-term value, efficiencies and cost savings to councils and communities.

Our flagship IRIS NextGen Programme has been focused on intensive user testing prior to the start of the pilot implementation. The testing is underpinned by good-practice processes that are at the core of the NextGen programme. Issues found during testing and delays in the delivery of some features meant that it was considered prudent to delay the start of the pilot at Otago Regional Council until November 2025. While the delay is disappointing, it is critical that we ensure the quality of the software prior to the start of implementation.

In September this year, the Board approved a business case for the transition of the Regional Integrated Ticketing System (RITS) to RSHL. This team is responsible for operation of the RITS system in use at 11 councils as well as supporting the eventual transition to the National Ticketing System. The transition enables a long-term sustainable home for the programme and consolidates our status as the vehicle of choice for Regional Sector shared services and programmes. The Public Transport Ticketing Programme is fully operational.

The Local Emissions Data Platform (LEDP) is another success story. The LEDP is designed to assist councils to support New Zealand's transition to a low-emissions future by enabling consistent, cost-effective local emissions reporting and modelling. After a year in development, we are finalising an agreement to establish the service for the long-term with 10 councils, with the intent to provide national coverage of emissions modelling.

### Strategic Direction

With our recently completed 2025/2026 Statement of Intent, we signalled a refresh of our strategy, to align with the needs of our shareholders and customers. This has been an area of intense focus for the Board.

RSHL has successfully grown the range of services that it provides, and with that, increased the customer base benefiting from those services. This Annual Report reflects the depth and breadth of services we are providing.

From this strong base, our future focus is on ensuring councils are receiving maximum value from these services and addressing the areas of greatest need for the sector. This focus aligns with our purpose and objectives.

### Financial Position

Our revenue is \$845,000 ahead of budget. Contributions to programmes are as budgeted, and we have collected additional unbudgeted funding for the Public Transport Ticketing Programme.

Operating Expenditure is \$549,000 more than budgeted. This is because of additional activity to support the Public Transport Ticketing Programme and Te Uru Kahika, offset by cost savings for the IRIS and IRIS NextGen Programmes.

As noted in previous reports, expenditure on the original IRIS solution is no longer being treated as a capital investment. As a result, the book value of the asset is depreciating rapidly. This is appropriate as the product nears the end of its life, and we look to reinvest in IRIS NextGen.

Cash balances remain healthy as the losses are resulting from depreciation rather than trading activities.

The cash position is favourable to budget because of unspent funds held on behalf of various programmes.

## Governance Review

In response to the increase in scale and complexity of the organisation, the Board elected to complete an independent review of governance arrangements.

The independent review was completed in November 2024. The review provided a series of recommendations, which the Board have now implemented, including:

- A refreshed purpose and strategy.

Refreshed and updated governance practices including revised board charter, code of conduct, board work programme and meeting schedule.

- An updated delegation authority and accountability framework.
- Appointment of an independent chair.

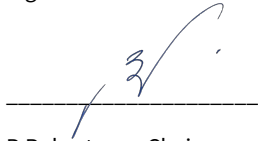
The Board has appointed Bruce Robertson as Independent Chair, effective 1 July 2025, and made provision for an additional independent director in 2026/2027.

The Board and staff of RSHL wish to acknowledge the contribution of Mike Nield from Taranaki Regional Council. Mr Nield has served as chair since the inception of RSHL. RSHL has developed to its current position under his vision and leadership. Mr Nield will continue to serve on the board of RSHL until the end of his current term.

## Looking Forward

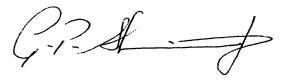
Shared services and sector collaboration are critically important to the regional sector as it navigates both current and future challenges. We look forward to leading the development of shared services that deliver value to shareholders, customers and the sector. The focus in the next six months will be making sure our operating model is fit for purpose. From a delivery standpoint, we are excited for the start of IRIS NextGen Implementations later in 2025.

Signed on behalf of the Board of Directors:



B Robertson - Chairperson

Date: 24 September 2025



G Shirley - Director

Date: 24 September 2025

# Statement of Responsibility | Tauākī o te Kawenga

## Regional Software Holdings Limited

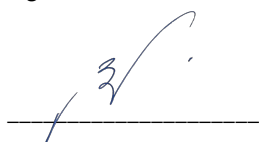
### For the year ended 30 June 2025

In terms of the Local Government Act 2002, the Board of Directors is responsible for the preparation of RSHL financial statements and to assist the company to meet its objectives and any other requirements in its Statement of Intent (SOI).

The Board of Directors of RSHL has the responsibility for establishing, and has established, a system of internal control designed to provide reasonable assurance as to the integrity and reliability of financial reporting.

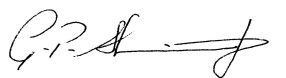
In the Board of Director's opinion, these financial statements fairly reflect the financial position and operations of RSHL for the twelve months ended 30 June 2025 and confirm that all the statutory requirements in relation to the Performance Report were complied with, as outlined in the Local Government Act 2002 and the Companies Act 1993.

Signed on behalf of the Board of Directors:



B Robertson - Chair

Date: 24 September 2025



G Shirley - Director

Date: 24 September 2025



# Statement of Service Performance | Hei Ine i te Mahi

## Regional Software Holdings Limited For the year ended 30 June 2025

### Who are we and why do we exist?

#### Purpose

To provide high-quality shared services for The Regional Sector (and associated agencies) that delivers value to shareholders, customers, and the sector.

#### Objectives

##### Primary objectives

- Ensure the local government sector is better prepared to respond to current and future challenges
- Achieve a better return on investment with a focus on quality of outcome and realising the value proposition for the sector
- Achieve consistent good practise process across the sector and within councils.

##### Supporting objectives

- Increase credibility of the sector as a trusted deliverer with a unified and consistent sector profile
- Improve key staff attraction and retention.

#### Values

In all RSHL decisions and interactions the Board and staff, together with sector participants who may be working within the RSHL framework, will observe the following values and ethos:

- We are forward thinking and innovative
- We are focussed on delivering value
- We are professional and accountable
- We are flexible and open.

#### Environmental and Sustainability Ethics

As part of the local government sector, we are fully cognisant of the realities of climate change. We are committed to reducing our environmental impact and promoting sustainability in all our operations. We will continue to look for ways to reduce our carbon footprint, conserve natural resources, and minimise our environmental impact.

### What did we do?

#### Activities

RSHL provides a framework for collaboration across the Regional Sector. It supports the procurement or development of shared solutions in a manner that provides greater consistency in how we operate. RSHL provides a more cost-effective alternative than individual councils can achieve on their own.

The company operates by facilitating collaborative initiatives between councils and through managed contractual arrangements.

RSHL activities are grouped as follows:

IRIS	<p>The IRIS Programme delivers the IRIS software platform to shareholder and customer councils. The IRIS software has been in use for 10 years and is currently in use at 7 councils.</p> <p>The 7 councils actively collaborate on the use of IRIS and the future development roadmap.</p> <p>The IRIS Programme is overseen by the IRIS Advisory Group. This group agrees the roadmap and sets the budgets for the programme.</p> <p>RSHL and the participating councils will replace the IRIS software platform via IRIS NextGen by the end of 2028.</p> <p>The IRIS Programme is now in the sunset phase. Expenditure is kept to a minimum to allow councils and staff to focus on IRIS NextGen.</p> <p><i>Performance</i></p> <p>When assessing the performance of the IRIS Programme we consider whether RSHL has appropriately managed the programme. This includes budget, vendor management, product roadmap and communications with councils.</p> <p>We place an emphasis on value, predictability, and delivery.</p> <p>Performance against budget and delivery of releases are used to assess performance.</p>
IRIS Next Generation	<p>10 councils are working with RSHL and Datacom on the delivery of the IRIS NextGen Programme, under a formal partnership agreement.</p> <p>The IRIS NextGen Programme is led by the IRIS NextGen Steering Group. The Group is made up of senior managers from the councils, RSHL and Datacom.</p> <p>The goal of the IRIS NextGen Programme is to deliver game-changing productivity improvements to the regional sector through sector alignment around good practice process, supported by fit for purpose software.</p> <p>IRIS Next Generation (IRIS NextGen) will be a cloud-based Software as a Service solution (SaaS) based on the Datacom Datascape platform.</p> <p>IRIS NextGen will deliver a modern software platform to councils, including an online customer portal and a mobile field application. Along with the software solution, the programme will implement consistent “good practice” processes for the sector.</p> <p>IRIS NextGen will:</p> <ul style="list-style-type: none"> <li>• Make council staff work easier</li> <li>• Promote operational excellence and efficiency</li> <li>• Demonstrate collaboration at a sector level</li> <li>• Ensure the development of the technical solution is fit for purpose.</li> </ul> <p>Over the next year the IRIS NextGen Programme will complete the build of the IRIS NextGen software solution and commence rollout to the councils, starting with implementation at the pilot council in 2026.</p> <p>The goal is to roll out IRIS NextGen to the participating councils by the end of 2028.</p>

	<p><i>Performance</i></p> <p>When assessing the performance of the IRIS NextGen Programme we consider whether RSHL has appropriately managed the programme. This includes budget, vendor management, product roadmap and communications with councils.</p> <p>We place an emphasis on predictability, delivery and consistency. Performance against budget, delivery against milestones, and customer feedback are used to assess performance.</p>
<p>Environmental Monitoring and Reporting (EMaR)</p>	<p>The objective of EMaR is to improve the collection, accessibility and presentation of environmental data in New Zealand.</p> <p>The EMaR Programme has three projects.</p> <ul style="list-style-type: none"> <li>• National Environmental Monitoring Standards (NEMS) – Aims to ensure consistency in the way environmental monitoring data is collected and handled throughout New Zealand.</li> <li>• Environmental Data Management System (EDMS) – Aims to provide a single access point to environmental data from multiple sources in a consistent format.</li> <li>• Land, Air Water Aotearoa (LAWA) – Shares data and information to tell the story of our environment.</li> </ul> <p>EMaR is an all-of-sector programme, and includes partner agencies from central government: MfE, Stats NZ and DoC (and others).</p> <p>The EMaR programme is managed by RSHL and governed by the EMaR Steering Group. Each project has its own Steering Group who oversee operational activities.</p> <p>The EMaR/LAWA Programme Manager is employed by RSHL. The LAWA project administration (financial and contractual) is managed by RSHL.</p> <p><i>Performance</i></p> <p>When assessing the performance of EMaR we consider whether RSHL has appropriately managed the programme. This includes budget, vendor management, product roadmap and communications with councils.</p> <p>An emphasis is placed on predictability, delivery and consistency.</p> <p>Performance against budget, delivery of releases, customer and user feedback are used to form an assessment.</p>



<p>Te Uru Kahika Support Services</p>	<p>Te Uru Kahika is the collective name for the 16 Regional Councils and Unitary Authorities in New Zealand.</p> <p>Through Te Uru Kahika, the regional sector:</p> <ul style="list-style-type: none"> <li>• Shares knowledge and resources between councils</li> <li>• Coordinates input into national direction setting</li> <li>• Works together to more effectively implement central government policy and respond to nationally significant events.</li> </ul> <p>The Virtual Office of Te Uru Kahika is made up of a team who coordinates the activity of cross-functional groups from different councils.</p> <p>RSHL provides services that underpin and accelerate Te Uru Kahika.</p> <p>The Virtual Office supports the activities of Te Uru Kahika. The Virtual Office is led by the Executive Director Te Uru Kahika and overseen by the Te Uru Kahika RCEOs Group.</p> <p>Staff working in the Te Uru Kahika Virtual Office are employed by RSHL.</p> <p>RSHL collects funding from councils for Te Uru Kahika's work programmes, and procures services providers to assist with delivery.</p> <p>The services that RSHL provides to Te Uru Kahika are defined in a Memorandum of Agreement.</p> <p>When assessing RSHLs performance for this activity, the focus is different for each service. The performance measures are defined in the MoA.</p> <p>These services are:</p> <table border="1" data-bbox="400 1122 1433 1588"> <tr> <td data-bbox="400 1122 764 1227">Financial/Operations Management</td> <td data-bbox="764 1122 1433 1227">These are foundational services, the focus is on compliance with policy, alignment with good practice.</td> </tr> <tr> <td data-bbox="400 1227 764 1332">Operation of shared services/solutions</td> <td data-bbox="764 1227 1433 1332">The focus is on achieving the intended outcome of the shared service, while effectively managing staff and finances.</td> </tr> <tr> <td data-bbox="400 1332 764 1406">Employment of Staff</td> <td data-bbox="764 1332 1433 1406">The focus is on providing a working environment where staff are supported, motivated and safe.</td> </tr> <tr> <td data-bbox="400 1406 764 1512">Programme Management</td> <td data-bbox="764 1406 1433 1512">The focus is on delivering high quality, skilled and trusted programme management, so that Te Uru Kahika maximises the benefits of investment into shared programmes.</td> </tr> <tr> <td data-bbox="400 1512 764 1588">Management Services (As requested)</td> <td data-bbox="764 1512 1433 1588">The focus is on being an enabler and problem solver, allowing Te Uru Kahika to maintain momentum towards its goals.</td> </tr> </table>	Financial/Operations Management	These are foundational services, the focus is on compliance with policy, alignment with good practice.	Operation of shared services/solutions	The focus is on achieving the intended outcome of the shared service, while effectively managing staff and finances.	Employment of Staff	The focus is on providing a working environment where staff are supported, motivated and safe.	Programme Management	The focus is on delivering high quality, skilled and trusted programme management, so that Te Uru Kahika maximises the benefits of investment into shared programmes.	Management Services (As requested)	The focus is on being an enabler and problem solver, allowing Te Uru Kahika to maintain momentum towards its goals.
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### Ngā Mahi e Rapua Nei Te Utu Paremata | Activities for Which Compensation Is Sought

Funds for the operation of Te Uru Kahika, EMAR/LAWA, IRIS and IRIS NextGen are received by way of levies from the councils participating in each programme. Each programme pays a share of the overhead costs of the company proportional to the size of the programme.

