

Six Month Report
to Shareholders

Pūrongo mō te Tau
Haurua

Including Financial Statements

For the period ending 31
December 2025



Council
Collaboration
Into Action

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Directors Report | Te Pūrongo a ngā Kaiwhakahaere Matua

Regional Software Holdings Limited For the 6 months ended 31 December 2025

On behalf of Regional Software Holdings Ltd (RSHL), and the ten regional sector shareholders, it is our pleasure to present our Interim Report for the 6 months ending 31 December 2025.

RSHL is the shared services organisation for the Regional Sector. All 16 regional and unitary councils in Aotearoa New Zealand are customers of RSHL, along with a small number of territorial authorities and central government.

RSHL delivers a wide range of digital, operational and financial programmes for councils at national and inter-regional scale.

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 6 months to 31 December 2025, RSHL made steady progress in a challenging environment for the sector.

Our major programmes such as IRIS NextGen, Public Transport Ticketing Programme, Local Data Emissions Platform and Wells will all provide long-term value, efficiencies and cost savings to councils.

The IRIS NextGen Programme has reached a major milestone with the start of the Pilot implementation at Otago Regional Council. Like any large-scale business transformation project, IRIS NextGen has had significant challenges to overcome. RSHL and the participating councils remain focussed on delivering the step change efficiency improvements that are the goal of the programme. We are also actively working with councils and the Ministry for the Environment to ensure that the solution is ready to support the transformation required for Resource Management.

Financial Position

Revenue is tracking favourable to budget, a situation that we expect to continue to year end. Council contributions to programmes are generally as budgeted, and we have collected additional funding for new projects including supporting national preparedness for HPAI.

Operating expenditure is slightly less than budgeted. This is due to timing variances across multiple projects. This is not a cause for concern, and we expect expenditure to be close or less than budgeted at year end.

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 losses are resulting from depreciation rather than trading activities.

Looking Forward

In the current economic and political climate, shared services and new ways of working are more important and valuable than ever. The “Simplifying Local Government” draft proposal highlighted the potential for councils to use shared services and CCOs to deliver more for their communities.

Naturally, RSHL supports this approach. In our feedback to government about the “Simplifying Local Government” draft proposal we have highlighted the opportunity for government to provide more guidance and advice to councils about structuring shared services CCOs for maximum benefit.

Our draft Statement of Intent for FY27-29 provides shareholders with more information about how RSHL intends to position ourselves for the future.



Signed on behalf of the Board of Directors:

A handwritten signature in blue ink, appearing to be 'B Robertson', is written above a horizontal line.

B Robertson - Chairperson

Date: 27 February 2026

A handwritten signature in blue ink, appearing to be 'G Shirley', is written above a horizontal line.

G Shirley - Director

Date: 27 February 2026

Statement of Responsibility | Tauākī o te Kawenga

Regional Software Holdings Limited

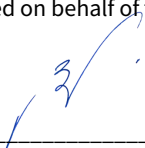
For the 6 months ended 31 December 2025

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 six months ended 31 December 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 - Chairperson

Date: 27 February 2026



G Shirley - Director

Date: 27 February 2026

Statement of Service Performance | Hei Ine i te Mahi

Regional Software Holdings Limited For the 6 months ended 31 December 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.

What did we do?

Activities

RSHL provides a framework for collaboration in local government, with a focus on the regional sector.

We develop and support shared solutions that engender greater consistency, efficiency, and reduce cost. 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:



<p>IRIS Next Generation</p>	<p>Ten councils are working with RSHL and Datacom on the delivery of the IRIS NextGen Programme, under a formal partnership agreement.</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,</p> <p>IRIS NextGen will:</p> <ul style="list-style-type: none"> • Make council staff work easier • Promote operational excellence and efficiency • Demonstrate collaboration at a sector level • Ensure the development of the technical solution is fit for purpose. <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. Performance against budget, delivery against milestones, and customer feedback are used to assess performance.</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. Through Te Uru Kahika, the regional sector:</p> <ul style="list-style-type: none"> • Shares knowledge and resources between councils, • Coordinates input into national direction setting, • Works together to more effectively implement central government policy and respond to nationally significant events. <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 support services that enable Te Uru Kahika to achieve its objectives.</p> <p>Te Uru Kahika organises its activities into Work Programmes. 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 RSHL’s 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> <p>Financial/Operations Management These are foundational services, the focus is on compliance with policy, alignment with good practice.</p> <p>Operation of shared services/solutions. The focus is on achieving the intended outcome of the shared service, while effectively managing staff and finances.</p> <p>Employment of Staff The focus is on providing a working environment where staff are supported, motivated and safe.</p> <p>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.</p> <p>Management Services (As requested) The focus is on being an enabler and problem solver, allowing Te Uru Kahika to maintain momentum towards its goals.</p>				
<p>Shared Services</p>	<p>RSHL operates shared services and solutions for councils. These services involve the engagement of a vendor to deliver a solution to a group of councils.</p> <p>RSHL leads councils through a process to define their shared objectives. RSHL then works with councils and vendors to implement a solution.</p> <p>RSHL is constantly evaluating new opportunities to deliver more value to the regional sector through shared services and solutions.</p> <p>Current Shared Services</p> <table border="1" data-bbox="379 1144 1337 1933"> <tr> <td data-bbox="379 1144 555 1794"> <p>WellsNZ</p> </td> <td data-bbox="555 1144 1337 1794"> <p>Service Description: Regional and Unitary Councils collect and manage large amounts of data on wells, geothermal bores and galleries. This data is essential for planning, consenting, compliance and science processes. It is also a valuable resource for well owners, drilling companies and consultants. Through the WellsNZ website, Te Uru Kahika presents data on location, construction, geology and more.</p> <p>Participating Organisations: Auckland Council, Waikato Regional Council, Environment Canterbury, Otago Regional Council</p> <p>Objectives: To make data about Wells and Bores more easily available to all stakeholders. To develop and apply consistent standards for the recording of data about wells and bores.</p> <p>Link: https://wellsnz.teurukahika.nz/</p> </td> </tr> <tr> <td data-bbox="379 1794 555 1933"> <p>Data Emissions Platform</p> </td> <td data-bbox="555 1794 1337 1933"> <p>Service Description: The solution provided is a web-based data analytics platform to support historical, current and future community greenhouse gas emissions reporting based on the GPC methodology and identification of decarbonisation pathways.</p> </td> </tr> </table>	<p>WellsNZ</p>	<p>Service Description: Regional and Unitary Councils collect and manage large amounts of data on wells, geothermal bores and galleries. This data is essential for planning, consenting, compliance and science processes. It is also a valuable resource for well owners, drilling companies and consultants. Through the WellsNZ website, Te Uru Kahika presents data on location, construction, geology and more.</p> <p>Participating Organisations: Auckland Council, Waikato Regional Council, Environment Canterbury, Otago Regional Council</p> <p>Objectives: To make data about Wells and Bores more easily available to all stakeholders. To develop and apply consistent standards for the recording of data about wells and bores.</p> <p>Link: https://wellsnz.teurukahika.nz/</p>	<p>Data Emissions Platform</p>	<p>Service Description: The solution provided is a web-based data analytics platform to support historical, current and future community greenhouse gas emissions reporting based on the GPC methodology and identification of decarbonisation pathways.</p>
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	<p>Participating Organisations:</p> <ul style="list-style-type: none"> • Northland Regional Council <ul style="list-style-type: none"> • Whangarei City Council • Far North District Council • Auckland Council • Waikato Regional Council <ul style="list-style-type: none"> • Hamilton City Council • Bay of Plenty Regional Council <ul style="list-style-type: none"> • Tauranga City Council • Western Bay of Plenty District Council • Whakatane District Council • Rotorua Lakes Council • Gisborne District Council • Hawkes Bay Regional Council • Nelson City Council • Tasman District Council • Environment Canterbury • Waimakariri District Council • Selwyn District Council • Kapiti Coast District Council • Ministry for the Environment <p>Objectives:</p> <p>To enable a consistent and cost-effective approach for local government to understand and report on local emissions profiles and projections, to support evidenced-based decisions on emissions reduction priorities and actions using a standardised platform.</p>
	<p>N-Cap</p> <p>Service Description: The N-Cap solution allows farmers and their representatives to record their synthetic nitrogen use via an online portal, OR alternatively to submit the required records through their fertiliser company.</p> <p>Participating Organisations: All Regional Sector Councils.</p> <p>Objectives:</p> <ul style="list-style-type: none"> • To provide farmers with a pathway to meet their obligation to record synthetic nitrogen use under regulations that came into force in 2022. • To provide regional councils with the tools they need to meet their regulatory responsibilities. • To ensure national consistency on the rollout of the N-Cap Regulations. <p>Link:</p> <p>https://n-cap.teurukahika.govt.nz</p>
	<p>Retrolens</p> <p>Service Description: Retrolens allows public access to historical aerial photography of New Zealand.</p> <p>Participating Organisations:</p>



