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# Directors Report | Te Pūrongo a ngā Kaiwhakahaere Matua

#### **Regional Software Holdings Limited** For the 6 months ended 31 December 2024

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

RSHL is the shared services organisation for the Regional Sector. All 16 regional and unitary councils in Aotearoa New Zealand are customers of RSHL.

RSHL delivers a wide range of digital, operational and financial programmes for Te Uru Kahika and participating councils.

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 2024, RSHL made excellent progress in a challenging environment for the sector.

In the current economic and political climate, shared services and new ways of working are more important and valuable than ever. 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.

Notably, the IRIS NextGen Programme has reached a major milestone. The build of the software platform is complete, and councils will now complete a comprehensive test programme before IRIS NextGen is implemented at Otago Regional Council later in the year.

In September this year the board approved a business case for the transition of the Regional Integrated Ticketing System (RITS) team from ORC to RSHL. This team is responsible for operation of the RITS system in use at 11 councils as well as supporting the eventual transition to the National Ticketing System. The transition enables a long-term sustainable home for the programme and consolidates RSHLs status as the base of choice for Regional Sector Shared Services and Programmes.

#### **Financial Position**

Revenue is tracking favourable to budget, a situation that we expect to continue to year end. Council contributions to programmes are as budgeted, and we have collected additional unbudgeted funding for the Public Transport Ticketing Programme.

Expenditure before depreciation is more than budgeted. This is due to one-off payments to support Te Uru Kahika initiatives that support the ongoing recovery on the east coast following Cyclone Gabrielle as well as new activities such as the Data Emissions Platform. We expect that for the remainder of the year expenditure will largely be as budgeted, other than for the new Public Transport Ticketing Programme.

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



Cash balances remain healthy as the losses are resulting from depreciation rather than trading activities. The cash position is favourable to budget due to the Sector Financial Management Funds which are held on behalf of the regional sector.

#### **Looking Forward**

We are excited about continuing to provide excellence in shared services to the regional sector. The focus in the next six months is assisting in the delivery of Te Uru Kahika's 2024/2025 business plan and pushing ahead with the first IRIS NextGen Implementations in 2025.

Signed on behalf of the Board of Directors:

M Nield - Chairperson

Date: 28 February 2025

G Shirley - Director

Date: 28 February 2025



# Statement of Responsibility | Tauākī o te Kawenga

#### **Regional Software Holdings Limited** For the 6 months ended 31 December 2024

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 2024 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:

M Nield - Chairperson

Date: 28 February 2025

G Shirley - Director

Date: 28 February 2025



## Statement of Service Performance | Hei Ine i te Mahi

#### **Regional Software Holdings Limited** For the 6 months ended 31 December 2024

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

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

#### **Objectives**

#### **Primary objectives**

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

#### Supporting objectives

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

#### **Values**

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

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

#### **Environmental and Sustainability Ethics**

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

#### What did we do?

#### **Activities**

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

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



In the 2025 financial year RSHL activities are grouped as follows:

#### IRIS

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.

The IRIS Programme is overseen by the IRIS Advisory Group. This group agrees the roadmap and sets the budgets for the programme.

RSHL and the participating councils will replace the IRIS software platform via IRIS NextGen by the end of 2028.

The IRIS Programme is now in the sunset phase. Expenditure is kept to a minimum to allow councils and staff to focus on IRIS NextGen.

#### Performance

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.

#### **IRIS Next Generation**

Nine councils are working with RSHL and Datacom on the delivery of the IRIS NextGen Programme, under a formal partnership agreement.

The IRIS NextGen Programme is led by the IRIS NextGen Steering Group. The Group is made up of senior managers from the councils, RSHL and Datacom.

The goal of the IRIS NextGen Programme is to deliver game-changing productivity improvements to the regional sector through sector alignment around good practice process, supported by fit for purpose software.

IRIS Next Generation (IRIS NextGen) will be a cloud-based Software as a Service solution (SaaS) based on the Datacom Datascape platform.

IRIS NextGen will deliver a modern software platform to councils, including an online customer portal and a mobile field application. Along with the software solution, the programme will implement consistent "good practice" processes for the sector.

#### IRIS NextGen will:

- 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.



Over the next year the IRIS NextGen Programme will complete the build of the IRIS NextGen software solution and commence rollout to the councils, starting with implementation at the pilot council in 2025.

The goal is to roll out IRIS NextGen to the participating councils by the end of 2028.

#### Performance

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.

We place an emphasis on predictability, delivery and consistency. Performance against budget, delivery against milestones, and customer feedback are used to assess performance.

#### **Environmental Monitoring** and Reporting (EMAR)

The objective of EMAR is to improve the collection, accessibility and presentation of environmental data in New Zealand.

The EMAR Programme has three projects.

- National Environmental Monitoring Standards (NEMS) Aims to ensure consistency in the way environmental monitoring data is collected and handled throughout New Zealand.
- Environmental Data Management System (EDMS) Aims to provide a single access point to environmental data from multiple sources in a consistent format.
- Land, Air Water Aotearoa (LAWA) Shares data and information to tell the story of our environment.

EMAR is an all-of-sector programme, and includes partner agencies from central government: MfE, Stats NZ and DoC (and others).

The EMAR programme is managed by RSHL and governed by the EMAR Steering Group. Each project has its own Steering Group who oversee operational activities.

The EMAR/LAWA Programme Manager is employed by RSHL. The LAWA project administration (financial and contractual) is managed by RSHL.

