Tauākī Whakamaunga Atu | Statement of Intent 2026-2027

RSHL

Council Collaboration Into Action

1. Kupu Takamua | Foreword

Regional Software Holdings Limited (RSHL) is pleased to present its 2026-27 Statement of Intent.

RSHL enables councils to act collaboratively and deliver solutions that, in the normal course of events, would be unaffordable or unachievable.

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, emissions modelling, wells & bores and others.

RSHL has delivered significant operational and financial benefits to the regional sector. Shareholders can be confident in our continued commitment to deliver these benefits and increase our delivery of customer value over time.

RSHL is of course aware of reform initiatives that will fundamentally change local government in New Zealand. While delivering value to our customers is our primary focus, we must also have an eye to the future. With the support of our shareholders, it is our intention to position RSHL to support local government through the delivery of national and inter-regional shared services. We believe this to be a critical service that we can provide to local government, consistent with our purpose. We are grateful that feedback received from our shareholders on our draft Statement of Intent supported the view that this purpose transcends the final shape of local government. We continue to welcome shareholders feedback on our intent to reposition RSHL for the future.

Going forward our purpose and objectives are as follows:

Purpose
To provide high-quality shared services for Local Government (and associated agencies) at a national scale to deliver value to shareholders, customers, and their communities.

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.

In the short term our primary focus is the successful implementation of IRIS NextGen in participating councils and supporting the sector to navigate resource management reform. We are constantly seeking to improve the value of the services we provide and looking for new ways to contribute to the sector.

The challenges and opportunities presented to local government are many. The best outcomes for our communities and country will be achieved if we work together. RSHL looks forward to playing a part in the creation of our shared future.

Nāku noa nā

Bruce Robertson

Board Chair

2. Ngā Ihirangi | Table of Contents

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.

Purpose

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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, supporting and delivering shared services on a national scale.

We develop and support shared solutions that drive greater consistency and efficiency to 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 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 service 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 roll out the software platform to the councils, starting with implementation at the pilot council in 2026. *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 team who coordinate the activity of cross-functional groups from different councils. RSHL provides support services that enable Te Uru Kahika to achieve its 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, Bay of Plenty Regional Council, Greater Wellington Regional Council, Marlborough District 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
	  ○ Selwyn District
	  ○ Waimakariri District
	  ○ Ashburton District Council
	  ○ Christchurch City Council
	  ○ Hurunui District Council
	  ○ Mackenzie District Council
	  ○ Timaru District Council

Activity	Description	
		○ Waimate District Council ○ Waitaki District Council ○ Kaikōura 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 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
Public Transport Ticketing Programme	This team is responsible for operation of the Regional Integrated Ticketing System (Bee Card) in use at 11 councils. The participating councils are: • Invercargill City Council • Otago Regional Council • Nelson City Council • Taranaki Regional Council • Horizons Regional Council • Hawkes Bay Regional Council • Bay of Plenty Regional Council • Waikato Regional Council • Northland Regional Council • Gisborne District Council. 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.
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 local government 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.

Current Opportunities in development:

- We are currently working with 4 councils to assess the feasibility of creating a subsidiary of RSHL to deliver the Clean Vessel Plan in the top part of the North Island.
- We are currently engaging with MCERT on opportunities for RSHL to support the implementation of the new planning system, through the IRIS NextGen Programme.

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 directors and up to 3 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.

With the support of shareholders, in response to the increase in scale of the organisation and the complexity of the operating environment the board has appointed Bruce Robertson as Independent Chair. This change was signalled in the FY26 Statement of Intent.

