Tauākī Whakamaunga Atu | Statement of Intent 2025-2026

RSHL

Council
Collaboration
Into Action

1. Kupu Takamua | Foreword

Regional Software Holdings Limited (RSHL) is pleased to present its 2025-26 Statement of Intent.
RSHL enables the regional sector to act collaboratively and deliver solutions that, in the normal course of events, would be unaffordable or unachievable.

RSHL has delivered significant operational and financial benefits to the regional sector. This Statement of Intent signals our commitment to continuing to deliver these benefits and increase our delivery of customer value over time.

Over the last few years, RSHL has successfully grown the range of services that it provides, and with that, increased the customer base benefiting from those services.

This statement of intent shows the depth and breadth of services that RSHL is providing. This includes our flagship IRIS NextGen Programme focussed on regulatory systems and processes, and our support services agreement with Te Uru Kahika. Alongside those cornerstone programmes we deliver services in many other domains, including transport, spatial imagery, emissions modelling along with wells & bores.

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

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.

We are actively seeking your feedback on our strategic intent and operational plan for the next three years.

Our primary focus over the next three years is the successful implementation of IRIS NextGen in participating councils. Alongside NextGen we will deliver high quality service to all programmes and services delivered by RSHL. We invite confirmation that this is line with Shareholders expectations.

RSHL will be proactive in the improvement of the services we provide and more importantly, take an active role in leading the selection and design of future shared services for the sector.

The current and future challenges facing the regional sector demand we work together. RSHL looks forward to maximising the value delivered through collaboration and shared services.

Nāku noa nā

Mike Nield

Board Chair

2. Ngā Ihirangi | Table of Contents

1. Kupu Takamua | Foreword 2
2. Ngā Ihirangi | Table of Contents 3
3. Kupu Whakataki | Introduction 4
   - Subsidiaries 4
   - Purpose 4
   - Objectives 4
   - Values 4
   - Environmental and Sustainability Ethics 4
4. Te Āhua me te Hōkaitanga o ngā Mahi ka Whakahaeretia | Nature and Scope of Activities to be Undertaken 5
5. Ngā Tūpono Āheinga hei Whanaketanga | Possible Opportunities for Growth 11
6. Te Huarahi Whāinga a te Poari ki te Mana Whakahaere | Board's Approach to Governance 11
7. Ngā Poutohutohu | Directors 12
8. Ngā Ūnga Mahi me Ētahi Atu Ine | Performance Targets and Other Measures 14
   - Theme: Programme Delivery 14
   - Theme: Service Delivery 14
   - Theme : Operational Excellence 15
9. Ngā Mōhiohio Kaiwhaipānga | Shareholders Information 16
10. Ngā Mahi e Rapua Nei Te Utu Paremata | Activities for Which Compensation Is Sought 19
11. Ngā Tahua FY2026 | FY2026 Budgets. 24
   - Consolidated Statement of Financial Performance 25
   - Consolidated Statement of Financial Position as at 30 June 2026 26
   - Consolidated Statement of Cash Flows 27
   - IRIS Programme Activity - Statement of Financial Performance 28
   - IRIS NextGen Programme Activity - Statement of Financial Performance 29
   - Te Uru Kahika Support Services - Statement of Financial Performance 30
   - Shared Services- Statement of Financial Performance 31
   - Public Transport Ticketing Programme - Statement of Financial Performance 32
   - RSHL Corporate Activity - Statement of Financial Performance 33
12. Ngā Kaupapahere Kaute | Accounting Policies 34
13. Note For Information: Requirements for Statement of Intent 37

3. Kupu Whakataki | Introduction

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

Subsidiaries

RSHL has no subsidiaries or joint ventures.

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- Achieve a better return on investment with a focus on quality of outcome and realising the value proposition for the sector
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Supporting objectives

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- 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.

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

RSHL provides a framework for collaboration 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:

Activity	Description
IRIS Next Generation Programme	Ten councils are working with RSHL and Datacom on the delivery of the IRIS NextGen Programme, under a formal partnership agreement. 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. 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 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. *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.

Activity	Description
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 support services that enable Te Uru Kahika to achieve it's objectives. 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. The services that RSHL provides to Te Uru Kahika are defined in a Memorandum of Agreement. When assessing RSHL's performance for this activity, the focus is different for each service. The performance measures are defined in the MoA. These services are: **Financial/Operations Management** — These are foundational services, the focus is on compliance with policy, alignment with good practice. **Operation of shared services/solutions.** — The focus is on achieving the intended outcome of the shared service, while effectively managing staff and finances. **Employment of Staff** — The focus is on providing a working environment where staff are supported, motivated and safe. **Programme Management** — The focus is on delivering high quality, skilled and trusted programme management, so that Te Uru Kahika maximises the benefits of investment into shared programmes. **Management Services (As requested)** — The focus is on being an enabler and problem solver, allowing Te Uru Kahika to maintain momentum towards its goals.

Shared Services	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.
	RSHL leads councils through a process to define their shared objectives. RSHL then works with councils and vendors to implement a solution.
	RSHL is constantly evaluating new opportunities to deliver more value to the regional sector through shared services and solutions.
	
