



Tauākī Whakamaunga Atu |  
Statement of Intent  
2025-2027



Council  
Collaboration  
Into Action



## 1. Kupu Takamua | Foreword

Regional Software Holdings Limited (RSHL) is pleased to present its 2025 Statement of Intent.

RSHL enables the regional sector councils and Te Uru Kahika to act collaboratively and deliver solutions that, in the normal course of events, would be unaffordable or unachievable. Further, it assists the sector to act and speak as one.

Over the last few years, RSHL has successfully grown the range of collaborative services that it provides together with the range of regional and unitary councils benefiting from those services. After several years of transformation, this Statement of Intent reflects a stable base of operations.

The transition to the new company structure is complete, the IRIS NextGen Programme is fully established, and Te Uru Kahika work programmes are embedded within RSHL.

Our primary focus for the next year is completing the design and build of IRIS NextGen and commencing the first implementations.

Alongside this focus is our commitment to supporting the delivery of the Te Uru Kahika work programmes. Te Uru Kahika aims to achieve:

- A sector that is better prepared to respond to future challenges.
- Better return on investment with a focus on quality outcomes and realisation of the sector value proposition.
- Increased credibility of the sector as a trusted deliverer with a unified and consistent sector profile.
- Improved staff attraction and retention.
- Consistent good business practice across the sector and within councils.

RSHL continues to work with Te Uru Kahika to ensure it is fit for purpose to meet these objectives.

We are excited about continuing to provide excellence in shared services to the regional sector. We welcome and look forward to receiving your feedback.

Nāku noa nā



Mike Nield  
Chairperson

## 2. Ngā Ihirangi | Table of Contents

1.	Kupu Takamua   Foreword .....	2
2.	Ngā Ihirangi   Table of Contents .....	3
3.	Kupu Whakataki   Introduction .....	4
4.	Te Āhua me te Hōkaitanga o ngā Mahi ka Whakahaeretia   Nature and Scope of Activities to be Undertaken.....	5
	IRIS .....	5
	IRIS Next Generation .....	6
	Environmental Monitoring and Reporting (EMAR) .....	7
	Te Uru Kahika Support Services.....	8
5.	Ngā Kaimahi Matua   Key Personnel.....	10
6.	Ngā Tūpono Āheinga hei Whanaketanga   Possible Opportunities for Growth .....	11
7.	Te Huarahi Whāinga a te Poari ki te Mana Whakahaere   Board’s Approach to Governance .....	11
8.	Ngā Poutohutohu   Directors.....	12
9.	Ngā Ūnga Mahi me Ētahi Atu Ine   Performance Targets and Other Measures .....	14
	Theme: Programme Delivery .....	14
	Theme : Support Te Uru Kahika .....	14
	Theme : Operational Excellence.....	14
10.	Ngā Mōhiohio Kaiwhaipānga   Shareholders Information .....	15
11.	Ngā Mahi e Rapua Nei Te Utu Paremata   Activities for Which Compensation Is Sought.....	18
12.	Ngā Tahua FY2025-27   FY25-27 Budgets .....	21
	Consolidated Statement of Financial Performance .....	22
	Consolidated Statement of Financial Position as at 30 June 2025 .....	23
	Consolidated Statement of Cash Flows .....	24
	IRIS Programme Activity - Statement of Financial Performance .....	25
	IRIS NextGen Programme Activity - Statement of Financial Performance .....	26
	Sector Financial Management System Activity- Statement of Financial Performance .....	27
	RSHL Overheads Activity - Statement of Financial Performance.....	28
13.	Ngā Kaupapahere Kaute   Accounting Policies .....	29
	Statement of Compliance .....	29
	Reporting Entity.....	29
	Public Benefit Entity Simple Format Reporting .....	29
	Basis of Preparation of the Financial Statements.....	29
	Presentation Currency and Rounding.....	29
	Summary of Significant Accounting Policies .....	30
14.	Note For Information: Requirements for Statement of Intent.....	32

### 3. Kupu Whakataki | Introduction

This Statement of Intent is a declaration of the activities and intentions of Regional Software Holdings Limited (RSHL). The statement outlines the Directors' accountabilities to the shareholders for corporate performance, as is intended by Schedule 8 of the Local Government Act 2002.

#### Subsidiaries

RSHL has no subsidiaries or joint ventures.

#### Vision

To provide high-quality shared services for Te Uru Kahika (and associated agencies) that delivers value to customers, shareholders and the sector.

#### Principles<sup>1</sup>

The Principles of the Company that should be considered when making any decisions relating to the Company are as follows:

- Work for the good of Te Uru Kahika.
- Act in accordance with the principles of Te Tiriti o Waitangi.
- Be transparent and accountable.
- Create value.
- Work smarter, not harder.
- Gain consistency.
- Reduce duplication.
- Be customer centric.
- Recognise and manage shareholder risk.
- Support our people.

#### Objectives

In addition to operating the Company with regard to the principles, the primary objectives of the Company are to:

- Ensure the local government sector is better prepared to respond to future challenges.
- Achieve a better return on investment with a focus on quality of outcome and realising the value proposition for the sector.
- Increase credibility of the sector as a trusted deliverer with a unified and consistent sector profile.
- Improve key staff attraction and retention.
- Achieve consistent good practise process across the sector and within councils.

The secondary objectives of RSHL are to:

- achieve the objectives of its Shareholders, both commercial and non-commercial as specified in this Statement of Intent.
- be a good employer.
- exhibit a sense of social and environmental responsibility by having regard to the interests of the community in which the Company operates and by endeavouring to accommodate or encourage these when able to do so.