7. Ngā Poutohutohu | Directors

The following directors are in office on 1 July 2026

Director	Council
Asbjorn Aakjaer	Independent
Janine Becker	Waikato Regional Council
Bruce Robertson	Independent (Chair)
Michael Nield	Taranaki Regional Council
Ged Shirley	Horizons Regional Council
Mat Taylor	Bay of Plenty Regional Council
Patrick Ng	Southland 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
Janine Becker	Waikato Regional Council	Director, Customer & Corporate Services, Waikato RC (an RSHL Shareholding Council)
Mike Nield	Taranaki Regional Council Taranaki Stadium Trust	Director, Corporate Services Taranaki RC (an RSHL Shareholding Council) Trustee
Ged Shirley	Horizons Regional Council	General Manager, Regional Services & Information Horizons RC (an RSHL Shareholding Council)
Asbjorn Aakjaer	Negotiate Limited Aakjaer Trustee Company Ice Bear Holdings Limited EMD Advantage Limited (Infor Channel partner) Waikato Regional Council Healthcare Logistics (a division of EBOS Group Limited)	Director & Shareholder Director & Shareholder Director & Shareholder Independent Chairperson Negotiate Limited provides post implementation support to the WRC Finance Team. Employed to deliver Supply Chain transformation.
Bruce Robertson	R B Robertson Limited Ministry of Primary Industries (MPI) Local Authorities: Thames-Coromandel District Council Taupo District Council Bay of Plenty Regional Council Gisborne District Council Napier City Council South Wairarapa District Council Kapiti Coast District Council Timaru District Council Central Otago District Council Southland District Council Christchurch City Council Kaipara District Council New Plymouth District Council Dunedin City Council Upper Hutt City Council	Director and Shareholder (Governance and advisory services). 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 Audit & Risk Committee Chair Audit & Risk Committee Chair Audit & Risk Committee Chair Audit & Risk Committee Chair

Patrick Ng	Southland Regional Council Ava Technologies Limited	General Manager Corporate Services, Southland RC (an RSHL Shareholding Council) Director
Mat Taylor	Bay of Plenty Regional Council	Tumu Herenga Mahi, General Manager Corporate, Bay of Plenty RC (an RSHL Shareholding Council)

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.	To be completed by 30 June each year.
All services will have an effective customer advisory structure appropriate to the size and complexity of the service.	To be completed by 30 June each year.
All services will meet or exceed agreed service level expectations each year.	To be completed by 30 June each year.

*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 $31.8M

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 FY27 RSHL expects to collect $4.7M 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 FY2027 is $538K.

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>

Te Uru Kahika Support Services	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: • Bio-Management • Science & Data • Freshwater • Kaupapa Māori • Climate Adaptation • Transport • Resource Management • Local Government Reform • Business Services The funding contribution for most programmes is based on the size of the Council. The total amounts to be collected vary year to year based on the work programmes.

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%**

*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, and the Science & Data Programme have custom funding models based on the value of the programmes to the region.

The budget and funding arrangements for Te Uru Kahika are documented in the Briefing Paper which is approved with the Te Uru Kahika Business Plan before the start of each financial year.

In FY27 RSHL expects to collect $5M in funding from councils for Te Uru Kahika.

<table>
<tr><td rowspan="4">Shared Services</td><td>WellsNZ</td><td>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 development of the solution.

It is anticipated that one new council will sign up for this service in FY27. Total funding to be collected is ~$270K, collected according to the following model:

<table>
<tr><th>Council</th><th>% Service Contribution</th></tr>
<tr><td>Environment Canterbury</td><td>16.67</td></tr>
<tr><td>Waikato Regional Council</td><td>16.67</td></tr>
<tr><td>Auckland Regional Council</td><td>16.67</td></tr>
<tr><td>Bay of Plenty Regional Council</td><td>16.67</td></tr>
<tr><td>Greater Wellington Regional Council</td><td>16.67</td></tr>
<tr><td>Marlborough Regional Council</td><td>5.56</td></tr>
<tr><td>Otago Regional Council</td><td>11.11</td></tr>
<tr><td>Total</td><td>100.00</td></tr>
</table></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.

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.

The total funding amount to be collected in FY27 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>
<tr><td>Retrolens</td><td>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.

