

Regional Council Agenda

NOTICE IS GIVEN that the next meeting of the Regional Council will be held in Council Chambers, Regional House, 1 Elizabeth Street, Tauranga on:

Thursday 15 February 2024 COMMENCING AT 9:30am

This meeting will be livestreamed and recorded.

The Public section of this meeting will be livestreamed and recorded and uploaded to Bay of Plenty Regional Council's website. Further details on this can be found after the Terms of Reference within the Agenda. [Bay of Plenty Regional Council - YouTube](#)

Council

Membership

Chairperson	Chairman Doug Leeder
Deputy Chairperson	Cr Jane Nees
Members	All Councillors
Quorum	Seven members, consisting of half the number of members
Meeting frequency	Six weekly or as required for Annual Plan, Long Term Plan and other relevant legislative requirements

Purpose

- Enable democratic local decision-making and action by, and on behalf of, Bay of Plenty communities.
- Meet the current and future needs of communities for good-quality local infrastructure, local public services, and performance of regulatory functions in a way that is most cost-effective for households and businesses.
- Set the overarching strategic direction for Bay of Plenty Regional Council as an organisation.
- Hold ultimate responsibility for allocating financial resources across the Council.

Role

- Address Local Electoral Act matters and Local Government Rating Act matters.
- Oversee all matters relating to identifying and contributing to community outcomes.
- Consider and agree on matters relating to significant new activities or areas of involvement such as infrastructure which are not the responsibility of a specific committee.
- Provide regional leadership on key issues that require a collaborative approach between a number of parties.
- Review and decide the Council's electoral and representation arrangements.
- Consider issues of regional significance which are not the responsibility of any specific standing committee or that are of such regional significance/high public interest that the full Council needs to decide on them.
- Adopt Council's Policy on Significance and Engagement Policy.
- Develop, adopt and implement the Triennial Agreement, Code of Conduct and Standing Orders.

- Consider and agree on matters relating to elected members' remuneration.
- Appoint the Chief Executive, and review their contract, performance and remuneration at least annually.
- Approve all delegations to the Chief Executive, including the authority for further delegation to staff.
- Oversee the work of all committees and subcommittees.
- Receive and consider recommendations and matters referred to it by its committees, joint committees, subcommittees and working parties.
- Approve membership to external bodies and organisations, including Council Controlled Organisations.
- Develop, adopt and review policies for, and monitor the performance of, Council Controlled Organisations.
- Monitor and review the achievement of outcomes for the Bay of Plenty Community.
- Review and approve strategic matters relating to the sale, acquisition and development of property for the purposes of meeting Council's organisational requirements and implement Regional Council policy.
- Address strategic corporate matters including property and accommodation.
- Consider and agree on the process to develop the Long Term Plan, Annual Plan and Annual Report.
- Adopt the Long Term Plan, Annual Plan and budgets variations, and Annual Report.
- Adopt Council policies as required by statute (for example Regional Policy Statement and Regional Land Transport Strategy) to be decided by Council or outside of committee delegations (for example infrastructure policy).
- Develop, review and approve Council's Financial Strategy and funding and financial policies and frameworks.
- Institute any proceedings in the High Court that are not injunctive proceedings.
- Exercise the powers and duties conferred or imposed on Council by the Public Works Act 1981.

Delegations from Council to committees

- Council has a role to monitor the functioning of all committees.
- Council will consider matters not within the delegation of any one Council committee.
- Council may at any time, revoke or modify a delegation to a Council committee, either permanently, for a specified time or to address a specific matter, if it considers there is good reason to do so.
- The delegations provided to committees may be further delegated to subcommittees unless the power of further delegation is restricted by Council or by statute.

- It is accepted in making these delegations that:
- The committees, in performing their delegated functions, powers or duties, may, without confirmation by the Council, exercise or perform them in a like manner and with the same effect as the Council itself could have exercised or performed them.
- The delegated powers given shall at all times be subject to their current policies and principles or directions, as given by the Council from time to time.
- The chairperson of each committee shall have the authority to exercise their discretion, as to whether or not the delegated authority of the committee be used where, in the opinion of the chairperson, circumstances warrant it.

Powers that cannot be delegated

Under Clause 32 Schedule 7 of the Local Government Act 2002, Council must make the following decisions:

- Make a rate.
- Make a bylaw.
- Borrow money or purchase or dispose of assets, other than in accordance with the long-term plan.
- Adopt the long-term plan, annual plan, or annual report.
- Appoint a chief executive.
- Adopt policies required to be adopted and consulted on under the Local Government Act 2002 in association with the long-term plan or developed for the purpose of the local governance statement.
- Adopt a remuneration and employment policy.

Livestreaming and Recording of Meetings

Please note the Public section of this meeting is being recorded and streamed live on Bay of Plenty Regional Council's website in accordance with Council's Live Streaming and Recording of Meetings Protocols which can be viewed on Council's website. The recording will be archived and made publicly available on Council's website within two working days after the meeting on www.boprc.govt.nz for a period of three years (or as otherwise agreed to by Council).

All care is taken to maintain your privacy; however, as a visitor in the public gallery or as a participant at the meeting, your presence may be recorded. By remaining in the public gallery, it is understood your consent is given if your image is inadvertently broadcast.

Opinions expressed or statements made by individual persons during a meeting are not the opinions or statements of the Bay of Plenty Regional Council. Council accepts no liability for any opinions or statements made during a meeting.

Bay of Plenty Regional Council - Toi Moana

Governance Commitment

**mō te taiao, mō ngā tāngata - our environment and our people
go hand-in-hand.**

We provide excellent governance when, individually and collectively, we:

- Trust and respect each other
- Stay strategic and focused
- Are courageous and challenge the status quo in all we do
- Listen to our stakeholders and value their input
- Listen to each other to understand various perspectives
- Act as a team who can challenge, change and add value
- Continually evaluate what we do

**TREAD LIGHTLY, THINK DEEPLY,
ACT WISELY, SPEAK KINDLY, JOURNEY TOGETHER.**

Recommendations in reports are not to be construed as Council policy until adopted by Council.