	Current Shared Services
	WellsNZ
	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.
	Participating Organisations:
	Auckland Council, Waikato Regional Council, Environment Canterbury, Otago Regional Council
	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.
	Link:
	https://wellsnz.teurukahika.nz/
	
	Data Emissions Platform
	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.
	Participating Organisations:
	• Northland Regional Council
	  ○ Whangarei City Council
	  ○ Far North District Council
	• Auckland Council
	• Waikato Regional Council
	  ○ Hamilton City Council
	• Bay of Plenty Regional Council
	  ○ 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
	
	Objectives:
	To enable a consistent and cost-effective approach for local government to understand and report on local emissions profiles and

Activity	Description	
		projections, to support evidenced-based decisions on emissions reduction priorities and actions using a standardised platform.
	N-Cap	**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. **Participating Organisations:** All Regional Sector Councils. **Objectives:** • 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. **Link:** https://n-cap.teurukahika.govt.nz
	Retrolens	**Service Description:** Retrolens allows public access to historical aerial photography of New Zealand. **Participating Organisations:** Retrolens is overseen by The Local Government Geospatial Alliance (LGGA) which includes representatives from all Regional Sector Councils, and a number of local authorities. **Objectives:** To inform and educate the public on historical changes to the landscape in New Zealand. **Link:** https://retrolens.co.nz/

Activity	Description
Environmental Monitoring and Reporting (EMAR) Programme	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, StatsNZ 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 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.
Public Transport Ticketing Programme	In September 2024 RSHL welcomed the Regional Integrated Ticketing System (RITS) team. This team was previously hosted at Otago Regional Council. This team is responsible for operation of the Regional Integrated Ticketing System (Bee Card) in use at 10 councils. 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. 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. *Performance* 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.

Activity	Description
IRIS Programme	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 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. *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.

5. Ngā Tūpono Āheinga hei Whanaketanga | Possible Opportunities for Growth

RSHL constantly seeks to increase the value delivered to shareholders, councils and the regional sector.

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

The primary market for RSHL to offer products and services is New Zealand regional councils and unitary Authorities. The secondary market is the wider local government sector.

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

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

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

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

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

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

Board Composition
The board is made up of up to 6 council, and 2 independent directors. The council directors are senior staff from shareholding councils, but do not represent their councils in their duties as a board member.

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

The RSHL Board currently has a vacancy following the routine resignation of a director at the AGM in November 2024.

In response to the increase in scale of the organisation, and the complexity of the operating environment the board recommends a change to its composition, to provide additional independence and strengthen the governance of the organisation.

- The Chairperson role is currently filled by a council director. The board intends that an independent Chair be appointed.
- The Board recommends that an additional Independent Director be appointed for the 2027 financial year.

The budget for FY2026 and onwards reflects these proposed changes.

7. Ngā Poutohutohu | Directors

The following directors are in office on 1 July 2025

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

Interest Register

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

Director	Organisation	Interest
Fiona McTavish	Bay of Plenty Regional Council BOPLASS Limited McTavish-Huriwai Investments Limited Quayside Holdings Limited Quayside Securities Limited Quayside Properties Limited	Chief Executive of RSHL Shareholding Council Director Director & Shareholder Director Director Director
Janine Becker	Waikato Regional Council	Director, Finance & Business Services of RSHL Shareholding Council
Mike Nield	Taranaki Regional Council Taranaki Stadium Trust	Director, Corporate Services of RSHL Shareholding Council Trustee
Ged Shirley	Horizons Regional Council	General Manager, Regional Services & Information of RSHL Shareholding Council
Wilma Falconer	Southland Regional Council Project Partners Limited	Chief Executive of RSHL Shareholding Council Director of Project Partners Limited (jointly owned company with husband)
Asbjorn Aakjaer	Negotiate Limited Aakjaer Trustee Company Ice Bear Holdings Limited One Sheep at a Time Limited EMD Advantage Limited (Infor) Regional Software Holdings Limited (RSHL) Waikato Regional Council (Infor – Public Sector), KPMG	Director & Shareholder Director & Shareholder Director & Shareholder Director & Shareholder EMDA Board Chair 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. Providing implementation consulting services to the WRC Finance Team – Infor (solution provider/implementation delivery partner).

	Deloitte, EY, KPMG, SAP, Oracle, Infor, Microsoft, Workday, Salesforce, Mulesoft, Datacom	Engagement post implementation support only. Active & long-term relationships with these organisations including tendering for new consulting opportunities from time to time.
Bruce Robertson	R Bruce Robertson Limited Ministry of Primary Industries (MPI) <u>Local Authorities</u>: Hamilton City Council Thames-Coromandel District Council Waipa District Council Taupo District Council Bay of Plenty Regional Council Gisborne District Council Napier City Council South Wairarapa District Council Wellington City Council Timaru District Council Central Otago District Council Southland District Council Christchurch City Council	Director and Shareholder (Governance and advisory services). Audit & Risk Committee Chair Independent Director. Audit & Risk Committee Chair Audit & Risk Committee Chair Audit & Risk Committee Chair Audit & Risk Committee Chair Audit & Risk Committee Deputy Chair Audit & Risk Committee Chair Audit & Risk Committee Chair Audit & Risk Committee Chair Audit & Risk Committee Chair Audit & Risk Committee Chair Audit & Risk Committee Chair Audit & Risk Committee Chair Audit & Risk Committee Chair

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

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

Theme: Programme Delivery

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

Target	Timing
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.
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.