	<p>Retrolens is overseen by The Local Government Geospatial Alliance (LGGA) which includes representatives from all Regional Sector Councils, and a number of local authorities.</p> <p>Objectives: To inform and educate the public on historical changes to the landscape in New Zealand.</p> <p>Link: https://retrolens.co.nz/</p>
<p>Public Transport Ticketing Programme</p>	<p>In September 2024 RSHL welcomed the Regional Integrated Ticketing System (RITS) team. This team was previously hosted at Otago Regional Council.</p> <p>This team is responsible for operation of the Regional Integrated Ticketing System (Bee Card) in use at 10 councils.</p> <p>The focus of that activity is on ensuring system and vendor performance is maintained during the transition to NTS, and that councils can transition seamlessly.</p> <p>The team is also coordinating the rollout of the National Ticketing System (Motu Move) to these 10 councils by 2028. The focus of that activity is ensuring participating Councils are adequately represented and that the solution provided matches expectations.</p> <p><i>Performance</i> When assessing the performance of both these workstreams, we consider whether RSHL has appropriately managed the programmes. This includes budgets, vendor management (for Bee Card), communications with councils and broader stakeholder engagement.</p>
<p>IRIS Programme</p>	<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. 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 by the end of 2028. This means that the 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. We place an emphasis on value, predictability, and delivery. Performance against budget and delivery of releases are used to assess performance.</p>

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

Funds for the operation of the Sector Office, The Sector Financial Management System, 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.

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

Activity	Description															
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="483 831 1082 1301"> <thead> <tr> <th data-bbox="483 831 683 862">Large Councils</th> <th data-bbox="683 831 882 862">Medium Councils</th> <th data-bbox="882 831 1082 862">Small Councils</th> </tr> </thead> <tbody> <tr> <td data-bbox="483 882 683 936">17.20% per council (Total 34.40%)</td> <td data-bbox="683 882 882 936">10.40% per council (Total 41.60%)</td> <td data-bbox="882 882 1082 936">4.20% per council (Total 8.40%)</td> </tr> <tr> <td data-bbox="483 936 683 1128">Waikato Regional Council Bay of Plenty Regional Council</td> <td data-bbox="683 936 882 1128">Horizons Regional Council Otago Regional Council Northland Regional Council Hawke's Bay Regional Council</td> <td data-bbox="882 936 1082 1128">Nelson City Council West Coast Regional Council</td> </tr> <tr> <td data-bbox="483 1128 683 1182"></td> <td data-bbox="683 1128 882 1182">7.80% per council (Total 15.60%)</td> <td data-bbox="882 1128 1082 1182"></td> </tr> <tr> <td data-bbox="483 1182 683 1301"></td> <td data-bbox="683 1182 882 1301">Taranaki Regional Council Southland Regional Council</td> <td data-bbox="882 1182 1082 1301"></td> </tr> </tbody> </table> <p>Over the 10-year term of the Partnership Agreement, the programme costs are expected to total \$31.8M</p> <p>Programme costs include:</p> <ul data-bbox="344 1487 1042 1711" style="list-style-type: none"> • Datacom software solution delivery • Datacom programme management • Datacom support and maintenance • Datacom council implementation costs • Datacom Good Practice Process Operating Model development • RSHL programme management • Travel and meeting expenses. • RSHL Corporate Costs <p>In FY26 RSHL expected to collect \$3.7M from participating councils for IRIS NextGen. In addition, there is a budget provision to collect a contingency if required and approved by the IRIS NextGen Steering Group. The contingency provision for FY2026 is \$428K.</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>	Large Councils	Medium Councils	Small Councils	17.20% per council (Total 34.40%)	10.40% per council (Total 41.60%)	4.20% per council (Total 8.40%)	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 West Coast Regional Council		7.80% per council (Total 15.60%)			Taranaki Regional Council Southland Regional Council	
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<p>Te Uru Kahika Support Services</p>	<p>Payment of annual contributions will be sought from all Te Uru Kahika councils for the operation of the programmes within the Te Uru Kahika construct.</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"> • Te Uru Kahika Office • Sector Business Plan • Climate Change • River Managers • EMaR • Bio Managers • Bio Control • Science Programme <p>The funding contribution for most 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" data-bbox="343 898 1137 1182"> <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>Total 47%</td> <td>Total 37%</td> <td>Total 16%</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 FY26 RSHL expects to collect \$5.7M in funding from councils for sector work programmes.</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		Total 47%	Total 37%	Total 16%
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Data Emissions Platform	<p>Service Description:</p> <p>The solution provided is a web-based data analytics platform to support historical, current and future community greenhouse gas emissions reporting based on the GPC methodology and identification of decarbonisation pathways.</p> <p>20 organisations contributed to the inception of the Data Emissions Platform in FY2025. Contributions were collected based on what funding each organisation had available to contribute.</p> <p>From FY2026 onwards contributions will be based on a regional model with a funding allocation from each participating region, with the councils in each region determining how the contribution will be allocated. This model is still in development and will be provided in the Final version of the SOI in June.</p> <p>The total funding amount to be collected in FY26 is \$425K.</p>																
N-Cap	<p>Service Description: The N-Cap solution allows farmers and their representatives to record their synthetic nitrogen use via an online portal, OR alternatively to submit the required records through their fertiliser company.</p> <p>The N-Cap solution is funded from contributions collected Te Uru Kahika Essential Freshwater Programme. The total allocated for N-Cap is \$28K.</p>																