These levies are set annually in the Statement of Intent. For some projects additional funding is collected from central government entities.

Payment of annual fees will be sought for the following activities:

Activity	Description																								
Te Uru Kahika Service Delivery	<p>Payment of annual contributions will be sought from all regional councils in support of Te Uru Kahika.</p> <p>For some Te Uru Kahika programmes, additional contributions may be sought from other local government organisations and government ministries.</p> <p>Contributions will be according to the agreed models.</p> <p>The funding contribution for most Te Uru Kahika programmes is based on the size of the council. The total amounts to be collected vary year to year.</p> <table border="1"> <thead> <tr> <th>Tier 1 – 9.4% each</th> <th>Tier 2 – 6.2% each</th> <th>Tier 3 – 3.2% each</th> </tr> </thead> <tbody> <tr> <td>Auckland Council*</td> <td>Horizons RC</td> <td>Tasman DC</td> </tr> <tr> <td>Environment Canterbury</td> <td>Otago RC</td> <td>Nelson City Council</td> </tr> <tr> <td>Greater Wellington RC</td> <td>Hawke’s Bay RC</td> <td>Gisborne DC</td> </tr> <tr> <td>Waikato RC</td> <td>Northland RC</td> <td>Marlborough DC</td> </tr> <tr> <td>Bay of Plenty RC</td> <td>Taranaki RC</td> <td>West Coast RC</td> </tr> <tr> <td></td> <td>Southland RC</td> <td></td> </tr> <tr> <td><b>Total 47%</b></td> <td><b>Total 37%</b></td> <td><b>Total 16%</b></td> </tr> </tbody> </table> <p>*Auckland Council does not fund all sector programmes. In cases where they do not fund a programme, their contribution will be collected from the remaining councils according to the model above.</p> <ul style="list-style-type: none"> <li>A small number of programmes have custom funding models based on the value of the programmes to the region.</li> <li>The budget and funding arrangements Te Uru Kahika are documented in a briefing paper which is approved with the Te Uru Kahika Business Plan before the start of each financial year.</li> <li>In FY25 RSHL expected to collect \$3.9M in funding from councils in support of Te Uru Kahika.</li> </ul>	Tier 1 – 9.4% each	Tier 2 – 6.2% each	Tier 3 – 3.2% each	Auckland Council*	Horizons RC	Tasman DC	Environment Canterbury	Otago RC	Nelson City Council	Greater Wellington RC	Hawke’s Bay RC	Gisborne DC	Waikato RC	Northland RC	Marlborough DC	Bay of Plenty RC	Taranaki RC	West Coast RC		Southland RC		<b>Total 47%</b>	<b>Total 37%</b>	<b>Total 16%</b>
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IRIS	<p>Payment of an Annual Fee for IRIS will be sought from all councils that use the Software for annual support and development fees, as set out in the License Agreement.</p> <p><b>Proportion of Contributions to the IRIS Programme</b></p> <p>Contributions for IRIS will be collected in the following proportions:</p> <table border="1" data-bbox="370 573 1430 967"> <thead> <tr> <th data-bbox="370 573 970 618">Shareholder</th> <th data-bbox="970 573 1430 618">Percentage</th> </tr> </thead> <tbody> <tr> <td data-bbox="370 618 970 663">Waikato Regional Council</td> <td data-bbox="970 618 1430 663">32.39%</td> </tr> <tr> <td data-bbox="370 663 970 707">Northland Regional Council</td> <td data-bbox="970 663 1430 707">11.93%</td> </tr> <tr> <td data-bbox="370 707 970 752">Horizons Regional Council</td> <td data-bbox="970 707 1430 752">16.00%</td> </tr> <tr> <td data-bbox="370 752 970 797">Taranaki Regional Council</td> <td data-bbox="970 752 1430 797">11.93%</td> </tr> <tr> <td data-bbox="370 797 970 842">Southland Regional Council</td> <td data-bbox="970 797 1430 842">11.93%</td> </tr> <tr> <td data-bbox="370 842 970 887">West Coast Regional Council</td> <td data-bbox="970 842 1430 887">3.87%</td> </tr> <tr> <td data-bbox="370 887 970 931">Hawke's Bay Regional Council</td> <td data-bbox="970 887 1430 931">11.93%</td> </tr> </tbody> </table> <p>In FY25 RSHL expected to collect \$0.44m of funding from participating councils.</p>	Shareholder	Percentage	Waikato Regional Council	32.39%	Northland Regional Council	11.93%	Horizons Regional Council	16.00%	Taranaki Regional Council	11.93%	Southland Regional Council	11.93%	West Coast Regional Council	3.87%	Hawke's Bay Regional Council	11.93%						
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IRIS Next Generation	<p>The IRIS NextGen Partnership agreement sets out the funding to be collected from each participating council and the activities that the funds will be used for. The 10 Participating Councils share the programme costs of the IRIS NextGen programme according to the following contribution model:</p> <table border="1" data-bbox="370 1151 1430 1693"> <thead> <tr> <th data-bbox="370 1151 999 1196">Council</th> <th data-bbox="999 1151 1430 1196">Share</th> </tr> </thead> <tbody> <tr> <td data-bbox="370 1196 999 1240">Waikato Regional Council</td> <td data-bbox="999 1196 1430 1240">17.20%</td> </tr> <tr> <td data-bbox="370 1240 999 1285">Bay of Plenty Regional Council</td> <td data-bbox="999 1240 1430 1285">17.20%</td> </tr> <tr> <td data-bbox="370 1285 999 1330">Horizons Regional Council</td> <td data-bbox="999 1285 1430 1330">10.40%</td> </tr> <tr> <td data-bbox="370 1330 999 1375">Otago Regional Council</td> <td data-bbox="999 1330 1430 1375">10.40%</td> </tr> <tr> <td data-bbox="370 1375 999 1420">Northland Regional Council</td> <td data-bbox="999 1375 1430 1420">10.40%</td> </tr> <tr> <td data-bbox="370 1420 999 1464">Hawke's Bay Regional Council</td> <td data-bbox="999 1420 1430 1464">10.40%</td> </tr> <tr> <td data-bbox="370 1464 999 1509">Taranaki Regional Council</td> <td data-bbox="999 1464 1430 1509">7.80%</td> </tr> <tr> <td data-bbox="370 1509 999 1554">Southland Regional Council</td> <td data-bbox="999 1509 1430 1554">7.80%</td> </tr> <tr> <td data-bbox="370 1554 999 1599">Nelson City Council</td> <td data-bbox="999 1554 1430 1599">4.20%</td> </tr> <tr> <td data-bbox="370 1599 999 1644">West Coast Regional Council</td> <td data-bbox="999 1599 1430 1644">4.20%</td> </tr> </tbody> </table> <p>Over the 10-year term of the Partnership Agreement, the programme costs are expected to total \$31.6M</p> <p>Programme costs are budgeted and approved by the IRIS NextGen Steering Group annually. Programme costs include:</p>	Council	Share	Waikato Regional Council	17.20%	Bay of Plenty Regional Council	17.20%	Horizons Regional Council	10.40%	Otago Regional Council	10.40%	Northland Regional Council	10.40%	Hawke's Bay Regional Council	10.40%	Taranaki Regional Council	7.80%	Southland Regional Council	7.80%	Nelson City Council	4.20%	West Coast Regional Council	4.20%
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West Coast Regional Council	4.20%																						

<p>IRIS Next Generation (Continued)</p>	<ul style="list-style-type: none"> <li>• Datacom software solution delivery</li> <li>• Datacom programme management</li> <li>• Datacom support and maintenance</li> <li>• Datacom council implementation costs</li> <li>• Datacom Good Practice Process Operating Model development</li> <li>• RSHL programme management</li> <li>• Travel and meeting expenses.</li> <li>• RSHL Overheads</li> </ul> <p>In FY25 RSHL expected to collect \$4.2M from participating councils for IRIS NextGen. In addition, there was a budget provision to collect a contingency if required and approved by the IRIS NextGen Steering Group. The contingency provision for FY2025 is \$420K.</p> <p>In addition to the shared programme costs stated above, each Participating Council will directly incur costs. These costs are the responsibility of each Participating Council and will not be shared according to the council contribution model.</p>																				
<p>RSHL Overhead Costs</p>	<p>Overhead costs are costs that cannot be allocated to a specific work programme.</p> <p>All work programmes contribute to overhead costs of RSHL, with the proportion of the contribution based on actual revenue in the financial year.</p> <p>In the 2025 financial year the budgeted proportion of overheads to each programme is as follows:</p> <table border="1" data-bbox="371 999 1430 1196"> <thead> <tr> <th></th> <th>2023/24 (SOI)</th> <th>2024/25</th> <th>2025/26</th> <th>2026/27</th> </tr> </thead> <tbody> <tr> <td>IRIS</td> <td>8%</td> <td>4.5%</td> <td>7%</td> <td>5%</td> </tr> <tr> <td>IRIS NextGen</td> <td>44%</td> <td>43.0%</td> <td>42%</td> <td>45%</td> </tr> <tr> <td>SFMS</td> <td>48%</td> <td>52.5%</td> <td>52%</td> <td>50%</td> </tr> </tbody> </table> <p>In FY25 RSHL expected to have overheads of \$0.43M. This is 4% of total expenditure.</p>		2023/24 (SOI)	2024/25	2025/26	2026/27	IRIS	8%	4.5%	7%	5%	IRIS NextGen	44%	43.0%	42%	45%	SFMS	48%	52.5%	52%	50%
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## How did we perform?

IRIS	<p>We previously reported a reduction in the frequency of IRIS releases to allow focus on IRIS NextGen and minimise cost. During the reporting period, release 4.08 was provided on 3 April 2025. This release included minor fixes and performance testing.</p> <p>Datacom has previously provided technical analysis identifying potential risks for councils using the IRIS platform through to its end of life in 2028. Recent testing has identified performance issues with SQL Server 2022. Further evaluation is underway to determine the impact. The focus remains on maintaining product security and functionality through to 2028, while minimising costs.</p> <p>Delays with the IRIS NextGen Programme have increased the risk that councils will need to operate IRIS Classic for longer than planned. Mitigations are being put in place to closely manage any risk.</p> <p>During the reporting period, work continued to enable councils in cleansing their IRIS data in preparation for migration to the Datascape Regional Sector Solution (RSS). This includes the conversion and transformation of data. This work was originally scheduled for March – September 2025 but due to build delays of the RSS it is now expected to be completed in December 2025.</p>
IRIS Next Generation	<p>The IRIS NextGen Programme is progressing steadily towards the start of the Pilot implementation in November 2025, despite a second delay to the completion of the build of the Datascape Regional Sector Template.</p> <p>The first release of functionality was delivered in late January. The final release of functionality is now scheduled for November 2025. The cost impacts of this delay were reduced because the contract for the development of IRIS NextGen is fixed-price.</p> <p>Councils have placed a major emphasis on user testing the solution and processes once delivered by Datacom. The testing programme for IRIS NextGen is comprehensive, ensuring that the solution is of high quality, prior to the start of the Pilot Implementation. More than 35 staff were seconded from councils to perform the first round of product acceptance testing from January-May 2025. A second round of testing will be done from September-December 2025. The structured test approach has allowed for focused expertise and cross-council learning, which enriches understanding and fosters a supportive team culture.</p> <p>Organisational change management activities in this period included quarterly sponsor forums and the operation of a Change Managers Forum to facilitate collaboration between councils in the planning and execution of their change journeys. A programme change management review that is due for completion in September will ensure that the change management approach remains fit for purpose.</p> <p>Detailed planning and pre-implementation activities are underway with the Pilot council for the commencement of the Pilot implementation in November. Councils have developed a strategy and resource model to share resources and support the Pilot implementation.</p> <p>Financially, the IRIS NextGen Programme is on-budget.</p>