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*

*Services delivered by RSHL are defined currently under a range of Statements of Work, Memorandum of Understanding/Agreement, and scope documents. In FY2026 we will consolidate these services under standard service agreement documents.

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.

9. Ngā Mōhiohio Kaiwhaipānga | Shareholders Information

Shareholding

Regional Software Holdings Limited (RSHL) was formed on 17 October 2012. At the time of formation, the company issued 10,000 shares to its shareholders based on a previously agreed sizing formula.
In 2022 as part of the restructure of the Company a new shareholders' agreement and constitution were adopted. The company:

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

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

The current shareholding of the Company is as follows.

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

Estimate of Commercial Value of The Shareholder's Investment

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

Distribution of Profits to Shareholders

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

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

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

Information to Be Provided to the Shareholders

The company will deliver the following Statements to shareholders:

- Within two months of the end of the first half of the financial year the following unaudited statements: **Statement of Financial Performance, Statement of Financial Position, Statement of Cashflows and Service Performance.**
- Within three months of the end of the financial year the following audited[1] statements: **Statement of Financial Performance, Statement of Financial Position, Statement of Cashflows, Service Performance** plus a summary of how the company has fared against its objectives and prospects for the next financial year, and a report on the company's medium to long-term plans.
- The Directors shall approve by 1 March of each year a **Draft Statement of Intent** for the consideration of shareholders. The Directors must then consider any comments on the Draft Statement of Intent that are made by the shareholders and deliver the completed Statement of Intent to the shareholders by 30 June each year.
- Any new developments which have not been covered in the statement of corporate intent for the year. Including, but not limited to, an update on any outcomes arising from any changes in shareholding, including the effect on individual Council's shareholdings and apportionment of costs.
- Details of possible scenarios that might be foreseen that could result in annual fees increasing above approved budgets.
- Any other information which would normally be available to a shareholder, thereby enabling the shareholder to assess the value of its investment in the company.

[1] Delivery of audited statements is subject to availability of suitably qualified auditors from AuditNZ.

Procedures for Major Transactions and Other Acquisitions and Disposals

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

Procedures for Issue of Shares

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

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

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

<table>
<tr><th>Activity</th><th>Description</th></tr>
<tr><td>IRIS Next Generation</td><td>
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:

<table>
<tr><th>Large Councils</th><th>Medium Councils</th><th>Small Councils</th></tr>
<tr><td>17.20% per council (Total 34.40%)</td><td>10.40% per council (Total 41.60%)</td><td>4.20% per council (Total 8.40%)</td></tr>
<tr><td rowspan="3">Waikato Regional Council
Bay of Plenty Regional Council</td><td>Horizons Regional Council
Otago Regional Council
Northland Regional Council
Hawke’s Bay Regional Council</td><td rowspan="3">Nelson City Council
West Coast Regional Council</td></tr>
<tr><td>7.80% per council (Total 15.60%)</td></tr>
<tr><td>Taranaki Regional Council
Southland Regional Council</td></tr>
</table>

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

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 Corporate Costs

In FY25 RSHL expects to collect $3.7M 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 FY2026 is $428K.

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.
</td></tr>
</table>

<table>
<tr>
<td>Te Uru Kahika Support Services</td>
<td>
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.

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.
<table>
<tr><th>Tier 1 – 9.4% each</th><th>Tier 2 – 6.2% each</th><th>Tier 3 – 3.2% each</th></tr>
<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>
</table>
*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 FY26 RSHL expects to collect $5.7M in funding from councils for sector work programmes.
</td>
</tr>
</table>

<table>
<tr>
<td rowspan="3">Shared Services</td>
<td>WellsNZ</td>
<td>Participating Organisations:
Auckland Council, Waikato Regional Council, Environment Canterbury, Otago Regional Council

Contributions will be collected from councils participating in the programme according to the agreed funding model.

Funding is collected for support and maintenance of the WellsNZ solution and also for repayment of the loan provided by Environment Canterbury which was used to fund the build of the solution.

It is anticipated that one new councils will sign up for this service in FY26, with an additional two joining in FY27. Total funding to be collected is ~$250K, collected according to the following model:
<table>
<tr><th>Council</th><th>% Contribution</th></tr>
<tr><td></td><td>% Service Contribution</td></tr>
<tr><td>Environment Canterbury</td><td>21.43</td></tr>
<tr><td>Waikato Regional Council</td><td>21.43</td></tr>
<tr><td>Auckland Regional Council</td><td>21.43</td></tr>
<tr><td>Greater Wellington Regional Council</td><td>21.43</td></tr>
<tr><td>Otago Regional Council</td><td>14.29</td></tr>
<tr><td>Total</td><td>100.00</td></tr>
</table>
</td>
<td></td>
</tr>
<tr>
<td>Data Emissions Platform</td>
<td>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.