<p>Retrolens</p>	<p>Service Description: Retrolens allows public access to historical aerial photography of New Zealand.</p> <p>The total funding to be collected in FY2026 is budgeted as \$50K. 50% of this is budgeted to be collected from Land Information New Zealand Toitū Te Whenua, with the balance to be collected from the Te Uru Kahika councils using the standard ReCoCo model.</p> <table border="1" data-bbox="571 551 1031 1252"> <thead> <tr> <th>Category</th> <th>% Share</th> <th>Council</th> </tr> </thead> <tbody> <tr> <td rowspan="5">Large Councils</td> <td rowspan="5">9.40%</td> <td>Auckland</td> </tr> <tr> <td>Environment Canterbury</td> </tr> <tr> <td>Waikato Region Council</td> </tr> <tr> <td>Greater Wellington Regional Council</td> </tr> <tr> <td>Bay of Plenty Regional Council</td> </tr> <tr> <td rowspan="6">Medium Councils</td> <td rowspan="6">6.20%</td> <td>Horizons Regional Council</td> </tr> <tr> <td>Otago Regional Council</td> </tr> <tr> <td>Hawkes Bay Regional Council</td> </tr> <tr> <td>Northland Regional Council</td> </tr> <tr> <td>Taranaki Regional Council</td> </tr> <tr> <td>Southland Regional Council</td> </tr> <tr> <td rowspan="5">Small Councils</td> <td rowspan="5">3.20%</td> <td>Tasman District Council</td> </tr> <tr> <td>Nelson City Council</td> </tr> <tr> <td>Gisborne District Council</td> </tr> <tr> <td>Marlborough District Council</td> </tr> <tr> <td>West Coast Regional Council</td> </tr> </tbody> </table>	Category	% Share	Council	Large Councils	9.40%	Auckland	Environment Canterbury	Waikato Region Council	Greater Wellington Regional Council	Bay of Plenty Regional Council	Medium Councils	6.20%	Horizons Regional Council	Otago Regional Council	Hawkes Bay Regional Council	Northland Regional Council	Taranaki Regional Council	Southland Regional Council	Small Councils	3.20%	Tasman District Council	Nelson City Council	Gisborne District Council	Marlborough District Council	West Coast Regional Council
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<p>Public Transport Ticketing Programme</p>	<p>10 Councils contribute to the Public Transport Ticketing System Programme under a funding agreement signed by RSHL in 2024. Contributions are collected according to the following model agreed by the councils and RSHL.</p> <table border="1" data-bbox="341 1413 1058 1760"> <thead> <tr> <th>Council</th> <th>Cost share %</th> </tr> </thead> <tbody> <tr> <td>Waikato Regional Council</td> <td>24.3%</td> </tr> <tr> <td>Bay of Plenty Regional Council</td> <td>24.3%</td> </tr> <tr> <td>Otago Regional Council</td> <td>24.3%</td> </tr> <tr> <td>Horizons Regional Council</td> <td>6.3%</td> </tr> <tr> <td>Hawkes Bay Regional Council</td> <td>6.3%</td> </tr> <tr> <td>Taranaki Regional Council</td> <td>2.9%</td> </tr> <tr> <td>Nelson City Council</td> <td>2.9%</td> </tr> <tr> <td>Invercargill City Council</td> <td>2.9%</td> </tr> <tr> <td>Northland Regional Council</td> <td>2.9%</td> </tr> <tr> <td>Gisborne District Council</td> <td>2.9%</td> </tr> </tbody> </table> <p>In FY26 funding contributions to PTP are expected to be \$1.8M.</p>	Council	Cost share %	Waikato Regional Council	24.3%	Bay of Plenty Regional Council	24.3%	Otago Regional Council	24.3%	Horizons Regional Council	6.3%	Hawkes Bay Regional Council	6.3%	Taranaki Regional Council	2.9%	Nelson City Council	2.9%	Invercargill City Council	2.9%	Northland Regional Council	2.9%	Gisborne District Council	2.9%			
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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>Proportion of Contributions to the IRIS Programme</p> <p>Contributions for IRIS will be collected in the following proportions.</p> <table border="1" data-bbox="406 521 1029 775"> <thead> <tr> <th>Shareholder</th> <th>Percentage</th> </tr> </thead> <tbody> <tr> <td>Waikato Regional Council</td> <td>32.39%</td> </tr> <tr> <td>Northland Regional Council</td> <td>11.93%</td> </tr> <tr> <td>Horizons Regional Council</td> <td>16.00%</td> </tr> <tr> <td>Taranaki Regional Council</td> <td>11.93%</td> </tr> <tr> <td>Southland Regional Council</td> <td>11.93%</td> </tr> <tr> <td>West Coast Regional Council</td> <td>3.87%</td> </tr> <tr> <td>Hawke's Bay Regional Council</td> <td>11.93%</td> </tr> </tbody> </table> <p>In FY26 RSHL expects to collect \$282K in funding from participating councils with the remainder of the programme funded from surplus funds from previous years held by RSHL.</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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RSHL Corporate Costs	<p>Corporate costs are for the operation and development of the company. All work programmes will contribute to RSHL Corporate Costs, with the contribution based on the programmes proportion of revenue in the financial year.</p> <p>In the 2026 Financial year (and the following 2 years) the budgeted proportion of Corporate Costs to each programme is as follows:</p> <table border="1" data-bbox="406 1211 1401 1402"> <thead> <tr> <th></th> <th>2025/26</th> <th>2026/27</th> <th>27/28</th> <th>28/29</th> </tr> </thead> <tbody> <tr> <td>IRIS</td> <td>3.0%</td> <td>5%</td> <td>4%</td> <td>5%</td> </tr> <tr> <td>IRIS NextGen</td> <td>35.3%</td> <td>34%</td> <td>49%</td> <td>26%</td> </tr> <tr> <td>Te Uru Kahika</td> <td>48.6%</td> <td>40%</td> <td>37%</td> <td>61%</td> </tr> <tr> <td>Shared Services</td> <td></td> <td>6%</td> <td>5%</td> <td>8%</td> </tr> <tr> <td>PTTP</td> <td>13.1%</td> <td>15%</td> <td>5%</td> <td>0%</td> </tr> </tbody> </table> <p>In FY26 RSHL expects to have corporate costs of \$0.57M. This is 4.9% of total operating expenditure.</p>		2025/26	2026/27	27/28	28/29	IRIS	3.0%	5%	4%	5%	IRIS NextGen	35.3%	34%	49%	26%	Te Uru Kahika	48.6%	40%	37%	61%	Shared Services		6%	5%	8%	PTTP	13.1%	15%	5%	0%
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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.



How did we perform?