<p>Te Uru Kahika Support Services</p>	<p>In this context, Te Uru Kahika refers to the organisation led by the Te Uru Kahika Executive Director and overseen by the RCEOs Group. Te Uru Kahika is also sometimes used to refer to the collective of the 16 regional government organisations.</p> <p>RSHL provides services that underpin and accelerate Te Uru Kahika, including collecting funds, employing staff, and engaging suppliers to work on Te Uru Kahika strategic objectives.</p> <table border="1" data-bbox="376 555 1433 1149"> <tr> <td data-bbox="376 555 756 824"> <p>Financial/Operations Management</p> </td> <td data-bbox="764 555 1433 824"> <p>RSHL efficiently and accurately operated the financial systems for Te Uru Kahika. This included:</p> <ul style="list-style-type: none"> <li>• Management of upward of 120 service contracts for services in support of Te Uru Kahika work programmes</li> <li>• Processing of 618 receivable invoices lines with a total value of \$5.1M for funding to support the programmes.</li> <li>• Processing of payable invoices with a total value of \$6.4M for services in support of Te Uru Kahika.</li> </ul> </td> </tr> <tr> <td data-bbox="376 835 756 1048"> <p>Operation of shared services/solutions</p> </td> <td data-bbox="764 835 1433 1048"> <p>In the year ended 30 June 2025 RSHL operated the following shared service solutions for Te Uru Kahika:</p> <ul style="list-style-type: none"> <li>• LAWA Website</li> <li>• WellsNZ</li> <li>• N-Cap Tool</li> <li>• Te Uru Kahika Collaboration Hub</li> <li>• Macro-Invertebrate Species Library.</li> </ul> </td> </tr> <tr> <td data-bbox="376 1059 756 1149"> <p>Employment of Staff</p> </td> <td data-bbox="764 1059 1433 1149"> <p>In the year ended 30 June 2025 RSHL employed 10 staff on behalf of Te Uru Kahika including 2 staff on secondment from GWRC and NIWA.</p> </td> </tr> </table>	<p>Financial/Operations Management</p>	<p>RSHL efficiently and accurately operated the financial systems for Te Uru Kahika. This included:</p> <ul style="list-style-type: none"> <li>• Management of upward of 120 service contracts for services in support of Te Uru Kahika work programmes</li> <li>• Processing of 618 receivable invoices lines with a total value of \$5.1M for funding to support the programmes.</li> <li>• Processing of payable invoices with a total value of \$6.4M for services in support of Te Uru Kahika.</li> </ul>	<p>Operation of shared services/solutions</p>	<p>In the year ended 30 June 2025 RSHL operated the following shared service solutions for Te Uru Kahika:</p> <ul style="list-style-type: none"> <li>• LAWA Website</li> <li>• WellsNZ</li> <li>• N-Cap Tool</li> <li>• Te Uru Kahika Collaboration Hub</li> <li>• Macro-Invertebrate Species Library.</li> </ul>	<p>Employment of Staff</p>	<p>In the year ended 30 June 2025 RSHL employed 10 staff on behalf of Te Uru Kahika including 2 staff on secondment from GWRC and NIWA.</p>
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<p>Environmental Monitoring and Reporting (EMaR)</p>	<p><b>EMaR Strategic directions update</b></p> <p>Representatives across Te Uru Kahika and RSHL met in March 2025 to create an updated strategy for Te Uru Kahika’s environmental monitoring and reporting system. The new strategy on a page was approved by the Resource Management Group and endorsed by RCEOs in May. Our strategy includes an updated vision and priorities for the sector.</p> <p><b>Vision</b> - To be the trusted guardian of New Zealand’s environmental data, empowering informed decision-making, fostering collaboration, and delivering actionable insights to support a sustainable future.</p> <p><b>Strategic objective and priorities</b> - Te Uru Kahika works collaboratively to maximize the <b>influence</b> of environmental information, ensuring it is <b>trusted, accessible, relevant, representative, efficient, and resilient</b>.</p> <p>Priorities include:</p> <ul style="list-style-type: none"> <li>• Advocating the value of Te Uru Kahika as a leader in environmental monitoring and the importance of these data for decision making</li> <li>• Strengthen governance and coordination</li> <li>• Build and strengthen relationships with key partners</li> <li>• Develop and enhance environmental monitoring and infrastructure systems</li> <li>• Secure longer-term sustainable funding to support shared services systems</li> </ul>
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#### Next steps:

- Te Uru Kahika's strategy will be shared with our central government partners to guide discussions on joint agency priorities for EMaR with a focus on opportunities that create value add by working together.
- EMaR is now a programme in the newly established Science and Data priority area for Te Uru Kahika's 2025/26 Business Plan. The Science and Data Group's governance and operational model is being worked through.

#### LAWA project update

**Key Outcome:** Trusted, accessible, high quality, up-to-date environmental data and information.

##### 1. Maintaining and updating LAWA content:

The annual BAU updates for LAWA's data and information across the topics covering air, water and land were completed on time and within budget as planned. Feedback from council staff who provide their updated data and information to LAWA are generally positive toward the project teams involved. Challenges generally relate to capability and capacity constraints for some councils to provide quality assured data in a consistent format, and/or the nature of the cross-disciplinary work (data managers, scientists and communications experts) across the domains requires council staff to be internally well connected for successful LAWA updates.

As always, we would like to acknowledge the EMaR/LAWA project teams and council staff across Te Uru Kahika, including managers, scientists, data managers, GIS specialists and communication experts, for their ongoing efforts in keeping their regional data and information on LAWA up-to-date. It is a huge collective effort to ensure LAWA remains a trusted, up-to-date source of environmental data and information and continues to demonstrate sector leadership in this space.

##### 2. LAWA's reach:

The data and information from LAWA are being used by many (central and local government, research and education sector, industry, iwi and public) in a wide range of applications to inform decision making.

The number of visitors to the LAWA website was steady this year. From the last 12 months (1 July 2024 – 30 June 2025) LAWA had around 327,535 users and 1.3 million views, marking a 4% drop in users and a 2% increase in views compared to the same period in the previous year (1 July 2023 – 30 June 2024).

While we are continuing to broaden the reach and value of the data and information from the regional sector/Te Uru Kahika (and others) through LAWA, and it continues to be used as a trusted source of data and information, this is the first year since LAWA was launched that we've not seen year-on-year increases in users. The reason is not clear, but likely contributing factors are that we've reached 'market saturation' with our content, while at the same time it has become more challenging to get media cut through (both traditional and social) as there are less investigative journalists covering science and environmental data, the rise of sponsored content, and changing trends in how people access their information via social media and changes to these platforms on what posts get served to their users.

##### 3. New Projects:

The new LAWA 'Actions for Healthy Waterways' topic was completed and launched on 29 November 2024. This new topic presents land management actions, such as riparian planting and erosion control, taken at catchment scale across New Zealand to restore water quality in rivers, lakes, wetlands, and estuaries. The aim of the topic is to provide a nationwide view of progress and impact by linking these actions with water quality outcomes.

The data and stories for this topic come from the national Healthy Waterways register, developed through the Our Land and Water National Science Challenge. The register is freely available, allowing groups to contribute their mahi.

The new topic aligns closely with and supports one of Te Uru Kahika’s priority areas: *‘Working with communities to improve freshwater outcomes: progress change that is practical and achievable for communities; improve visibility of the difference it makes at a catchment scale.’*

There is significant interest by many in seeing more data and stories progressively added over time. This will eventually allow us to track the collective efforts in catchments nationwide and identify where the mahi is best supporting improved water health outcomes.

**Public Transport Ticketing Programme**

In September this year the board approved a business case for the transition of the Regional Integrated Ticketing System (RITS) team from ORC to RSHL. This team is responsible for operation of the RITS system in use at 10 councils as well as supporting the eventual transition to the National Ticketing System. The transition enables a long-term sustainable home for the programme.

Service Category	Notes
Financial/Operations Management	We have established contracts for the small number of suppliers providing services to the Public Transport Ticketing Programme. We have established a funding agreement with the councils participating in the RITS Programme, collected our first funding from the councils. The necessary structures have been set up in our financial systems to account for Public Transport Ticketing Programme income and expenditure separately from other activities.
Operation of shared services/solutions	The PTP Budget will be included in the draft and final SOI Budgets published by RSHL this year.
Employment of Staff	PTTP staff have transferred to RSHL and inducted. Transfer of PTP records from ORC to RSHL, and provisioning of new IT equipment is occurring according to the implementation plan.

## Key Judgements

IRIS	<p>When assessing the performance of the IRIS Programme we consider whether RSHL has appropriately managed the programme. This includes budget, vendor management, product roadmap and communications with councils.</p> <p>We place an emphasis on predictability, delivery and consistency.</p> <p>Performance against budget, delivery of releases, customer and user feedback are used.</p>
IRIS Next Generation	<p>When assessing the performance of the IRIS NextGen Programme we consider whether RSHL has appropriately managed the programme. This includes budget, vendor management, product roadmap and communications with councils.</p> <p>We place an emphasis on predictability, delivery and consistency.</p> <p>Performance against budget, delivery against milestones, and customer feedback are used.</p>
EMaR	<p>When assessing the performance of the EMaR we consider whether RSHL has appropriately managed the programme. This includes budget, vendor management, product roadmap and communications with councils.</p> <p>An emphasis is placed on predictability, delivery and consistency.</p> <p>Performance against budget, delivery of releases, customer and user feedback are used to form an assessment.</p>
Te Uru Kahika Support Services	<p>In this context, Te Uru Kahika refers to the organisation led by the Te Uru Kahika Executive Director and overseen by the RCEOs Group. Te Uru Kahika is also sometimes used to refer to the collective of the 16 regional government organisations.</p> <p>When assessing the performance of RSHL in providing support services to Te Uru Kahika we consider how RSHL has effectively supported the smooth operation of Te Uru Kahika and enabled the sector to respond to issues and opportunities as they arise.</p> <p>Feedback from stakeholders and achievement of targeted outcomes is used to form an assessment.</p> <p>We place an emphasis on enabling the work of Te Uru Kahika and the efficient, compliant and accurate processing of financial transactions for the Te Uru Kahika programme.</p> <p>Performance is assessed using the services framework in the MoA.</p> <ul style="list-style-type: none"> <li>• Financial/Operations Management</li> <li>• Operation of shared services/solutions</li> <li>• Employment of Staff</li> <li>• Programme Management</li> <li>• Management Services (as requested)</li> </ul>

<p>Public Transport Ticketing Programme</p>	<p>When assessing the performance of RSHL in supporting the PTTP we consider how RSHL has effectively supported the smooth operation of the programme. Feedback from stakeholders and achievement of targeted outcomes is used to form an assessment.</p> <p>We place an emphasis on enabling the programme to achieve its goals, and the efficient, compliant and accurate processing of financial transactions.</p> <p>Performance is assessed using the services framework:</p> <ul style="list-style-type: none"> <li>• Financial/Operations Management</li> <li>• Operation of shared services/solutions.</li> <li>• Employment of Staff</li> <li>• Programme Management</li> <li>• Management Services</li> </ul>
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**Performance Measures | Hei Ine i te Mahi**

The following performance measures were incorporated into the Statement of Intent for the 2024-25 financial year.

**Theme: Programme Delivery**

**Performance Statement:** We will manage our programmes to a high standard.

Target	Timing
All projects and programmes will follow an appropriate approval pathway for their size, scope and complexity.	Self-assessment in June each year.

In the period 1 July 2024 – 30 June 2025 the following projects were initiated at RSHL:

*Data Emissions Platform Project*

The Local Emissions Data Platform is a standardised, accessible online tool designed to enable councils to consistently report and analyse greenhouse gas emissions, supporting evidence-based decision-making and alignment with national and international reporting frameworks.

The Local Data Emissions Platform Project was assessed via a feasibility study.

The project was assessed as low risk due to the following factors:

- The funding commitment was for one year.
- The total project annual cost was less than \$0.5M allocated across 19 participating councils.
- The project has no capital expenditure component.

As the project was low risk, a business case was not required, and the project was approved by the participating councils and the board of RSHL via a project scope document.

*Public Transport Ticketing Programme*

The Public Transport Ticketing Programme enables a consortium of ten councils to operate the Bee Card transport ticketing system, and to work with other regional authorities and Waka Kotahi/NZTA on the National Ticketing Solution (NTS). The programme had previously been hosted at ORC.

Incorporating the programme within RSHL included the transition of 3-5 staff, and management of the vendor contract.

- The board approved the transition of the programme to RSHL via a lite business case.
- The participating councils agreed to the transition via a paper to the programme governance group.

### Planning Management System

The Planning Management System (PMS) Project was designed to streamline planning, strategy, and policy processes for local governments, particularly in relation to the Resource Management Act (RMA), by managing and tracking submissions, responses, and resolutions effectively.

- A Feasibility Assessment was completed for this project.
- Based on the Feasibility Assessment the councils elected not to proceed with the project. Uncertainty around Resource Management Reform was the deciding factor.

Target	Timing
All programmes will have an effective governance structure appropriate to the size and complexity of the programme.	Self-assessment in June each year.

In the period 1 July 2024– 30 June 2025 all projects/programmes operated governance structures as agreed with participating councils, and in accordance with the RSHL Governance Framework.

Programme	Governance Structure
IRIS NextGen	<ul style="list-style-type: none"> <li>• RSHL Board governance oversight</li> <li>• Council appointed Steering Group with representatives from each council.</li> </ul>
IRIS	<ul style="list-style-type: none"> <li>• RSHL Board governance oversight</li> <li>• Council appointed Advisory Group with representatives from each council.</li> </ul>
Te Uru Kahika Hosting	<ul style="list-style-type: none"> <li>• Oversight by the Te Uru Kahika RCEOs Group.</li> <li>• RSHL oversight of financial activity according to RSHL control environment.</li> </ul>
Local Data Emissions Platform	<ul style="list-style-type: none"> <li>• RSHL Board governance oversight</li> <li>• Steering Group appointed by participating councils.</li> <li>• Council appointed Advisory Group with representatives from each council.</li> </ul>
WellsNZ	<ul style="list-style-type: none"> <li>• RSHL Board governance oversight</li> <li>• Council appointed Steering Group</li> <li>• Council appointed Advisory Group with representatives from each council.</li> </ul>
EDMS (Discontinued)	<ul style="list-style-type: none"> <li>• RSHL Board governance oversight</li> <li>• Steering Group appointed by Te Uru Kahika</li> </ul>
Public Transport Ticketing Programme	<ul style="list-style-type: none"> <li>• Council appointed Steering Group.</li> <li>• RSHL oversight of financial activity according to RSHL policy.</li> </ul>

Between February and June this year RSHL reviewed the governance arrangements for programmes. The purpose of the review was to put in place governance structures that enabled RSHL to deliver maximum value to councils for programmes that it operates, while providing councils transparency and control of significant programme decisions.