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.

From FY2026 onwards contributions will be based on a regional model with a funding allocation from each participating region, with the councils within 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.

The total funding amount to be collected in FY26 is $425K.</td>
</tr>
<tr>
<td>N-Cap</td>
<td>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.

The N-Cap solution is funded from contributions collected Te Uru Kahika Essential Freshwater Programme. The total allocated for N-Cap is $28K.</td>
</tr>
</table>

	Retrolens	**Service Description:** Retrolens allows public access to historical aerial photography of New Zealand. 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.

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.

Public Transport Ticketing Programme

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.

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%

<table>
<tr><td>IRIS</td><td>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.
<table>
<tr><th>Council</th><th>Share</th></tr>
<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>Hawkes Bay Regional Council</td><td>11.93%</td></tr>
</table>
In FY25 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.</td></tr>
<tr><td>RSHL Corporate Costs</td><td>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.

In the 2026 Financial year (and the following 2 years) the budgeted proportion of Corporate Costs to each programme is as follows:
<table>
<tr><th></th><th>2025/26</th><th>2026/27</th><th>27/28</th><th>28/29</th></tr>
<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>
</table>
In FY25 RSHL expects to have corporate costs of $0.57M. This is 4.9% of total operating expenditure.</td></tr>
</table>

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.

11. Ngā Tahua FY2026 | FY2026 Budgets.

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

Budgeting process.

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

Activity	Budget Setting	Contractual Basis	Funded by
IRIS NextGen	IRIS NextGen Steering Group.	IRIS NextGen Partnership Agreement. The Programme has a 10 year budget which is set by agreement with the participating councils and RSHL.	10 Participant councils.
IRIS	IRIS Advisory Group	IRIS Advisory Group Terms of Reference.	7 Participating Councils.
Te Uru Kahika Support Services	Te Uru Kahika RCEOs Group	Te Uru Kahika Services Agreement and various service agreements/Statements of Work.	16 participating councils, and government entities.
Shared Services	RSHL Board and service steering groups	Service Agreements	Participating councils.
Public Transport Ticketing Programme	The budget and work programme for PTTP is set by the Transport Ticketing Governance Group on behalf of the participating councils.	Funding Agreement	11 Participating councils.

- The IRIS NextGen Partnership agreement stipulates that they will prepare a draft budget in February and final budget in June. This aligns with the SOI Process. The draft budget will also be sent directly to each participating councils for feedback in March/April.
- For IRIS, common practice is to prepare a budget when the SOI budget is developed which is then ratified with participating councils.
- Budget setting for Te Uru Kahika aligns with the Te Uru Kahika Business Plan. Planning is coordinated by the Te Uru Kahika Executive Director.
- Other shared services budgeting is completed by their respective governance groups.

Consolidated Statement of Financial Performance

For the 12 Months to 30 June 2026

2024/25 SOI Budget	Income	2025/26 Revised	2026/27 Indicative (Revised)	2027/28 Indicative (Revised)
438,639	IRIS Programme	522,571	603,465	431,029
4,626,011	IRIS NextGen Programme	4,146,603	7,630,627	2,519,651
3,926,204	Te Uru Kahika Core Funding	3,946,179	-	-
	Te Uru Kahika Alternate Funding	622,703	5,590,529	5,845,263
	Te Uru Kahika 3rd Party Funding	369,164	144,416	148,033
	Shared Services	786,317	744,045	768,512
-	Public Transport Ticketing Programme	1,784,356	708,676	38,967
1,193,820	Central Government Funding	-	-	-
10,184,674		*12,177,895*	*15,421,757*	*9,751,455*
	Other Income			
25,000	Interest Received	*25,000*	25,000	25,000
68,363	Council Specific Software Funding	*70,414*	71,822	73,259
93,363		*95,414*	*96,822*	*98,259*
10,278,037	**Total Income**	**12,273,309**	**15,518,579**	**9,849,714**
	Expenditure			
8,900	Bank Fees	*600*	600	600
79,640	Accounting & Technical Support	*100,360*	102,367	104,415
102,030	Audit Fees	*72,131*	73,574	75,045
	Legal and HR Advice	*52,510*	42,860	43,217
250,500	Datacom Support Services (IRIS)	*300,000*	330,000	250,000
4,558,780	Technology Services	*3,289,170*	6,451,365	1,504,875
85,650	IT Hosting Charges	*148,850*	151,226	153,651
	Loan Onpayment	*112,901*	108,273	103,644
-	Finance Costs	-	-	-
7,500	Training Providers	*125,713*	128,227	130,791
1,834,450	Personnel Costs	*2,804,187*	2,863,069	2,568,430
	Contractors	*350,000*	357,000	364,140
	Communications Services	*217,990*	222,350	226,797
	Subject Matter Consultants	*1,330,050*	1,356,651	1,383,784
	Service Providers	*1,329,856*	1,204,523	1,203,393
	Project Services	*2,223,599*	1,360,271	981,471
83,250	Promotional Costs	*13,000*	13,200	13,404
78,400	Governance	*103,348*	134,665	137,232
184,990	Travel & Meeting Costs	*289,644*	305,077	285,279
	IT Support Services	*80,000*	81,600	83,232
68,363	Council Specific Software Purchases	*70,414*	71,822	73,259
	Staff Support Services	*2,000*	2,040	2,081
12,500	Software Subscriptions	*3,642*	3,715	3,789
3,403,084	General Consulting	*80,668*	82,281	83,927
10,758,037		**13,100,633**	**15,446,757**	**9,776,455**
	Other Expenditure			
400,429	Amortization	*400,429*	301,795	1,043
11,158,466	**Total Expenditure**	**13,501,062**	**15,748,552**	**9,777,498**
(880,429)	**Surplus/ (Deficit) before tax**	**(1,227,753)**	**(229,973)**	**72,216**
	Income Tax Expense			
(880,429)	**Surplus/(Deficit) after Tax**	**(1,227,753)**	**(229,973)**	**72,216**