#### Performance

When assessing the performance of EMAR we consider whether RSHL has appropriately managed the programme. This includes budget, vendor management, product roadmap and communications with councils.

An emphasis is placed on predictability, delivery and consistency.

Performance against budget, delivery of releases, customer and user feedback are used to form an assessment.

#### Te Uru Kahika Support Services

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:

- 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.



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.

RSHL provides services that underpin and accelerate Te Uru Kahika, including the Sector Financial Management System.

The Virtual Office

The Virtual Office supports the activities of Te Uru Kahika.

The Virtual Office is made up of the following roles:

- Te Uru Kahika Executive Director
- **Executive Policy Adviser**
- Chief Science Advisor
- Te Uru Kahika Administrator
- Resource Management Reform Director.
- Flood Resilience Strategic Advisor
- Kaimahi
- **Contract Communications Advisor**

All of these roles are employed or engaged by RSHL.

Sector Financial Management System (SFMS)

Te Uru Kahika organises its activities into Work Programmes:

- Te Uru Kahika Virtual Office
- **River Management**
- **Bio Management**
- Ngā Kairapu
- Resource Management
- Climate Change Working Group
- Communications
- **EDMS**
- INFDP
- **EMAR**
- Science Programme
- National BioControl Programme

Under the SFMS, RSHL collects funding from councils for each of these programmes in a coordinated way, contracts service providers to assist with the delivery of the programmes, pays provider and reports on the use of the funding.

The services that RSHL provides to Te Uru Kahika are defined in a Memorandum of Agreement.

When assessing RSHLs performance for this activity, the focus is different for each service. The performance measures are defined in the MoA.



Financial/Operations Management	These are foundational services, the focus is on compliance with policy, alignment with good practice.
Operation of shared services/solutions	The focus is on achieving the intended outcome of the shared service, while effectively managing staff and finances.
Employment of Staff	The focus is on providing a working environment where staff are supported, motivated and safe.
Programme Management	The focus is on delivering high quality, skilled and trusted programme management, so that Te Uru Kahika maximises the benefits of investment into shared programmes.
Management Services (As requested)	The focus is on being an enabler and problem solver, allowing Te Uru Kahika t maintain momentum towards its goals.

#### 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.

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

Activity	Description
Sector Financial Management System / Te Uru Kahika Service Delivery	Payment of annual contributions will be sought from all Te Uru Kahika councils for the operation of the Programmes in the Sector Financial Management System.  For some programmes, additional contributions may be sought from other local government organisations and government ministries.  Contributions will be according to the agreed models. This activity includes:  Te Uru Kahika Office  Sector Business Plan Climate Change River Managers EMAR
	Bio Managers     Bio Control
	Science Programme



The funding contribution for most of the SFMS programmes is based on the size of the Council. The total amounts to be collected vary year to year based on the work programmes.

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%

<sup>\*</sup>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.

BioControl, Climate Change Resilience and the Science Programme have custom funding models based on the value of the programmes to the region.

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.

In FY25 RSHL expects to collect \$3.9M in funding from councils in support of Te Uru Kahika

IRIS

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.

#### **Proportion of Contributions to the IRIS Programme**

Contributions for IRIS will be collected in the following proportions.

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%	
Total	100%	

In FY25 RSHL expects to collect \$0.44M of funding from participating councils.



#### **IRIS Next Generation**

The IRIS NextGen Partnership agreement sets out the funding to be collected from each participating council and the activities that the funds will be used for. The 9 Participating Councils share the programme costs of the IRIS NextGen programme according to the following contribution model:

Large Councils	Medium Councils	Small Councils  4.35% per council (Total 4.35%)	
17.93% per council (Total 35.87%)	10.87% per council (Total 43.48%)		
Waikato Regional Council Bay of Plenty Regional Council	Horizons Regional Council	Nelson City Council	
Bay of Pienty Regional Council	Otago Regional Council		
	Northland Regional Council		
	Hawke's Bay Regional Council		
	8.15% per council (Total 16.30%)		
	Taranaki Regional Council Southland Regional Council		

Over the 10-year term of the Partnership Agreement, the programme costs are expected to total \$31.6M.

Programme costs are budgeted and approved by the IRIS NextGen Steering Group annually.

#### Programme costs include:

- 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 Overheads**

In FY25 RSHL expects to collect \$4.2M from participating councils for IRIS NextGen. In addition, there will be a budget provision to collect a contingency if required and approved by the IRIS NextGen Steering Group. The contingency provision for FY2025 is \$420K. No contingency has been included for future years. We will review this provision as part of the process of preparing next year's statement of intent.

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.

#### **RSHL Overhead Costs**

Overhead costs are costs that cannot be allocated to a specific work programme.

All work programmes contribute to overhead costs of RSHL, with the contribution based on the programme's proportion of revenue in the financial year.

In the 2025 Financial year the budgeted proportion of overheads to each programme is as follows:



	2023/24	2024/25	2025/26	2026/27
	(SOI)			
IRIS	8%	4.5%	7%	5%
IRIS NextGen	44%	43.0%	42%	45%
SFMS	48%	52.5%	52%	50%

In FY25 RSHL expects to have overheads of \$0.43M. This is 4% of total expenditure.



#### How did we perform?

#### IRIS

We have previously reported that the frequency of IRIS releases has been reduced, to allow focus on IRIS NextGen and minimize cost.