Agenda

E te Atua nui tonu, ko mātau ēnei e inoi atu nei ki a koe, kia tau mai te māramatanga ki a mātau whakarite mō tēnei rā, arahina hoki mātau, e eke ai te ōranga tonu ki ngā āhuetanga katoa a ngā tangata ki tō mātau rohe whānui tonu. Āmine.

“Almighty God we ask that you give us wisdom in the decisions we make here today and give us guidance in working with our regional communities to promote their social, economic, environmental and cultural well-being. Amen”.

- 1. Opening Karakia**
- 2. Apologies**
- 3. Public Forum**
- 4. Items not on the Agenda**
- 5. Order of Business**
- 6. Declaration of Conflicts of Interest**
- 7. Public Excluded Business to be Transferred into the Open**
- 8. Minutes**
 - Minutes to be Confirmed**
 - 8.1 Regional Council Minutes - 14 December 2023** **9**
- 9. Presentations**
 - 9.1 Bay of Plenty Regional Council Toi Moana Summer Assistants 2023/24 Presentation**
 - Presented by: BOPRC Toi Moana Summer Assistants
- 10. Reports**
 - 10.1 Chairperson’s Report** **22**
 - Decisions Required**
 - 10.2 Assessment of Bay of Plenty Regional Council’s Practice in Relation to the Ombudsman’s “Open for Business” Report on the use of Workshops** **25**
 - Attachment 1 - Ombudsman’s expectations in detail A3 34

10.3 Quayside Holdings Limited - Councillor Directors 37

Attachment 1 - Quayside Directors Appointment Schedule February 2024 40

Information Only

10.4 Regional Software Holdings Limited Annual Report for Year Ending 30 June 2023 41

Attachment 1 - Regional Software Holdings Limited Annual Report for the year ending 30 June 2023 44

11. Public Excluded Section

Resolution to exclude the public

Excludes the public from the following parts of the proceedings of this meeting as set out below:

The general subject of each matter to be considered while the public is excluded, the reason for passing this resolution in relation to each matter, and the specific grounds under section 48(1) of the Local Government Official Information and Meetings Act 1987 for the passing of this resolution are as follows:

Item No.	Subject of each matter to be considered	Reason for passing this resolution in relation to each matter	Grounds under Section 48(1) for the passing of this resolution	When the item can be released into the public
11.1	Public Excluded Regional Council Minutes - 14 December 2023	As noted in the relevant Minutes.	As noted in the relevant Minutes.	To remain in public excluded.

Minutes to be Confirmed

11.1 Public Excluded Regional Council Minutes - 14 December 2023

12. Public Excluded Business to be Transferred into the Open

13. Readmit the Public

14. Consideration of Items not on the Agenda

15. Closing Karakia

Regional Council

Open Minutes

Commencing:	Thursday 14 December 2023, 9.30 am
Venue:	Council Chambers, Regional House, 1 Elizabeth Street, Tauranga
Chairperson:	Chairman Doug Leeder
Deputy Chairperson:	Deputy Chairperson Jane Nees
Members:	<p>Cr Malcolm Campbell Cr Stuart Crosby Cr Toi Kai Rākau Iti Cr Matemoana McDonald Cr Kat Macmillan Cr Ron Scott Cr Ken Shirley Cr Paula Thompson Cr Lyall Thurston Cr Andrew von Dadelszen Cr Te Taru White Cr Kevin Winters</p>
In Attendance:	<p>Fiona McTavish – Chief Executive; Mat Taylor – General Manager, Corporate; Namouta Poutasi – General Manager, Strategy & Science; Chris Ingle – General Manager, Integrated Catchments; Kataraina O’Brien – General Manager, Strategic Engagement; Karen Aspey – General Manager, People & Leadership (via Zoom); Reuben Fraser – General Manager, Regulatory Services (via Zoom); Kumaren Perumal – Chief Financial Officer; Mark Le Comte – Principal Advisor, Finance; Ange Foster – Communications and Engagement Manager; Jon Jon Peters – BOP Harbourmaster; Toni Briggs – Senior Project Manager; Lisa Power – Senior Planner; Greg Corbett – Biosecurity Manager; Samantha Pottage – Planner; Nassah Rolleston-Steed – Principal Advisor, Policy and Planning; Claudia Cameron – Committee Advisor</p> <p>Rotorua Lakes Council (via Zoom): Gina Rangi and Steward Brown</p>

Chairman Leeder advised those present in Chambers and via Zoom that the meeting was being livestreamed and recorded and that the recording would be made available on the Bay of Plenty Regional Council website following the meeting [Council Meeting - 14 December 2023 \(youtube.com\)](https://www.bayofplenty.govt.nz/council-meeting-14-december-2023)

1. Opening Karakia

A karakia was provided by Cr Te Taru White.

2. Order of Business

Noted item 9.3 and 10.3 were distributed under separate cover after the agenda was published.

Changes to the Order of Business were to accommodate presenter arrival times.

3. Declaration of Conflicts of Interest

Cr Stuart Crosby and Cr Te Taru White, as Quayside Directors, declared an interest in the items relating to Quayside Holdings Limited being item 9.3 Adoption for Audit of Draft LTP Consultation Document and Supporting Material and item 10.3 Quayside Holdings Limited – Statement of Expectations 2024/25. The following statement was read by both Councillors:

“As a Director of Quayside Holdings and Quayside Securities, I declare a conflict of interest on item 9.3 concerning the Long Term Plan and Consultation Document (on matters that pertain to the Quayside Group of Companies) and item 10.3 concerning Quayside Holdings Statement of Expectation 2024/2025. For the avoidance of doubt, as both items are decisions, I will not be expressing any view by participating in the debate and will abstain from voting on both items in this meeting. I would be available to answer any questions if required in my position of a Quayside Director.”