Consolidated Statement of Financial Position as at 30 June 2026

2024/25 Budget		2025/26 SOI	2026/27 Indicative	2027/28 Indicative
	ASSETS			
	Current assets			
133,699	Cash and Cash Equivalents	3,075,638	3,147,460	3,220,719
	Debtors and Prepayments	1,939,101	2,452,878	1,555,407
	Non Current Assets			
1,242,296	Property, Plant & Equipment	3,152	1,556	771
	Intangible Assets	309,360	9,163	8,905
1,375,995	**Total Assets**	5,327,251	5,611,058	4,785,802
	LIABILITIES			
	Current liabilities			
-	Creditors and Accrued Expenses	2,275,512	2,777,059	1,900,970
-	Income Received in Advance	-	-	-
	GST payable	45,922	58,154	36,772
	Non Current Liabilites			
	Deferred Tax Liability	-	-	-
-	**Total Liabilities**	2,321,434	2,835,213	1,937,742
1,375,995	**NET ASSETS**	**3,005,817**	**2,775,844**	**2,848,060**

REPRESENTED BY:

2024/25 Budget		2025/26 SOI	2026/27 Indicative	2027/28 Indicative
	Equity			
5,149,150	Equity	5,149,150	5,149,150	5,149,150
(880,429)	Current Year Earnings	(1,227,753)	(229,973)	72,216
(2,892,727)	Retained Earnings	(915,580)	(2,143,333)	(2,373,306)
1,375,995	**Total Equity**	**3,005,817**	**2,775,844**	**2,848,060**
	Statement of Movement in Equity			
2,256,423	Opening Equity	4,233,570	3,005,818	2,775,845
(880,429)	Comprehensive income for the year	(1,227,753)	(229,973)	72,216
1,375,995	**Total Equity**	**3,005,818**	**2,775,845**	**2,848,061**
100%	equity to assets (>60%)	56%	49%	60%

NB The significant change in Total Equity in the FY26 budget is because of a change in approach to budget setting. RSHL has historically used the previous years budgeted final position as the starting point for the new financial year. RSHL is now using the forecast year-end position as the starting point for the new financial year.

Consolidated Statement of Cash Flows

For the 12 Months to 30 June 2026

2024/25 Budget		2025/26 SOI	2026/27 Indicative	2027/28 Indicative
	Cashflows from Operating Activities			
	Cash received from:			
10,253,037	Receipts from customers	12,248,309	15,493,579	9,824,714
-	Shareholder contributions	-	-	-
25,000	Interest	25,000	25,000	25,000
-	Income Tax Paid (refunded)	-	-	-
10,278,037	*Total Operating Receipts*	**12,273,309**	**15,518,579**	**9,849,714**
	Cash applied to:			
10,758,037	Payments to suppliers	13,100,633	15,446,757	9,776,455
	Net GST movement			
-	Income Tax Paid (refunded)	-	-	-
-	Interest W/holding tax paid	-	-	-
10,758,037	*Total Operating Payments*	**13,100,633**	**15,446,757**	**9,776,455**
(480,000)	**Net cash from operating**	**(827,324)**	**71,822**	**73,259**
	Cashflow from Investing Activities			
	Cash received from:			
-	Sale of Fixed Assets	-	-	-
-	Investment Maturities	-	-	-
-	*Total Investment Receipts*	**-**	**-**	**-**
	Cash applied to:			
-	Purchase of Fixed/ Intangible assets	-	-	-
-	Investment deposits	-	-	-
-	*Total Investment Payments*	**-**	**-**	**-**
-	**Net cash from investing**	**-**	**-**	**-**
	Cashflow from Financing Activities			
	Cash received from:			
-	Capital contributions	-	-	-
	Proceeds from Loan Borrowings			
-	*Total Financing Receipts*	-	-	-
	Cash applied to:			
	Capital repaid			
-	Loan interest paid	-	-	-
	Loan repayment of debt			
-	*Total Financing Payments*	-	-	-
-	**Net cash from financing**	**-**	**-**	**-**
(480,000)	**Net increase (decrease) in cash-flow for the year**	**(827,324)**	71,822	73,259
613,699	Opening cash balance	3,902,962	3,075,638	3,147,460
133,699	**Closing cash balance**	**3,075,638**	**3,147,460**	**3,220,719**
	Made up of:			
25,000	Current account	500,000	500,000	500,000
108,699	Auto-call account	2,575,638	2,647,460	2,720,719
133,699		**3,075,638**	**3,147,460**	**3,220,719**