#### 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.

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<sup>1</sup> Principles are from section 2 of the RSHL constitution.

Environmental impacts and sustainability will be considered as a matter of course in the development of business cases. The environmental and sustainability impacts will be explicitly considered as part of the development of our strategy.

### 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 responsive and deliver value.
- We are professional and accountable.
- We are flexible and open.

## 4. Te Āhua me te Hōkaitanga o ngā Mahi ka Whakahaeretia | Nature and Scope of Activities to be Undertaken

RSHL provides a framework for collaboration across Te Uru Kahika. It supports the procurement or development of shared solutions in a manner that provides greater consistency. 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:

Activity	Description
<b>IRIS</b>	<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 member councils will replace the IRIS software platform via IRIS NextGen within the next 4 years.</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> 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>

Activity	Description
<b>IRIS Next Generation</b>	<p>Nine 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 delivery 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, 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 two years 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 2025.</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.</p> <p>Performance against budget, delivery against milestones, and customer feedback are used to assess performance.</p>

Activity	Description
<b>Environmental Monitoring and Reporting (EMAR)</b>	<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, StatsNZ 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 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>



<p><b>Te Uru Kahika Support Services</b></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 small team who coordinate the activity of cross-functional groups from different councils.</p> <p>RSHL provides services that underpin and accelerate Te Uru Kahika, including the Sector Financial Management System.</p> <p><i>The Virtual Office</i> The Virtual Office supports the activities of Te Uru Kahika.</p> <p>The Virtual Office is made up of several roles:</p> <ul style="list-style-type: none"> <li>• Te Uru Kahika – Executive Director</li> <li>• Executive Policy Adviser</li> <li>• Chief Science Advisor</li> <li>• Te Uru Kahika Administrator</li> <li>• Resource Management Reform Director.</li> <li>• Kaimahi</li> <li>• Contract Communications Advisor</li> </ul> <p>All of these roles are employed or engaged by RSHL.</p> <p><i>Sector Financial Management System (SFMS)</i> Te Uru Kahika organises its activities in to Work Programmes:</p> <ul style="list-style-type: none"> <li>• Te Uru Kahika Virtual Office</li> <li>• River Management</li> <li>• Bio Management</li> <li>• Ngā Kairapu</li> <li>• Resource Management</li> <li>• Climate Change Working Group</li> <li>• Communications</li> <li>• EDMS</li> <li>• INFDP</li> <li>• EMAR</li> <li>• Science Programme</li> <li>• National BioControl Programme</li> </ul> <p>Under the SFMS, RSHL collects funding from councils for each of these programmes in a coordinated way, contracts service providers to assist with the delivery of the programmes, pays provider and reports on the use of the funding.</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="416 1935 1385 2029"> <tr> <td data-bbox="416 1935 900 2029">Financial/Operations Management</td> <td data-bbox="900 1935 1385 2029">These are foundational services, the focus is on compliance with policy, alignment with good practice.</td> </tr> </table>	Financial/Operations Management	These are foundational services, the focus is on compliance with policy, alignment with good practice.
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Activity	Description	
	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.

## 5. Ngā Kaimahi Matua | Key Personnel

Organisation	Chief Executive	Mark Donnelly <a href="mailto:mark.donnelly@rshl.co.nz">mark.donnelly@rshl.co.nz</a> 027 66 44 674
	Business Support Specialist	Jane Fletcher <a href="mailto:jane.fletcher@rshl.co.nz">jane.fletcher@rshl.co.nz</a>
IRIS and IRIS NextGen Programme	Programme Manager	Coralie Gibbison <a href="mailto:coralie.gibbison@rshl.co.nz">coralie.gibbison@rshl.co.nz</a>
	Product Manager	Tania Monk <a href="mailto:tania.monk@rshl.co.nz">tania.monk@rshl.co.nz</a>
Te Uru Kahika	Te Uru Kahika Executive Director	Liz Lambert <a href="mailto:liz.lambert@teurukahika.govt.nz">liz.lambert@teurukahika.govt.nz</a>
	Executive Policy Advisor	Tom Bowen <a href="mailto:tom.bowen@teurukahika.govt.nz">tom.bowen@teurukahika.govt.nz</a>
	Chief Science Advisor	Chris Daughney <a href="mailto:chris.daughney@teurukahika.govt.nz">chris.daughney@teurukahika.govt.nz</a>
	Director-Climate Adaptation	Al Cross <a href="mailto:al.cross@teurukahika.govt.nz">al.cross@teurukahika.govt.nz</a>
EMAR/Lawa	Project Manager	Abi Loughnan <a href="mailto:abi.loughnan@teurukahia.govt.nz">abi.loughnan@teurukahia.govt.nz</a>

## 6. Ngā Tūpono Āheinga hei Whanaketanga | Possible Opportunities for Growth

RSHL constantly seeks to increase the value delivered to Te Uru Kahika and councils.

New opportunities will be identified, and priorities set in the Business Plan. Other opportunities may arise and be investigated on a case-by-case basis. New activities will require explicit Board approval.

The potential market for RSHL to offer products and services is New Zealand Regional Councils and Unitary Authorities.

## 7. Te Huarahi Whāinga a te Poari ki te Mana Whakahaere | Board's Approach to Governance

Members of the RSHL Board of Directors are appointed by the shareholders according to the company constitution.

The board is made up of 6 non-independent and 2 independent directors. The non-independent directors are senior staff from shareholding councils.

Each year 2 Directors retire by rotation and the shareholders appoint replacements at the Annual General Meeting, which is to be held before 30 December each year.

The Board is the overall body responsible for all decision-making within the company. The Board is accountable to its shareholders for the financial and non-financial performance of the company.