Cr Te Taru White, as Trustee of the Rotorua Museum Centennial Trust, declared an interest in item 9.4 Te Whare Taonga o Te Arawa (Rotorua Museum) Funding.

Cr Lyall Thurston, as Chair of the Rotorua Museum Centennial Trust declared an interest in item 9.4 Te Whare Taonga o Te Arawa (Rotorua Museum) Funding.

Cr Paula Thompson and Cr Jane Nees, as Hearing Panel members for the Proposed Change 6 (National Policy Statement on Urban Development 2020) to the Regional Policy Statement, declared an interest in item 9.7 Hearing Panel recommendations on submissions for Proposed Change 6 (National Policy Statement on Urban Development 2020) to the Regional Policy Statement.

Chair Doug Leeder noted his position as Port of Tauranga Director in relation to item 9.3 Adoption for Audit of Draft LTP Consultation Document and Supporting Material and read the following statement:

“I note that I am attending this meeting as an elected member of the Bay of Plenty Regional Council (BOPRC). I am also a Director of Port of Tauranga Limited (POTL), as the Council’s representative. I advise that I do not consider there to be a conflict of interest for this meeting. I will consider the matters that are being discussed with an open mind, bearing in mind my role as a councillor. I have received independent legal advice concerning this matter. I further advise this meeting that I have declared to the POTL Board my role with the Council and that I do not intend to vote or participate in any discussions that the Port of Tauranga Board may wish to have in relation to this proposal. I have no financial interest in the Port of Tauranga or in Quayside Holding’s Perpetual Preference Shares.”

4. Public Excluded Business to be Transferred into the Open

Noted item 10.3 Quayside Holdings Limited - Statement of Expectations 2024/25 would be transferred to the open after the meeting. This would be resolved in the Public Excluded section.

5. Minutes

Minutes to be Confirmed

5.1 Regional Council Minutes - 26 October 2023

Resolved

That the Regional Council:

- 1 Confirms the Regional Council Minutes - 26 October 2023 as a true and correct record.

Nees/Shirley
CARRIED

5.2 Regional Council Minutes - 22 November 2023

Resolved

That the Regional Council:

- 1 Confirms the Regional Council Minutes - 22 November 2023 as a true and correct record.

Nees/White
CARRIED

6. Reports

6.1 Chairperson's Report

Key Points:

- Clarified that the meeting with Todd Muller was in his capacity as incoming Chair of Priority One, as opposed to outgoing MP.

Resolved

That the Regional Council:

- 1 Receives the report, Chairperson's Report.

Leeder/Winters
CARRIED

Decisions Required

6.2 Adoption of a Draft Regional Navigation Safety Bylaws 2024 for Consultation

Presented by: Toni Briggs – Senior Project Manager and Jon Jon Peters – BOP Harbourmaster

Key Points:

- The Navigation Safety Bylaws Review Committee (the Committee) had recommended the draft Regional Navigation Safety Bylaws 2024 to Council for its adoption as a draft for public consultation
- Consultation would occur over the summer months
- The Committee was made up of Councillors and Tangata Whenua representatives
- A minor pictorial error on the Kaituna river map would be corrected prior to consultation, as would minor editorial rewording to increase clarity, as per the delegated authority.

In Response to Questions:

- The Bylaws' review had narrowed in scope, as only issues specifically relating to navigational safety could be included; there may be options to work in partnership with Territorial Authorities (TAs) over issues such as Jet Skis in Ōhiwa Harbour
- Staff had presented to Rotorua Lakes Community Board.

Key Points - Members:

- Commended staff for the work to get to this point, in particular the ability to educate the Committee on the legal environment
- Requested members of Te Maru O Kaituna and Te Arawa Lakes Trust be provided a copy of the proposed Bylaws and consultation material
- In future, Komiti Māori should be used as an avenue to initiate engagement with iwi/hapū
- In relation to the Tarawera River, requested the New Zealand Jetboat Association be included for consultation.

Resolved

That the Regional Council:

- 1 Receives the report, Adoption of a Draft Regional Navigation Safety Bylaws 2024 for Consultation;**
- 2 Agrees with the recommendations of the Regional Navigation Safety Bylaws Review Committee;**
- 3 Adopts the Draft Regional Navigation Safety Bylaws 2024 for Consultation.**

von Dadelszen/Nees
CARRIED

6.3 Adoption for Audit of Draft LTP 2024 - 2034 Consultation Document and Supporting Material

Presented by: Kumaren Perumal - Chief Financial Officer; Ange Foster - Communications and Engagement Manager; Mat Taylor - General Manager, Corporate and Fiona McTavish - Chief Executive

Key Points from the Chief Executive:

- Acknowledged the work undertaken by staff and Councillors leading to this point
- The draft financial strategy was created on the principles of prudent financial decisions, environmental resilience and rates affordability
- Substantial savings were made through reduced funding across many activities, however there would not be a reduction in funding for volunteer activities, flood protection and emergency management, and there would be an increase in Public Transport funding
- Highlighted the balanced budget for each year, which had not occurred in recent history
- The draft Plan contained a General Rates increase of 9.8% for the first year which was a real increase (above inflation) of 4% in 2024/25
- Outlined the next steps for the project which included audit, adoption for public consultation, hearings and deliberations and final adoption in June 2024. There would be several opportunities for Councillors to make alterations going forward.