The 4.07 release provided in January 2024 was the last major release of functionality. Two hotfixes were made available to councils in September 2024 and December 2024 to address some minor issues

During the reporting period, work was completed to provide sophisticated tools to enable councils to cleanse their IRIS data and prepare it for migration into Datascape Regional Sector Solution (RSS).

Work can now commence to deliver the final piece of the IRIS data migration toolkit, focussing on the conversion and transformation of data that it maps to Datascape Datascape Regional Sector Solution (RSS). The work is planned for the period March - September 2025.

Datacom have provided analysis on the technical aspects of the IRIS platform that may create risk to councils using the product up until the end of life (2028). They are investigating risk mitigation strategies, including investigating security vulnerabilities, upgrading some "building block" components. The goal is to ensure the product remains secure and functional until 2028 at the lowest possible cost.

#### **IRIS Next Generation**

The IRIS NextGen Programme is progressing steadily towards the start of the Pilot implementation in May 2025, despite a delay to the completion of the build of the Datascape Regional Sector Template.

Delivery by Datacom of the IRIS NextGen solution was delayed until O1 2025. The first release of functionality was delivered in late January. The cost impacts of this delay were reduced because the contract for the development of IRIS NextGen is fixed-price.

Councils have placed a major emphasis on user testing the solution and processes once delivered by Datacom. The testing programme for IRIS NextGen will be comprehensive, ensuring that the solution is of high quality, before the start of the Pilot Implementation. More than 35 staff have been seconded from councils to perform product acceptance testing.

More than 30 good practice workshops were held to support the Design and Build stage. This was supplemented with early feedback demonstrations, video snapshots of functionality and in-person roadshows at councils. In October, an online solution demonstration to over 250 council staff showcased the features that had been developed to date. This was well received by staff. It has been pleasing to note the strong alignment across councils on good practice.

Organisational change management activities in this period included quarterly sponsor forums and the establishment of a Change Managers Forum to facilitate collaboration between councils in the planning and execution of their change journeys.

Detailed planning is underway with the Pilot council for their implementation. Councils are developing a strategy and resource model to share resources and support the Pilot implementation. Financially, the IRIS NextGen Programme is on-budget.

#### Te Uru Kahika **Support Services**

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:

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.

RSHL provides services that underpin and accelerate Te Uru Kahika, including collecting funds, employing staff, and engaging suppliers to work on Te Uru Kahika strategic objectives.

When assessing RSHLs performance for this activity, the focus is different for each service. The performance measures are defined in a MoA.

These services are:

Financial/Operations	RSHL efficiently and accurately operated the financial systems for
Management	Te Uru Kahika. This included:
	Management of 67 service contracts for services in support of Te Uru Kahika work programmes, including 40 new contracts FY25.
	Processing of 127 receivable invoices with a total value of \$2.9M for funding to support the programmes. This includes 60 invoices for the River Managers "Quality People" training programmes.
	Processing of 391 payable invoices with a total value of \$3.4M for services in support of Te Uru Kahika.
Operation of shared services/solutions	In the period from 1 July to 31 December RSHL operated the following shared service solutions for Te Uru Kahika:
	LAWA Website
	• WellsNZ
	N-Cap Tool
	Te Uru Kahika Collaboration Hub     Data Emissions Platform
	Macro-Invertebrate Species Library.
Employment of Staff	In the period from 1 July to 31 December, RSHL employed 7 staff on behalf of Te Uru Kahika including 2 staff on secondment from GWRC and NIWA.
	RSHL also supported the recruitment of one additional staff member.

#### Environmental Monitoring and Reporting (EMAR)

#### **EMaR Strategic Directions Update**

EMaR Vision: Kaitiaki of a trusted environmental data and information system that enables New Zealanders to make informed decisions.

There has been limited progress on longer-term strategies for the broader EMaR programme (NEMS, EDMS, LAWA) and the LAWA project. Planning has now begun to assess the environmental data,



science and evidence needs from the EMaR programme partners. This will inform a revised EMaR strategy. The first step in the process is a workshop scheduled for O4 of 2024/25, which will focus on confirming Te Uru Kahika's strategic priorities and needs. This will help provide a sector-wide view for the EMaR Steering Group to consider, alongside the priorities of our Ministry partners (MfE, DOC and Stats NZ), to guide EMaR's strategic direction.

#### **LAWA Project Update**

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

#### 1. Maintaining and Updating LAWA Content:

The annual BAU updates for LAWA's data and information across the topics covering air, water and land are largely on track and have been completed within budget as planned. Updates for the Water Quantity, River, Lake and Can I swim here? topics were completed by October 2024. Although updates for the Groundwater Quality, Estuary Health, and Land Cover topics were mostly completed by October, some follow-up tasks (not completed due limited resourcing with the new topic build see below) will be wrapped up over the coming months.

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

#### 2. Increasing LAWA's Reach:

The number of visitors to the LAWA website continues to grow, demonstrating the effectiveness of our collaboration. From the last 6-months (1 July 2024 - 31 December 2024) LAWA had around 152,600 users and 586,500 views, marking a 7.5% increase in users and a 15% increase in views compared to the same period the previous year (1 July 2023 - 31 December 2023).

This increase in users means we're continuing to broaden the reach and value of the data and information from the regional sector/Te Uru Kahika (and others). It also helps cement LAWA as the go-to source for authoritative, up-to-date environmental data and information.