IRIS Programme Activity - Statement of Financial Performance

For the 12 Months to 30 June 2026

2024/25 Budget	Income	Notes	2025/26 SOI	2026/27 Indicative	2027/28 Indicative
438,639	IRIS Programme		*522,571*	603,465	431,029
-	IRIS NextGen Programme		-	-	-
-	Sector Work Programmes		-	-	-
-	Central Government Funding			-	-
438,639			*522,571*	*603,465*	*431,029*
	Other Income				
-	Interest Received		-	-	-
68,363	Council Specific Software Funding		*70,414*	71,822	73,259
68,363			*70,414*	*71,822*	*73,259*
507,002	**Total Income**		**592,985**	**675,287**	**504,288**
	Expenditure				
-	Bank Fees		-	-	-
-	Accounting & Technical Support		-	-	-
-	Audit Fees		-	-	-
	Legal and HR Advice		-	-	-
250,500	Datacom Support Services (IRIS)		*300,000*	*330,000*	*250,000*
585,168	Technology Services		*300,000*	*100,000*	-
29,000	IT Hosting Charges		*30,000*	*30,000*	*30,000*
	Loan Onpayment		-	-	-
-	Finance Costs		-	-	-
-	Training Providers		-	-	-
33,490	Personnel Costs		*42,386*	*43,234*	*44,098*
	Contractors		-	-	-
	Communications Services		-	-	-
	Subject Matter Consultants		-	-	-
	Service Providers		-	-	-
	Project Services		-	-	-
-	Promotional Costs		-	-	-
-	Governance		-	-	-
-	Travel & Meeting Costs		-	-	-
2,200	IT Support Services		-	-	-
68,363	Council Specific Software Purchases		*70,414*	*71,822*	*73,259*
	Staff Support Services		-	-	-
	Software Subscriptions		*2,200*	*2,244*	*2,289*
-	General Consulting		-	-	-
18,281	Overhead Recovery - Expense		*27,571*	*26,165*	*31,383*
987,002			*772,571*	*603,465*	*431,029*
	Other Expenditure				
400,429	Amortization		*400,429*	301,795	1,043
1,387,431	**Total Expenditure**		**1,173,000**	**905,260**	**432,072**
(880,429)	**Surplus/ (Deficit) before tax**		**(580,015)**	**(229,973)**	**72,216**
	Income Tax Expense				
(880,429)	**Surplus/(Deficit) after Tax**		**(580,015)**	**(229,973)**	**72,216**

IRIS NextGen Programme Activity - Statement of Financial Performance

For the 12 Months to 30 June 2026

2024/25 Budget	Income	Notes	2025/26 SOI	2026/27 Indicative	2027/28 Indicative
-	IRIS Programme		-	-	-
4,196,011	IRIS NextGen Programme		3,718,797	6,894,045	2,247,004
430,000	IRIS NextGen Contingency		427,806	736,582	272,647
-	Sector Work Programmes		-	-	-
-	Central Government Funding		-	-	-
4,626,011			*4,146,603*	*7,630,627*	*2,519,651*
	Other Income				
-	Interest Received		-	-	-
-	Council Specific Software Funding		-	-	-
			-	-	-
4,626,011	**Total Income**		**4,146,603**	**7,630,627**	**2,519,651**
	Expenditure				
-	Bank Fees		-	-	-
-	Accounting & Technical Support		-	-	-
-	Audit Fees		-	-	-
	Legal and HR Advice		-	-	-
-	Datacom Support Services (IRIS)		-	-	-
3,528,162	Technology Services		*2,533,864*	5,586,734	1,203,617
-	IT Hosting Charges		-	-	-
	Loan Onpayment		-	-	-
-	Finance Costs		-	-	-
-	Training Providers		-	-	-
426,910	Personnel Costs		*386,686*	394,096	402,578
	Contractors		-	-	-
	Communications Services		-	-	-
	Subject Matter Consultants		-	-	-
	Service Providers		-	-	-
	Project Services		*539,849*	550,646	415,753
-	Promotional Costs		-	-	-
-	Governance		-	-	-
64,000	Travel & Meeting Costs		*61,200*	62,424	63,672
2,060	IT Support Services		*4,000*	4,080	4,162
-	Council Specific Software Purchases		-	-	-
	Staff Support Services		*400*	408	416
	Software Subscriptions		-	-	-
-	General Consulting		-	-	-
430,000	IRIS NextGen Contingency		*427,806*	736,582	272,647
174,879	Overhead Recovery - Expense		*192,798*	*295,657*	*156,806*
4,626,011			*4,146,603*	*7,630,627*	*2,519,651*
	Other Expenditure				
-	Amortization		-	-	-
4,626,011	**Total Expenditure**		*4,146,603*	*7,630,627*	*2,519,651*
-	**Surplus/ (Deficit) before tax**		-	-	-
	Income Tax Expense				
-	**Surplus/(Deficit) after Tax**		-	-	-