In Response to Questions:

- Acknowledged the reference to legislation which was due to be repealed, but as the audit process would correct all required changes, these would be amended post-audit
- The document would go to audit in mid-January 2024
- Minor editorial changes would be corrected by staff via the delegation to the Chief Executive, and there would be a thorough review process prior to its release for consultation
- Noted that this document was for audit purposes, the content would be presented in a more accessible way for public consultation, with accounting language simplified.

Key Points - Members:

- Suggested for consistency across all aspects “support communities to...” should also be included in the Public Transport section

- Would prefer 'embed' rather than 'consider' referenced within the Climate Change Statement
- The progression of work on the regional infrastructure fund should be decided later rather than included at this stage.

Resolved

That the Regional Council:

- 1 Receives the report, Adoption for Audit of Draft LTP 2024 - 2034 Consultation Document and Supporting Material;**
- 2 Adopts the Draft Volume One as a supporting document for submission to Audit New Zealand, incorporating the following documents:**
 - a. Strategic Direction**
 - b. Activity Structure**
 - c. Draft Levels of Service / Performance Measure summary**
 - d. Draft Development of Māori capacity to contribute to decision-making processes**
 - e. Draft Implementation of Regional Spatial Strategy**
 - f. Draft Groups of Activities – Activity Summaries incorporating levels of service (performance goals), and draft financial estimates for operating and capital expenditure for years one through ten for each activity.**
- 3 Adopts the Draft Volume Two as a supporting document for submission to Audit New Zealand, incorporating the following strategies, analysis and policies:**
 - a. Draft Financial Strategy**
 - b. Draft Infrastructure Strategy**
 - c. Draft Prospective Financial Statements**
 - d. Draft Accounting Policies**
 - e. Draft Council Controlled Organisations**
 - f. Draft Funding Impact Statement**
 - g. Draft Rates Funding Impact Statement**
 - h. Draft Significant Forecasting Assumptions**
 - i. Draft Significant Negative Effects**
- 4 Adopts the Draft Financial Policies and Other Policies as a supporting document for submission to Audit New Zealand, incorporating the following policies:**
 - a. Draft Revenue and Financing Funding Needs Analysis**
 - b. Draft Revenue and Financing Policy**
 - c. Draft Development or Environmental Contributions Policy**
 - d. Draft Remission and Postponement of Rates Policy**
 - e. Draft Remission and Postponement of Rates on Māori Freehold Land Policy**
 - f. Draft Fees and Charges Policy**
 - g. Draft Significance and Engagement Policy**

- 5 Notes that draft policies will be adopted in March 2024 together with full Statements of Proposal for concurrent consultation with the Long Term Plan 2024-2034. These policies, which will be finalised after Council consideration of submissions, are intended to be effective from 1 July 2024 are:
 - a. Draft Revenue and Financing Policy
 - b. Draft Development or Environmental Contributions Policy
 - c. Draft Remission and Postponement of Rates Policy
 - d. Draft Remission and Postponement of Rates on Māori Freehold Land Policy
 - e. Draft Fees and Charges Policy
 - f. Draft Significance and Engagement Policy
- 6 Adopts the Draft Strategic Asset Management Plan and Draft Asset Management Plans, Draft Asset Management Plans on a page and the Rivers and Drainage Asset Management Plan executive summary for submission to Audit New Zealand, incorporating the following plans:
 - a. Draft Rivers and Drainage Asset Management Plan 2024-2074
 - b. Draft Rotorua Te Arawa Lakes Asset Management Plan 2024-2034
 - c. Draft Maritime Operations Asset Management Plan 2024-2034
 - d. Draft Regional Parks and Catchments Asset Management Plan 2024-2034
 - e. Draft Property Asset Management Plan 2024-2034.
- 7 Adopts the Climate Change Position Statement;
- 8 Approves the content of the Long Term Plan Consultation Document 2024-2034 - Draft for Audit New Zealand for the purposes of submitting it to Audit New Zealand for the audit process;
- 9 Delegates authority to the Chief Executive to make editorial and technical amendments to the draft Long Term Plan Consultation Document 2024-2034 - Draft for Audit New Zealand and supporting documents, if required, prior to being submitted to Audit New Zealand;
- 10 Notes the final version of the Long Term Plan Consultation Document 2024-2034, draft Supporting Documents and draft Financial and Other Policies; following any amendments required by Audit New Zealand and for graphic design purposes, will be provided to Council for its approval in March 2024;
- 11 Confirms the decision has a medium level of significance as determined by the Council's Significance and Engagement Policy. Council has identified and assessed different options and considered community views as part of making the decision, in proportion to the level of significance.

Leeder/Thompson
CARRIED

6.4 Engineering Services Panel Contract - additions and updates

Presented by: Chris Ingle – General Manager, Integrated Catchments

Key Points:

- Additions to the procurement panel and an increase to the procurement thresholds were suggested.

In Response to Questions:

- There was competition among contractors as prices were sought from the panel list but there were not open tenders for Government Electronic Tender Service (GETS).

Resolved**That the Regional Council:**

- 1 Receives the report, Engineering Services Panel Contract - additions and updates;**
- 2 Approves additions to the Engineering Services Panel Contract as recommended under section 2.1.1 below, conditional upon Evaluation Panel approval of 'Request for Proposals' submissions;**
- 3 Delegates to the Chief Executive the authority to execute new contracts for these Suppliers;**
- 4 Approves changes to the secondary procurement process associated with the Engineering Services Panel, under section 2.1.2 below.**

Thompson/White
CARRIED

6.5 Hearing Panel recommendations on submissions for Proposed Change 6 (National Policy Statement on Urban Development 2020) to the Regional Policy Statement

Presented by: Samantha Pottage – Planner, Nassah Rolleston-Steed – Principal Advisor, Policy and Planning and Namouta Poutasi – General Manager, Strategy & Science

Key Points:

- Noted an error in Attachment 2, page 78 of the Agenda. Housing Bottom Line Tauranga City should read 20,090 not 21,090 and the Total should read 42900, not 42990. These changes were due to new information being received after the agenda had been published.