<p>IRIS</p>	<p>We previously reported a reduction in the frequency of IRIS releases to allow focus on IRIS NextGen and minimise cost.</p> <p>During the reporting period, no new versions of IRIS were released. However, a hotfix was provided to all councils to provide the required changes for the RMA Amendment Act 2025. Work also continues to enable councils in cleansing their IRIS data in preparation for migration to the Datascope Regional Sector Solution (RSS). This includes the conversion and transformation of data.</p>				
<p>IRIS Next Generation</p>	<p>The IRIS NextGen Programme reached a major milestone in November 2025 with the decision to commence the Pilot Implementation at Otago Regional Council.</p> <p>In the period of time covered by this report, the emphasis has been on preparations for the pilot, including:</p> <ul style="list-style-type: none"> • Completion of a second round of product testing by subject matter experts from participating councils. The testing programme for IRIS NextGen is comprehensive, ensuring that the solution is of high quality, prior to the start of the Pilot Implementation. The structured test approach has allowed for focused expertise and cross-council learning, which enriches understanding and fosters a supportive team culture. • Supporting the ORC preparedness for the start of the Pilot. As the IRIS NextGen solution is new, implementation presents additional risk to the ORC. To address this, ORC has meticulously attempted to mitigate risks to the Pilot and the wider programme through detailed project planning. RSHL has actively supported this work alongside Datacom. • Future state process workshops. The RSHL team has worked alongside ORC to ensure that ORC staff have a strong understanding of their future state processes, using the IRIS NextGen good practice processes. <p>The IRIS NextGen Product Management Team has assessed the impact of Resource Management Reform on the solution, and the required changes are being planned into the future roadmap.</p> <p>There have been frustrating delays to the start of council implementations caused by slower than committed delivery by the vendor. However we have a high degree of confidence in the final solution. RSHL is excited to move into the implementation phase of the project. 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 deliver on Te Uru Kahika strategic objectives.</p> <table border="1" data-bbox="357 1532 1321 1982"> <tr> <td data-bbox="357 1532 671 1787"> <p>Financial/Operations Management</p> </td> <td data-bbox="671 1532 1321 1787"> <p>RSHL efficiently and accurately operated the financial systems for Te Uru Kahika. This included:</p> <ul style="list-style-type: none"> • Management of upward of 60 service contracts for services in support of Te Uru Kahika work programmes • Processing of receivable invoices lines with a total value of \$3M for funding to support the programmes. • Processing of payable invoices with a total value of \$3M for services in support of Te Uru Kahika. </td> </tr> <tr> <td data-bbox="357 1787 671 1982"> <p>Operation of shared services/solutions</p> </td> <td data-bbox="671 1787 1321 1982"> <p>In the period from 1 July to 30 June 2025 RSHL operated the following shared service solutions for Te Uru Kahika:</p> <ul style="list-style-type: none"> • LAWA Website • WellsNZ • N-Cap Tool • Te Uru Kahika Collaboration Hub </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"> • Management of upward of 60 service contracts for services in support of Te Uru Kahika work programmes • Processing of receivable invoices lines with a total value of \$3M for funding to support the programmes. • Processing of payable invoices with a total value of \$3M for services in support of Te Uru Kahika. 	<p>Operation of shared services/solutions</p>	<p>In the period from 1 July to 30 June 2025 RSHL operated the following shared service solutions for Te Uru Kahika:</p> <ul style="list-style-type: none"> • LAWA Website • WellsNZ • N-Cap Tool • Te Uru Kahika Collaboration Hub
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<p>Operation of shared services/solutions</p>	<p>In the period from 1 July to 30 June 2025 RSHL operated the following shared service solutions for Te Uru Kahika:</p> <ul style="list-style-type: none"> • LAWA Website • WellsNZ • N-Cap Tool • Te Uru Kahika Collaboration Hub 				



	<ul style="list-style-type: none"> • Macro-Invertebrate Species Library.
<p>Shared Services</p>	<p>Employment of Staff In the period from 1 July to 31 December, RSHL employed 12 staff on behalf of Te Uru Kahika including 2 staff on secondment from GWRC and NIWA.</p> <p>WellsNZ Through the WellsNZ website, councils present data on Well/Bore location, construction, geology and more. Over the reporting period, the WellsNZ solution was maintained and improved under the direction of the WellsNZ Advisory Group. Greater Wellington Regional Council became a user of the service, and Marlborough District Council has also completed the process to join, and is in the process of onboarding. GWRC and MDC join Environment Canterbury, Auckland City Council, Waikato Regional Council and Otago Regional Council as users of the solution with Bay of Plenty Regional Council scheduled to start use of the solution in early FY27.</p> <p>Local Data Emissions Platform (LEDP) The Local Data Emissions Platform is in its second full year of operation with 20 participating councils. The implementation project is closed and the LEDP is now a fully operational service.</p> <ul style="list-style-type: none"> • Collection of council-owned data is now complete. • Emphasis has now moved to continuous improvement of council processes and ongoing enhancement of models, including refinements for agriculture and forestry. <p>N-Cap The N-Cap solution allows farmers and their representatives to record their synthetic nitrogen use via an online portal, OR alternatively to submit the required records through their fertiliser company. Over the reporting period, results were collected for the FY25 year. The system was then mothballed to minimise cost while awaiting further direction from the government.</p> <p>Retrolens The Retrolens platform allows the public to download scanned aerial imagery from 1936 to 2005 from the Crown archive. The site is overseen by the Te Uru Kahika Geospatial SIG. In July 2025 a new version of the site was released with a simpler and more user-friendly interface.</p>
<p>Public Transport Ticketing Programme</p>	<p>The Public Transport Ticketing Programme is responsible for operation of the RITS system in use at 10 councils as well as supporting the eventual migration to the National Ticketing System. Over the reporting period, the RITS team continued to support councils using the BeeCard system and provided effective support and technical advisory for councils.</p> <ul style="list-style-type: none"> • Worked with Cubic, NZTA and the Regions to develop and refine a new Integrated Plan based on a cookie-cutter approach. This makes it easier to re-plan if needed and also tailor to meet specific regional requirements. • Develop detailed regional Configuration documents to allow Cubic to setup the develop/test/production requirements as necessary. This has been completed for 5 regions and work will continue on the remaining 5 in the first half of this calendar year. • Determine and commence development of detailed business processes for our regions. These are based on a service blueprint which drills down into a service catalogue. This work is taking place in conjunction with NZTA's Transport Ticketing operations section which will support NTS in the long term. • In conjunction with the regions, develop financial and operations reporting requirements and make sure these align with Cubic's capability and current system design. This work will continue in the coming year. • Worked with Cubic and the regions to develop Financial Operating procedures to facilitate reconciliation, settlement and audit processes. This work will continue in the coming year.

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. 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. Performance against budget, delivery against milestones, and customer feedback are used.</p>
Te Uru Kahika Support Services	<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"> • Financial/Operations Management • Operation of shared services/solutions • Employment of Staff • Programme Management • Management Services (As requested)
Shared Services	<p>When assessing the performance of RSHL in the delivery of shared services we consider how RSHL has delivered value to customers using the service.</p> <p>Feedback from stakeholders and achievement of targeted outcomes is used to form an assessment.</p> <p>We place an emphasis on efficient operation of the service, minimising cost and maximising value.</p>
Public Transport Ticketing Programme	<p>When assessing the performance of RSHL in supporting the PTPP we consider how RSHL has effectively supported the smooth operation of the programme.</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 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"> • Financial/Operations Management • Operation of shared services/solutions • Employment of Staff • Programme Management • Management Services

Performance Measures

The following performance measures were incorporated into the Statement of Intent for the 2025-26 financial year.

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

Theme: Programme Delivery

Performance Statement: We will maintain a high standard of delivery of our programmes to customers.

Target	Timing
<ul style="list-style-type: none"> All projects and programmes will follow an appropriate approval pathway for their size, scope and complexity. All programmes will have an effective governance structure and planning processes appropriate to the size and complexity of the programme. Draft plans and budgets will be set before 1 March, final plans and budgets will be set by 30 June. An independent assurance review will be completed for major programmes each year. 	To be completed by 30 June each year.
<ul style="list-style-type: none"> 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. 	November each year.

Performance Statement: We will manage our programs 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 – 31 December 2025 the following projects were initiated at RSHL.

Regional Sector Preparedness for Managing Avian Flu Risk

In December 2025 the board approved an agreement with BioSecurity NZ for \$3M in funding to support regional preparedness for the Avian Influenza.

Under the agreement:

- RSHL will host the project, and the project will be delivered using our delivery framework.
- The project team will comprise of a contract project manager and members of Te Uru Kahika Bio-Managers Working Group.
- The project will operate within the RSHL control framework and report to the sector OneHealth governance group.

The project is time sensitive, and will operate from 1 January 2026 to 31 August 2026 only.