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

#### 3. New Projects:

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

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

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

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



#### **Public Transport** Ticketing Programme

In September this year the board approved a business case for the transition of the Regional Integrated Ticketing System (RITS) team from ORC to RSHL. This team is responsible for operation of the RITS system in use at 11 councils as well as supporting the eventual transition to the National Ticketing System (NTS). The transition enables a long-term sustainable home for the programme.

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



#### **Key Judgements**

IRIS	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 predictability, delivery and consistency.  Performance against budget, delivery of releases, customer and user feedback are used.
IRIS Next Generation	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.  We place an emphasis on predictability, delivery and consistency.  Performance against budget, delivery against milestones, and customer feedback are used.
EMAR	When assessing the performance of the EMAR we consider whether RSHL has appropriately managed the programme. This includes budget, vendor management, product roadmap and communications with councils.  An emphasis is placed on predictability, delivery and consistency.  Performance against budget, delivery of releases, customer and user feedback are used to form an assessment.
Te Uru Kahika Support Services	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.  Feedback from stakeholders and achievement of targeted outcomes is used to form an assessment.  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.  Performance is assessed using the services framework in the MoA.  Financial/Operations Management Operation of shared services/solutions Employment of Staff Programme Management Management Services (As requested)
Public Transport Ticketing Programme	When assessing the performance of RSHL in supporting the PTTP we consider how RSHL has effectively supported the smooth operation of the programme.  Feedback from stakeholders and achievement of targeted outcomes is used to form an assessment.  We place an emphasis on enabling the programme to achieve its goals, and the efficient, compliant and accurate processing of financial transactions.  Performance is assessed using the services framework:  • Financial/Operations Management • Operation of shared services/solutions



<ul> <li>Employment of Staff</li> <li>Programme Management</li> <li>Management Services (As requested)</li> </ul>

#### **Performance Measures**

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

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

Theme: Programme Delivery

**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 2024 two new projects were approved and started.

- The board approved RSHL support for the Data Emissions Platform Project via a project scope document, and partnership agreement. DEP is a small, low-risk project where RSHL provides a vehicle for 19 councils to aggregate resources to engage the supplier.
- The board approved the transition of the RITS Programme to RSHL via a full business case. RITS (Now called Public Transport Ticketing Programme) is a medium sized, low-risk programme. Incorporating the programme within RSHL included the transition of 3-5 staff, and management of the vendor contract.
- In the period 1 July 31 December 2024 all projects/programmes operated governance structures as agreed with participating councils.
- RSHL is reviewing governance arrangements for key projects to ensure they remain fit for purpose.

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.

All projects and programmes will have budgets included in the DRAFT Statement of Intent to be circulated to councils by the end of February.

#### Theme: Support Te Uru Kahika

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

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



Performance will be assessed at year end. We have provided metrics on support of Te Uru Kahika in the Metrics section above.

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

#### **Theme: Operational Excellence**

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

Target	Timing
We will operate within approved budget, with any material variations approved by the board.	Assessed at year-end.
We will meet all statutory governance and reporting deadlines.	Assessed in July for the previous year.
The board will operate according to the Institute of Directors' Code of Practice.	Self-assessment to be completed in June for the previous financial year.

These performance targets will be assessed at year end.



# Financial Statements | Ngā Tauākī Pūtea

#### Regional Software Holdings Limited For the 6 months ended 31 December 2024

This report covers the 6 months from 1 July 2024 to 31 December 2024 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:

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

#### **Interest Register**

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

Director	Organisation	Interest
Bruce Howse	Northland Regional Council	Group Manager, Corporate Services of RSHL Shareholding Council
Fiona McTavish	Bay of Plenty Regional Council BOPLASS Limited McTavish-Huriwai Investments Limited Quayside Holdings Limited Quayside Securities Limited Quayside Properties Limited	Chief Executive of RSHL Shareholding Council Director Director & Shareholder Director Director Director Director
Janine Becker	Waikato Regional Council	Director, Finance & Business Services of RSHL Shareholding Council
Mike Nield	Taranaki Regional Council Taranaki Stadium Trust	Director, Corporate Services of RSHL Shareholding Council Trustee
Ged Shirley	Horizons Regional Council	General Manager, Regional Services & Information of RSHL Shareholding Council



Wilma Falconer	Southland Regional Council Project Partners Limited	Chief Executive of RSHL Shareholding Council Director of Project Partners Limited (jointly owned company with husband)
Asbjorn	Negotiate Limited	Director & Shareholder
Aakjaer	Aakjaer Trustee Company	Director & Shareholder
	Ice Bear Holdings Limited	Director & Shareholder
	One Sheep at a Time Limited	Director & Shareholder
	EMD Advantage Limited (Infor)	EMDA Board Chair
	Regional Software Holdings Limited (RSHL)	Involvement with various vendors from time to time re RSHL's shared service vehicle (incl buying & service delivery) role for the Regional sector. Current active relationship – Datacom.
	Waikato Regional Council (Infor – Public Sector), KPMG	Providing implementation consulting services to the WRC Finance Team – Infor (solution provider/implementation delivery partner). Engagement post implementation support only.
	Deloitte, EY, KPMG, SAP, Oracle, Infor, Microsoft, Workday, Salesforce, Mulesoft, Datacom	Active & long-term relationships with these organisations including tendering for new consulting opportunities from time to time.
Bruce Robertson	R Bruce Robertson Limited	Director and Shareholder (consulting and advisory services)
	Local Authorities:	
	Hamilton City Council	Audit & Risk Committee Chair
	Thames-Coromandel District Council	Audit & Risk Committee Chair
	Waipa District Council	Audit & Risk Committee Chair
	Taupo District Council	Audit & Risk Committee Chair
	Bay of Plenty Regional Council	Audit & Risk Committee Deputy Chair Audit & Risk
	Gisborne District Council	Committee Chair
	Napier City Council	Audit & Risk Committee Chair
	South Wairarapa District Council	Audit & Risk Committee Chair
	Wellington City Council	Audit & Risk Committee Chair
	Timaru District Council	Audit & Risk Committee Chair
	Central Otago District Council	Audit & Risk Committee Chair
	Southland District Council	Audit & Risk Committee Chair
	Christchurch City Council	Audit & Risk Committee Chair