Key Points - Members:

- Acknowledged the new Government may cause uncertainty and suggested caution particularly regarding Plan Changes.

Resolved**That the Regional Council:**

- 1 Receives the report, Hearing Panel recommendations on submissions for Proposed Change 6 (National Policy Statement on Urban Development 2020) to the Regional Policy Statement, including the supporting documents listed in section 1.1 of this report;**
- 2 Receives, adopts and records that it has had particular regard to the Section 32AA Evaluation Assessment titled 'Proposed Change 6 (NPS-UD) to the Bay of Plenty Regional Policy Statement: Section 32AA evaluation of changes',**

- dated June 2023 as part of the Councils decisions on submissions on Proposed Change 6 (NPS-UD) to the Bay of Plenty Regional Policy Statement;
- 3 Receives and adopts the report and recommendations of the Hearing Panel as set out in the Hearing Panel Report titled 'Recommendation of an Independent Hearing Panel, Proposed Change 6 to the Bay of Plenty Regional Policy Statement (NPS-UD)', dated 19 October 2023, attached as a supporting document to the agenda, as Councils decisions on submissions on Proposed Change 6 (NPS-UD) to the Regional Policy Statement under clause 10(1) of Schedule 1 to the Resource Management Act 1991;
 - 4 Approves public notification of its decisions on submissions on Proposed Change 6 (NPS-UD) to the Bay of Plenty Regional Policy Statement in accordance with clauses 10 and 11 of Schedule 1 to the Resource Management Act 1991;
 - 5 Approves the content and steps outlined in section 3 of this report for the non-Schedule 1 Resource Management Act process to update the Regional Policy Statement, Policy UG 25B to include the updated Housing Bottom Lines for Tauranga and Western Bay of Plenty as required by the National Policy Statement on Urban Development;
 - 6 Delegates Authority to the General Manager, Strategy and Science the ability to make minor editorial changes to the Proposed Change 6 Provisions prior to notification;
 - 7 Notes that on and from the date the decisions are publicly notified, Proposed Change 6 (NPS-UD) is amended in accordance with those decisions.

Macmillan/Leeder
CARRIED

6.6 Te Whare Taonga o Te Arawa (Rotorua Museum) Funding

Presentation: Rotorua Museum 14 December 2023: Objective ID A4566197

Presented by: Mark Le Comte – Principal Advisor, Finance; Mat Taylor – General Manager, Corporate; Stewart Brown – Rotorua Lakes Council (via Zoom) and Gina Rangi – Rotorua Lakes Council (via Zoom)

Key Points:

- A cultural history was provided highlighting the importance of the Museum as the coming together of cultures
- Emphasised the museum as a visitor draw card which contained exhibition space and was a place of regional and local significance; there was strong community support for the completion of the project
- The proposed changes were to ensure the building was structurally sound and compliant
- Fundraising was still required
- The 2021 BOPRC LTP had confirmed funding for exhibition fit out, this request was to reallocate the funding for the wider build.

In Response to Questions:

- It was likely the request for money would come earlier than initially planned, as the project was anticipated for completion at the end of 2026.

Key Points - Members:

- Sought assurance that staff were aware of, and would manage, the potential impacts of the timeframe change on the LTP 2024-34 budget.

Resolved

That the Regional Council:

- 1 Receives the report, Te Whare Taonga o Te Arawa (Rotorua Museum) Funding;**
- 2 Approves that the budgeted grant for Te Whare Taonga o Te Arawa (Rotorua Museum) is re-allocated from exhibition costs to building costs.**

**Winters/Thompson
CARRIED**

6.7 Partial Review of the Bay of Plenty Regional Pest Management Plan

Presented by: Lisa Power – Senior Planner, Greg Corbett – Biosecurity Manager and Namouta Poutasi – General Manager, Strategy & Science

Key Points:

- Endorsement was sought for a partial review before the mandatory 10-year review was due as the pest management landscape has changed.

In response to Questions:

- Contorta pine had no commercial value and was problematic wherever it grew
- Encouraged by the proactive nature of the Ministry for Primary Industries (MPI) response to gold clams
- The response to Myrtle Rust was being managed by the Department of Conservation and MPI (Biosecurity NZ), and was especially challenging due to its air born spread.

Key Points - Members:

- An education programme was recommended to ensure pest species were not inadvertently brought to the region by visiting recreational boat users
- The threat of Gold Clams reaching the Rotorua Lakes was of particular concern, therefore supported consideration of a rule 7 change and changes to allow funds to be associated with Gold Clam containment next year
- Myrtle Rust required consideration within the plan as to what could be done on a landscape scale, suggested keeping a watching brief at the response to it by the Mauao Trust and partners
- The “Good Neighbour Rule” which allowed only adjacent property landowners to report pest plants on a neighbour’s property was considered

as too limiting. Suggested an extension to enable the public to report pest plants, especially relating to reserve areas.