Directors' behaviour is to comply with Institute of Directors' standards for Code of Conduct. The purpose of the code is to clarify how the Board of Directors shall define and deal with:

- The role and fundamental obligations of the Board,
- Independence and conflict of interest, including conflict with management,
- Board procedures, including the role of the Chairman and interaction with the Chief Executive,
- Reliance on information and independent advice,
- Confidentiality of company information,
- Board and Director performance review and development.

RSHL will conduct itself in accordance with its Constitution, its annual Statement of Intent agreed with shareholders, the provisions of the Local Government Act 2002 and the Companies Act 1993.

## 8. Ngā Poutohutohu | Directors

The following directors are in office on 1 July 2024

Director	Council
Asbjorn Aakjaer	Independent
Bruce Howse	Northland Regional Council
Janine Becker	Waikato Regional Council
Wilma Falconer	Southland Regional Council
Fiona McTavish	Bay of Plenty Regional Council
Bruce Robertson	Independent
Michael Nield	Taranaki Regional Council
Ged Shirley	Horizons Regional Council

### Interest Register

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

Director	Organisation	Interest
Bruce Howse	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	Environment Southland 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.

Director	Organisation	Interest
Bruce Robertson	<p>RBRobertson Limited</p> <p>Local Authorities:</p> <p>Christchurch City Council</p> <p>Hamilton City Council</p> <p>Thames-Coromandel District Council</p> <p>Waipa District Council</p> <p>Taupo District Council</p> <p>Bay of Plenty Regional Council</p> <p>Gisborne District Council</p> <p>Napier City Council</p> <p>South Wairarapa District Council</p> <p>Wellington City Council</p> <p>Central Otago District Council</p> <p>Timaru District Council</p> <p>Southland District Council</p> <p>Central Government:</p> <p>Ministry of Primary Industries (MPI)</p>	<p>Director and Shareholder (consulting and advisory services). Through this business have a range of local authority and central government clients providing generally one off support and services, although sometimes over an extended time period. Current engagements in the regional sector with Taranaki Regional Council.</p> <p>Audit &amp; Risk Committee Chair</p> <p>Audit &amp; Risk Committee Chair</p> <p>Audit &amp; Risk Committee Chair</p> <p>Audit &amp; Risk Committee Chair</p> <p>Audit &amp; Risk Committee Chair</p> <p>Audit &amp; Risk Committee Chair</p> <p>Audit &amp; Risk Committee Deputy Chair</p> <p>Audit &amp; Risk Committee Chair</p> <p>Audit &amp; Risk Committee Chair</p> <p>Audit &amp; Risk Committee Chair</p> <p>Audit &amp; Risk Committee Chair</p> <p>Audit &amp; Risk Committee Chair</p> <p>Audit &amp; Risk Committee Chair</p> <p>Audit &amp; Risk Committee Chair</p> <p>Audit &amp; Risk Committee Chair</p>

## 9. Ngā Ūnga Mahi me Ētahi Atu Ine | Performance Targets and Other Measures

Performance targets by which success may be judged in relation to our objectives are:

### 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.
All programmes will have an effective governance structure appropriate to the size and complexity of the programme.	Self-assessment in June each year.
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.
All programmes will meet agreed delivery targets set by the programme governance group each year. Annual performance surveys will be completed with participating councils.  Survey feedback will be considered and actioned where appropriate – including sharing feedback with the Board.	Self-assessment in November each year.

### Theme : Support Te Uru Kahika

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

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.

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

## 10. Ngā Mōhiohio Kaiwhaipānga | Shareholders Information

### Shareholding

Regional Software Holdings Limited (RSHL) was formed on 17 October 2012. At the time of formation, the company issued 10,000 shares to its shareholders based on a previously agreed sizing formula.

In 2022 as part of the restructure of the Company a new shareholders' agreement and constitution were adopted. The company:

- Issued a single Class A “Controlling” Share to each existing shareholder of the Company.
- created a Class B shareholding which holds the ownership rights over IRIS classic. All Ordinary Shares in the Company were converted to Class B Shares. This enabled the founding shareholders to retain their rights and ownership of the IRIS asset and to reduce the impact of the transition the current shareholding.
- Issued a single Class A share to Bay of Plenty Regional Council, Gisborne District Council and Hawke’s Bay Regional Council on completion of the necessary processes and documents.

In August 2023 Otago Regional Council completed the necessary process to become a shareholder and was issued a single Class A share.

The current shareholding of the Company 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	

### Estimate of Commercial Value of The Shareholder’s Investment

The Directors’ estimate of the commercial value of the Shareholders’ investment in RSHL and any subsidiary companies is equal to the Shareholders’ equity in the Company. Reassessment of the value of this shareholding shall be undertaken on or about 30 June each year.

### Distribution of Profits to Shareholders

RSHL does not have an objective to make a profit. It seeks to provide products and services at lower costs, and / or higher levels of service than councils can achieve on their own.

In order for RSHL to be subject to tax, generally it must meet the business test. Fundamental to this is a profit motive. Given the basis under which this CCO operates is to minimise the costs and generally operate on a cost recovery basis and that a pecuniary profit is not intended and highly unlikely, the lack of a profit motive is real.

As a CCO, RSHL is required to be subject to tax on its income. Under tax law, RSHL is considered to be a business which is carried on for the purpose of profit. However, RSHL operates on a cost recovery basis and seeks to minimise costs to customers. Because of this the company is unlikely to operate at a profit.