<table>
<tr><th>Category</th><th>% Share</th><th>Council</th></tr>
<tr><td rowspan="3">Large Councils</td><td rowspan="3">9.40%</td><td>Auckland</td></tr>
<tr><td>Environment Canterbury</td></tr>
<tr><td>Waikato Region Council</td></tr>
</table></td></tr>
</table>

			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%

$2M in funding is budgeted to be collected from participating councils in FY27

<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 FY27 RSHL expects to collect $533K 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 2027 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>3.9%</td><td>3%</td><td>3%</td></tr>
<tr><td>IRIS NextGen</td><td>35.3%</td><td>38.5%</td><td>45%</td><td>22%</td></tr>
<tr><td>Te Uru Kahika</td><td>48.6%</td><td>36.5%</td><td>39%</td><td>65%</td></tr>
<tr><td>Shared Services</td><td></td><td>6.1%</td><td>5.7%</td><td>10%</td></tr>
<tr><td>PTTP</td><td>13.1%</td><td>15.0%</td><td>8%</td><td>0%</td></tr>
</table>
RSHL Corporate budget is typically stable year-to-year, with a number of recurring costs such as audit and accounting fees, insurance, staff salaries and insurance.

In FY27 the budget includes one-off costs for development of a new name for the organisation ($20K).

In FY27, the RSHL Corporate activity is budgeted to have a deficit of $568K to be recovered from work programmes.
</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 | FY2027 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 2027

2025/26 SOI Budget		2026/27 Budget	2027/28 Indicative	2028/29 Indicative
	Income			
522,571	IRIS Programme	533,066	418,361	248,293
4,146,603	IRIS NextGen Programme	5,217,809	6,443,669	1,919,480
3,946,179	Te Uru Kahika Core Funding	3,637,429	4,446,349	4,438,051
622,703	Te Uru Kahika Alternate Funding	813,937	722,532	721,183
369,164	Te Uru Kahika 3rd Party Funding	499,598	389,056	388,329
786,317	Shared Services	826,450	820,082	848,538
1,784,357	Public Transport Ticketing Programme	2,027,007	1,086,499	-
-	Central Government Funding	-	-	
12,177,895		*13,555,297*	*14,326,547*	*8,563,876*
	Other Income			
25,000	Interest Received	60,000	60,000	60,000
70,414	Council Specific Software Funding	-	-	-
95,414		*60,000*	*60,000*	*60,000*
12,273,309	**Total Income**	**13,615,297**	**14,386,547**	**8,623,876**
	Expenditure			
600	Bank Fees	800	800	816
100,360	Accounting & Technical Support	97,800	99,756	101,751
72,131	Audit Fees	76,000	77,520	79,070
52,510	Legal and HR Advice	52,510	42,860	33,217
300,000	Datacom Support Services (IRIS)	330,000	336,000	170,000
3,289,170	Technology Services	3,997,721	5,214,106	1,195,231
148,850	IT Hosting Charges	485,878	494,996	384,204
112,901	Loan Onpayment	108,273	103,644	103,644
-	Finance Costs	-	-	-
125,713	Training Providers	129,420	132,008	134,648
2,804,187	Personnel Costs	2,707,093	2,659,275	2,316,505
350,000	Contractors	-	-	-
217,990	Communications Services	359,058	366,239	373,564
1,330,050	Subject Matter Consultants	1,005,345	1,025,451	1,045,960
1,329,856	Service Providers	1,423,449	1,420,089	1,392,161
2,223,599	Project Services	2,329,924	1,417,413	472,706
13,000	Promotional Costs	30,300	13,506	13,716
103,348	Governance	110,855	110,702	112,790
289,644	Travel & Meeting Costs	320,424	325,532	251,197
80,000	IT Support Services	83,200	84,864	82,361
70,414	Council Specific Software Purchases	-	-	-
2,000	Staff Support Services	2,060	2,101	- 2,057
3,642	Software Subscriptions	12,500	7,550	7,601
80,668	General Consulting	413,112	421,374	332,433
13,100,633		**14,075,721**	**14,355,787**	**8,601,520**
	Other Expenditure			
400,429	Amortization	301,795	1,043	1,043
13,501,062	**Total Expenditure**	**14,377,516**	**14,356,830**	**8,602,563**
(1,227,753)	**Surplus/ (Deficit) before tax**	**(762,219)**	**29,717**	**21,312**
	Income Tax Expense			
(1,227,753)	**Surplus/(Deficit) after Tax**	**(762,219)**	**29,717**	**21,312**