Resolved

That the Regional Council:

- 1 **Receives the report, Partial Review of the Bay of Plenty Regional Pest Management Plan;**
- 2 **Endorses a partial review of the Regional Pest Management Plan (RPMP). The scope of the review relates to the management of wallabies, conifer species, wild kiwifruit, *phytophthora agathicida* and emerging pests;**
- 3 **Approves the minor amendments proposed in section 5 of this report;**
- 4 **Delegates to Group Manager Strategy and Science the ability to expand the partial RPMP review scope if a new pest issue arises during the review.**

Winters/von Dadelszen
CARRIED

6.8 Acting Chief Executive

Presented by: Mat Taylor – General Manager, Corporate

Resolved

That the Regional Council:

- 1 **Receives the report, Acting Chief Executive;**
- 2 **Appoints Matthew Jonathan Taylor, General Manager Corporate, as Acting Chief Executive for the period 20 December 2023 to 4 January 2024 (inclusive) and Christopher Ingle, General Manager Integrated Catchments, as Acting Chief Executive for the period 5 January 2024 to 21 January 2024 (inclusive), during a period of leave for the Chief Executive.**

Thompson/Crosby
CARRIED

7. Public Excluded Section

Resolved

Tabled Document 1 - Quayside Holdings Limited - Statement of Expectations Report: Objective ID A4573241

Tabled Document 2 - Quayside Holdings Limited - Statement of Expectations - Revised post-Council 14 December 2023: Objective ID A4573238

Resolution to exclude the public

- 1 **1 Excludes the public from the following parts of the proceedings of this meeting as set out below:**

The general subject of each matter to be considered while the public is excluded, the reason for passing this resolution in relation to each matter, and the specific grounds under section 48(1) of the Local Government Official

Information and Meetings Act 1987 for the passing of this resolution are as follows:

Item 8.1

Item No.	Subject of each matter to be considered	Reason for passing this resolution in relation to each matter	Grounds under Section 48(1) for the passing of this resolution	When the item can be released into the public
10.1	Public Excluded Regional Council Minutes - 26 October 2023	As noted in the relevant Minutes.	As noted in the relevant Minutes.	To remain in public excluded.
10.2	Public Excluded Regional Council Minutes - 22 November 2023	As noted in the relevant Minutes.	As noted in the relevant Minutes.	To remain in public excluded.
7.3	Quayside Holdings Limited - Statement of Expectations 2024/25	Withholding the information is necessary to enable any local authority holding the information to carry out, without prejudice or disadvantage, commercial activities.	48(1)(a)(i) Section 7 (2)(h).	On the Chief Executive's approval.
10.4	Digital Enterprise Systems Roadmap	Withholding the information is necessary to protect information where the making available of the information would be likely to unreasonably prejudice the commercial position of the person who supplied or who is the subject of the information.	48(1)(a)(i) Section 7 (2)(b)(ii).	On the Chief Executive's approval.
10.5	New Regional Park opportunities	Withholding the information is necessary to enable any local authority holding the information to carry on, without prejudice or disadvantage,	48(1)(a)(i) Section 7 (2)(i).	On the Chief Executive's approval.

		negotiations (including commercial and industrial negotiations).		
--	--	--	--	--

**Leeder/von Dadelszen
CARRIED**

8. Closing Karakia

A karakia was provided by Cr Te Taru White.

12.35 pm - the meeting closed.

CONFIRMED

Chairman Doug Leeder
Chairperson, Regional Council



Report To: Regional Council
Meeting Date: 15 February 2024
Report Authoriser: Doug Leeder

Chairperson's Report

Executive Summary

Since the preparation of the previous Chairperson's Report for the Council meeting on 14 December 2023, I have attended and participated in a number of meetings and engagements as Chairperson on behalf of Bay of Plenty Regional Council (BOPRC).

This report sets out those meetings and engagements, outside of Council, Committee and Sub-Committee meetings, and highlights key matters of interest that I wish to bring to Councillors' attention.

Recommendations

That the Regional Council:

- 1 Receives the report, Chairperson's Report.**

1. Purpose

The purpose of this report is to update Council on meetings and engagements, outside of Council, Committee and Sub-Committee meetings, I have attended and participated in as Chairperson. Also, to highlight key matters that will be of interest to Councillors.

The following section summarises these meetings and engagements. I will provide further detail at the meeting in response to any questions you may have.

2. Meetings and Engagements

Date	Meeting / Engagement	Comment
4 December 2023	Meeting with Tauranga City Council Commissioner Chair Anne Tolley and Commissioner Stephen Selwood – <i>Tauranga</i>	Discussed parking and buses. Chief Executive Fiona McTavish and Councillors Paula Thompson, Andrew

Date	Meeting / Engagement	Comment
		von Dadelszen and Jane Nees were also in attendance.
7 December 2023	Lodestone Energy Waiotaha Groundbreaking Ceremony - <i>Opotiki</i>	Celebrated breaking ground for the construction of Lodestone Energy's third solar farm in New Zealand.
	Bay of Plenty Agricultural Advisory Committee and Dinner - <i>Te Puke</i>	Attended.
11 December 2023	Local Government New Zealand National Council Special General Meeting - <i>Videoconference</i>	An opportunity to vote on the position that will be developed through the future by local government consensus process.
12 December 2023	Regional and Primary Sector Discussion on Freshwater Policy and Direction - <i>Videoconference</i>	Organised by Dairy NZ, Environment Canterbury, Waikato Regional Council, Federated Farmers and Beef+Lamb NZ also in attendance.
	Meeting with Tauranga City Council Commission Chair Anne Tolley, Western Bay of Plenty District Council Mayor James Denyer, and the respective Chief Executive Officers and Priority One Chief Executive Nigel Tutt - <i>Tauranga</i>	Discussed City Deal Projects.
14 December 2023	Farewell Dinner for Sir Rob McLeod recognising his end of tenure as Quayside Chair - <i>Mount Maunganui</i>	Attended.
15 December 2023	Port of Tauranga Ltd Board Meeting - <i>Mount Maunganui</i>	Attended.
6 January 2024	Lake Rotoiti Community Association Annual General Meeting - <i>Rotorua</i>	Attended.
14 January 2024	Lake Tarawera Ratepayers' Association Annual General Manager - <i>Rotorua</i>	Attended.
30 January 2024	Regional Sector Meeting - <i>Videoconference</i>	A brief check-in following the change of Government.
2 February 2024	Bay of Plenty Mayoral Forum Meeting - <i>Tauranga</i>	Discussed a letter inviting Hon Simeon Brown, Minister of Local Government to

Date	Meeting / Engagement	Comment
		<p>attend the Mayoral Forum meeting on 3 May 2024, where the forum will be discussing the strategic issues and solutions that are vital for the future of our region.</p> <p>A workshop was also held on the Water Infrastructure/ Three Waters Business Case Update.</p>



Report To: Regional Council

Meeting Date: 15 February 2024

Report Writer: Steve Groom, Governance Manager

Report Authoriser: Steve Groom, Governance Manager

Purpose: Endorse proposed work programme

Assessment of Bay of Plenty Regional Council's practice in relation to the Ombudsman's "Open for Business" report on the use of workshops

Executive Summary

This report provides an assessment of the compliance of Bay of Plenty Regional Council's practice with the recommendations made by the Ombudsman in his recent report *Open for business: A report on the Chief Ombudsman's investigation into local council meetings and workshops*.