Te Uru Kahika Support Services - Statement of Financial Performance

For the 12 Months to 30 June 2026

2024/25 Budget	Income	Notes	2025/26 SOI	2026/27 Indicative	2027/28 Indicative
3,926,204	Te Uru Kahika Core Funding		3,946,179	-	-
	Te Uru Kahika Alternate Funding		622,703	5,590,529	5,845,263
	Te Uru Kahika 3rd Party Funding		369,164	144,416	148,033
1,193,820	Central Government Funding		-	-	-
5,120,024			*4,938,047*	*5,734,945*	*5,993,295*
	Other Income				
-	Interest Received		-	-	-
-	Council Specific Software Funding		-	-	-
-			-	-	-
5,120,024	**Total Income**		**4,938,047**	**5,734,945**	**5,993,295**
	Expenditure				
-	Bank Fees		-	-	-
-	Accounting & Technical Support		-	-	-
-	Audit Fees		-	-	-
	Legal and HR Advice		-	-	-
-	Datacom Support Services (IRIS)		-	-	-
15,450	Technology Services		*27,500*	28,050	28,611
56,650	IT Hosting Charges		*118,850*	121,226	123,651
	Loan Onpayment		-	-	-
-	Finance Costs		-	-	-
-	Training Providers		*125,713*	128,227	130,791
1,243,300	Personnel Costs		*1,699,424*	1,774,038	1,808,879
	Contractors		*350,000*	357,000	364,140
	Communications Services		*217,990*	222,350	226,797
	Subject Matter Consultants		*1,330,050*	1,356,651	1,383,784
	Service Providers		*627,000*	635,500	646,210
	Project Services		*543,750*	554,625	565,718
77,250	Promotional Costs		*10,000*	10,200	10,404
-	Governance		-	-	-
103,690	Travel & Meeting Costs		*168,444*	184,653	188,306
7,210	IT Support Services		*56,000*	57,120	58,262
-	Council Specific Software Purchases		-	-	-
	Staff Support Services		*800*	816	832
	Software Subscriptions		-	-	-
3,403,084	General Consulting		*80,668*	82,281	83,927
213,390	Overhead Recovery - Expense		*229,597*	*222,207*	*372,982*
5,120,024			*5,585,785*	*5,734,945*	*5,993,295*
	Other Expenditure				
-	Amortization		-	-	-
5,120,024	**Total Expenditure**		*5,585,785*	*5,734,945*	*5,993,295*
-	**Surplus/ (Deficit) before tax**		*- 647,738*	-	-
	Income Tax Expense				
-	**Surplus/(Deficit) after Tax**		*- 647,738*	-	-

Shared Services- Statement of Financial Performance

2024/25 Budget	Income	Notes	2025/26 SOI	2026/27 Indicative	2027/28 Indicative
3,926,204	Shared Services Revenue		786,317	744,045	768,512
3,926,204			*786,317*	*744,045*	*768,512*
	Other Income				
-	Interest Received		-	-	-
-	Council Specific Software Funding		-	-	-
-			-	-	-
3,926,204	**Total Income**		**786,317**	**744,045**	**768,512**
	Expenditure				
-	Bank Fees		-	-	-
-	Accounting & Technical Support		-	-	-
-	Audit Fees		-	-	-
	Legal and HR Advice		-	-	-
-	Datacom Support Services (IRIS)		-	-	-
15,450	Technology Services		-	-	-
56,650	IT Hosting Charges		-	-	-
	Loan Onpayment		*112,901*	108,273	103,644
-	Finance Costs		-	-	-
-	Training Providers		-	-	-
1,243,300	Personnel Costs		*94,000*	57,920	59,858
	Contractors		-	-	-
	Communications Services		-	-	-
	Subject Matter Consultants		-	-	-
	Service Providers		*542,856*	549,023	557,183
	Project Services		-	-	-
77,250	Promotional Costs		-	-	-
-	Governance		-	-	-
103,690	Travel & Meeting Costs		-	-	-
7,210	IT Support Services		-	-	-
-	Council Specific Software Purchases		-	-	-
	Staff Support Services		-	-	-
	Software Subscriptions		-	-	-
3,403,084	General Consulting		-	-	-
213,390	Overhead Recovery - Expense		*36,560*	*28,829*	*47,827*
5,120,024			*786,317*	*744,045*	*768,512*
	Other Expenditure				
-	Amortization		-	-	-
5,120,024	**Total Expenditure**		*786,317*	*744,045*	*768,512*
-	**Surplus/ (Deficit) before tax**		-	-	-
	Income Tax Expense				
-	**Surplus/(Deficit) after Tax**		-	-	-