Avian influenza (bird flu) is a highly contagious viral disease that primarily affects birds but can also infect mammals, including humans. There are two main forms:

- High pathogenicity avian influenza (HPAI): Causes severe illness and high death rates in birds. Common strains include H5, H7, and H9.
- Low pathogenicity avian influenza (LPAI): Usually causes mild or no symptoms in birds but can mutate into HPAI. In New Zealand, LPAI is present in wild birds and is monitored through an active surveillance programme.

Biosecurity preparedness refers to maintaining readiness to prevent, respond to, and recover from the introduction or spread of diseases like avian influenza. This includes having response plans, trained personnel, appropriate equipment and resources, and regular exercises or drills to test preparedness.

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 2025– 31 December 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"> RSHL Board governance oversight Council appointed Steering Group with representatives from each council.
IRIS	<ul style="list-style-type: none"> RSHL Board governance oversight Council appointed Advisory Group with representatives from each council.
HPAI Preparedness	<ul style="list-style-type: none"> RSHL Board governance operational oversight OneHealth Governance strategic oversight RSHL oversight of financial activity according to RSHL policy. Steering Group appointed by RSHL, Te Uru Kahika and BioSecurity NZ

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	<p>The IRIS NextGen Programme Budget was updated and endorsed by the Steering Group in February, for inclusion in the Draft Statement of Intent.</p> <p>The final unchanged budget was endorsed by the Steering Group in June for inclusion in the Statement of Intent.</p>
IRIS	<p>The IRIS Programme Budget was updated and endorsed by the Advisory Group in February, for inclusion in the Draft Statement of Intent.</p> <p>Participating councils had the budget approved by a staff member with appropriate delegation.</p> <p>The final unchanged budget was endorsed by the Advisory Group in June for inclusion in the Statement of Intent.</p>
HPAI Preparedness	<p>HPAI Preparedness is a one-off project. Planning and budgeting was completed by the project team prior to execution of the agreement.</p> <p>The plan and budget will be refined over time as the requirements of each region are understood.</p>

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Theme : Service Delivery

Performance Statement: We will maintain a high standard of delivery of our services to customers.

Target	Timing
All services are clearly defined, including service definition, service level expectations and funding models.	June 2026
All services will have an effective customer advisory structure appropriate to the size and complexity of the service.	June 2026
All services will meet or exceed agreed service level expectations each year.	June 2027*

*This performance measure is to be in place for FY2027.

December Update

Te Uru Kahika Hosting	<p>RSHL hosting of Te Uru Kahika is underpinned by a MOU. This MOU remains in a draft state, however it provides the basis for management of our services to the Te Uru Kahika Team.</p> <p>The service level for each service is defined and agreed concurrently with the Te Uru Kahika budget in June each year.</p> <p>The services provided are listed in the activities phase of the document.</p> <p>As this service is not provided directly to councils, the customer advisory structure for Te Uru Kahika is the Executive Director.</p>
Local Emissions Data Platform	<p>The LEDP Service has a Steering Group comprised of senior councils staff and an Advisory Group open to staff from all councils that use the solution.</p> <p>The Steering Group oversees the finances of the service and the vendor relationship.</p> <p>The Advisory Group works directly with the supplier to improve the product develop and develop consist good practice across councils.</p> <p>Service levels and the management structure for the service are defined in the Partnership Agreement.</p>
WellsNZ	<p>The WellsNZ Service has a Steering Group comprised of senior councils staff and an Advisory Group open to staff from all councils that use the solution.</p> <p>The Steering Group oversees the finances of the service and the vendor relationship.</p> <p>The Advisory Group works directly with the supplier to improve the product develop and develop consist good practice across councils.</p> <p>Service levels and the management structure for the service are defined in the Partnership Agreement.</p>
Public Transport Ticketing Programme	<p>The Public Transport Ticketing Programme transferred to RSHL in 2025.</p> <p>The programme has a Steering Group with a representative from each council.</p> <p>The RITS Contract Manager leads the PTP programme at RSHL. Internal service levels are informally discussed and agreed with them.</p> <p>Service levels for the BeeCard solution are documented in the contract with the vendor.</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.

Financial Reports are reviewed at each board meeting, including Statements of Financial Performance for each activity.

As noted in the foreword, revenue is tracking favourable to budget, a situation that we expect to continue to year end. Council contributions to programmes are generally as budgeted, and we have collected additional funding for new projects including supporting national preparedness for HPAI.

Operating expenditure is slightly less than budgeted. This is due to timing variances across multiple projects. This is not a cause for concern, and we expenditure to be close or less than budgeted at year end.

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

To be assessed in July.

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.

To be assessed in June. Note that in the previous 6 months the board has developed and adopted a charter and Code of Conduct to underpin their commitment to operate according to the IoD Code of Practice.

Financial Statements | Ngā Tauākī Pūtea

Regional Software Holdings Limited

For the 6 months ended 31 December 2025

This report covers the 6 months from 1 July 2025 to 31 December 2025 as required by section 66 of the Local Government Act 2002. RSHL has no subsidiaries or joint ventures.

Registered Office

C/- ONLA, 12 Victoria Avenue, Palmerston North

Directors

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

Asbjorn Aakjaer	Independent Director
Janine Becker	Waikato Regional Council
Wilma Falconer (until 29 August 2025)	Southland Regional Council
Fiona McTavish (until 27 November 2025)	Bay of Plenty Regional Council
Patrick Ng (from 27 November 2025)	Southland Regional Council
Mike Nield	Taranaki Regional Council
Bruce Robertson (Chairperson)	Independent Director
Ged Shirley	Horizons Regional Council
Matthew Taylor (from 27 November 2025)	Bay of Plenty 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
Asbjorn Aakjaer	Negotiate Limited	Director & Shareholder
	Aakjaer Trustee Company	Director & Shareholder
	Ice Bear Holdings Limited	Director & Shareholder
	EMD Advantage Limited (Infor Channel partner)	Independent Chairperson
	Waikato Regional Council	Negotiate Limited provides post implementation support to the WRC Finance Team
	Healthcare Logistics (a division of EBOS Group Limited)	Employed to deliver Supply Chain transformation
Janine Becker	Waikato Regional Council	Director, Finance & Business Services of RSHL Shareholding Council
Wilma Falconer	Environment Southland	Chief Executive of RSHL Shareholding Council
	Project Partners Limited	Director of Project Partners Limited (jointly owned company with husband)

Fiona McTavish	Bay of Plenty Regional Council	Chief Executive of RSHL Shareholding Council
	BOPLASS Limited	Director
	McTavish-Huriwai Investments Limited	Director & Shareholder
	Quayside Holdings Limited	Director
	Quayside Securities Limited	Director
	Quayside Properties Limited	Director
Patrick Ng	Southland Regional Council	General Manager Corporate Services of RSHL Shareholding Council
	Ava Technologies Limited	Director
Mike Nield	Taranaki Regional Council	Director, Corporate Services of RSHL Shareholding Council
	Taranaki Stadium Trust	Trustee
Bruce Robertson	R Bruce Robertson Limited	Director and Shareholder (governance and advisory services)
	Ministry of Primary Industries (MPI)	Audit & Risk Committee Chair
	<u>Local Authorities:</u>	
	Thames-Coromandel District Council	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
	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
Kaipara District Council	Audit & Risk Committee Chair	
Ged Shirley	Horizons Regional Council	General Manager, Regional Services & Information of RSHL Shareholding Council
Matthew Taylor	Bay of Plenty Regional Council	Tumu Herenga Mahi, General Manager Corporate of RSHL Shareholding Council

The following directors received the following payments throughout the 6 months period:

A Aakjaer - \$20,736 (Year ended 30 June 2025: \$38,750) for independent director services.