Consolidated Statement of Financial Position

As at 30 June 2027

2025/26 SOI		2026/27 Budget	2027/28 Indicative	2028/29 Indicative
	ASSETS			
	Current assets			
3,143,575	Cash and Cash Equivalents	2,910,509	2,941,269	2,963,624
-	Term Deposit	2,500,000	2,500,000	2,500,000
1,869,214	Debtors and Prepayments	2,146,018	2,268,119	1,355,797
	Non Current Assets			
3,152	Property, Plant & Equipment	1,556	771	771
309,360	Intangible Assets	9,163	8,905	8,905
5,325,302	**Total Assets**	7,567,246	7,719,064	6,829,097
	LIABILITIES			
	Current liabilities			
2,207,290	Creditors and Accrued Expenses	1,874,479	1,993,671	1,104,123
-	Income Received in Advance	-	-	-
44,257	GST payable	51,116	54,025	32,294
	Non Current Liabilites			
-	Deferred Tax Liability	-	-	-
2,251,547	**Total Liabilities**	1,925,595	2,047,696	1,136,417
3,073,754	**NET ASSETS**	**5,641,651**	**5,671,368**	**5,692,680**

REPRESENTED BY:

2025/26 SOI		2026/27 Indicative	2027/28 Indicative	2028/29 Indicative
	Equity			
5,149,150	Equity	5,149,150	5,149,150	5,149,150
(1,227,753)	Current Year Earnings	- 762,219	29,717	21,312
(915,580)	Retained Earnings	1,254,720	492,501	522,218
3,005,817	**Total Equity**	**5,641,651**	**5,671,368**	**5,692,680**

Statement of Movement in Equity

4,233,570	Opening Equity	6,403,870	5,641,651	5,671,368
(1,227,753)	Comprehensive income for the year	(762,219)	29,717	21,312
3,005,817	**Total Equity**	**5,641,651**	**5,671,368**	**5,692,680**
58%	equity to assets (>60%)	75%	73%	83%

Consolidated Statement of Cash Flows

For the 12 Months to 30 June 2027

2025/26 SOI		2026/27 Budget	2027/28 Indicative	2028/29 Indicative
	Cashflows from Operating Activities			
	Cash received from:			
12,248,309	Receipts from customers	13,555,297	14,326,547	8,563,876
-	Shareholder contributions	-	-	-
25,000	Interest	60,000	60,000	60,000
-	Income Tax Paid (refunded)	-	-	-
12,273,309	*Total Operating Receipts*	**13,615,297**	**14,386,547**	**8,623,876**
	Cash applied to:			
13,100,633	Payments to suppliers	14,075,721	14,355,787	8,601,520
	Net GST movement			
-	Income Tax Paid (refunded)	-	-	-
-	Interest W/holding tax paid	-	-	-
13,100,633	*Total Operating Payments*	**14,075,721**	**14,355,787**	**8,601,520**
(827,324)	**Net cash from operating**	**- 460,424**	**30,760**	**22,355**
	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**	**-**	**-**	**-**
(827,324)	**Net increase (decrease) in cash-flow for the year**	- 460,424	30,760	22,355
3,902,962	Opening cash balance	3,370,933	2,910,509	2,941,269
3,075,638	**Closing cash balance**	**2,910,509**	**2,941,269**	**2,963,624**
	Made up of:			
500,000	Current account	500,000	500,000	500,000
2,575,638	Auto-call account	2,410,509	2,441,269	2,463,624
3,075,638		**2,910,509**	**2,941,269**	**2,963,624**