### Information to Be Provided to the Shareholders

The company will deliver the following Statements to shareholders:

- Within two months of the end of the first half of the financial year the following unaudited statements: Statement of Financial Performance, Statement of Financial Position, Statement of Cashflows and Service Performance.
- Within three months of the end of the financial year the following audited<sup>2</sup> statements: Statement of Financial Performance, Statement of Financial Position, Statement of Cashflows, Service Performance plus a summary of how the company has fared against its objectives and prospects for the next financial year, and a report on the company's medium to long-term plans.
- The Directors shall approve by 1 March of each year a Draft Statement of Intent for the consideration of shareholders. The Directors must then consider any comments on the Draft Statement of Intent that are made by the shareholders and deliver the completed Statement of Intent to the shareholders by 30 June each year.
- Preparation of a draft Business Plan will begin each November, for the financial year that commences on the following June. This early preparation is to allow Councils the ability to include any changes in Annual Fees, or any other form of financial impact, in their budget processes. The Board are to approve the business plan by the end of June prior to the commencement of the new financial year.
- Any new developments which have not been covered in the statement of corporate intent for the year. Including, but not limited to, an update on any outcomes arising from any changes in shareholding, including the effect on individual Council's shareholdings and apportionment of costs.
- Details of possible scenarios that might be foreseen that could result in annual fees increasing above approved budgets.
- Any other information which would normally be available to a shareholder, thereby enabling the shareholder to assess the value of its investment in the company.

### Reference documents

RSHL maintains all records in a Microsoft 365 environment.

The following key documents are the accountability of the RSHL Chief Executive:

- RSHL Statement of Intent
- Internal policies
- Steering Committee/Advisory Group Terms of Reference
- Minutes and documents from Steering Committee/Advisory Group meetings
- Contract documents.
- Documents relating to project work.
- Board agendas, minutes and supporting papers.

The following key documents are the accountability of the financial and secretarial services provider:

- Budgets
- Monthly and annual financial reports
- Financial records, invoices, payments, bank account information etc.

All RSHL documents will, on request, be available to all members of the RSHL Board and the Advisory Groups. Such documents will be provided to those members to help them in their roles with RSHL. They will be subject to commercial sensitivity and will not be available for general distribution without explicit written permission from one of the following: the Chair of the Board, the Chair of the Advisory Group or the Chief Executive.

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<sup>2</sup> Delivery of audited statements is subject to availability of suitably qualified auditors from AuditNZ.



**Procedures for Major Transactions and Other Acquisitions and Disposals**

The Company will not enter into major transactions as defined in Section 129(2) of the Companies Act 1993 without the consent of the shareholders by special resolution.

**Procedures for Issue of Shares**

The RSHL shareholder agreement requires the approval 75% of the Directors of the company for “the issuing or acquisition of any Shares or any change to the rights attaching to any Shares”.

## 11. Ngā Mahi e Rapua Nei Te Utu Paremata | Activities for Which Compensation Is Sought

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

Activity	Description																								
Sector Financial Management System.	<p>Payment of annual contributions will be sought from all Te Uru Kahika councils for the operation of the programmes in the Sector Financial Management System.</p> <p>For some programmes, additional contributions may be sought from other local government organisations and government ministries.</p> <p>Contributions will be according to the agreed models. This activity includes:</p> <ul style="list-style-type: none"> <li>• Te Uru Kahika Office</li> <li>• Sector Business Plan</li> <li>• Climate Change</li> <li>• River Managers</li> <li>• EMaR</li> <li>• Bio Managers</li> <li>• Bio Control</li> <li>• Science Programme</li> </ul> <p>The funding contribution for most of the SFMS programmes is based on the size of the Council. The total amounts to be collected vary year to year based on the work programmes.</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> <p>BioControl, Climate Change Resilience and the Science Programme have custom funding models based on the value of the programmes to the region.</p> <p>The budget and funding arrangements for the SFMS are documented in the SFMS Briefing Paper which is approved with the Te Uru Kahika Business Plan before the start of each financial year.</p> <p>In FY25 RSHL expects to collect \$3.9M in funding from councils in support of Te Uru Kahika.</p>	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>
Tier 1 – 9.4% each	Tier 2 – 6.2% each	Tier 3 – 3.2% each																							
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Bay of Plenty RC	Taranaki RC	West Coast RC																							
	Southland RC																								
<b>Total 47%</b>	<b>Total 37%</b>	<b>Total 16%</b>																							