The review resulted in changes to our standard partnership agreement to include a definition of “significant” decisions, and a new process for these decisions to be approved by the board and councils.

Target	Timing
All programmes will have an effective planning process. Draft plans and budgets will be set before 1 March, final plans and budgets will be set by 30 June.	Self-assessment in June each year.

Programme	Planning and Budgeting
IRIS NextGen	The IRIS NextGen Programme Budget was updated and endorsed by the Steering Group in February, for inclusion in the Draft Statement of Intent. The final unchanged budget was endorsed by the Steering Group in June for inclusion in the Statement of Intent.
IRIS	The IRIS Programme Budget was updated and endorsed by the Advisory Group in February, for inclusion in the Draft Statement of Intent.  Participating councils had the budget approved by a staff member with appropriate delegation. The final unchanged budget was endorsed by the Advisory Group in June for inclusion in the Statement of Intent.
Te Uru Kahika Hosting	Te Uru Kahika developed a new business plan in the first part of 2025. Because of this the budget included in the draft statement of intent was indicative only.  Te Uru Kahika RCEOs Group approved the new business plan in May and a final budget in June. This budget was included in the Statement of Intent. Te Uru Kahika's Business Plan and Budget development was overseen by the Te Uru Kahika Executive Director.
Local Data Emissions Platform	The Local Data Emissions Platform was rolled out to councils in FY25. The implementation programme used an ad-hoc funding model. As part of the implementation and validation process for the platform a new funding model was developed, which will be used going forward.  Validation of the platform was completed between March and June 2025, allowing the FY26 budget, and plan to be reflected in the Statement of Intent. The LDEP implementation programme will end in 2025 and LDEP will operate as a service going forward.
WellsNZ	RSHL operates WellsNZ as a service. Budgets and plans were included in the draft SOI published in February, and updated to reflect two additional councils taking up the service in FY26.
EDMS (Discontinued)	N/A. This project has now closed.
Public Transport Ticketing Programme	The Public Transport Ticketing Programme has been disrupted by delays to the National Ticketing System rollout. As such plans and budgets have been updated regularly to reflect the changing situation. The budget included in the Statement of Intent is the latest approved by the programme steering group.



Target	Timing
<p>All programmes will meet agreed delivery targets set by the programme governance group each year.</p> <p>Annual performance surveys will be completed with participating councils. Survey feedback will be considered and actioned where appropriate – including sharing feedback with the Board.</p>	<p>Self-assessment in November each year.</p>

#### IRIS NextGen

The performance measures for IRIS NextGen are documented in the IRIS NextGen Partnership Agreement. The agreement is between RSHL and the participating councils.

#### Non-Financial: Annual Survey

*“Undertake an annual survey of IRIS NextGen users in Participating Councils in relation to product performance, Datacom support and RSHL support.*

*Provide a summary of the survey results in the annual report, including performance against the baseline. Survey results to be the same or better than the previous year.”*

The last survey for IRIS NextGen was completed in May 2024. With the programme undergoing significant disruption, we elected not to complete another survey in November 2024. The next survey will be in November 2025.

#### Non-Financial: Roadmap

*Stay abreast of sector developments that may result in new requirements.*

*Maintain a roadmap of priorities for enhancement of the Datascape Regional Sector Solution.*

- To keep track of upcoming planned or potential changes to the regulatory environment RSHL maintains a Legislative Change Register which is reviewed regularly with the programme steering group and the supplier.
- Non regulatory changes are managed by the IRIS Product Manager.
- Changes to resource management and planning feature prominently. We proactively work with council staff to assess the impact of changes and plan with Datacom to address any process and system changes.

#### Non-Financial: Good Practice

*Participating Councils use the Good Practice Operating Model to benchmark themselves and measure the degree to which good practice is being achieved. Measured by the number of Participating Councils that report they have used the model artefacts for benchmarking.*

This target cannot be measured properly until councils have implemented IRIS NextGen, however councils did complete a baseline self-assessment in July 2023 which was used as the basis of future planning.

#### Non-Financial: Productivity Gains

*Measure productivity gains in Participating Councils through predetermined metrics, for example:*

- *reduced time to incident resolution*
- *reduction in consent processing timeframes*
- *consistent data capture allowing ease of cross-council reporting (e.g. MFE reporting)*

This target cannot be measured until councils have implemented IRIS NextGen, however councils have already agreed a set of metrics that will be used to measure productivity improvements.

These metrics cover all functional areas of the programme:

- Consents
- Compliance, Incidents and Enforcement (including Maritime)
- Customer, Requests and LGOIMA
- Farm, Land and Catchment Management
- Biodiversity
- Biosecurity
- Selected Land Use Sites
- Environmental Monitoring

The metrics focus on specific measures that are meaningful to users and drive productivity gains for councils:

- Increased consistency has a positive impact
- Resource optimisation has a positive impact
- Quicker to produce reports
- Operational efficiencies are realised
- Training improvements occur

The solution has been built to enable the collection and reporting of these measures. Reporting will start after a bedding-in period following implementation.

#### Financial

- *The IRIS NextGen programme will operate within approved budget, with any material variations approved by the Programme Steering Group.*
- *Annual charges for Participating Councils will be at the level approved by Programme Steering Group and the RSHL Board.*

IRIS NextGen continues to operate within approved budget and charges to participating councils have been as planned. In fact, expenditure is less than planned and the programme has a surplus of \$1,415,046 due to ongoing delays.

#### Growth

- *Engage with councils in the regional sector to increase the scope of the usage of IRIS NextGen.*
- *The objective is to increase the number of councils using the solution, and the breadth of the solution in use.*

In FY2025 West Coast Regional Council formally joined the IRIS NextGen Programme, bringing the total number of councils participating to ten. Nine of the eleven Regional Councils in New Zealand are participating in the programme.

We are in regular contact with the remaining councils. We expect an uptick of interest once the solution is live at the pilot council.

#### IRIS

The IRIS Programme is in sunset phase, as such performance targets are not required. Councils expect that we will minimise costs, ensure compliance with regulations, minimise security risks and enable the efficient migration of data to IRIS NextGen.

In FY2025 we were able to meet each of these targets for the councils.

#### Local Emissions Data Platform

The Local Data Emissions Platform has completed the establishment phase and transitioned to operation as a service.

The agreement with the councils specifies a number of KPIs which will be measured for the first time in November:

The KPIs cover the following measures:

- Financial Viability
- Operational Stability
- Emission Reduction Path Completions
- Tool Output Quality
- Decision Support Effectiveness
- Council Collaboration
- User Survey results (potential Go No/Go):
- End User Confidence

- Usability Satisfaction
- Outcome Satisfaction
- Training Satisfaction

We will report performance against KPIs in the next Annual Report.

#### WellsNZ

The performance measures for WellsNZ are documented in the WellsNZ Partnership Agreement. The agreement is between RSHL and the participating councils.

#### Non-Financial: Annual Survey

*Undertake a survey of Wells Aotearoa | NZ users in Participating Councils in relation to product performance, MadeCurious support and RSHL support.*

*Provide a summary of the survey results in the annual report, including performance against the baseline. Survey results to be the same or better than the previous year.*

We have not completed a survey for WellsNZ this year. The next survey will be in November 2025.

#### Non-Financial: Roadmap

*Stay abreast of sector developments that may result in new requirements. Maintain a roadmap of priorities for enhancement of the NZ Bores & Wells Solution.*

The WellsNZ solution is overseen by the WellNZ Advisory Group. The group works with the solution provider to maintain a work programme (backlog) of system improvements, bug fixes and changes for regulatory purposes. Budget for continuous improvement of the solution is built into the service fees councils pay.

#### Financial

*The Wells Aotearoa | NZ programme will operate within approved budget, with any material variations approved by the Programme Steering Group.*

*Annual charges for Participating Councils will be at the level approved by Programme Steering Group and the RSHL Board.*

Operating costs for the WellsNZ solution and the council service fees are set according to the partnership agreement, and the downstream service agreement with the service provider. Costs and charges to councils have been according to budget. *Growth Engage with councils in the regional sector to increase the usage of Wells Aotearoa | NZ. The objective is to increase the number of councils using the solution.*

RSHL has worked with the WellsNZ advisory group to promote the solution to other regional councils. In FY25 we were successful in attracting two new councils to the programme. Greater Wellington Regional Council has joined the programme and commenced preparation to on-board in early FY2026. Bay of Plenty Regional Council has joined the programme and intends to implement the solution in early FY27.

This will bring the total number of councils participating to 6. As more councils join the solution becomes even more cost effective. We will continue to promote the solution in partnership with the Advisory Group.

### Theme: Support Te Uru Kahika

**Performance Statement:** We will deliver high-quality services to Te Uru Kahika.

In this context, Te Uru Kahika refers to the organisation led by the Te Uru Kahika Executive Director and overseen by the RCEOs Group. Te Uru Kahika is also sometimes used to refer to the collective of the 16 regional government organisations.

Target	Timing
We will review and agree performance targets with Te Uru Kahika annually as part of the planning and budgeting process.	Self-assessment in June each year.
We will meet or exceed agreed performance targets. Results will be agreed with Te Uru Kahika Executive Advisor and shared with RCEOs Group and Board.	Assessed at year-end.

**NB** – RSHL support for Te Uru Kahika is underpinned by a Memorandum of Agreement which outlines the services to be provided.

Te Uru Kahika appointed a new Executive Director in February 2025. RSHL has been working with the new Executive Director to develop a new model for RSHL support of Te Uru Kahika. Service improvements are being rolled out over the course of this financial year.

Area	Performance and Improvements
Financial/Operations Management	<p>Procurement and contract management were delivered to an acceptable level in FY25, however in line with the growth of the Te Uru Kahika, several improvements have been implemented:</p> <ul style="list-style-type: none"> <li>• Update Delegations Policy to incorporate Te Uru Kahika roles and responsibilities.</li> <li>• Implement Financial workflow toolset to manage processing of Purchase Orders, Payables and Receivables.</li> <li>• Implement purchase order matching to more closely monitor spend against contract.</li> <li>• Distribute financial approval processes to accountability owners, in line with delegations policy.</li> </ul>
Compliance	<p>RSHL ensures compliance with Local Government Act, Companies Act, LGOIMA etc. Including:</p> <ul style="list-style-type: none"> <li>• Production of draft and final Statement of Intent.</li> <li>• Interim Report</li> <li>• Audited Annual Report</li> </ul> <p>RSHL Received a clean audit report for FY24. Improvements in this area relate to Information Management. In line with the growth of the organization, we are conducting a review of information management practices, with the intent of updating them and ensuring that they are fit for practice.</p>
Fund Management and Accountabilities	<p>In FY25 RSHL managed \$5.1M of funding for Te Uru Kahika, including \$0.36M in funding from Central Government.</p> <p>All income and expenditure is ringfenced in RSHL financial systems. In FY26 we will implement the following improvements in this area:</p> <ul style="list-style-type: none"> <li>• Implement bespoke activity reporting for Te Uru Kahika Strategic Priorities</li> <li>• Implement 6-Monthly reconciliation with budget owner for each fund.</li> </ul>
Vendor Management	<p>Most services contracts for Te Uru Kahika are time and materials engagements. RSHL effectively managed the following vendors that support Te Uru Kahika Activities.</p> <ul style="list-style-type: none"> <li>• Resolution8 provide support for the Te Uru Kahika Hub, hosted at BOPLASS.</li> <li>• IT Effect operate the LAWA Website and provide development resources for enhancements. IT Effect are managed by the EMAR Programme Manager</li> <li>• MadeCurious host the N-Cap solution and the temporary INFDP “Bridge” solution.</li> </ul> <p>No improvements are planned in this area, other than the upgraded financial controls outlined above.</p>

<p>Operation of shared services/solutions</p>	<p>RSHL operated the following services for Te Uru Kahika.</p> <ul style="list-style-type: none"> <li>• <b>Te Uru Kahika Hub</b> – Collaborative Microsoft Teams site hosted by BOPLASS</li> <li>• <b>N-Cap</b> solution for the recording of nitrogen application by farmers. A requirement of current freshwater regulations.</li> <li>• <b>Retrolens</b> website, which provides historic aerial imagery.</li> </ul> <p>Each service has an appropriate governance and operating model.</p> <p>Costs are managed within agreed limits and appropriate budget advice was provided to Te Uru Kahika.</p> <p>In FY26 we will implement the following improvements in this area:</p> <ul style="list-style-type: none"> <li>• Quarterly service reviews with business owners to assess performance and value received.</li> </ul>
<p>Employment of Staff</p>	<p>RSHL provides employment services for 10 Te Uru Kahika staff.</p> <p>Recruitments have been managed by Te Uru Kahika staff and governors, supported by specialist HR advice provided via RSHL.</p> <p>In FY25 we made the following improvements for all staff, including those working on behalf of Te Uru Kahika:</p> <ul style="list-style-type: none"> <li>• Provided a comprehensive Employee wellbeing service.</li> <li>• Engaged a new IT service provider with national coverage to provide staff with better service.</li> </ul> <p>In FY26, we will engage staff on improvements to the RSHL employee experience and streamline onboarding/offboarding.</p>
<p>Programme Management</p>	<p>In FY25 RSHL managed the following programmes for Te Uru Kahika:</p> <ul style="list-style-type: none"> <li>• INFDP – INFDP Programme was closed this year due to a change in government policy.</li> <li>• EDMS – EDMS project was closed as it was no longer aligned with council or sector needs.</li> </ul> <p>In FY26 RSHL is supporting the development of feasibility studies for multiple Te Uru Kahika projects, with the first two being:</p> <ul style="list-style-type: none"> <li>• National Flood Modelling</li> <li>• Flood Asset Management Data Portal (Te Uru Kahika River Managers)</li> </ul> <p>RSHL is continually seeking to improve our delivery for programmes. In FY26 we will roll out the Delivery Framework to provide a standard management framework for all RSHL Programmes (including those that originate from Te Uru Kahika). RSHL will also establish Portfolio Reporting to provide all stakeholders with greater visibility of programmes in flight.</p>

## Theme: Operational Excellence

**Performance Statement:** We will set a high standard for the governance and management of the company.

Target	Timing
We will operate within approved budget, with any material variations approved by the board.	Assessed at year-end.