B Robertson - \$26,990 (Year ended 30 June 2025: \$38,750) 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 6 months ended 31 December 2025

	NOTES	31 DEC 2025 6 MONTHS (UNAUDITED)	31 DEC 2024 6 MONTHS (UNAUDITED)	31 DEC 2025 6 MONTHS SOI	30 JUNE 2026 12 MONTHS SOI	30 JUNE 2025 12 MONTHS (AUDITED)
Revenue						
Regional Sector Shared Services	2	3,408,839	2,581,405	3,062,182	5,724,365	5,478,019
Member Contributions	2	2,763,089	2,316,789	3,012,864	6,453,530	5,417,484
Other Revenue	2	348,562	37,213	35,208	70,414	159,148
Interest	2	5,136	48,112	12,498	25,000	68,452
Total Revenue		6,525,625	4,983,519	6,122,752	12,273,309	11,123,104
Expenses						
Administration Costs	3	76,488	94,749	58,728	117,468	149,077
Audit and Legal Fees	1	18,459	31,418	62,322	124,641	122,746
Datacom Support Services		159,030	125,250	150,000	300,000	239,311
Environmental Charges		59,803	57,256	74,424	148,850	117,022
Communications Services		193,371	-	108,996	217,990	-
External Contractors		1,183,747	564,151	1,693,782	3,387,570	1,805,522
External Directors Fees		47,726	37,700	46,920	93,840	77,500
Loan Onpayment		-	-	56,448	112,901	-
IT Support Services		15,490	-	39,996	80,000	-
Other Direct Software Expenses		388,658	444,253	200,778	401,556	962,236
Personnel costs		1,495,952	932,725	1,399,602	2,799,187	1,942,262
Project Services		730,489	-	1,073,844	2,147,699	-
Promotional and External Communications costs		25,111	145,083	6,498	13,000	226,958
Regional Sector Shared Services		480	2,850,834	40,332	80,668	5,301,174
Service Providers		1,005,717	-	664,926	1,329,856	-
Subject Matter Consultants		781,869	-	665,028	1,330,050	-
Training Providers		72,970	-	62,856	125,713	-
Grants and donations made		-	210	-	-	310
Travel and Meeting Costs		167,827	192,786	144,822	289,644	323,363
Depreciation Expense	8	7,167	2,170	-	-	6,840
Amortisation Expense	9	198,712	222,556	200,214	400,429	433,452
Total Expenses		6,629,066	5,701,141	6,750,516	13,501,062	11,707,773
Surplus/(Deficit) before Tax		(103,440)	(717,622)	(627,764)	(1,227,753)	(584,670)
Income Tax						
Tax Expense		-	-	-	-	(88,091)
Comprehensive Revenue & Expense		(103,440)	(717,622)	(627,764)	(1,227,753)	(496,579)

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

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

Regional Software Holdings Limited As at 31 December 2025

	NOTES	31 DEC 2025 6 MONTHS (UNAUDITED)	31 DEC 2024 6 MONTHS (UNAUDITED)	30 JUNE 2026 12 MONTHS SOI	30 JUNE 2025 12 MONTHS (AUDITED)
Assets					
Current Assets					
Cash and Cash Equivalents		3,663,225	4,243,347	3,075,638	4,969,294
Receivables and Prepayments	7	1,690,127	440,747	1,939,101	427,177
Goods and Services tax		-	127,690	-	53,420
Income Tax Receivable		22,729	56,683	-	21,291
Total Current Assets		5,376,081	4,868,467	5,014,739	5,471,182
Non-Current Assets					
Property, Plant & Equipment	8	14,649	7,344	3,152	10,292
Intangible Assets	9	539,064	878,346	309,360	737,776
Total Non-Current Assets		553,713	885,690	312,512	748,068
Total Assets		5,929,794	5,754,157	5,327,251	6,219,250
Liabilities					
Current Liabilities					
Payables and Deferred Revenue	10	1,103,881	1,138,862	2,275,512	1,489,305
Employee Entitlements	11	218,050	130,807	-	112,505
Goods and Services Tax		93,864	-	45,922	-
Total Current Liabilities		1,415,794	1,269,669	2,321,434	1,601,810
Non-Current Liabilities					
Deferred Tax Liability		-	88,091	-	-
Total Non-Current Liabilities		-	88,091	-	-
Total Liabilities		1,415,794	1,357,760	2,321,434	1,601,810
Net Assets		4,514,000	4,396,397	3,005,817	4,617,440
Equity					
Contributed Capital		5,149,150	5,149,150	5,149,150	5,149,150
Accumulated Funds		(635,150)	(752,753)	(2,143,333)	(531,710)
Total Equity		4,514,000	4,396,397	3,005,817	4,617,440

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 6 months ended 31 December 2025

	31 DEC 2025 6 MONTHS (UNAUDITED)	31 DEC 2024 6 MONTHS (UNAUDITED)	30 JUNE 2026 12 MONTHS SOI	30 JUNE 2025 12 MONTHS (AUDITED)
Equity				
Opening Balance	4,617,440	5,114,019	4,233,570	5,114,019
Total Comprehensive Revenue and Expense for the year	(103,440)	(717,622)	(1,227,753)	(496,579)
Balance at 30 June	4,514,000	4,396,397	3,005,818	4,617,440
Total Comprehensive Revenue and Expense Attributable to				
Regional Software Holdings Ltd	(103,440)	(717,622)	(1,227,753)	(496,579)

Statement of Cash Flows | Te Tauākī mō ngā Kapewhiti

Regional Software Holdings Limited

For the 6 months ended 31 December 2025

	31 DEC 2025 12 MONTHS (UNAUDITED)	31 DEC 2024 6 MONTHS (UNAUDITED)	30 JUNE 2026 12 MONTHS SOI	30 JUNE 2025 12 MONTHS (AUDITED)
Cash Flows from Operating Activities				
Receipts from Members and Non-Members	5,134,832	2,357,982	12,248,309	5,549,000
Interest Received	5,136	48,112	25,000	68,452
Sector Work Programmes and Te Uru Kahika Income	253,533	4,259,290	-	7,001,414
Other Income	297,703	-	-	-
Income tax received/(paid)	(1,438)	(13,471)	-	21,921
Payments to suppliers and employees	(6,958,626)	(6,703,163)	(13,100,633)	(11,992,781)
GST	(25,025)	(84,436)	-	19,241
Total Cash Flows from Operating Activities	(1,293,884)	(135,687)	(827,324)	667,249
Cash Flows from Investing and Financing Activities				
Payments to acquire property, plant and equipment	(12,185)	(3,928)	-	(10,590)
Payments to purchase intangibles	-	-	-	(70,327)
Total Cash Flows from Investing and Financing Activities	(12,185)	(3,928)	-	(80,917)
Net Increase/ (Decrease) in Cash	(1,306,069)	(139,615)	(827,324)	586,332
Cash Balances				
Cash and cash equivalents at beginning of period	4,969,294	4,382,962	3,902,962	4,382,962
Cash and cash equivalents at end of period	3,663,225	4,243,347	3,075,638	4,969,294
Net change in cash for period	(1,306,069)	(139,615)	(827,324)	586,332

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 6 months ended 31 December 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 had incorporated, 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 31 December 2025 is 10,010 (30 June 2025: 10,010).