Activity	Description																
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> Contributions for IRIS will be collected in the following proportions.</p> <table border="1" data-bbox="384 421 1015 689"> <thead> <tr> <th>Shareholder</th> <th>Percentage</th> </tr> </thead> <tbody> <tr> <td>Waikato Regional Council</td> <td>36.78%</td> </tr> <tr> <td>Northland Regional Council</td> <td>13.55%</td> </tr> <tr> <td>Horizons Regional Council</td> <td>18.17%</td> </tr> <tr> <td>Taranaki Regional Council</td> <td>13.55%</td> </tr> <tr> <td>Southland Regional Council</td> <td>13.55%</td> </tr> <tr> <td>West Coast Regional Council</td> <td>4.4%</td> </tr> <tr> <td><b>Total</b></td> <td><b>100%</b></td> </tr> </tbody> </table> <p>In FY25 RSHL expects to collect \$0.44M of funding from participating councils.</p>	Shareholder	Percentage	Waikato Regional Council	36.78%	Northland Regional Council	13.55%	Horizons Regional Council	18.17%	Taranaki Regional Council	13.55%	Southland Regional Council	13.55%	West Coast Regional Council	4.4%	<b>Total</b>	<b>100%</b>
Shareholder	Percentage																
Waikato Regional Council	36.78%																
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Southland Regional Council	13.55%																
West Coast Regional Council	4.4%																
<b>Total</b>	<b>100%</b>																
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 9 Participating Councils share the programme costs of the IRIS NextGen programme according to the following contribution model:</p> <table border="1" data-bbox="384 954 1297 1384"> <thead> <tr> <th>Large Councils</th> <th>Medium Councils</th> <th>Small Councils</th> </tr> </thead> <tbody> <tr> <td><b>17.93% per council (Total 35.87%)</b></td> <td><b>10.87% per council (Total 43.48%)</b></td> <td><b>4.35% per council (Total 4.35%)</b></td> </tr> <tr> <td>Waikato Regional Council Bay of Plenty Regional Council</td> <td>Horizons Regional Council Otago Regional Council Northland Regional Council Hawke’s Bay Regional Council</td> <td>Nelson City Council</td> </tr> <tr> <td></td> <td><b>8.15% per council (Total 16.30%)</b></td> <td></td> </tr> <tr> <td></td> <td>Taranaki Regional Council Environment Southland</td> <td></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> <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 expects to collect \$4.2M from participating councils for IRIS NextGen. In addition, there will be a budget provision to collect a contingency if required and approved by the IRIS NextGen Steering Group. The contingency provision for FY2025 is \$420K. No</p>	Large Councils	Medium Councils	Small Councils	<b>17.93% per council (Total 35.87%)</b>	<b>10.87% per council (Total 43.48%)</b>	<b>4.35% per council (Total 4.35%)</b>	Waikato Regional Council Bay of Plenty Regional Council	Horizons Regional Council Otago Regional Council Northland Regional Council Hawke’s Bay Regional Council	Nelson City Council		<b>8.15% per council (Total 16.30%)</b>			Taranaki Regional Council Environment Southland		
Large Councils	Medium Councils	Small Councils															
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Waikato Regional Council Bay of Plenty Regional Council	Horizons Regional Council Otago Regional Council Northland Regional Council Hawke’s Bay Regional Council	Nelson City Council															
	<b>8.15% per council (Total 16.30%)</b>																
	Taranaki Regional Council Environment Southland																

Activity	Description																				
	<p>contingency has been included for future years. We will review this provision as part of the process of preparing next year's statement of intent.</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>																				
RSHL Overhead Costs	<p>Overhead costs are costs that cannot be allocated to a specific work programme.</p> <p>All work programmes will contribute to overhead costs of RSHL, with the contribution based on the programmes proportion of 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="384 651 1382 824"> <thead> <tr> <th data-bbox="384 651 571 712"></th> <th data-bbox="571 651 775 712">2023/24 (SOI)</th> <th data-bbox="775 651 979 712">2024/25</th> <th data-bbox="979 651 1184 712">2025/26</th> <th data-bbox="1184 651 1382 712">2026/27</th> </tr> </thead> <tbody> <tr> <td data-bbox="384 712 571 745">IRIS</td> <td data-bbox="571 712 775 745">8%</td> <td data-bbox="775 712 979 745">4.5%</td> <td data-bbox="979 712 1184 745">7%</td> <td data-bbox="1184 712 1382 745">5%</td> </tr> <tr> <td data-bbox="384 745 571 779">IRIS NextGen</td> <td data-bbox="571 745 775 779">44%</td> <td data-bbox="775 745 979 779">43.0%</td> <td data-bbox="979 745 1184 779">42%</td> <td data-bbox="1184 745 1382 779">45%</td> </tr> <tr> <td data-bbox="384 779 571 813">SFMS</td> <td data-bbox="571 779 775 813">48%</td> <td data-bbox="775 779 979 813">52.5%</td> <td data-bbox="979 779 1184 813">52%</td> <td data-bbox="1184 779 1382 813">50%</td> </tr> </tbody> </table> <p>In FY25 RSHL expects 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%
	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%																	

It is noted that other products or services may be delivered by RSHL. Any such services will only be delivered after the Directors have considered each individual business case including the proposed budget and agreed that the proposed service meets the objectives of RSHL.

Any ongoing activities to identify, develop or procure additional products or services will be budgeted for in advance, subject to a business case. The subsequent recovery of costs will be agreed on a case-by-case basis.

## 12. Ngā Tahua FY2025-27 | FY25-27 Budgets.

The budgets provided in this Statement of Intent are based on the latest budget information from each activity.

### Budgeting process.

Budgets are structured into three activities. Each of these activities receives funding from a different group of organisations, with different funding models and governance.

Activity	Governance	Contractual Basis	Funded by
IRIS NextGen	IRIS NextGen Steering Group.	IRIS NextGen Partnership Agreement.	9 Participant councils.
IRIS	IRIS Advisory Group	IRIS Advisory Group Terms of Reference.	7 Participating Councils.
SFMS	Te Uru Kahika RCEOs Group.	ReCoCo MOU.	16 participating councils, and government entities.

- The IRIS NextGen Partnership agreement stipulates that they will prepare a draft budget in February and final budget in June. This aligns with the SOI Process.
- For IRIS, common practice is to prepare a budget when the SOI budget is developed which is then ratified with participating councils.
- Budget setting for the SFMS is driven from the Te Uru Kahika Business Plan. Planning is coordinated by the Te Uru Kahika Executive Director.