Partially Achieved – RSHL operated within approved budgets for all programmes but with some variations approved by the board.

The board receives monthly financial reports with revenue and expenditure for each activity:

- RSHL Overheads – RSHL Board.
- IRIS NextGen Programme – IRIS NextGen Steering Group
- IRIS Programme – IRIS Advisory Group
- Sector Financial Management System – RCEOs Group
- Public Transport Ticketing Programme – Transport Ticketing Solution Governance Group

The board received and accepted the financial reports at each meeting, with variances discussed and agreed.

- Overheads – Overhead costs are allocated to each programme based on revenue. The SOI budget showed total overheads to be recovered from programmes as \$407K. Actual overheads recovered were \$641K.
- IRIS NextGen Programme – The SOI budget for IRIS NextGen indicated that costs would match revenue exactly. In fact the programme had a surplus of \$1,415,046 due to ongoing delays which have deferred expenditure.
- IRIS – The IRIS Programme Budget included reflected a deficit of \$480K for the year because the programme intended to expend funds carried over from previous years. In fact, the programme had an operating deficit of \$837,107. This was because the programme was able to complete the work programme for the year using surplus funds from previous years.
- Sector Financial Management System – Te Uru Kahika confirmed its budget for FY2025 in July after RSHL had published its SOI budget. As such, a comparison between the SOI budget and the FY24 actual expenditure for the SFMS is not meaningful. The RCEOs Group received quarterly updates on income and expenditure against their budget. The Te Uru Kahika Executive Director also receives regular updates.
- Further variability was created because Te Uru Kahika successfully negotiated a new funding agreement with MFE in June 2025. This has had a favourable impact on the year-end result.

The Public Transport Ticketing Programme is new to RSHL and so did not have a budget included in the SOI. The programme completed the year with a surplus of \$184K against the budget agreed when the programme started at RSHL.

Target	Timing
We will meet all statutory governance and reporting deadlines.	Assessed in July for the previous year.

The following statutory deadlines applied to RSHL during FY25:

FY24 Annual Report	Requirement: Annual Report (audited) must be published and provided to shareholders by 30 September.  Result: FY24 was adopted on 26 September 2024 .
FY25 Interim Report	Requirement: The Interim Report must be published and provided to shareholders by 28 February.  Result: FY25 Interim Report was adopted on 28 February 2024.
FY26 Draft Statement of Intent	Requirement: The draft statement of intent must be delivered to councils on or before 1 March 2025.



	Result: The draft statement of intent was provided to councils on 28 February 2025.
FY26 Final Statement of Intent	Requirement: The final statement of intent must be delivered to councils before 1 July 2025.
	Result: The final statement of intent was provided to shareholders on 30 June 2025.

Target	Timing
The board will operate according to the Institute of Directors' Code of Practice.	Self-assessment to be completed in June for the previous financial year.

Rather than complete a self-assessment, the board elected to complete an independent review of governance arrangements for RSHL.

The independent review was completed in November 2024. The report made several recommendations to improve the governance of RSHL, and programmes of work delivered by the company.

The review provided a series of recommendations, including the following.

#### **Purpose and strategy**

Recommendation: Update corporate purpose and develop strategic roadmap (multi-year strategy); align resources and programmes to suit.

In response to this recommendation the board has refreshed the Organisational Strategy and developed a 3-year strategic plan.

#### **Governance practices and documentation**

Recommendation: Establish a fit-for-purpose governance framework (board charter and code of conduct, board work programme and meeting schedule, and committee structure).

In response to this recommendation the board has:

- Adopted a new charter and code of conduct
- Increased meeting frequency to monthly, with quarterly in-person meetings
- Reviewed the RSHL board pack, to ensure management reports are consistent with board requirements, strategic roadmap and associated priorities

#### **Decision authorities and accountability**

Recommendation: Establish a needs-meeting delegation authority and accountability framework covering both routine operations and service development programmes.

Recommendation: Update programme steering committee terms of reference.

In response to these recommendation the board has updated the Delegated Authority (and related policies), and updated the standard agreements that underpin RSHL activities.

#### **Director capability and engagement**

Recommendation: Consider appointing an independent chair.

In response to this recommendation, as signalled with the Statement of Intent, RSHL has appointed an independent chair.

# Financial Statements | Ngā Tauākī Pūtea

## Regional Software Holdings Limited For the year ended 30 June 2025

The financial statements required by section 67 of the Local Government Act 2002 are attached.

### Registered Office

C/- ONLA

PO Box 1007, Palmerston North

### Auditors

Audit New Zealand on behalf of the Controller and Auditor-General.

### Directors

The directors appointed for the period that this Performance Report covers were:

Mike Nield (Chairperson)	Taranaki Regional Council
Janine Becker	Waikato Regional Council
Bruce Howse (until 21 November 2024)	Northland Regional Council
Ged Shirley	Horizons Regional Council
Wilma Falconer	Southland Regional Council
Fiona McTavish	Bay of Plenty Regional Council
Asbjorn Aakjaer	Independent Director
Bruce Robertson	Independent Director

### Interest Register

All directors listed their interests in the register on being appointed to the company and interests are reviewed at each board meeting. The following interests are registered:

Director	Organisation	Interest
Bruce Howse (until 21 November 2024)	Northland Regional Council	Group Manager, Corporate Services of RSHL Shareholding Council
Fiona McTavish	Bay of Plenty Regional Council BOPLASS Limited McTavish-Huriwai Investments Limited Quayside Holdings Limited Quayside Securities Limited Quayside Properties Limited	Chief Executive of RSHL Shareholding Council Director Director & Shareholder Director Director Director
Janine Becker	Waikato Regional Council	Director, Finance & Business Services of RSHL Shareholding Council
Mike Nield	Taranaki Regional Council  Taranaki Stadium Trust	Director, Corporate Services of RSHL Shareholding Council Trustee
Ged Shirley	Horizons Regional Council	General Manager, Regional Services & Information of RSHL Shareholding Council
Wilma Falconer	Southland Regional Council  Project Partners Limited	Chief Executive of RSHL Shareholding Council  Director of Project Partners Limited (jointly owned company with husband)
Asbjorn Aakjaer	Negotiate Limited  Aakjaer Trustee Company  Ice Bear Holdings Limited  One Sheep at a Time Limited  EMD Advantage Limited (Infor)  Waikato Regional Council (Infor – Public Sector), KPMG  Deloitte, EY, KPMG, SAP, Oracle, Infor, Microsoft, Workday, Salesforce, Mulesoft, Datacom	Director & Shareholder  Director & Shareholder  Director & Shareholder  Director & Shareholder  EMDA Board Chair  Providing implementation consulting services to the WRC Finance Team – Infor (solution provider/implementation delivery partner). Engagement post implementation support only.  Active & long-term relationships with these organisations including tendering for new consulting opportunities from time to time.
Bruce Robertson	R Bruce Robertson Limited	Director and Shareholder (governance and advisory services)
	Ministry of Primary Industries (MPI)	Audit & Risk Committee Chair
	<i>Local Authorities:</i> Hamilton City Council  Thames-Coromandel District Council  Waipa District Council	Audit & Risk Committee Chair  Audit & Risk Committee Chair  Audit & Risk Committee Chair

	Taupo District Council	Audit & Risk Committee Chair
	Bay of Plenty Regional Council	Audit & Risk Committee Deputy Chair
	Gisborne District Council	Audit & Risk Committee Chair
	Napier City Council	Audit & Risk Committee Chair
	South Wairarapa District Council	Audit & Risk Committee Chair
	Wellington City Council	Audit & Risk Committee Chair
	Timaru District Council	Audit & Risk Committee Chair
	Central Otago District Council	Audit & Risk Committee Chair
	Southland District Council	Audit & Risk Committee Chair
	Christchurch City Council	Audit & Risk Committee Chair

The following directors received the following payments throughout the year:

A Aakjaer - \$38,750 (Last Year: \$36,158) for independent director services.

B Robertson - \$38,750 (Last Year: \$37,306 ) for independent director services.

The other directors are paid through their respective Councils.

# Statement of Comprehensive Revenue and Expense | Te Tauākī Matawhānui mō te Moniwhiwhi me ngā Whakapaunga

Regional Software Holdings Limited  
For the year ended 30 June 2025

	NOTES	2024-25	2024-25 SOI	2023-24
<b>Revenue</b>				
Regional Sector Shared Services	2	5,478,019	5,120,024	6,867,364
Member Contributions	2	5,417,484	5,064,650	5,980,859
Other revenue	2	159,148	68,363	242,157
Interest		68,452	25,000	134,376
<b>Total Revenue</b>		<b>11,123,104</b>	<b>10,278,037</b>	<b>13,224,756</b>
<b>Expenses</b>				
Administration Costs	3	149,077	88,540	130,147
Audit and Legal Fees	1	122,746	102,030	95,560
Datacom Support Services		239,311	250,500	206,978
Environmental Charges		117,022	85,650	145,527
External Contractors		1,805,522	3,625,162	4,347,344
External Directors Fees		77,500	78,400	75,200
Other Direct Software Expenses		962,209	681,481	456,382
Personnel costs	4	1,942,262	1,841,950	1,359,892
Promotional Costs		226,958	83,250	129,901
Regional Sector Shared Services		5,301,174	3,736,084	7,850,616
Grants and donations made		310	-	-
Travel and Meeting Costs		323,391	184,990	198,862
Depreciation Expense	7	6,840	-	6,293
Amortisation Expense	8	433,452	400,429	500,557
<b>Total Expenses</b>		<b>11,707,773</b>	<b>11,158,466</b>	<b>15,503,260</b>
<b>Surplus/(Deficit) before Tax</b>		<b>(584,670)</b>	<b>(880,429)</b>	<b>(2,278,504)</b>
<b>Income Tax</b>				
Tax Expense	11	(88,091)	-	(637,797)
<b>Total Income Tax</b>		<b>(88,091)</b>	<b>-</b>	<b>(637,797)</b>
<b>Total Comprehensive Revenue and Expense</b>		<b>(496,579)</b>	<b>(880,429)</b>	<b>(1,640,706)</b>

The accompanying notes form part of these financial statements; all figures are exclusive of GST unless otherwise stated

Explanations of major variances against budget are provided in the notes.

# Statement of Financial Position | Te Tauākī mō te Āhua o te Pūtea

## Regional Software Holdings Limited As at 30 June 2025

	NOTES	2024-25	2024-25 SOI	2023-24
<b>Assets</b>				
<b>Current Assets</b>				
Cash and Cash Equivalents	5	4,969,294	133,699	4,382,962
Receivables and Prepayments	6	427,177	-	2,072,414
Goods and Services tax		53,420	-	-
Income Tax Receivable	11	21,291	-	43,212
<b>Total Current Assets</b>		<b>5,471,182</b>	<b>133,699</b>	<b>6,498,587</b>
<b>Non-Current Assets</b>				
Property, Plant & Equipment	7	10,292	-	5,881
Intangible Assets	8	737,776	1,242,296	1,100,902
<b>Total Non-Current Assets</b>		<b>748,068</b>	<b>1,242,296</b>	<b>1,106,783</b>
<b>Total Assets</b>		<b>6,219,250</b>	<b>1,375,995</b>	<b>7,605,371</b>
<b>Liabilities</b>				
<b>Current Liabilities</b>				
Payables and Deferred Revenue	9	1,489,305	-	2,270,313
Employee Entitlements	10	112,505	-	83,585
Goods and Services Tax		-	-	49,363
<b>Total Current Liabilities</b>		<b>1,601,810</b>	<b>-</b>	<b>2,403,261</b>
<b>Non-Current Liabilities</b>				
Deferred Tax Liability	11	-	-	88,091
<b>Total Non-Current Liabilities</b>		<b>-</b>	<b>-</b>	<b>88,091</b>
<b>Total Liabilities</b>		<b>1,601,810</b>	<b>-</b>	<b>2,491,352</b>
<b>Net Assets</b>		<b>4,617,440</b>	<b>1,375,995</b>	<b>5,114,019</b>
<b>Equity</b>				
Contributed Capital	12	5,149,150	5,149,150	5,149,150
Accumulated Funds	12	(531,710)	(3,773,155)	(35,131)
<b>Total Equity</b>		<b>4,617,440</b>	<b>1,375,995</b>	<b>5,114,019</b>

The accompanying notes form part of these financial statements; all figures are exclusive of GST unless otherwise stated

# Statement of Changes in Equity/Net Assets | Te Tauākī mō ngā Panonitanga o te Whai Tūtanga/ngā Huarawa More

## Regional Software Holdings Limited For the year ended 30 June 2025

	2024-25	2024-25 SOI	2023-24
<b>Equity</b>			
Opening Balance	5,114,019	2,256,423	6,754,725
Total Comprehensive Revenue and Expense for the year	(496,579)	(880,429)	(1,640,706)
<b>Balance at 30 June</b>	<b>4,617,440</b>	<b>1,375,995</b>	<b>5,114,019</b>
<b>Total Comprehensive Revenue and Expense Attributable to</b>			
Regional Software Holdings Ltd	(496,579)	(880,429)	(1,640,706)