IRIS Programme Activity - Statement of Financial Performance

For the 12 Months to 30 June 2027

2025/26 Budget	Income	Notes	2026/27 Budget	2027/28 Indicative	2028/29 Indicative
522,571	IRIS Programme		*533,066*	418,361	248,293
-	IRIS NextGen Programme		-	-	-
-	Sector Work Programmes		-	-	-
-	Central Government Funding			-	-
522,571			*533,066*	*418,361*	*248,293*
	Other Income				
-	Interest Received		-	-	-
70,414	Council Specific Software Funding		-	-	-
70,414			-	-	-
592,985	**Total Income**		**533,066**	**418,361**	**248,293**
	Expenditure				
-	Bank Fees		-	-	-
-	Accounting & Technical Support		-	-	-
-	Audit Fees		-	-	-
	Legal and HR Advice		-	-	-
300,000	Datacom Support Services (IRIS)		*330,000*	*336,000*	*170,000*
300,000	Technology Services		*100,000*	-	-
30,000	IT Hosting Charges		*30,000*	*30,000*	*30,000*
	Loan Onpayment		-	-	-
-	Finance Costs		-	-	-
-	Training Providers		-	-	-
42,386	Personnel Costs		*40,021*	*30,021*	*25,021*
	Contractors		-	-	-
	Communications Services		-	-	-
	Subject Matter Consultants		-	-	-
	Service Providers		-	-	-
	Project Services		-	-	-
-	Promotional Costs		-	-	-
-	Governance		-	-	-
-	Travel & Meeting Costs		-	-	-
-	IT Support Services		-	-	-
70,414	Council Specific Software Purchases		-	-	-
	Staff Support Services		-	-	-
2,200	Software Subscriptions		*10,000*	*5,000*	*5,000*
-	General Consulting		-	-	-
27,571	Overhead Recovery - Expense		*23,045*	*17,340*	*18,272*
772,571			*533,066*	*418,361*	*248,293*
	Other Expenditure				
400,429	Amortization		*301,795*	1,043	*1,043*
1,173,000	**Total Expenditure**		**834,861**	**419,404**	**249,336**
(580,015)	**Surplus/ (Deficit) before tax**		**(301,795)**	**(1,043)**	**(1,043)**
	Income Tax Expense				
(580,015)	**Surplus/(Deficit) after Tax**		**(301,795)**	**(1,043)**	**(1,043)**

IRIS NextGen Programme Activity - Statement of Financial Performance

For the 12 Months to 30 June 2027

2025/26 Budget		Notes	2026/27 SOI	2027/28 Indicative	2028/29 Indicative
	Income				
-	IRIS Programme		-	-	-
3,718,797	IRIS NextGen Programme		4,680,097	5,809,147	1,727,361
427,806	IRIS NextGen Contingency		537,712	634,522	192,119
-	Sector Work Programmes		-	-	-
-	Central Government Funding		-	-	-
4,146,603			5,217,809	6,443,669	1,919,480
	Other Income				
-	Interest Received		-	-	-
-	Council Specific Software Funding		-	-	-
			-	-	-
4,146,603	**Total Income**		**5,217,809**	**6,443,669**	**1,919,480**
	Expenditure				
-	Bank Fees		-	-	-
-	Accounting & Technical Support		-	-	-
-	Audit Fees		-	-	-
	Legal and HR Advice		-	-	-
-	Datacom Support Services (IRIS)		-	-	-
2,533,864	Technology Services		3,291,669	4,509,877	1,003,112
-	IT Hosting Charges		-	-	-
	Loan Onpayment		-	-	-
-	Finance Costs		-	-	-
-	Training Providers		-	-	-
386,686	Personnel Costs		414,726	431,720	410,000
	Contractors		-	-	-
	Communications Services		-	-	-
	Subject Matter Consultants		-	-	-
	Service Providers		-	-	-
539,849	Project Services		681,174	532,188	135,876
-	Promotional Costs		-	-	-
-	Governance		-	-	-
61,200	Travel & Meeting Costs		62,424	63,672	30,000
4,000	IT Support Services		4,120	4,202	7,733
-	Council Specific Software Purchases		-	-	-
400	Staff Support Services		412	420	- 617
	Software Subscriptions		-	-	-
-	General Consulting		-	-	-
427,806	IRIS NextGen Contingency		537,712	634,522	192,119
192,798	Overhead Recovery - Expense		225,572	267,066	141,258
4,146,603			5,217,809	6,443,669	1,919,480
	Other Expenditure				
-	Amortization		-	-	-
4,146,603	**Total Expenditure**		5,217,809	6,443,669	1,919,480
-	**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 2027