## Consolidated Statement of Financial Performance

## For the 12 Months to 30 June 2025

2023/24		Notes	2024/25	2025/26	2026/27
Budget	Income		SOI	Indicative	Indicative
937,305	IRIS Programme		438,639	696,266	519,759
5,406,561	IRIS NextGen Programme		4,626,011	4,255,015	4,830,843
5,576,963	Sector Work Programmes		3,926,204	5,120,425	5,267,732
138,820	Central Government Funding		1,193,820	138,820	138,820
<u>12,059,649</u>			<u>10,184,674</u>	<u>10,210,525</u>	<u>10,757,154</u>
	<u>Other Income</u>				
25,000	Interest Received		25,000	25,000	25,000
128,173	Council Specific Software Funding		68,363	70,414	72,526
<u>153,173</u>			<u>93,363</u>	<u>95,414</u>	<u>97,526</u>
<b>12,212,822</b>	<b>Total Income</b>		<b>10,278,037</b>	<b>10,305,939</b>	<b>10,854,681</b>
	<b>Expenditure</b>				
35,700	Administration costs		8,900	9,047	11,486
39,100	Accounting & Technical Support		79,640	82,029	85,577
105,000	Audit & Legal fees		102,030	105,091	108,949
247,000	Datacom Support Services (IRIS)		250,500	300,000	330,000
5,605,699	Technology Services		4,558,780	3,890,286	4,231,870
154,000	IT Hosting Charges		85,650	88,350	90,100
-	Finance Costs		-	-	-
-	Training		7,500	7,725	7,957
1,745,000	Personnel Costs		1,834,450	1,889,484	1,946,168
91,000	Promotional Costs		83,250	85,568	84,955
72,000	Independent Director's Fees		78,400	80,752	83,175
184,000	Travel & Meeting Costs		184,990	182,210	184,484
128,173	Council Specific Software Purchases		68,363	70,414	72,526
12,000	Other Direct Software		12,500	12,809	13,193
4,080,250	Consultants		3,403,084	3,502,177	3,604,242
<u>12,498,922</u>			<u>10,758,037</u>	<u>10,305,939</u>	<u>10,854,681</u>
	<u>Other Expenditure</u>				
468,705	Amortization		400,429	400,429	354,460
<b>12,967,627</b>	<b>Total Expenditure</b>		<b>11,158,466</b>	<b>10,706,368</b>	<b>11,209,141</b>
<b>(754,805)</b>	<b>Surplus/ (Deficit) before tax</b>		<b>(880,429)</b>	<b>(400,429)</b>	<b>(354,460)</b>
	Income Tax Expense				
<b>(754,805)</b>	<b>Surplus/(Deficit) after Tax</b>		<b>(880,429)</b>	<b>(400,429)</b>	<b>(354,460)</b>







## IRIS Programme Activity - Statement of Financial Performance

For the 12 Months to 30 June 2025

2023/24 Budget		Notes	2024/25 SOI	2025/26 Indicative	2026/27 Indicative
<u>937,305</u>	Income		<u>438,639</u>	<u>696,266</u>	<u>519,759</u>
937,305	IRIS Programme		438,639	696,266	519,759
	<u>Other Income</u>				
-	Interest Received		-	-	-
<u>128,173</u>	Council Specific Software Funding		<u>68,363</u>	<u>70,414</u>	<u>72,526</u>
128,173			68,363	70,414	72,526
<b>1,065,478</b>	<b>Total Income</b>		<b>507,002</b>	<b>766,680</b>	<b>592,286</b>
	<b>Expenditure</b>				
-	Administration costs		-	-	-
-	Accounting & Technical Support		-	-	-
-	Audit & Legal fees		-	-	-
247,000	Datacom Support Services (IRIS)		250,500	300,000	330,000
578,160	Technology Services		585,168	300,000	100,000
27,000	IT Hosting Charges		29,000	30,000	30,000
-	Finance Costs		-	-	-
-	Training		-	-	-
55,000	Personnel Costs		33,490	34,495	35,530
-	Promotional Costs		-	-	-
-	Independent Director's Fees		-	-	-
1,000	Travel & Meeting Costs		-	1,000	1,000
128,173	Council Specific Software Purchases		68,363	70,414	72,526
2,000	Other Direct Software		2,200	2,200	2,266
-	Consultants		-	-	-
<u>27,145</u>	Overhead Recovery - Expense		<u>18,281</u>	<u>28,571</u>	<u>20,964</u>
1,065,478			987,002	766,680	592,286
	<u>Other Expenditure</u>				
<u>468,705</u>	Amortization		<u>400,429</u>	<u>400,429</u>	<u>354,460</u>
<b>1,534,183</b>	<b>Total Expenditure</b>		<b>1,387,431</b>	<b>1,167,109</b>	<b>946,746</b>
<b>(468,705)</b>	<b>Surplus/ (Deficit) before tax</b>		<b>(880,429)</b>	<b>(400,429)</b>	<b>(354,460)</b>
	Income Tax Expense				
<u>(468,705)</u>	<b>Surplus/(Deficit) after Tax</b>		<u>(880,429)</u>	<u>(400,429)</u>	<u>(354,460)</u>