# Statement of Cash Flows | Te Tauākī mō ngā Kapewhiti

## Regional Software Holdings Limited For the year ended 30 June 2025

	2024-25	2024-25 SOI	2023-24
<b>Cash Flows from Operating Activities</b>			
Receipts from Members and Non-Members	5,549,000	5,133,013	6,055,502
Interest Received	68,452	25,000	134,376
Sector Work Programmes Income	7,001,414	5,120,024	6,813,738
Other Income	-	-	168,578
Income tax received/(paid)	21,921	-	(31,241)
Payments to suppliers and employees	(11,992,471)	(10,758,037)	(14,374,237)
GST	19,241	-	(229,826)
Donations or grants paid	(310)	-	-
<b>Total Cash Flows from Operating Activities</b>	<b>667,249</b>	<b>(480,000)</b>	<b>(1,463,109)</b>
<b>Cash Flows from Investing and Financing Activities</b>			
Payments to acquire property, plant and equipment	(10,590)	-	(5,717)
Payments to purchase intangibles	(70,327)	-	-
<b>Total Cash Flows from Investing and Financing Activities</b>	<b>(80,917)</b>	<b>-</b>	<b>(5,717)</b>
<b>Net Increase/ (Decrease) in Cash</b>	<b>586,332</b>	<b>(480,000)</b>	<b>(1,468,826)</b>
<b>Cash Balances</b>			
Cash and cash equivalents at beginning of period	4,382,962	613,699	5,851,788
Cash and cash equivalents at end of period	4,969,294	133,699	4,382,962
Net change in cash for period	586,332	<b>(480,000)</b>	(1,468,826)

The accompanying notes form part of these financial statements; all figures are exclusive of GST unless otherwise stated



# Notes to the Financial Statements | Tuhinga Āpiti ki Te Ngā Tauākī Pūtea

## Regional Software Holdings Limited For the year ended 30 June 2025

### 1. Statement of Accounting Policies | Te Tauākī mō ngā Kaupapa Here Mahi Kaute

#### Reporting Entity

Regional Software Holdings Limited (RSHL) was incorporated 17 October 2012. RSHL was primarily incorporated for the purposes of managing the investment and development of IRIS software, and has designated itself a Public Benefit Entity (PBE), in keeping with the designation of the shareholders.

RSHL is a Public Limited Liability Company incorporated and registered under the Companies Act 1993 and is a council-controlled organisation as defined in Section 6 of Local Government Act 2002.

RSHL has no subsidiaries or joint ventures.

#### Entity Structure

Following the restructure of RSHL into the Te Uru Kahika Shared Services organisation in November 2022, the company has a Board of 7 directors, comprised of 5 council representatives and two independent directors. The Board oversees the governance of RSHL. The Board is accountable to its shareholders for the financial and non-financial performance of the company. RSHL directors are elected and retire by rotation. In addition, there is a Chief Executive who is responsible for the day-to-day operations of RSHL and reports to the Board.

The Company has:

- 10 Class A (Control) Shares - issued for \$1 par value per share, and fully paid up, and
- 10,000 Class B (IRIS) Shares - issued for \$1 par value per share, and fully paid up - which represent the ownership rights over IRIS classic asset and enable the founding shareholders to retain their rights and ownership of the IRIS asset following the restructure of RSHL in November 2022.

The total number of shares at 30 June 2025 is 10,010 (2024: 10,010).

The shareholding of the Company as at 30 June 2025 is as follows:

Organisation	Class A (Control) Shares	Class B (IRIS) Shares
Waikato Regional Council	1	3,275
Northland Regional Council	1	1,675
Horizons Regional Council	1	1,550
Taranaki Regional Council	1	1,550
Southland Regional Council	1	1,550
West Coast Regional Council	1	400
Bay of Plenty Regional Council	1	-
Gisborne District Council	1	-
Hawke's Bay Regional Council	1	-
Otago Regional Council	1	-

The financial statements are those of RSHL, for the twelve months ended 30 June 2025, and were authorised for issue by the Board of Directors on 24 September 2025.

### **Basis of Preparation**

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

### **Statement of Compliance**

The financial statements of RSHL have been prepared in accordance with the requirements of the Local Government Act 2002, and the Companies Act 1993, which include the requirement to comply with New Zealand Generally Accepted Accounting Practice (NZ GAAP).

These financial statements and service performance information have been prepared in accordance with and comply with PBE Standards RDR. RSHL is eligible and has elected to apply the PBE Standards RDR because its expenses are less than \$30 million and it does not have public accountability as defined by XRB A1 Application of the Accounting Standards Framework.

### **Presentation Currency and Rounding**

The financial statements are presented in New Zealand dollars (NZ dollars) and all values are rounded to the nearest dollar.

### **Changes in Accounting Policies**

The accounting policies set out below have been applied consistently to all periods presented in these financial statements.

### **Summary of Significant Accounting Policies**

Significant accounting policies are included in the notes to which they relate. Significant accounting policies that do not relate to a specific note are outlined below.

### **Foreign Currency Transactions**

Foreign currency transactions (including those for which forward foreign exchange contracts are held) are translated into NZ\$ (the functional currency) using the spot exchange rate at the date of the transaction. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in surplus or deficit.

### **Goods and Services Tax**

Items in the financial statements are stated exclusive of goods and services tax (GST), except for receivables and payables, which are stated on a GST-inclusive basis. Where GST is not recoverable as input tax, it is recognised as part of the related asset or expense.

The net amount of GST recoverable from, or payable to, the Inland Revenue Department (IRD) is included as part of receivables or payables in the Statement of Financial Position.

The net GST paid to or received from the IRD, including the GST relating to investing and financing activities, is classified as an operating cash flow in the Statement of Cash Flows. Commitments and contingencies are disclosed exclusive of GST.

### **Critical Accounting Estimates and Assumptions**

In preparing these financial statements, estimates and assumption have been made concerning the future. These estimates and assumptions may differ from the subsequent actual results. Estimates and assumptions are continually evaluated and are based on historical experience and other factors, including expectations or future events that are believed to be reasonable under the circumstances.

## Additional Disclosure

The Companies Act 1993 requires disclosure of the amount of the donations, audit fees, fees for other services from the auditor, and the number of employees of the company who received remuneration and other benefits above \$100,000 per annum, in brackets of \$10,000.

During this financial year 15 staff members were employed by RSHL (last year there were 11). There are 14 employees as at 30 June 2025

Remuneration Bracket	2024-25	2023-24
Up to 100,000	7	5
100,000 - 110,000	1	0
110,000 - 120,000	0	0
120,000 - 130,000	0	0
130,000 - 140,000	0	1
140,000 - 150,000	2	1
150,000 - 160,000	1	1
160,000 - 170,000	2	1
170,000 - 180,000	0	0
180,000 - 190,000	0	0
190,000 - 200,000	0	1
200,000 - 210,000	0	1
210,000 - 220,000	2	0

2024-25                      2023-24

### Fees to Auditors

Fees to Audit NZ for audit of the financial statements and performance information	60,896	56,112
Fees to Audit NZ for other services	7,698	23,484
<b>Total Fees to Auditors</b>	<b>68,594</b>	<b>79,596</b>

Donations made in the period: \$310 (last year: none).

## 2. Revenue

### Accounting Policy

The specific accounting policies for significant revenue items are explained below:

Revenue is recognised depending on whether the revenue is from exchange or non-exchange transactions.

### Exchange Revenue

Exchange revenue from the rendering of services is recognised by reference to the stage of completion of the services.

### Other Revenue

Other Revenue includes Consulting Services, and Council Specific Funding (for software and subscriptions). RSHL recognises revenue from these services in proportion to the stage of completion of the transaction at the reporting date. The stage of completion is assessed based on the work performed or the stage of completion of the subscription period.

### Investment Revenue

Interest revenue is recorded as it is earned.

### Non-Exchange Revenue

Non-exchange revenue is recognised when it becomes receivable, unless there is a substantive use or return condition attached to the funding for non-performance. If there is a substantive use or return condition, revenue is deferred and recognised as revenue only upon satisfying the condition of the funding.

Non-exchange transactions are those where RSHL receives value from another entity (e.g. cash or other assets) without giving approximately equal value in exchange. Inflows of resources from non-exchange transactions, other than services in-kind, that meet the definition of an asset are recognised as an asset only when:

- It is probable that RSHL will receive an inflow of economic benefits or service potential; and
- The fair value of can be measured reliably.

Inflows of resources from non-exchange transactions that are recognised as assets are recognised as non-exchange revenue, to the extent that a liability is not recognised in respect to the same inflow.

Liabilities are recognised in relation to inflows of resources from non-exchange transactions when there is a resulting present obligation as a result of the non-exchange transactions, where both:

- It is probable that an outflow of resources embodying future economic benefit or service potential will be required to settle the obligation, and
- The amount of the obligation can be estimated reliably.

### Members Contributions and Regional Sector Shared Services

The revenue from Members Contributions and Regional Sector Shared Services is all regarded as non-exchange revenue and recognised when it becomes receivable as there is no economic consequences of delivery outlined in the agreements.

Refer Statement of Service Performance (page 5) for further details of all revenue-generating activities.

	2024-25	2023-24
<b>Regional Sector Shared Services</b>		
Central Government Funding	350,000	2,523,820
Sector Work Programmes Revenue	5,128,019	4,343,544
<b>Total Regional Sector Shared Services</b>	<b>5,478,019</b>	<b>6,867,364</b>
	2024-25	2023-24
<b>Members Contributions</b>		
<b>Members Contributions as per SOI</b>		
IRIS NextGen Programme	4,205,157	5,043,554
IRIS Programme	-	937,305
<b>Total Members Contributions as per SOI</b>	<b>4,205,157</b>	<b>5,980,859</b>

	2024-25	2023-24
<b>Members Contributions Non SOI</b>		
Public Transport Ticketing Programme Revenue	1,212,328	-
<b>Total Members Contributions Non SOI</b>	<b>1,212,328</b>	<b>-</b>
<b>Total Members Contributions</b>	<b>5,417,484</b>	<b>5,980,859</b>

Members contributions include \$5,171,917 (2024: \$5,763,183) income from the shareholder councils as described in note 14. Members contributions from non-shareholder councils total \$245,567 (2024: \$217,676).

	2024-25	2023-24
<b>Other Income</b>		
Consulting Services	-	146,003
Recovery of Other Direct Software Expenses	159,148	96,153
<b>Total Other Income</b>	<b>159,148</b>	<b>242,157</b>

### 3. Expenses

#### Accounting Policy

Expenditure is recognised on an accrual basis when the service was provided, or the goods received. Costs associated with maintaining the IRIS software suite are recognised as an expense when incurred.

	2024-25	2023-24
<b>Administration Expenses</b>		
Accounting & Technical Support	86,877	112,886
Administration Costs	56,824	13,539
Bank Fees	681	452
Insurance	4,695	3,270
<b>Total Administration Expenses</b>	<b>149,077</b>	<b>130,147</b>

#### 4. Personnel Costs

##### Accounting Policy

##### Salaries and wages

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

##### Superannuation schemes - defined contribution schemes

Employer contributions to Kiwisaver are accounted for as defined contribution superannuation schemes and are expensed in the surplus or deficit as incurred.

	2024-25	2023-24
<b>Personnel costs</b>		
Salaries and wages	1,636,616	1,247,939
Council staff seconded to RSHL	288,837	30,116
Defined contribution plan employer contributions	49,099	35,898
Increase/(decrease) in employee entitlements	28,920	31,608
Less: Salaries and Wages Capitalised	(70,326)	-
ACC Levies	1,155	569
Staff Costs	6,801	3,605
Staff Training	1,160	10,157
<b>Total Personnel costs</b>	<b>1,942,262</b>	<b>1,359,892</b>

#### 5. Cash and Cash Equivalents

##### Accounting Policy

Cash and cash equivalents include cash on hand, on demand or call deposits, and other short-term investments with original maturities of three months or less, and bank overdrafts.

	2024-25	2023-24
<b>Cash and cash equivalents</b>		
Current Account	319,663	1,852,047
Business Online Saver	4,652,356	2,532,644
Credit Card - Mark Donnelly	(668)	(1,728)
Credit Cards - Go To Pay	(951)	-
Credit Card - I D Maxwell	(1,106)	-
<b>Total Cash and cash equivalents</b>	<b>4,969,294</b>	<b>4,382,962</b>

## 6. Receivables

### Accounting Policy

Short-term receivables are recorded at the amount owed, less an allowance for credit losses. RSHL applies the simplified expected credit loss model of recognising lifetime expected credit losses for receivables.

In measuring expected credit losses, short-term receivables have been assessed on a collective basis as they possess shared credit risk characteristics. They have been grouped based on the days past due.

Short-term receivables are written off when there is no reasonable expectations of recovery. Indicators that there is no reasonable expectations of recovery include the debtor being in liquidation or the receivable being more than one year overdue.

	2024-25	2023-24
<b>Receivables and Prepayments</b>		
Accounts Receivable	351,177	2,072,414
Prepayments	76,000	-
<b>Total Receivables and Prepayments</b>	<b>427,177</b>	<b>2,072,414</b>

## 7. Property, Plant and Equipment

### Accounting Policy

Property, plant, and equipment consists of the following asset classes: Computer Hardware.

All asset classes are measured at cost, less accumulated depreciation, and impairment losses.