2025/26 SOI		Notes	2026/27 Budget	2027/28 Indicative	2028/29 Indicative
	Income				
3,946,179	Te Uru Kahika Core Funding		3,637,429	4,446,349	4,438,051
622,703	Te Uru Kahika Alternate Funding		813,937	722,532	721,183
369,164	Te Uru Kahika 3rd Party Funding		499,598	389,056	388,329
-	Central Government Funding		-	-	-
4,938,047			4,950,965	5,557,936	5,547,564
	Other Income				
-	Interest Received		-	-	-
-	Council Specific Software Funding		-	-	-
-			-	-	-
4,938,047	**Total Income**		**4,950,965**	**5,557,936**	**5,547,564**
	Expenditure				
-	Bank Fees		-	-	-
-	Accounting & Technical Support		-	-	-
-	Audit Fees		-	-	-
-	Legal and HR Advice		10,000	-	-
	Datacom Support Services (IRIS)		-	-	-
27,500	Technology Services		68,340	69,707	-
118,850	IT Hosting Charges		455,878	464,996	354,204
-	Loan Onpayment		-	-	-
-	Finance Costs		-	-	-
125,713	Training Providers		129,420	132,008	134,648
1,699,424	Personnel Costs		1,453,847	1,482,024	1,510,764
350,000	Contractors		-	-	-
217,990	Communications Services		359,058	366,239	373,564
1,330,050	Subject Matter Consultants		1,005,345	1,025,451	1,045,960
627,000	Service Providers		770,000	783,400	797,068
543,750	Project Services		323,750	330,225	336,830
10,000	Promotional Costs		10,300	10,506	10,716
-	Governance		-	-	-
168,444	Travel & Meeting Costs		178,000	181,160	184,783
56,000	IT Support Services		58,480	59,650	59,163
-	Council Specific Software Purchases		-	-	-
800	Staff Support Services		824	840	- 823
-	Software Subscriptions		-	-	-
80,668	General Consulting		413,112	421,374	332,433
229,597	Overhead Recovery - Expense		214,036	230,356	408,254
5,585,785			5,450,389	5,557,936	5,547,564
	Other Expenditure				
-	Amortization		-	-	-
5,585,785	**Total Expenditure**		**5,450,389**	**5,557,936**	**5,547,564**
(647,738)	**Surplus/ (Deficit) before tax**		**- 499,424**	**-**	**-**
	Income Tax Expense				
(647,738)	**Surplus/(Deficit) after Tax**		**- 499,424**	**-**	**-**

Shared Services- Statement of Financial Performance

For the 12 Months to 30 June 2027

2025/26 SOI	Income	Notes	2026/27 Budget	2027/28 Indicative	2028/29 Indicative
786,317	Shared Services Revenue		826,450	820,082	848,538
786,317			*826,450*	*820,082*	*848,538*
	Other Income				
-	Interest Received		-	-	-
-	Council Specific Software Funding		-	-	-
-			-	-	-
786,317	**Total Income**		**826,450**	**820,082**	**848,538**
	Expenditure				
-	Bank Fees		-	-	-
-	Accounting & Technical Support		-	-	-
-	Audit Fees		-	-	-
-	Legal and HR Advice		-	-	-
-	Datacom Support Services (IRIS)		-	-	-
-	Technology Services		-	-	-
-	IT Hosting Charges		-	-	-
112,901	Loan Onpayment		108,273	103,644	103,644
-	Finance Costs		-	-	-
-	Training Providers		-	-	-
94,000	Personnel Costs		65,000	65,000	65,000
-	Contractors		-	-	-
-	Communications Services		-	-	-
-	Subject Matter Consultants		-	-	-
542,856	Service Providers		578,449	586,689	595,093
-	Project Services		-	-	-
-	Promotional Costs		-	-	-
-	Governance		-	-	-
-	Travel & Meeting Costs		-	-	-
-	IT Support Services		-	-	-
-	Council Specific Software Purchases		-	-	-
	Staff Support Services		-	-	-
	Software Subscriptions		-	-	-
-	General Consulting		-	-	-
36,560	Overhead Recovery - Expense		*35,728*	*33,989*	*62,445*
786,317			*787,450*	*789,322*	*826,183*
	Other Expenditure				
-	Amortization		-	-	-
786,317	**Total Expenditure**		***787,450***	***789,322***	***826,183***
-	**Surplus/ (Deficit) before tax**		***39,000***	***30,760***	***22,355***
	Income Tax Expense				
-	**Surplus/(Deficit) after Tax**		***39,000***	***30,760***	***22,355***