## IRIS NextGen Programme Activity - Statement of Financial Performance

## For the 12 Months to 30 June 2025

2023/24		Notes	2024/25	2025/26	2026/27
Budget	Income		SOI	Indicative	Indicative
-	IRIS Programme		-	-	-
5,000,000	IRIS NextGen Programme		4,196,011	4,255,015	4,830,843
406,561	IRIS NextGen Contingency		430,000	-	-
-	Sector Work Programmes		-	-	-
-	Central Government Funding		-	-	-
<u>5,406,561</u>			<u>4,626,011</u>	<u>4,255,015</u>	<u>4,830,843</u>
	<u>Other Income</u>				
-	Interest Received		-	-	-
-	Council Specific Software Funding		-	-	-
<b>5,406,561</b>	<b>Total Income</b>		<b>4,626,011</b>	<b>4,255,015</b>	<b>4,830,843</b>
	<b>Expenditure</b>				
-	Administration costs		-	-	-
-	Accounting & Technical Support		-	-	-
20,000	Audit & Legal fees		-	-	-
-	Datacom Support Services (IRIS)		-	-	-
4,996,539	Technology Services		3,528,162	3,574,372	4,115,479
72,000	IT Hosting Charges		-	-	-
-	Finance Costs		-	-	-
-	Training		-	-	-
385,000	Personnel Costs		426,910	439,717	452,909
-	Promotional Costs		-	-	-
-	Independent Director's Fees		-	-	-
68,000	Travel & Meeting Costs		64,000	64,200	65,424
-	Council Specific Software Purchases		-	-	-
2,000	Other Direct Software		2,060	2,122	2,185
-	Consultants		-	-	-
-	IRIS NextGen Contingency		430,000	-	-
149,122	Overhead Recovery - Expense		174,879	174,604	194,846
<u>5,692,661</u>			<u>4,626,011</u>	<u>4,255,015</u>	<u>4,830,843</u>
	<u>Other Expenditure</u>				
-	Depreciation		-	-	-
<b>5,692,661</b>	<b>Total Expenditure</b>		<b>4,626,011</b>	<b>4,255,015</b>	<b>4,830,843</b>
<b><u>(286,100)</u></b>	<b>Surplus/ (Deficit) before tax</b>		<b>-</b>	<b>-</b>	<b>-</b>
	Income Tax Expense				
<b><u>(286,100)</u></b>	<b>Surplus/(Deficit) after Tax</b>		<b>-</b>	<b>-</b>	<b>-</b>

## Sector Financial Management System Activity- Statement of Financial Performance

## For the 12 Months to 30 June 2025

2023/24		Notes	2024/25	2025/26	2026/27
Budget	Income		SOI	Indicative	Indicative
5,576,963	Sector Work Programmes		3,926,204	5,120,425	5,267,732
138,820	Central Government Funding		1,193,820	138,820	138,820
<u>5,715,783</u>			<u>5,120,024</u>	<u>5,259,245</u>	<u>5,406,552</u>
	<u>Other Income</u>				
-	Interest Received		-	-	-
-	Council Specific Software Funding		-	-	-
<u>-</u>			<u>-</u>	<u>-</u>	<u>-</u>
<b>5,715,783</b>	<b>Total Income</b>		<b>5,120,024</b>	<b>5,259,245</b>	<b>5,406,552</b>
	<b>Expenditure</b>				
25,000	Administration costs		-	-	-
-	Accounting & Technical Support		-	-	-
15,000	Audit & Legal fees		-	-	-
-	Datacom Support Services (IRIS)		-	-	-
15,000	Technology Services		15,450	15,914	16,391
55,000	IT Hosting Charges		56,650	58,350	60,100
-	Finance Costs		-	-	-
-	Training		-	-	-
1,180,000	Personnel Costs		1,243,300	1,280,599	1,319,017
75,000	Promotional Costs		77,250	79,568	81,955
-	Independent Director's Fees		-	-	-
98,000	Travel & Meeting Costs		103,690	99,401	99,133
-	Council Specific Software Purchases		-	-	-
7,000	Other Direct Software		7,210	7,426	7,649
4,080,250	Consultants		3,403,084	3,502,177	3,604,242
165,533	Overhead Recovery - Expense		213,390	215,812	218,066
<u>5,715,783</u>			<u>5,120,024</u>	<u>5,259,245</u>	<u>5,406,552</u>
	<u>Other Expenditure</u>				
-	Depreciation		-	-	-
<u>-</u>			<u>-</u>	<u>-</u>	<u>-</u>
<b>5,715,783</b>	<b>Total Expenditure</b>		<b>5,120,024</b>	<b>5,259,245</b>	<b>5,406,552</b>
-	<b>Surplus/ (Deficit) before tax</b>		<u>-</u>	<u>-</u>	<u>-</u>
	Income Tax Expense				
-	<b>Surplus/(Deficit) after Tax</b>		<u>-</u>	<u>-</u>	<u>-</u>

## RSHL Overheads Activity - Statement of Financial Performance

For the 12 Months to 30 June 2025

2023/24 Budget	Income	Notes	2024/25 SOI	2025/26 Indicative	2026/27 Indicative
	<u>Other Income</u>				
25,000	Interest Received		25,000	25,000	25,000
-	Council Specific Software Funding		-	-	-
-	Overhead Recovery - Income		-	-	-
-			25,000	25,000	25,000
-	<b>Total Income</b>		<b>25,000</b>	<b>25,000</b>	<b>25,000</b>
	<u>Expenditure</u>				
10,700	Administration costs		8,900	9,047	11,486
39,100	Accounting & Technical Support		79,640	82,029	85,577
70,000	Audit & Legal fees		102,030	105,091	108,949
-	Datacom Support Services (IRIS)		-	-	-
16,000	Technology Services		-	-	-
-	IT Hosting Charges		-	-	-
-	Finance Costs		-	-	-
-	Training		7,500	7,725	7,957
125,000	Personnel Costs		130,750	134,673	138,713
16,000	Promotional Costs		6,000	6,000	3,000
72,000	Independent Director's Fees		78,400	80,752	83,175
17,000	Travel & Meeting Costs		17,300	17,609	18,927
-	Council Specific Software Purchases		-	-	-
1,000	Other Direct Software		1,030	1,061	1,093
-	Consultants		-	-	-
366,800			431,550	443,987	458,875
	<u>Other Expenditure</u>				
-	Depreciation		-	-	-
366,800	<b>Total Expenditure</b>		<b>431,550</b>	<b>443,987</b>	<b>458,875</b>
(341,800)	<b>Surplus/ (Deficit) before tax</b>		<b>(406,550)</b>	<b>(418,987)</b>	<b>(433,875)</b>
	Income Tax Expense				
(341,800)	<b>Surplus/(Deficit) after Tax</b>		<b>(406,550)</b>	<b>(418,987)</b>	<b>(433,875)</b>

## 13. Ngā Kaupapahere Kaute | Accounting Policies

### 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 (NZGAAP).

The financial statements have been prepared to comply with Tier 2 Public Benefit Entity (PBE) Standards. RSHL is not publicly accountable, and expenditure is not higher than \$30 million.