The shareholding of the Company as at 31 December 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 six months ended 31 December 2025, and were authorised for issue by the Board of Directors on 27 February 2026.



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.

At 31 December 2025 19 staff members were employed by RSHL (as at 30 June 2025: 14, 31 December 2024: 13).

Remuneration Bracket	31 Dec 2025 (annualised)	30 Jun 2025	31 Dec 2024
Up to 100,000	9	7	5
100,000 - 110,000	0	1	0
110,000 - 120,000	1	0	0
120,000 - 130,000	0	0	0
130,000 - 140,000	0	0	0
140,000 - 150,000	1	2	3
150,000 - 160,000	2	1	1
160,000 - 170,000	1	2	1
170,000 - 180,000	1	0	0
180,000 - 190,000	0	0	1
190,000 - 200,000	1	0	0
200,000 - 210,000	0	0	2
210,000 - 220,000	2	2	0
260,000 - 270,000	1	0	0

	31 DEC 2025 6 MONTHS (UNAUDITED)	31 DEC 2024 6 MONTHS (UNAUDITED)	30 JUNE 2026 12 MONTHS SOI	30 JUNE 2025 12 MONTHS (AUDITED)
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Fees to Auditors

Fees to Audit NZ for audit of the financial statements and performance information	-	-	72,131	60,896
Fees to Audit NZ for other services	-	7,697	-	7,698
Total Fees to Auditors	-	7,697	72,131	68,594

All 2025 audit fees had been accrued in the year ended 30 June 2025.

Donations made in the period: \$0 (31 Dec 2024: \$210, 30 Jun 2025: \$310).

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 are no economic consequences of delivery outlined in the agreements.

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



	31 DEC 2025 6 MONTHS (UNAUDITED)	31 DEC 2024 6 MONTHS (UNAUDITED)	30 JUNE 2026 12 MONTHS SOI	30 JUNE 2025 12 MONTHS (AUDITED)
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Regional Sector Shared Services

Central Government Funding	750,000	100,000	-	350,000
Sector Work Programmes Revenue	-	2,481,405	-	5,128,019
Shared Services Revenue	427,410	-	786,317	-
Te Uru Kahika - Core Funding	1,892,123	-	3,946,180	-
Te Uru Kahika - Alternate Funding	339,307	-	622,704	-
Te Uru Kahika - 3rd Party Funding	-	-	369,164	-
Total Regional Sector Shared Services	3,408,839	2,581,405	5,724,365	5,478,019

	31 DEC 2025 6 MONTHS (UNAUDITED)	31 DEC 2024 6 MONTHS (UNAUDITED)	30 JUNE 2026 12 MONTHS SOI	30 JUNE 2025 12 MONTHS (AUDITED)
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Members Contributions

Members Contributions as per SOI

IRIS NextGen Programme	1,935,789	2,116,627	4,146,603	4,205,157
IRIS Programme	-	-	522,571	-
Total Members Contributions as per SOI	1,935,789	2,116,627	4,669,174	4,205,157

Members Contributions Non SOI

Public Transport Ticketing Programme Revenue	827,300	200,163	1,784,356	1,212,328
Total Members Contributions Non SOI	827,300	200,163	1,784,356	1,212,328
Total Members Contributions	2,763,089	2,316,789	6,453,530	5,417,484

Members contributions include \$2,689,388 income from the shareholder councils in 6 months to 31 December 2025 as described in note 14. Members contributions from non-shareholder councils and NZTA total \$73,700.

	31 DEC 2025 6 MONTHS (UNAUDITED)	31 DEC 2024 6 MONTHS (UNAUDITED)	30 JUNE 2026 12 MONTHS SOI	30 JUNE 2025 12 MONTHS (AUDITED)
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Other Income

Consulting Services	309,173	-	-	-
Recovery of Other Direct Software Expenses	39,389	37,213	70,414	159,148
Total Other Income	348,562	37,213	70,414	159,148



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.

	31 DEC 2025 6 MONTHS (UNAUDITED)	31 DEC 2024 6 MONTHS (UNAUDITED)	30 JUNE 2026 12 MONTHS SOI	30 JUNE 2025 12 MONTHS (AUDITED)
Administration Expenses				
Accounting & Technical Support	56,699	46,782	100,360	86,877
Administration Costs	14,480	42,999	11,000	56,824
Bank Fees	317	273	600	681
Insurance	4,992	4,695	5,508	4,695
Total Administration Expenses	76,488	94,749	117,468	149,077

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.



	31 DEC 2025 6 MONTHS (UNAUDITED)	31 DEC 2024 6 MONTHS (UNAUDITED)	30 JUNE 2026 12 MONTHS SOI	30 JUNE 2025 12 MONTHS (AUDITED)
5. Personnel Costs				
Salaries and wages	1,212,455	705,912	2,771,412	1,566,290
Council staff seconded to RSHL	138,418	152,545	-	288,837
Defined contribution plan employer contributions	35,332	21,395	-	49,099
Increase/(decrease) in employee entitlements	105,513	47,222	-	28,920
ACC Levies	1,315	1,155	-	1,155
Staff Training	1,792	-	25,775	1,160
Staff Costs	1,127	4,495	2,000	6,801
Total Personnel Costs	1,495,952	932,725	2,799,187	1,942,262

6. 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.

	31 DEC 2025 6 MONTHS (UNAUDITED)	31 DEC 2024 6 MONTHS (UNAUDITED)	30 JUNE 2026 12 MONTHS SOI	30 JUNE 2025 12 MONTHS (AUDITED)
Cash and cash equivalents				
Business Online Saver	2,786,471	3,686,002	-	4,652,356
Current Account	880,640	558,298	-	319,663
Credit Card - Mark Donnelly	72	51	-	(668)
Credit Cards - Go To Pay	(2,319)	(1,004)	-	(951)
Credit Card - I D Maxwell	(1,639)	-	-	(1,106)
Total Cash and cash equivalents	3,663,225	4,243,347	-	4,969,294

7. 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.



	31 DEC 2025 6 MONTHS (UNAUDITED)	31 DEC 2024 6 MONTHS (UNAUDITED)	30 JUNE 2026 12 MONTHS SOI	30 JUNE 2025 12 MONTHS (AUDITED)
Receivables and Prepayments				
Accounts Receivable	1,353,213	177,590	-	351,177
Prepayments	336,914	263,157	-	76,000
Total Receivables and Prepayments	1,690,127	440,747	-	427,177

8. 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 \$1,000.

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 1 Jul 2025	Accumulated Depreciation 1 Jul 2025	Carrying Amount 1 Jul 2025	Additions	Depreciation	Cost 31 Dec 2025	Accumulated Depreciation 31 Dec 2025	Carrying Amount 31 Dec 2025
Computer Hardware	26,855	16,563	10,292	11,524	7,167	38,379	23,730	14,649
Total	26,855	16,563	10,292	11,524	7,167	38,379	23,730	14,649

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

9. 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 31 December 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 2025: Nil).

The impairment adjustment of E-Learning Software and IRIS Software Intellectual Property from the 2022 year 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 2025	1 Jul 2025	1 Jul 2025			31 Dec 2025	31 Dec 2025	31 Dec 2025
Brand Design & Development	8,905	-	8,905	-	-	8,905	-	8,905
E-Learning Software	42,525	33,556	8,969	-	2,245	42,525	35,801	6,724
Delivery Framework	70,327	1,172	69,155	-	7,033	70,327	7,033	62,122
IRIS Software Intellectual Property	9,255,722	8,604,975	650,747	-	189,434	9,255,722	8,794,409	461,313
Total	9,377,479	8,639,703	737,776	-	198,712	9,377,479	8,837,243	539,064

	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
Total	9,307,152	8,206,250	1,100,902	70,327	433,453	9,377,479	8,639,703	737,776

10. Payables and Deferred Revenue

Short term payables are measured at the amount payable.