Ministry of Primary Industries (MPI)  Audit & Risk Committee Chair
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The following directors received the following payments throughout the 6 months period:

A Aakjaer - \$18,850 (Year ended 30 June 2024: \$36,158) for independent director services.

B Robertson - \$18,850 (Year ended 30 June 2024: \$37,306) for independent director services.

The other directors are paid through their respective Councils.



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

### Regional Software Holdings Limited For the 6 months ended 31 December 2024

		31 DEC	31 DEC			30 JUNE
No	OTES	2024 6 MONTHS (UNAUDITED)	2023 6 MONTHS (UNAUDITED)	31 DEC 2024 6 MONTHS SOI	30 JUNE 2025 12 MONTHS SOI	2024 12 MONTHS (AUDITED)
Revenue		,	,			,
Regional Sector Shared Services	2	2,581,405	2,783,213	2,063,102	5,120,024	6,867,364
Member Contributions	2	2,316,789	2,969,018	2,098,006	5,064,650	5,980,859
Other revenue	2	37,213	182,687	34,182	68,363	242,157
Interest	2	48,112	71,541	12,498	25,000	134,376
Total Revenue		4,983,519	6,006,460	4,207,788	10,278,037	13,224,756
Expenses						
Administration Costs	3	59,749	76,339	46,518	88,540	130,147
Audit and Legal Fees	1	31,418	21,311	20,827	102,030	95,560
Datacom Support Services		125,250	78,149	125,250	250,500	206,978
Environmental Charges		57,256	69,126	42,828	85,650	145,527
External Contractors		564,151	1,862,419	773,556	3,625,162	4,347,344
External Directors Fees		37,700	36,681	39,198	78,400	75,200
Other Direct Software Expenses		368,253	215,425	340,739	681,481	456,382
Personnel costs		932,725	673,264	920,976	1,841,950	1,359,892
Promotional and External Communications costs	,	145,083	72,980	41,626	83,250	129,901
Regional Sector Shared Services		3,189,834	3,306,213	1,868,041	3,736,084	7,850,616
Grants and donations made		210	-	-	-	-
Travel and Meeting Costs		192,786	83,657	92,496	184,990	198,862
Depreciation Expense	8	2,170	3,005	-	-	6,293
Amortisation Expense	9	222,556	255,625	200,214	400,429	500,557
Total Expenses		5,929,141	6,754,194	4,512,269	11,158,466	15,503,260
Surplus/(Deficit) before Tax		(945,622)	(747,734)	(304,481)	(880,429)	(2,278,504)
Income Tax						
Tax Expense	12	-	-	-	-	(637,797)
Total Income Tax		-	-	-	-	(637,797)
Total Comprehensive Revenue and Expense		(945,622)	(747,734)	(304,481)	(880,429)	(1,640,706)



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

# Regional Software Holdings Limited As at 31 December 2024

	NOTES	31 DEC 2024 6 MONTHS (UNAUDITED)	31 DEC 2023 6 MONTHS (UNAUDITED)	30 JUNE 2025 12 MONTHS SOI	30 JUNE 2024 12 MONTHS (AUDITED)
Assets					
Current Assets					
Cash and Cash Equivalents		4,243,347	5,963,061	133,699	4,382,962
Receivables and Prepayments	7	212,747	144,221	-	2,072,414
Goods and Services tax		127,690	226,586	-	-
Income Tax Receivable		56,683	31,495	-	43,212
Total Current Assets		4,640,467	6,365,363	133,699	6,498,587
Non-Current Assets					
Property, Plant & Equipment	8	7,344	9,169	1,242,296	5,881
Intangible Assets	9	878,346	1,345,834	-	1,100,902
Total Non-Current Assets		885,690	1,355,003	-	1,106,783
Total Assets		5,526,157	7,720,366	1,375,995	7,605,371
Liabilities					
Current Liabilities					
Payables and Deferred Revenue	10	1,138,862	899,932	-	2,270,313
Employee Entitlements	11	130,807	87,555	-	83,585
Goods and Services Tax		-	-	-	49,363
Total Current Liabilities		1,269,669	987,487	-	2,403,261
Non-Current Liabilities					
Deferred Tax Liability		88,091	725,888	-	88,091
Total Non-Current Liabilities		88,091	725,888	-	88,091
Total Liabilities		1,357,760	1,713,375	-	2,491,352
Net Assets		4,168,397	6,006,991	1,375,995	5,114,019
Equity					
Contributed Capital		5,149,150	5,149,150	5,149,150	5,149,150
Accumulated Funds		(980,753)	857,841	3,773,155	(35,131)
Total Equity		4,168,397	6,006,991	1,375,995	5,114,019