Public Transport Ticketing Programme - Statement of Financial Performance

For the 12 Months to 30 June 2027

2025/26 SOI			Notes	2026/27 Budget	2027/28 Indicative	2028/29 Indicative
	Income					
-		IRIS Programme		-	-	-
-		IRIS NextGen Programme		-	-	-
1,784,356		PT Ticketing Programme		2,027,007	1,086,499	-
-		Central Government Funding		-	-	-
1,784,356				2,027,007	1,086,499	-
	Other Income					
-		Interest Received		-	-	-
1,784,356	**Total Income**			**2,027,007**	**1,086,499**	**-**
	Expenditure					
-		Bank Fees		-	-	-
-		Accounting & Technical Support		-	-	-
-		Audit Fees		-	-	-
20,000		Legal and HR Advice		*20,000*	10,000	-
-		Datacom Support Services (IRIS)		-	-	-
-		Technology Services		-	-	-
-		IT Hosting Charges		-	-	-
-		Loan Onpayment		-	-	-
-		Finance Costs		-	-	-
-		Training Providers		-	-	-
346,992		Personnel Costs		*469,845*	376,845	-
-		Contractors		-	-	-
-		Communications Services		-	-	-
-		Subject Matter Consultants		-	-	-
160,000		Service Providers		*75,000*	50,000	-
1,140,000		Project Services		*1,325,000*	555,000	-
-		Promotional Costs		-	-	-
-		Governance		-	-	-
30,000		Travel & Meeting Costs		*45,000*	45,000	-
4,000		IT Support Services		*4,120*	4,202	-
-		Council Specific Software Purchases		-	-	-
400		Staff Support Services		*412*	420	-
-		Software Subscriptions		-	-	-
-		General Consulting		-	-	-
82,964		Overhead Recovery - Expense		*87,630*	45,031	-
1,784,356				***2,027,007***	***1,086,499***	**-**
	Other Expenditure					
-		Amortization		-	-	-
1,784,356	**Total Expenditure**			***2,027,007***	***1,086,499***	**-**
-	**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 2027

2025/26 Budget	Income	Notes	2026/27 Budget	2027/28 Indicative	2028/29 Indicative
	Other Income				
25,000	Interest Received		*60,000*	*60,000*	*60,000*
-	Council Specific Software Funding		-	-	-
	Overhead Recovery - Income		-	-	-
-			60,000	60,000	60,000
-	**Total Income**		**60,000**	**60,000**	**60,000**
	Expenditure				
600	Bank Fees		*800*	*800*	*816*
100,360	Accounting & Technical Support		*97,800*	*99,756*	*101,751*
72,131	Audit Fees		*76,000*	*77,520*	*79,070*
32,510	Legal and HR Advice		*22,510*	*32,860*	*33,217*
-	Datacom Support Services (IRIS)		-	-	-
-	Technology Services		-	-	-
-	IT Hosting Charges		-	-	-
	Loan Onpayment		-	-	-
-	Finance Costs		-	-	-
-	Training Providers		-	-	-
234,700	Personnel Costs		*263,654*	*273,664*	*305,720*
-	Contractors		-	-	-
-	Communications Services		-	-	-
-	Subject Matter Consultants		-	-	-
-	Service Providers		-	-	-
-	Project Services		-	-	-
3,000	Promotional Costs		*20,000*	*3,000*	*3,000*
103,348	Governance		*110,855*	*110,702*	*112,790*
30,000	Travel & Meeting Costs		*35,000*	*35,700*	*36,414*
16,000	IT Support Services		*16,480*	*16,810*	*15,466*
-	Council Specific Software Purchases		-	-	-
400	Staff Support Services		*412*	*420*	- *617*
1,442	Software Subscriptions		*2,500*	*2,550*	*2,601*
-	General Consulting		-	-	-
594,491			*646,011*	*653,783*	*690,229*
	Other Expenditure				
-	Amortization		-	-	-
594,491	**Total Expenditure**		**646,011**	**653,783**	**690,229**
(569,491)	**Surplus/ (Deficit) before tax**		**(586,011)**	**(593,783)**	**(630,229)**
	Income Tax Expense				
(569,491)	**Surplus/(Deficit) after Tax**		**(586,011)**	**(593,783)**	**(630,229)**

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

Council
Collaboration
Into Action