Individual assets, or group of assets, are capitalised if their cost is greater than \$5,000.

### Depreciation

Depreciation is provided on a straight-line basis on all property, plant, and equipment, other than land, at rates that will write off the cost (or valuation) of the assets to their estimated residual values over their useful lives. The useful lives and associated depreciation rates of major classes of property, plant, and equipment have been estimated as follows:

The useful life and associated depreciation rate for computer hardware is between 50% and 67%.

The residual value and useful life of an asset is reviewed, and adjusted if applicable, at each balance date.

### Impairment and Impairment Reversals (Cash-Generating Assets)

Property, plant, and equipment are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount might not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable service amount. The recoverable service amount is the higher of an asset's fair value less costs to sell and value in use.

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

If an asset's carrying amount exceeds its recoverable service amount, the asset is regarded as impaired and the carrying amount is written down to its recoverable amount. For revalued assets, the impairment loss is recognised in other comprehensive revenue and expense and decreases the revaluation reserve for that class of asset. Where that results in a debit balance in the revaluation reserve, the balance is recognised in surplus or deficit.

For assets not carried at a revalued amount, the total impairment loss is recognised in depreciation and amortisation expense in the statement of comprehensive revenue and expense.

The reversal of an impairment loss on a revalued asset is recognised in other comprehensive revenue and expense and increases the asset revaluation reserve for that class of asset. However, to the extent that an impairment loss for that class of asset was previously recognised in surplus or deficit, a reversal of an impairment loss is also recognised in surplus or deficit.

For assets not carried at a revalued amount, the reversal of an impairment loss is recognised in depreciation and amortisation expense in the statement of comprehensive revenue and expense.

	Cost	Accumulated Depreciation	Carrying Amount	Additions	Depreciation	Cost	Accumulated Depreciation	Carrying Amount
	1 Jul 2024	1 Jul 2024	1 Jul 2024			30 Jun 2025	30 Jun 2025	30 Jun 2025
Computer Hardware	15,604	9,723	5,881	11,251	6,840	26,855	16,563	10,292
<b>Total</b>	<b>15,604</b>	<b>9,723</b>	<b>5,881</b>	<b>11,251</b>	<b>6,840</b>	<b>26,855</b>	<b>16,563</b>	<b>10,292</b>

	Cost	Accumulated Depreciation	Carrying Amount	Additions	Depreciation	Cost	Accumulated Depreciation	Carrying Amount
	1 Jul 2023	1 Jul 2023	1 Jul 2023			30 Jun 2024	30 Jun 2024	30 Jun 2024
Computer Hardware	11,257	3,431	7,826	4,347	6,292	15,604	9,723	5,881
<b>Total</b>	<b>11,257</b>	<b>3,431</b>	<b>7,826</b>	<b>4,347</b>	<b>6,292</b>	<b>15,604</b>	<b>9,723</b>	<b>5,881</b>

## 8. Intangible Assets

### Accounting Policy

#### *Software acquisition and development*

Acquired computer software licenses are capitalised on the basis of the costs incurred to acquire and bring to use the specific software.

Costs that are directly associated with the development of software for internal use are recognised as an intangible asset. Direct costs include the costs of services, software development employee costs, and an appropriate portion of relevant overheads.

From the 2020-21 year all IRIS development is now treated as operating expenses (previously recognised as property, plant and equipment). All determined IRIS development that will not enhance the asset that was previously recognised as property, plant and equipment has now been expensed in the year.

Staff training costs are recognised as an expense when incurred.

Costs associated with maintaining computer software are recognised as an expense when incurred.

Costs of software updates or upgrades are capitalised only when they increase the usefulness or value of the software. Costs associated with development and maintenance of the RSHL website are recognised as an expense when incurred.

#### **Amortisation**

The carrying value of an intangible asset with a finite life is amortised on a straight-line basis over its useful life. Amortisation begins when the asset is available for use and ceases at the date that the asset is derecognised. The amortisation charge for each financial year is recognised in surplus or deficit.

The useful lives and associated amortisation rates of major classes of intangible assets have been estimated as follows:

Acquired computer software 10 years and an amortisation rate of 10%

Internally developed computer software 10 years and an amortisation rate of 10%

Delivery framework has a useful life of 5 years and an amortisation rate of 20%

Where software in this category is replaced, upgraded or determined by RSHL to be of no further operational benefit, a change in value will be recognised through the Statement of Comprehensive Revenue and Expense. This change in value will be the difference between the carrying value of the original item and its fair value.

Cash-generating assets and non-cash generating assets are distinguished by whether or not the primary objective of holding the assets is to generate a commercial return. RSHL has assessed that it has no non-cash-generating assets.



### Impairment and Impairment Reversals (Cash-Generating Assets)

Intangible assets subsequently measured at cost that have an indefinite useful life, or are not yet available for use, are tested annually for impairment, irrespective of whether there is any indicator of impairment.

For further details, refer to the policy for impairment of property, plant, and equipment in Note 6. The same approach applies to the impairment of intangible assets.

Under International Public Sector Accounting Standards (IPSAS) 31 and 26 the management of RSHL is required to consider whether there is an impairment to the suite of intangible assets.

RSHL has considered the external and internal sources of information under IPSAS 26 and considers it likely that on or about 30 June 2027 the current IRIS software platform and attendant e-learning software will be discontinued with no residual value, except for one council for which there has been a delay in the implementation schedule. The revised discontinuation date for this one council is likely to be 30 June 2028. Whilst this does indicate that the previous impairment loss has decreased to some extent, the increase in recoverable amount of the impaired assets in respect of just one council is estimated to be of low value and therefore this change is not considered to significantly impact the existing impairment loss.

On this consideration, the current IRIS asset and attendant e-learning software has been impaired in 2021 and then further impaired in 2022, but with no further impairment identified in 2023, 2024 or 2025.

Therefore all impaired software assets will be amortised on a straight-line basis at variable rates so as to have a nil residual value on 30 June 2027 (no change since last year).

All assets that will not be impacted by impairment will continue to be amortised on a straight-line basis at 10% and have no residual value on 30 June 2027.

The impairment adjustment from the 2021 and the 2022 years will form part of the amortisation expense until 30 June 2027 in the statement of comprehensive revenue and expense.

At 30 June 2025 the work in progress value of the IRIS Asset is \$Nil. The work in progress written off has been included in other direct software expenses (30 June 2024: \$Nil).

The impairment adjustment of E-Learning Software and IRIS Software Intellectual Property from the 2021 and 2022 years will form part of the accelerated amortisation expense until 30 June 2027.

	Cost	Accumulated Amortisation	Carrying Amount	Additions	Amortisation	Cost	Accumulated Amortisation	Carrying Amount
	1 Jul 2024	1 Jul 2024	1 Jul 2024			30 Jun 2025	30 Jun 2025	30 Jun 2025
Brand Design & Development	8,905	-	8,905	-	-	8,905	-	8,905
E-Learning Software	42,525	29,065	13,460	-	4,491	42,525	33,556	8,969
Delivery Framework	-	-	-	70,327	1,172	70,327	1,172	69,155
IRIS Software Intellectual Property	9,255,722	8,177,185	1,078,537	-	427,790	9,255,722	8,604,975	650,747
<b>Total</b>	<b>9,307,152</b>	<b>8,206,250</b>	<b>1,100,902</b>	<b>70,327</b>	<b>433,453</b>	<b>9,377,479</b>	<b>8,639,703</b>	<b>737,776</b>

	Cost	Accumulated Amortisation	Carrying Amount	Additions	Amortisation	Cost	Accumulated Amortisation	Carrying Amount
	1 Jul 2023	1 Jul 2023	1 Jul 2023			30 Jun 2024	30 Jun 2024	30 Jun 2024
Brand Design & Development	8,905	-	8,905	-	-	8,905	-	8,905
E-Learning Software	42,525	24,574	17,951	-	4,491	42,525	29,065	13,460
IRIS Software Intellectual Property	9,255,722	7,681,119	1,574,603	-	496,066	9,255,722	8,177,185	1,078,537
<b>Total</b>	<b>9,307,152</b>	<b>7,705,693</b>	<b>1,601,459</b>	<b>-</b>	<b>500,557</b>	<b>9,307,152</b>	<b>8,206,250</b>	<b>1,100,902</b>

## 9. Payables and Deferred Revenue

Short term payables are measured at the amount payable.

	2024-25	2023-24
<b>Payables and Deferred Revenue</b>		
Accounts Payable	1,010,558	1,774,612
Accrued Expenses	478,748	495,701
<b>Total Payables and Deferred Revenue</b>	<b>1,489,305</b>	<b>2,270,313</b>

## 10. Employee Entitlements

### Accounting Policy

Employee entitlements that are expected to be settled wholly before 12 months after the end of the reporting period in which the employees provide the related service are measured based on accrued entitlements at current rates of pay. These include salaries and wages accrued up to balance date, and annual leave earned but not yet taken at balance date.

Annual leave expected to be settled within 12 months of balance date are classified as a current liability.

	2024-25	2023-24
<b>Employee Entitlements</b>		
Wages Payable	32,933	26,054
Leave Liability	79,572	57,531
<b>Total Employee Entitlements</b>	<b>112,505</b>	<b>83,585</b>

## 11. Income Tax

### Accounting Policy

Income tax expense includes components relating to current tax and deferred tax, and is calculated using tax rates and tax laws that have been enacted or substantively enacted at balance date.

Current tax is the income tax payable based on the taxable profit for the current year, plus any adjustments to income tax payable in respect of prior years.

Deferred tax is the amount of income tax payable or recoverable in future periods in respect of temporary differences and unused tax losses. Temporary differences are differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit.

Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which the deductible temporary differences or tax losses can be utilised.

Deferred tax is not recognised if the temporary difference arises from the initial recognition of goodwill or from the initial recognition of an asset or liability in a transaction that affects neither accounting profit nor taxable profit.

Current and deferred tax is recognised against the profit or loss for the period, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

2024-25

2023-24

## Income Tax

### Components of Tax Expense

Current Tax	-	-
Deferred Tax	(88,091)	(637,797)
<b>Tax Expense</b>	<b>(88,091)</b>	<b>(637,797)</b>
Net surplus/ (deficit) before tax	(584,670)	(2,278,510)
Tax at 28%	(163,708)	(637,983)
<b>Plus / (less) tax effect of:</b>		
Non-Deductible Expenditure	8	186
Effect of changes in recognised tax losses	75,609	-
<b>Tax Expense</b>	<b>(88,091)</b>	<b>(637,797)</b>

Deferred tax assets/(liabilities)	Tax losses	Intangible assets	Deferred revenue	Other temporary differences	Total
Balance at 30 June 2023	1,160,044	(429,266)	(1,476,179)	19,513	(725,888)
Charged to surplus or deficit	(105,091)	142,907	587,674	12,307	637,797
Charged to other comprehensive revenue and expense	-	-	-	-	-
<b>Balance at 30 June 2024</b>	<b>1,054,953</b>	<b>(286,359)</b>	<b>(888,505)</b>	<b>31,820</b>	<b>(88,091)</b>
Charged to surplus or deficit	(287,140)	95,384	276,639	3,208	88,091
Charged to other comprehensive revenue and expense	-	-	-	-	-
<b>Balance at 30 June 2025</b>	<b>767,813</b>	<b>(190,975)</b>	<b>(611,866)</b>	<b>35,028</b>	<b>-</b>

A deferred tax asset has not been recognised in relation to tax losses of \$313,881 (2024: \$0).

## 12. Equity

### Accounting Policy

Equity is measured as the difference between total assets and total liabilities. Equity is disaggregated and classified as contributed capital and accumulated surplus.

	2024-25	2023-24
<b>Equity</b>		
<b>Contributed Capital</b>		
Balance at 1 July	5,149,150	5,149,150
Capital Contribution	-	-
<b>Balance at end of period</b>	<b>5,149,150</b>	<b>5,149,150</b>
<b>Accumulated Surplus</b>		
Balance at 1 July	(35,131)	1,605,575
Surplus/(deficit) for the year	(496,579)	(1,640,706)
<b>Balance at end of period</b>	<b>(531,710)</b>	<b>(35,131)</b>
<b>Total Equity</b>	<b>4,617,440</b>	<b>5,114,019</b>

## 13. Contingent Liabilities and Guarantees

There are no contingent liabilities or guarantees as at 30 June 2025 (Last year - nil).

## 14. Related Party Transactions

Related party disclosures have not been made for transactions with related parties that are within a normal supplier or client/recipient relationship on terms and conditions no more or less favourable than those that it is reasonable to expect RSHL would have adopted in dealing with the party at arm's length in the same circumstances.