# 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 2024

	31	31		30
	DEC	DEC		JUNE
	2024	2023	30 JUNE 2025 12	2024
	6	6	MONTHS SOI	12
	MONTHS	MONTHS		MONTHS
	(UNAUDITED)	(UNAUDITED)		(AUDITED)
Equity				
Opening Balance	5,114,019	6,754,725	2,256,423	6,754,725
Total Comprehensive Revenue and Expense for the year	(945,622)	(747,734)	(880,429)	(1,640,706)
Balance at 30 June	4,168,397	6,006,991	1,375,995	5,114,019
Total Comprehensive Revenue and Expense Attributable to				
Regional Software Holdings Ltd	(945,622)	(747,734)	(880,429)	(1,640,706)



# Statement of Cash Flows | Te Tauākī mō ngā Kapewhiti

#### Regional Software Holdings Limited For the 6 months ended 31 December 2024

	31 DEC 2024 12 MONTHS (UNAUDITED)	31 DEC 2023 6 MONTHS (UNAUDITED)	30 JUNE 2025 12 MONTHS SOI	30 JUNE 2024 12 MONTHS (AUDITED)
Cash Flows from Operating Activities				
Receipts from Members and Non-Members	2,357,982	3,050,010	10,253,037	6,055,502
Interest Received	48,112	71,541	25,000	134,376
ReCoCo Income	4,259,290	4,434,885	-	6,813,738
Other Income	-	137,918	-	168,578
Income tax received/(paid)	(13,471)	(19,523)	-	(31,241)
Payments to suppliers and employees	(6,703,163)	(7,190,627)	10,758,037	(14,374,237)
GST	(84,436)	(367,214)	-	(229,826)
Total Cash Flows from Operating Activities	(135,687)	116,990	(480,000)	(1,463,109)
Cash Flows from Investing and Financing Activities				
Payments to acquire property, plant and equipment	(3,928)	(5,717)	-	(5,717)
Total Cash Flows from Investing and Financing Activities	(3,928)	(5,717)	-	(5,717)
Net Increase/ (Decrease) in Cash	(139,615)	111,274	(480,000)	(1,468,826)
Cash Balances				
Cash and cash equivalents at beginning of period	4,382,962	5,851,788	613,699	5,851,788
Cash and cash equivalents at end of period	4,243,347	5,963,061	133,699	4,382,962
Net change in cash for period	(139,615)	111,274	(480,000)	(1,468,826)



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

#### Regional Software Holdings Limited For the 6 months ended 31 December 2024

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, and
- 10,000 Class B (IRIS) Shares 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 2024 is 10,010 (30 June 2024: 10,010).

The shareholding of the Company as at 31 December 2024 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 2024, and were authorised for issue by the Board of Directors on 28 February 2025.

#### **Basis of Preparation**

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

#### **Statement of Compliance**

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

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

#### **Presentation Currency and Rounding**

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

#### **Changes in Accounting Policies**

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

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

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

#### **Foreign Currency Transactions**

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

#### **Goods and Services Tax**

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

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

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

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

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



#### **Additional Disclosure**

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

At 31 December 2024 13 staff members were employed by RSHL (30 June 2024: 11, 31 December 2023: 10).

Remuneration Bracket	31 Dec 2024	30 Jun 2024	31 Dec 2023
Up to 100,000	5	5	4
100,000 - 110,000	0	0	0
110,000 - 120,000	0	0	0
120,000 - 130,000	0	0	0
130,000 - 140,000	0	1	1
140,000 - 150,000	3	1	0
150,000 - 160,000	1	1	2
160,000 - 170,000	1	1	0
170,000 - 180,000	0	0	0
180,000 - 190,000	1	0	1
190,000 - 200,000	0	1	0
200,000 - 210,000	2	1	2

	31 DEC 2024 6 MONTHS (UNAUDITED)	31 DEC 2023 6 MONTHS (UNAUDITED)	30 JUNE 2025 12 MONTHS SOI	30 JUNE 2024 12 MONTHS (AUDITED)
Fees to Auditors				
Fees to Audit NZ for audit of the financial statements and performance information	-	12,821	70,030	56,112
Fees to Audit NZ for other services	7,697	1,838	-	23,484
Total Fees to Auditors	7,697	14,659	70,030	79,596

Donations made in the period: \$210 (last year: none).

#### 2. Revenue

#### **Accounting Policy**

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

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

#### **Exchange Revenue**

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



#### Other Revenue

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

#### Investment Revenue

Interest revenue is recorded as it is earned.

#### **Non-Exchange Revenue**

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

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

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

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

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

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

#### **Members Contributions and Regional Sector Shared Services**

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

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

	31	31		30
	DEC DEC 2024 2023 6 6 MONTHS MONTHS			JUNE
			30 JUNE 2025 12	2024
		6	MONTHS SOI	12
			MONTHS	
	(UNAUDITED)	(UNAUDITED)		(AUDITED)
Members Contributions  Members Contributions as per SOI				
IRIS NextGen Programme	2,116,627	2,500,366	4,196,011	5,043,554
IRIS Programme	-	468,652	438,639	937,305
Public Transport Ticketing Programme Revenue	200,163	-	-	-
Total Members Contributions as per SOI	2,316,789	2,969,018	4,634,650	5,980,859
Total Members Contributions	2,316,789	2,969,018	4,634,650	5,980,859

Members contributions include \$2,225,110 income from the shareholder councils in 6 months to 31 December 2024 as described in note 14. Members contributions from non-shareholder councils total \$91.679.