Recommendations

That the Regional Council:

- 1** Receives the report, Assessment of Bay of Plenty Regional Council's practice in relation to the Ombudsman's "Open for Business" report on the use of workshops
- 2** Notes that this paper was received by the Risk and Assurance Committee on 7 December 2023 and endorsed for consideration by Council
- 3** Endorses the actions identified in section 2.2 of this paper for internal implementation; and
- 4** Agrees that consideration should be given to live-streaming significant workshops and directs staff to amend the Council's live-streaming policy to include the following text: *"Where a public workshop is held on a matter of significant interest to the public or on matters that may eventually lead to a decision in a later formal meeting that is of a significant material impact to the services or operation of Council, the Chief Executive may direct that the workshop be live-streamed or recorded and made available on the Council's website."*

- 5 Directs staff to develop a process to consider the future release of public excluded content from meetings and workshops**
- 6 Either:**
- (a) Adopts a practice of division on every resolution considered by Council and core Committees, and directs staff to record how each Member votes; or**
 - (b) Adopt a practice of division on resolutions where active decisions are required (as distinct from information only reports) and where the significance rating is 'high'.**
 - (c) Acknowledges the Ombudsman's view on this matter but considers that existing practices at Bay of Plenty Regional Council sufficiently enable public transparency on debate and decision-making processes at Council.**

1. Introduction

On 24 October 2023, the Ombudsman released his report [Open for business: A report on the Chief Ombudsman's investigation into local council meetings and workshops](#) (the report). The report was initiated by the Ombudsman in August 2022 to test concerns that councils were using workshops and other informal meetings to make decisions, counter to the LGOIMA requirement that decisions are made only in the context of a properly constituted Council meeting.

The report investigated eight Councils¹, including one regional council (Taranaki Regional Council). It found no evidence that decisions were being made in workshops, however it set a number of 'expectations' from the Ombudsman about practice.

Although the catalyst for the investigation was complaints regarding the use of workshops to circumvent decision-making in the open, the expectations outlined by the Ombudsman in this report cover a much broader range of topics, including organisational leadership, the operations of council and committee meetings (as opposed to workshops specifically), accessibility of meetings, and organisational structure and staffing.

In this paper we assess current practice at the Bay of Plenty Regional Council against these expectations, and set out our proposed approach where our existing practice is not aligned with these expectations.

This paper² was received by the Risk and Assurance Committee on 7 December 2023 and endorsed for consideration by full Council.

¹ Rotorua Lakes Council, Taranaki Regional Council, Taupō District Council, Palmerston North City Council, Rangitīkei District Council, Waimakariri District Council, Timaru District Council and Clutha District Council.

² The paper has been amended slightly to reflect the decisions requested from Council in this paper. In particular, section 2.3 'Council-owned decisions' (and its sub-sections) has been significantly expanded to provide more comprehensive information to enable suitable consideration of the recommendations by Council.

1.1 Legislative Framework

The Ombudsman can investigate ‘any decision or recommendation made or any act done or omitted’ by a local authority’ under section 13 of the Ombudsmen Act 1975.

In his report, the Ombudsman has set out a number of ‘expectations’ regarding practice. While it is not made clear in the report, these ‘expectations’ are not in the form of formal actionable ‘recommendations’ as allowed for under section 22 of the Ombudsmen’s Act.

Section 22 also allows for the Ombudsman to write to any agency seeking a response outlining how they intend to give effect to his recommendations. The Bay of Plenty Regional Council has received no correspondence from the Ombudsman on this matter, however, this is a good opportunity for us to review our practices to ensure they are in line with the Ombudsman’s expectations as appropriate.

1.2 Alignment with Strategic Framework

The matters outlined in this paper support transparent governance, which in turn enables all aspects of the Council’s work.

1.2.1 Community Well-beings Assessment

Dominant Well-Beings Affected			
<input type="checkbox"/> Environmental	<input type="checkbox"/> Cultural	<input checked="" type="checkbox"/> Social	<input type="checkbox"/> Economic
High - positive			

2. Discussion

2.1 Key findings of the Ombudsman’s report

The Ombudsman noted that workshops play an important and appropriate role in effective and efficient decision-making processes:

This investigation has highlighted to me the important role that workshops play in the decision making process for councils. Provided an actual and effective decision is not made, deliberative discussion may take place in a workshop. Workshops can be an efficient use of time, in order to convey information which may be voluminous and complex to elected members, and for elected members to give council officials advice to focus their efforts on the range of tenable options. This prevents time and energy being wasted on options that aren’t realistic.

Overall, the Ombudsman did not find that Councils were using workshops to inappropriately make formal decisions or resolutions. However, he did indicate concern that processes around determining how workshops operate were not as robust and considered as they could be:

I saw no evidence in my investigation that actual and effective decisions were made in workshops, but I saw some workshop practices that are counter to the principles of openness and could contribute to a public perception that workshops are not being used in the right way.