Public Transport Ticketing Programme - Statement of Financial Performance

For the 12 Months to 30 June 2026

	Notes	2025/26 SOI	2026/27 Indicative	2027/28 Indicative
Income				
PT Ticketing Programme		1,784,356	708,676	38,967
Central Government Funding		-	-	-
		1,784,356	708,676	38,967
Other Income				
Interest Received		-	-	-
Council Specific Software Funding		-	-	-
		-	-	-
Total Income		**1,784,356**	**708,676**	**38,967**
Expenditure				
Bank Fees		-	-	-
Accounting & Technical Support		-	-	-
Audit Fees		-	-	-
Legal and HR Advice		*20,000*	10,000	10,000
Datacom Support Services (IRIS)		-	-	-
Technology Services		-	-	-
IT Hosting Charges		-	-	-
Loan Onpayment		-	-	-
Finance Costs		-	-	-
Training Providers		-	-	-
Personnel Costs		*346,992*	366,730	21,965
Contractors		-	-	-
Communications Services		-	-	-
Subject Matter Consultants		-	-	-
Service Providers		*160,000*	20,000	-
Project Services		*1,140,000*	255,000	-
Promotional Costs		-	-	-
Governance		-	-	-
Travel & Meeting Costs		*30,000*	25,000	-
IT Support Services		*4,000*	4,080	4,162
Council Specific Software Purchases		-	-	-
Staff Support Services		*400*	408	416
Software Subscriptions		-	-	-
General Consulting		-	-	-
Overhead Recovery - Expense		*82,964*	27,458	2,425
		1,784,356	***708,676***	***38,967***
Other Expenditure				
Amortization		-	-	-
Total Expenditure		*1,784,356*	*708,676*	*38,967*
Surplus/ (Deficit) before tax		-	-	-
Income Tax Expense				
Surplus/(Deficit) after Tax		-	-	-

RSHL Corporate Activity - Statement of Financial Performance

For the 12 Months to 30 June 2026

2024/25 Budget	Income	Notes	2025/26 SOI	2026/27 Indicative	2027/28 Indicative
	Other Income				
25,000	Interest Received		*25,000*	*25,000*	*25,000*
-	Council Specific Software Funding		-	-	-
	Overhead Recovery - Income		-	-	-
-			25,000	25,000	25,000
-	**Total Income**		**25,000**	**25,000**	**25,000**
	Expenditure				
10,700	Bank Fees		*600*	*600*	*600*
39,100	Accounting & Technical Support		*100,360*	*102,367*	*104,415*
70,000	Audit Fees		*72,131*	*73,574*	*75,045*
-	Legal and HR Advice		*32,510*	*32,860*	*33,217*
-	Datacom Support Services (IRIS)		-	-	-
16,000	Technology Services		-	-	-
-	IT Hosting Charges		-	-	-
	Loan Onpayment				
-	Finance Costs		-	-	-
-	Training Providers		-	-	-
125,000	Personnel Costs		*234,700*	*227,051*	*231,052*
	Contractors		-	-	-
	Communications Services		-	-	-
	Subject Matter Consultants		-	-	-
	Service Providers		-	-	-
	Project Services		-	-	-
16,000	Promotional Costs		*3,000*	*3,000*	*3,000*
72,000	Governance		*103,348*	*134,665*	*137,232*
17,000	Travel & Meeting Costs		*30,000*	*33,000*	*33,300*
-	IT Support Services		*16,000*	*16,320*	*16,646*
-	Council Specific Software Purchases		-	-	-
-	Staff Support Services		*400*	*408*	*416*
1,000	Software Subscriptions		*1,442*	*1,471*	*1,500*
-	General Consulting		-	-	-
366,800			*594,491*	*625,316*	*636,424*
	Other Expenditure				
-	Amortization		-	-	-
366,800	**Total Expenditure**		**594,491**	**625,316**	**636,424**
(341,800)	**Surplus/ (Deficit) before tax**		**(569,491)**	**(600,316)**	**(611,424)**
	Income Tax Expense				
(341,800)	**Surplus/(Deficit) after Tax**		**(569,491)**	**(600,316)**	**(611,424)**

12. Ngā Kaupapahere Kaute | Accounting Policies

Statement of Compliance

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

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

These financial statements comply with PBE Standards.

Reporting Entity

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

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

RSHL was incorporated on 17 October 2012.

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

Public Benefit Entity Simple Format Reporting

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

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

Basis of Preparation of the Financial Statements

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

Presentation Currency and Rounding

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

The functional currency of RSHL is New Zealand dollars.

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

Summary of Significant Accounting Policies

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

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

Interest revenue is recorded as it is earned.

Expenditure
Expenditure is recognised on an accrual basis when the service was provided, or the goods received.

Costs associated with maintaining the IRIS software suite are recognised as an expense when incurred.

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

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

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

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

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

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

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

Commitments and contingencies are disclosed exclusive of GST.

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

Creditors and Accrued Expenses
Creditors and accrued expenses are measured at the amount owed.

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

Depreciation

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

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

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

Critical Accounting Estimates and Assumptions

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

Additional Disclosure

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

13. Note For Information: Requirements for Statement of Intent

Source: Office of the Auditor General
http://www.oag.govt.nz/2007/corporate-intent/appendix2.htm

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

RSHL

Council
Collaboration
Into Action