	31	31		30
	DEC	DEC		JUNE
	2024	2023	30 JUNE 2025 12	2024
	6	6	MONTHS SOI	12
	MONTHS	MONTHS		MONTHS
	(UNAUDITED)	(UNAUDITED)		(AUDITED)
Other Income				
Consulting Services	-	134,943	-	146,003
Recovery of Other Direct Software Expenses	37,213	47,744	68,363	96,153
Total Other Income	37,213	182,687	68,363	242,157

#### 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 2024 6 MONTHS (UNAUDITED)	31 DEC 2023 6 MONTHS (UNAUDITED)	30 JUNE 2025 12 MONTHS SOI	30 JUNE 2024 12 MONTHS (AUDITED)
Administration Expenses				
Accounting & Technical Support	46,782	65,923	79,640	112,886
Administration Costs	7,999	6,939	4,000	13,539
Bank Fees	273	207	400	452
Insurance	4,695	3,270	4,500	3,270
Total Administration Expenses	59,749	76,339	88,540	130,147

#### 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 2024 6 MONTHS (UNAUDITED)	31 DEC 2023 6 MONTHS (UNAUDITED)	30 JUNE 2025 12 MONTHS SOI	30 JUNE 2024 12 MONTHS (AUDITED)
5. Personnel Costs				
Salaries and wages	705,912	602,695	1,834,450	1,247,939
Council staff seconded to RSHL	152,545	3,626	-	30,116
Defined contribution plan employer contributions	21,395	17,034	-	35,898
Increase/(decrease) in employee entitlements	47,222	35,578	-	31,608
ACC Levies	1,155	569	-	569
Staff Training	-	10,157	7,500	10,157
Staff Costs	4,495	3,605	-	3,605
Total Personnel Costs	932,725	673,264	1,841,950	1,359,892

#### 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 2024 6 MONTHS (UNAUDITED)	31 DEC 2023 6 MONTHS (UNAUDITED)	30 JUNE 2025 12 MONTHS SOI	30 JUNE 2024 12 MONTHS (AUDITED)
Cash and cash equivalents				
Business Online Saver	3,686,002	286,600	-	2,532,644
Current Account	558,298	5,678,009	133,699	1,852,047
Credit Card - Mark Donnelly	51	(1,547)	-	(1,728)
Credit Cards - Go To Pay	(1,004)	-	-	
Total Cash and cash equivalents	4,243,347	5,963,061	133,699	4,382,962

#### 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	31 DEC		30 JUNE
	2024	2023	30 JUNE 2025 12	2024
	6 MONTHS (UNAUDITED)	6 MONTHS (UNAUDITED)	MONTHS SOI	12 MONTHS (AUDITED)
Receivables and Prepayments				
Accounts Receivable	177,590	110,738	-	2,072,414
Prepayments	35,157	33,482	-	-
Total Receivables and Prepayments	212,747	144,221	-	2,072,414

#### 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 \$5,000.

#### Depreciation

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

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

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

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

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

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

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

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

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

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



	Computer Hardware	Total
Balance as at 1 July 2024	5,881	5,881
Additions	3,633	3,633
Disposals (net accumulated depreciation)	-	-
Depreciation Expense	(2,170)	(2,170)
Balance as at 31 December 2024	7,344	7,344
Balance as at 1 July 2023	11,257	11,257
Additions	4,347	4,347
Disposals (net of accumulated depreciation)	-	-
Depreciation Expense	(6,292)	(6,292)
Balance as at 30 June 2024	5,881	5,881

#### 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 10%

Internally developed computer software 10 years 10%



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. 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 or 2024.

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.

	Brand Design & Development	E-Learning Software	IRIS Software Intellectual Property	Total
Balance as at 1 July 2024	8,905	13,460	1,078,537	1,100,902
Additions	-	-	-	-
Disposals (net accumulated amortisation)	-	-	-	-
Amortisation Expense	-	(2,245)	(220,311)	(224,726)
Balance as at 31 December 2024	8,905	11,215	858,226	878,346
Balance as at 1 July 2023	8,905	17,951	1,574,603	1,601,459
Additions	-	-	-	8,905
Disposals (net of accumulated amortisation)	-	-	-	-
Amortisation Expense	-	(4,491)	(496,066))	(500,557)
Balance as at 30 June 2024	8,905	13,460	1,078,537	1,100,902

At 31 December 2024 the work in progress value of the IRIS Asset is \$Nil. The work in progress written off has been included in other direct software expenses. (30 June 2024: Nil).



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

#### 10. Payables and Deferred Revenue

Short term payables are measured at the amount payable.

	31 DEC 2024 6 MONTHS (UNAUDITED)	31 DEC 2023 6 MONTHS (UNAUDITED)	30 JUNE 2025 12 MONTHS SOI	30 JUNE 2024 12 MONTHS (AUDITED)
Payables and Deferred Revenue				
Accounts Payable	588,754	866,449	-	1,774,612
Accrued Expenses	514,952	-	-	495,701
Income Received in Advance	35,156	33,482	-	-
Total Payables and Deferred Revenue	1,138,862	899,932	_	2,270,313

#### 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 2024 6 MONTHS (UNAUDITED)	31 DEC 2023 6 MONTHS (UNAUDITED)	30 JUNE 2025 12 MONTHS SOI	30 JUNE 2024 12 MONTHS (AUDITED)
Employee Entitlements				
Wages Payable	43,596	23,783	-	26,054
Leave Liability	87,211	63,772	-	57,531
Total Employee Entitlements	130,807	87,555	-	83,585

#### 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 2024 has not been accounted for in this report, and will be included in the annual report for the year ended 30 June 2025.