These financial statements comply with PBE Standards.

### Reporting Entity

Regional Software Holdings Limited (RSHL) is a Council Controlled Organisation (CCO) owned 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	

RSHL was incorporated on 17 October 2012.

RSHL was originally incorporated for the purposes of managing the investment and development of IRIS Software. RSHL now exists for the purpose of supporting collaborative and shared services projects for Te Uru Kahika. RSHL has designated itself a Public Benefit Entity (PBE), in keeping with the designation of the shareholders.

### Public Benefit Entity Simple Format Reporting

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

The financial statements have been prepared to comply with Public Benefit Entity Standards (PBE Standards) for a Tier 2 entity. RSHL is not publicly accountable, and expenditure is not higher than \$30 million. These financial statements comply with PBE standard.

### Basis of Preparation of the Financial Statements

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

### Presentation Currency and Rounding

The prospective financial statements have been prepared in New Zealand dollars and there will be rounding in the numbers in the financial statements, as the financial model used calculates to the cent but the annual report is rounded to the nearest dollar.

The functional currency of RSHL is New Zealand dollars.

The reporting period for these prospective financial statements is the year ending 30 June.

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

#### **Revenue**

Revenue is measured at the fair value of consideration received or receivable.

Members Contributions and Other forms of Revenue (excluding investment revenue), including fees, charges, and other revenues are recognised on an accrual basis.

Interest revenue is recorded as it is earned.

#### **Expenditure**

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.

#### **Bank Accounts and Cash**

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

Bank overdrafts are presented as a current liability in the Statement of Financial Position.

#### **Debtors**

Debtors are initially recorded at the amount owed. When it is likely the amount owed (or some portion) will not be collected, a provision for impairment is recognised and the loss is recorded as a bad debt expense.

#### **Inventories**

Inventory is initially recorded at cost. Goods held for sale are subsequently measured at the lower of cost and their selling process. Goods for use or distribution are subsequently measured at cost and written down if they become obsolete.

#### **Goods and Services Tax (GST)**

RSHL is registered for GST; these financial statements are presented net of GST, except for receivables and payables which are inclusive of GST. Where GST paid is not recoverable, due to it relating to exempt items, the GST inclusive amount is recognised as part of the related asset or expense including the GST relating to investing and financing activities.

The net amount of GST recoverable from, or payable to, the IRD is included as part of receivables or payables in the statement of financial position.

The net GST paid to, or recovered from, the Inland Revenue Department is recognised as an item in operating cash flow in the statement of cash flows.

Commitments and contingencies are disclosed exclusive of GST.

#### **Income Tax**

Income tax expenses calculated using the taxes payable method. As a result, no allowance is made for deferred tax. Tax expense includes the current tax liability and adjustments to prior year tax liabilities.

#### **Creditors and Accrued Expenses**

Creditors and accrued expenses are measured at the amount owed.

#### **Property, Plant and Equipment**

##### **Software acquisition and development**

Costs that are directly associated with the development of software owned by RSHL or its subsidiaries are recognised as property, plant and equipment.

#### Depreciation

Depreciation begins when the asset is available for use and ceases at the date that the asset is derecognised. The depreciation charge for each period is recognised through the Statement of Financial Performance.

The carrying value is depreciated on a straight-line basis over its useful life. The default useful life and associated depreciation rate for the developed software is 10 years and 10%. If an alternative rate is used this will be noted in the financial statements.

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 Financial Performance. This change in value will be the difference between the carrying value of the original item and its fair value.

#### Critical Accounting Estimates and Assumptions

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

#### Additional Disclosure

The Companies Act 1993 requires disclosure of the amount of 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.



## 14. Note For Information: Requirements for Statement of Intent

Source: Office of the Auditor General

<http://www.oag.govt.nz/2007/corporate-intent/appendix2.htm>

Item	Section
Statement of intent	This document
Coverage over three financial years and updated annually	3,9,11,12
Objectives of the group	3
A statement of the board's approach to governance	7
Nature and scope of the activities to be undertaken	4
Accounting policies	13
Performance targets and other measures by which the performance of the group may be judged in relation to its objectives	9
An estimate of the amount or proportion of accumulated profits and capital reserves that is intended to be distributed to the shareholders	10
The kind of information to be provided to the shareholders/ shareholding Ministers by the organisation during the course of the next three financial years	10
Procedures to be followed before any member or the group subscribes for, purchases, or otherwise acquires shares in any company or other organisation	10
Any activities for which the board seeks compensation from any local authority, Harbour Board, or the Crown (whether or not the relevant entity has agreed to provide the compensation)	11
The board's estimate of the commercial value of the Crown/shareholders' investment in the group and the manner in which, and the times at which, that value is to be reassessed	10
Other matters that are agreed by the shareholders/ shareholding Ministers and the board	N/A
Annual report should contain information that is necessary to enable an informed assessment of the operations of the parent entity and its subsidiaries, including a comparison of performance with the relevant statement of intent or statement of corporate intent	10



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