Related Party Transactions Significant to RSHL Requiring Disclosure (excluding GST):

Shareholder	2024/25	2023/24	Description of Services
Waikato Regional Council	152,021	-	Reimbursement for staff members seconded to IRIS NextGen
Waikato Regional Council	5,388	-	Reimbursement for costs re Biosecurity working group booked by WRC on behalf of RSHL
Waikato Regional Council	14,000	-	Transitional funding for the National River Quality Network
Horizons Regional Council	66,888	8,236	Reimbursement for staff members seconded to IRIS NextGen
Taranaki Regional Council	174,685	19,980	Reimbursement for staff members seconded to the IRIS NextGen project
Taranaki Regional Council	12,070	-	Reimbursement for Biomanagers Convenor expenses
Taranaki Regional Council	7,000	-	Transitional funding for the National River Quality Network
Bay of Plenty Regional Council	60,160	512,982	Reimbursement for staff members seconded to BioControl Programme
Bay of Plenty Regional Council	139,868	-	Reimbursement of costs Practices, Methodologies and Standards NZ River Managers SIG

Bay of Plenty Regional Council	-	3,749	Reimbursement of costs Product Acceptance Testing for IRIS NextGen
Northland Regional Council	118,680	6,563	Reimburse for staff member seconded to the IRIS NextGen project and travel costs
Otago Regional Council	186,995	59,303	Reimburse for staff members seconded to the IRIS NextGen project
Otago Regional Council	10,500	-	Transitional funding for the National River Quality Network
Hawke's Bay Regional Council	26	24,951	River Managers SIG Professional Development Programme expenditure
Hawke's Bay Regional Council	10,500	-	Transitional funding for the National River Quality Network
Hawke's Bay Regional Council	41,810	-	Reimburse for staff members seconded to the IRIS NextGen project
Gisborne District Council	1,024	-	Room hire for workshop re National River Quality Network
Gisborne District Council	500,000	-	Funds provided to RSHL for "Support for the Government response to the Ministerial Land Use Inquiry in Tairāwhiti (MILU)
Southland Regional Council	25,561	-	Reimburse for staff members seconded to the IRIS NextGen project

Revenue of \$5,171,917 was received from the shareholder councils as member contribution in the year ended 30 June 2025 as outlined in note 2 (2024: \$5,763,183)

Member contributions were received as follows:

Shareholder	2024/25	2023/24
Waikato Regional Council	1,012,222	1,215,644
Bay of Plenty Regional Council	1,014,925	919,430
Horizons Regional Council	511,749	693,485
Hawke's Bay Regional Council	511,749	655,349
Northland Regional Council	471,120	655,349
Taranaki Regional Council	362,003	519,349
Southland Regional Council	327,348	519,349
West Coast Regional Council	175,420	36,320
Otago Regional Council	733,399	548,906
Gisborne District Council	51,982	-

As at 30 June 2025 \$211,092 (2024: \$665,670) was owed to RSHL by Member Councils and \$152,139 (2024: \$610,790) was owed by RSHL to Member Councils.

	2024-25	2023-24
<b>Key Management Personnel Compensation</b>		
<b>Directors</b>		
Total Full-Time Equivalent Members	8	8
Remuneration	77,500	73,464
<b>Senior Management Team, including the Chief Executive</b>		
Total Full-Time Equivalent Members	5	7
Remuneration	572,236	1,022,670
Total Full-Time Equivalent Personnel	13	15
Total Key Management Personnel Remuneration	649,736	1,096,134

Due to the difficulty in determining the full-time equivalent for Board members, the full-time equivalent figure is taken as the number of Board members.

### 15. Events After Balance Date

There are no significant events after balance date (2024: Nil).

### 16. Financial Instruments

The carrying amounts of financial assets and liabilities in each of the PBE IPSAS 41 financial instrument categories are as follows:

	2024-25	2023-24
<b>Financial assets measured at amortised cost</b>		
Cash and cash equivalents	4,969,294	4,382,962
Receivables (excluding taxes receivable)	427,177	2,072,414
<b>Total Financial assets measured at amortised cost</b>	<b>5,396,471</b>	<b>6,455,375</b>
<b>Financial liabilities measured at amortised cost</b>		
Payables (excluding income in advance and taxes payable)	1,434,049	2,233,566
<b>Total Financial liabilities measured at amortised cost</b>	<b>1,434,049</b>	<b>2,233,566</b>

### Financial Instrument Risks

RSHL's activities expose it to a variety of financial instrument risks, including market risk, credit risk, and liquidity risk. RSHL has policies to manage the risks associated with financial instruments and seeks to minimise exposure from financial instruments. These policies do not allow any transactions that are speculative in nature to be entered into.

#### Market risk

##### **Currency risk**

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in foreign exchange rates. Currency risk arises from recognised liabilities, which are denominated in a foreign currency. RSHL has low exposure to currency risk because it does not have significant overseas liabilities.

##### **Fair value interest rate risk**

Fair value interest rate risk is the risk that the value of a financial instrument will fluctuate, or the cash flows from a financial instrument will fluctuate, due to changes in market interest rates. RSHL has exposure to interest rate risk because it has interest-bearing bank accounts, but is not reliant on interest income for maintaining liquidity.

### Credit risk

Credit risk is the risk that a third party will default on its obligation to RSHL, causing RSHL to incur a loss. In the normal course of its business, credit risk arises from receivables, and deposits with banks. These entities have high credit ratings. For its other financial instruments, RSHL does not have significant concentrations of credit risk.

RSHL's maximum credit exposure for each class of financial instrument is represented by the total carrying amount of cash and cash equivalents, receivables, and derivative financial instrument assets. There is no collateral held as security against these financial instruments.

Although cash and cash equivalents as at 30 June 2024 are subject to the expected credit loss requirements of PBE IPSAS 41, no loss allowance has been recognised because the estimated loss allowance for credit losses is trivial.

RSHL has deposited funds only with Westpac (Standard & Poor's credit rating of AA-), a registered bank.

### Liquidity risk

#### Management of liquidity risk

Liquidity risk is the risk that RSHL will encounter difficulty raising liquid funds to meet commitments as they fall due. As part of meeting its liquidity requirements, RSHL closely monitors its forecast cash requirements. RSHL maintains the level of available cash to meet liquidity requirements and to meet liabilities as they fall due.

## 17. Explanations of Major Variances Against Budget

Statement of Financial Performance	Actual	Budget	Variance	Explanation
Regional Sector Shared Services Revenue	5,478,019	5,120,024	357,995	Regional Sector Shared Services Revenue is revenue collected in support of Te Uru Kahika through the Sector Financial Management System. Te Uru Kahika did not confirm their budget for FY2024 until July 2024 so the SOI budget figures were based on FY24 actuals. Material additional unbudgeted funding was collected as follows: -\$170K for ad-hoc projects with council special interest groups. -\$170K for the Local Data Emissions Platform Project. -\$50K in revenue for training courses. Offsetting this, revenue from central government agencies (predominantly MfE) was ~\$400K less than budget, because of priority changes with the incoming government.
Member Contributions	5,417,484	5,064,650	352,834	Member contributions are contributions to IRIS, IRIS NextGen and the Public Ticketing Transport Programme. \$1.2M in additional unbudgeted revenue was collected for the Public Transport Ticketing Programme, which was a new activity for RSHL in FY25. Offsetting this new income was \$439K of budgeted funding for IRIS which was not collected, Instead IRIS used existing reserves and \$430K in contingency for IRIS NextGen that was not required. Small amounts of additional unbudgeted income were received for the IRIS NextGen Programme.
Interest	68,452	25,000	43,452	RSHL held more cash funds in FY25 than anticipated. This was due to delays in the IRIS NextGen Programme, and some Te Uru Kahika work programmes. An additional unbudgeted \$61K in interest was collected over the year as a result.

Other Revenue	159,148	68,363	90,785	Additional revenue was collected from councils participating in the IRIS NextGen Programme for development of integration points.
Administration Costs	149,077	88,540	60,537	In FY25 RSHL undertook a governance review at a cost \$35,000. In addition Board meetings increased in frequency to 11 a year, rather than 4. This increased admin costs by \$4K.
Travel and Meeting Costs	323,391	184,990	138,401	Key variances are because of expenditure allocated in the Te Uru Kahika work programme budget as consulting/contracting, which has been more correctly allocated to travel and meeting costs. This includes \$69K for training venues and catering, and \$44K for meeting venues for River Managers collaboration programmes and in support of Co-Investment.
External Contractors	1,805,522	3,625,162	(1,819,640)	External Contractor Costs include costs for the IRIS and IRIS NextGen Programmes. Variances in this account relate to timing variations with programme costs deferred to subsequent years. Amounts carried over include \$1.74M in costs that will be expended later than planned.
Other Direct Software Expenses	962,209	681,481	280,728	The variance includes \$228k in licence fees for the Local Data Emissions Platform project. This project is new and was not included in the FY25 budget. Also \$25K for software to manage testing for the IRIS NextGen Programme was unbudgeted. It was absorbed into the programme budget.
Personnel costs	1,942,262	1,841,950	100,312	\$29K variance for unbudgeted movement in staff entitlements. Remaining variance is spread across multiple projects and roles, with remuneration more than anticipated.
Promotional costs	226,958	83,250	143,708	Te Uru Kahika spent more than budgeted on communications advice, responding to central government reform. In addition some activity budgeted under "SFMS Consultants" has been more correctly coded to Promotional Costs
Regional Sector Shared Services Expenses	5,301,174	3,736,084	1,565,090	This activity is by nature variable as Te Uru Kahika adapts to the changing political climate. In addition, the following expenditure occurred that was not included in the budget. \$500K to GDC to support the ministerial land use enquiry (funded by Mfe), \$500K on LIDAR activity for regions affected by Cyclone Gabrielle, this funding was carried over from the previous year, and was originally provided by Mfe. In addition Overhead allocation to Te Uru Kahika was \$200K more than budgeted. There was an additional unbudgeted \$170K for adhoc special interest group projects.
Taxation Expense	(88,091)	-		Taxation expense was not budgeted for due to the budgeted loss.



<b>Statement of Financial Position</b>	<b>Actual</b>	<b>Budget</b>	<b>Variance</b>	<b>Explanation</b>
Cash and cash equivalents	4,969,294	133,699	4,835,595	At year end RSHL holds substantial cash reserves on behalf of work programmes, including Essential Freshwater, and unspent funds for IRIS, IRIS NextGen and the SFMS.
Accounts Receivable and Prepayments	427,177	-	427,177	Accounts Receivable are not provided for in the budget.
Intangible Assets	737,776	1,242,296	(504,520)	Budgeted Capital Expenditure for IRIS in FY22 and FY23 was expensed, following advice. Accordingly the value of the IRIS software asset is less than budgeted.
Payable and Accruals	1,489,305	-	1,489,305	Accounts Payable was not provided for in the SOI budget.
Employee Entitlements	112,505	-	112,505	Employee Entitlements were not provided for in the SOI budget and include leave liability and accrued gross pay.



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PO Box 1007, Palmerston North

## Independent Auditor's Report

### To the readers of Regional Software Holding Limited's financial statements and statement of service performance for the year ended 30 June 2025

The Auditor-General is the auditor of Regional Software Holdings Limited (the Company). The Auditor-General has appointed me, Leon Pieterse, using the staff and resources of Audit New Zealand, to carry out the audit of the financial statements and the statement of service performance of the Company on his behalf.

We have audited:

- the financial statements of the Company on pages 30 to 50, that comprise the statement of financial position as at 30 June 2025, the statement of comprehensive revenue and expenses, statement of changes in equity/net assets and statement of cash flows for the year ended on that date and the notes to the financial statements that include accounting policies and other explanatory information; and
- the statement of service performance of the Company for the year ended 30 June 2025 on pages 17 to 26.

### Opinion

In our opinion:

- the financial statements of the Company:
  - present fairly, in all material respects:
    - its financial position as at 30 June 2025; and
    - its financial performance and cash flows for the year then ended; and
  - comply with generally accepted accounting practice in New Zealand in accordance with Public Benefit Entity Reporting Standards Reduced Disclosure Regime; and
- the statement of service performance:
  - accurately reports, in all material respects, the Company's actual performance compared against the performance targets and other measures by which the

Company's performance can be judged in relation to the Company's objectives in its statement of intent for the year ended 30 June 2025; and

- has been prepared, in all material respects, in accordance with section 68 of the Local Government Act 2002 (the Act).

Our audit was completed on 24 September 2025. This is the date at which our opinion is expressed.

## **Basis for our opinion**

We carried out our audit in accordance with the Auditor-General's Auditing Standards, which incorporate the Professional and Ethical Standards and the International Standards on Auditing (New Zealand) issued by the New Zealand Auditing and Assurance Standards Board. Our responsibilities under those standards are further described in the *Responsibilities of the auditor for the audit of the financial statements and the statement of service performance* section of our report.

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

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

## **Responsibilities of the Board of Directors for the financial statements and the statement of service performance**

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

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

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

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

## **Responsibilities of the auditor for the audit of the financial statements and the statement of service performance**

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

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

For the budget information reported in the financial statements and the statement of service performance, our procedures were limited to checking that the information agreed to the company's statement of intent.

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

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

- We identify and assess the risks of material misstatement of the financial statements and the statement of service performance, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- We obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- We evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.
- We conclude on the appropriateness of the use of the going concern basis of accounting by the Board of Directors and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial

statements and the statement of service performance or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- We evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- We evaluate the overall presentation, structure and content of the statement of service performance, including the disclosures, and assess whether the statement of service performance achieves its statutory purpose of enabling the Company's readers to judge the actual performance of the Company against its objectives in its statement of intent.

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

Our responsibilities arise from the Public Audit Act 2001.

## **Other Information**

The Board of Directors is responsible for the other information. The other information comprises all of the information included in the annual report, other than the financial statements and the statement of service performance, and our auditor's report thereon.

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

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

## **Independence**

We are independent of the Company in accordance with the Auditor-General's Auditing Standards, which incorporate the independence requirements of Professional and Ethical Standard 1: *International Code of Ethics for Assurance Practitioners (including International Independence Standards)* (New Zealand) issued by the New Zealand Auditing and Assurance Standards Board.

Other than the audit and an assurance engagement in relation to procurement, we have no relationship with, or interests in, the Company.

A handwritten signature in blue ink, appearing to read 'L. Pieterse', is written over a light blue horizontal line.

Leon Pieterse  
Audit New Zealand  
On behalf of the Auditor-General  
Hamilton, New Zealand