#### 13. Equity

#### **Accounting Policy**

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

	31	31		30
	DEC	DEC		JUNE
	2024 6	2023	30 JUNE 2025 12	2024
		6	MONTHS SOI	12
	MONTHS	MONTHS		MONTHS
	(UNAUDITED)	(UNAUDITED)		(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	(35,131)	1,605,575	(2,892,727)	1,605,575
Surplus/(deficit) for the year	(945,622)	(747,734)	(880,429)	(1,640,706)
Balance at end of period	(980,753)	857,841	(3,773,156)	(35,131)
Total Equity	4,168,397	6,006,991	1,375,994	5,114,019

#### 14. Contingent Liabilities and Guarantees

There are no contingent liabilities or guarantees as at 31 December 2024 (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 2024 (UNAUDITED)	30 JUNE 2024 (AUDITED)	31 DEC 2023 (UNAUDITED)	<b>Description of Services</b>
Waikato Regional Council	1,517	-	-	Reimbursement for travel booked by WRC on behalf of RSHL
Waikato Regional Council	14,000	-	-	Transitional funding for the National River Quality Network
Horizons Regional Council	-	8,236	-	Reimbursement for staff member seconded to IRIS NextGen
Taranaki Regional Council	37,628	19,980	-	Reimbursement for 2 staff members seconded to the IRIS NextGen project
Taranaki Regional Council	7,000	-	-	Transitional funding for the National River Quality Network
Gisborne District Council	500,000	-	-	Funds provided to RSHL for "Support for the Government response to the Ministerial Land Use Inquiry in Tairāwhiti (MILU)".
Bay of Plenty Regional Council	-	512,982		Reimbursement for BioControl Programme
Bay of Plenty Regional Council	76,607	-	-	Reimbursement of costs Practices, Methodologies and Standards NZ River Managers SIG
Bay of Plenty Regional Council		3,749	-	Reimbursement of costs Product Acceptance Testing for IRIS NextGen
Hawkes Bay Regional Council	-	24,951		River Managers SIG Professional Development Programme expenditure
Hawkes Bay Regional Council	10,500	-	-	Transitional funding for the National River Quality Network
Northland Regional Council	24,635	6,563	-	Reimburse for staff member seconded to the IRIS NextGen project and travel costs
Otago Regional Council	10,500	-	-	Transitional funding for the National River Quality Network
Otago Regional Council	54,025	59,303	7,377	Secondment of staff members seconded to IRIS NextGen



Revenue of \$2,225,110 was received from the shareholder councils as member contribution in the six months ended 31 December 2024 as outlined in note 2 (year ended 30 June 2024: \$5,763,183, 6 months ended 31 December 2023: \$2,860,092)

Member contributions were received as follows:

Shareholder	31 DEC 2024 6 MONTHS (UNAUDITED)	31 DEC 2023 6 MONTHS (UNAUDITED)	30 JUNE 2024 12 MONTHS (AUDITED)
Waikato Regional Council	377,890	600,491	1,215,644
Bay of Plenty Regional Council	380,593	448,250	919,430
Horizons Regional Council	266,737	346,743	693,485
Hawke's Bay Regional Council	229,094	346,743	655,349
Northland Regional Council	229,094	327,675	655,349
Taranaki Regional Council	171,769	259,675	519,349
Southland Regional Council	171,769	259,675	519,349
West Coast Regional Council	-	18,160	36,320
Otago Regional Council	380,837	271,750	548,906
Gisborne District Council	17,327	-	-

As at 31 December 2024 \$111,293 was owed to RSHL by Member Councils (30 June 2024: \$665,670 and 31 December 2023: \$6,431) and \$34,928 was owed by RSHL to Member Councils (30 June 2024: \$610,790 and 31 December 2023: \$1,978)

#### 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 2024 6 MONTHS (UNAUDITED)	31 DEC 2023 6 MONTHS (UNAUDITED)	30 JUNE 2025 12 MONTHS SOI	30 JUNE 2024 12 MONTHS (AUDITED)
Financial assets measured at amortised cost				
Cash and cash equivalents	4,244,351	5,963,061	-	4,382,962
Receivables (excluding taxes receivable)	212,747	144,221	-	2,072,414
Total Financial assets measured at amortised cost	4,457,098	6,107,282	-	6,455,375



Total Financial liabilities measured at amortised cost	1,059,056	829,215	-	2,233,566
Payables (excluding income in advance and taxes payable)	1,059,056	829,215	-	2,233,566
Financial liabilities measured at amortised cost				
	MONTHS (UNAUDITED)	MONTHS (UNAUDITED)		MONTHS (AUDITED)
	6	6	MONTHS SOI	12
	2024	2023	30 JUNE 2025 12	2024
	DEC	DEC		JUNE
	31	31		30

#### **Financial Instrument Risks**

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

#### Market risk

#### **Currency risk**

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

#### Fair value interest rate risk

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

#### **Credit risk**

Credit risk is the risk that a third party will default on its obligation to RSHL, causing RSHL to incur a loss. In the normal course of its business, credit risk arises from receivables, and deposits with banks.

These entities have high credit ratings. For its other financial instruments, RSHL does not have significant concentrations of credit risk.

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

Although cash and cash equivalents as at 30 June 2023 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.



Council Collaboration Into Action

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