	31 DEC 2025	31 DEC 2024	30 JUNE 2026 12 MONTHS SOI	30 JUNE 2025
	6 MONTHS (UNAUDITED)	6 MONTHS (UNAUDITED)		12 MONTHS (AUDITED)

Payables and Deferred Revenue

Accounts Payable	715,315	588,754	-	1,010,558
Accrued Expenses	351,652	514,952	-	478,748
Income Received in Advance	36,914	35,156	-	-
Total Payables and Deferred Revenue	1,103,881	1,138,862	-	1,489,305



11. 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 to 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.

	31 DEC 2025 6 MONTHS (UNAUDITED)	31 DEC 2024 6 MONTHS (UNAUDITED)	30 JUNE 2026 12 MONTHS SOI	30 JUNE 2025 12 MONTHS (AUDITED)
Employee Entitlements				
Wages Payable	77,849	43,596	-	32,933
Leave Liability	140,201	87,211	-	79,572
Total Employee Entitlements	218,050	130,807	-	112,505

12. 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.

Income tax for the 6 months to 31 December 2025 has not been accounted for in this report, and will be included in the annual report for the year ended 30 June 2026.



13. 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.

	31 DEC 2025 6 MONTHS (UNAUDITED)	31 DEC 2024 6 MONTHS (UNAUDITED)	30 JUNE 2026 12 MONTHS SOI	30 JUNE 2025 12 MONTHS (AUDITED)
Equity				
Contributed Capital				
Balance at 1 July	5,149,150	5,149,150	5,149,150	5,149,150
Capital Contribution	-	-	-	-
Balance at end of period	5,149,150	5,149,150	5,149,150	5,149,150
Accumulated Surplus				
Balance at 1 July	(531,710)	(35,131)	(915,580)	(35,131)
Surplus/(deficit) for the year	(103,440)	(945,622)	(1,227,753)	(496,579)
Balance at end of period	(635,150)	(980,753)	(2,143,333)	(531,710)
Total Equity	4,514,000	4,168,397	3,005,817	4,617,440

14. Contingent Liabilities and Guarantees

There are no contingent liabilities or guarantees as at 31 December 2025 (Last year - nil).

15. 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	31 DEC 2025 (UNAUDITED)	30 JUNE 2025 (AUDITED)	31 DEC 2024 (UNAUDITED)	Description of Services
Waikato Regional Council	58,550	152,021	-	Reimbursement for staff members seconded to IRIS NextGen
Waikato Regional Council	5,853	5,388	1,517	Reimbursement for costs re Biosecurity working group booked by WRC on behalf of RSHL
Waikato Regional Council	19,602	14,000	14,000	Transitional funding for the National River Quality Network
Horizons Regional Council	5,259	66,888	-	Reimbursement for staff members seconded to IRIS NextGen
Taranaki Regional Council	53,747	174,685	37,628	Reimbursement for staff members seconded to the IRIS NextGen project
Taranaki Regional Council	-	12,070	-	Reimbursement for Biomanagers Convenor expenses
Taranaki Regional Council	8,896	7,000	7,000	Transitional funding for the National River Quality Network
Bay of Plenty Regional Council	-	60,160	-	Reimbursement for staff members seconded to BioControl Programme
Bay of Plenty Regional Council	74,300	139,868	76,607	Reimbursement of costs Practices, Methodologies and Standards NZ River Managers SIG
Bay of Plenty Regional Council	7,724	-	-	Reimburse for staff members seconded to the IRIS NextGen project
Northland Regional Council	29,162	118,680	24,635	Reimburse for staff member seconded to the IRIS NextGen project and travel costs
Otago Regional Council	84,608	186,995	54,025	Reimburse for staff members seconded to the IRIS NextGen project
Otago Regional Council	-	10,500	10,500	Transitional funding for the National River Quality Network
Hawke's Bay Regional Council	-	26	-	River Managers SIG Professional Development Programme expenditure
Hawke's Bay Regional Council	-	10,500	10,500	Transitional funding for the National River Quality Network
Hawke's Bay Regional Council	23,490	41,810	-	Reimburse for staff members seconded to the IRIS NextGen project
Hawke's Bay Regional Council	1,161	-	-	Reimburse costs Te Uru Kahika
Gisborne District Council	-	1,024	-	Room hire for workshop re National River Quality Network
Gisborne District Council	-	500,000	500,000	Funds provided to RSHL for "Support for the Government response to the Ministerial Land Use Inquiry in Tairāwhiti (MILU)"
Gisborne District Council	23,784	-	-	National River Quality Network laboratory expenses
West Coast Regional Council	566	-	-	Reimbursement of travel costs Te Uru Kahika
Southland Regional Council	-	25,561	-	Reimburse for staff members seconded to the IRIS NextGen project



Revenue of \$2,689,388 was received from the shareholder councils as member contribution in the six months ended 31 December 2025 as outlined in note 2 (year ended 30 June 2025: \$5,171,917, 6 months ended 31 December 2024: \$2,225,110)

Member contributions were received as follows:

Shareholder	31 DEC 2025 6 MONTHS (UNAUDITED)	31 DEC 2024 6 MONTHS (UNAUDITED)	30 JUNE 2025 12 MONTHS (AUDITED)
Waikato Regional Council	473,100	377,890	1,012,222
Bay of Plenty Regional Council	473,100	380,593	1,014,925
Horizons Regional Council	218,916	266,737	511,749
Hawke's Bay Regional Council	218,916	229,094	511,479
Northland Regional Council	191,716	229,094	471,120
Taranaki Regional Council	167,816	171,769	362,003
Southland Regional Council	126,387	171,769	327,348
West Coast Regional Council	433,319	-	175,420
Otago Regional Council	362,917	380,837	733,399
Gisborne District Council	23,200	17,327	51,982

As at 31 December 2025 \$137,166 was owed to RSHL by Member Councils (30 June 2025: \$211,092 and 31 December 2024: \$111,293) and \$70,474 was owed by RSHL to Member Councils (30 June 2025: \$152,139 and 31 December 2024: \$34,928)

16. Events After Balance Date

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

17. Financial Instruments

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

	31 DEC 2025 6 MONTHS (UNAUDITED)	31 DEC 2024 6 MONTHS (UNAUDITED)	30 JUNE 2026 12 MONTHS SOI	30 JUNE 2025 12 MONTHS (AUDITED)
Financial assets measured at amortised cost				
Cash and cash equivalents	3,667,183	4,244,351	-	4,971,351
Receivables (excluding taxes receivable)	1,690,127	440,747	-	427,177
Total Financial assets measured at amortised cost	5,357,310	4,685,098	-	5,398,528



	31 DEC 2025 6 MONTHS (UNAUDITED)	31 DEC 2024 6 MONTHS (UNAUDITED)	30 JUNE 2026 12 MONTHS SOI	30 JUNE 2025 12 MONTHS (AUDITED)
Financial liabilities measured at amortised cost				
Payables (excluding income in advance and taxes payable)	989,035	1,059,056	-	1,434,049
Total Financial liabilities measured at amortised cost	989,035	1,059,056	-	1,434,049

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 31 December 2025 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.



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