The report highlights the importance of councils taking steps to ensure the same administrative rigour is applied to workshops as part of the decision-making process as is applied to formal meetings, and sets out some expectations to enable that:

The principles of openness and good administrative practice apply to workshops as much as any other aspect of council business. [...] I expect all councils to make sure their policies and practices meet my expectations of good workshop practice. Crucially, this includes opening workshops to the public by default; closing them only where good reason exists.

The report details the Ombudsman's findings under five themes:

- Leadership and culture: the Ombudsman found that an average of 81% of internal council staff surveyed perceived their council to be committed to openness, but that this view wasn't necessarily shared by constituents.
- Meetings: some council's practices around publishing agendas did not allow the public sufficient time to adequately consider the materials, some councils were excluding the public from meetings using invalid or poorly explained reasons, minutes and record-keeping at some of the councils investigated were inadequate, and a lack of consistency in considering when publicly excluded information might be able to be made public.
- Workshops: overall, workshops were not being used inappropriately, but practices around openness, publicising, and record-keeping were inconsistent.
- Accessibility: the Ombudsman was broadly pleased with the accessibility measures taken by the councils investigated, but found some room for improvement.
- Organisation structure, staffing and capability: organisational resilience and capability was highlighted as an issue in the investigation, particularly for smaller councils. The report also found that organisations with larger governance teams tended to have better approaches to openness and transparency.

2.2 The Ombudsman's findings and our alignment with them

In total, the Ombudsman set out 25 'expectations' as a result of his investigation on the five themes outlined above. As outlined in the legislative framework section of this paper, these expectations are not legally binding on the Council, however as a matter of good practice, we have assessed our current alignment and proposed improvement actions where we are not already aligned with these expectations.

Overall, Bay of Plenty Regional Council is in full alignment with 16 of the 25 (64%) expectations. We are partially aligned with a further five (20%) and not aligned with four (16%).

Attachment 1 provides a detailed outline of our current alignment with each expectation and a proposed corrective action for each expectation which we are either partially aligned or not aligned with.

In summary, our corrective actions propose that we undertake the following actions:

- Internal processes and resources:

- establish a formal pathway for staff to provide feedback on the operations of meetings and workshops, and promote that pathway to staff
- Undertake a review of training and induction material relating to meetings and workshops.
- Public-facing processes and resources:
 - include an invitation to our public website users to provide views on potential improvements on our meetings and agenda web-page and content.
 - revise our wording with regards to notifying an item as public excluded to specifically include our consideration of public interest.
 - add a message to the "meetings" page of our public website outlining an individual's right to complain to the Ombudsman
- Council-owned decisions:
 - Develop a policy on livestreaming and recording of workshops, which we will make publicly available.
 - develop a process for determining when public excluded material from meetings and workshops can be made public proactively, which we will seek agreement from Council to adopt.
 - seek Members' guidance on whether we should consider taking a resolution to Council to adopt a policy of recording Elected Members' names against every vote.

We intend to begin actioning the improvements identified under the 'internal processes and resources' and 'public-facing processes and resources' headings immediately.

2.3 Council-owned decisions

As identified in the section above, there are three expectations that would benefit from a decision by Council prior to any action to respond to them. This is because they would represent a material change in the way Council business is conducted. These are:

- developing a policy on live-streaming workshops
- developing a process for proactively making available material from meetings and workshops that was previously public excluded, and
- recording names against each vote in meetings.

2.3.1 Live-streaming workshops policy

We currently have a live-streaming policy³. This policy clearly outlines that Council and core committee meetings that are open to the public will be live-streamed by

³ Available at: www.boprc.govt.nz/your-council/meetings-and-agendas/meeting-process

default. It also sets out that this can be applied to “any other Public Meeting/Forum as authorised by the Chief Executive and where technology solutions can be applied.” However, the policy does not explicitly set out our approach to live-streaming workshops and we recommend that we correct this.

The Ombudsman’s suggestion that Councils “consider live-streaming workshops” appears in the “accessibility” section of his report, alongside other measures to support people with accessibility challenges understand and participate in council decision-making. It is also worth noting that this expectation is framed in a way that invites Councils to “consider” the matter, rather than the more directive approach of some of the other expectations.

While our existing policy does not demand live-streaming of workshops, we do publicly release recordings of some workshops – for example, Annual Plan and Regional Public Transport Committee workshops have public recordings available online. We also undertook an exercise to compare our practices to a sample of eight other councils (including two regional councils). At present, only one other Council in this sample (Wellington City) live-streams workshops.

Live-streaming a meeting or workshop has the effect of doubling the governance team resource required for that meeting, as we assign an advisor to start/stop and monitor the stream and to be prepared to immediately stop the streaming should events in the meeting require it. A decision to live-stream all workshops by default would have a significant resource implication for the team. It is also worth noting that as a workshop is not a decision-making forum, any matters of consequence discussed in a workshop are likely to appear at a later date in a formal decision-making meeting, which will be live-streamed by default.

Having said this, staff accept the Ombudsman’s point that live-streaming enables greater accessibility. For this reason, staff recommend that we amend our live-streaming policy to state:

“Where a public workshop is held on a matter of significant interest to the public or on matters that may eventually lead to a decision in a later formal meeting that is of a significant material impact to the services or operation of Council, the Chief Executive may direct that the workshop be live-streamed or recorded and made available on the Council’s website.”

2.3.2 Making available publicly excluded information at a later date

There are two expectations from the Ombudsman relating to proactively making previously publicly excluded information to the public. One relates to meetings and the other to workshops. Both suggest formalising a process for considering release of information previously not made available to the public.

This expectation seems reasonable. Some reasons for public exclusion are time or process bound, with the reasons for exclusion no longer applicable at a later date. An example of this would be decisions made during a procurement process, where the conclusion of the procurement process might mean the reasons for excluding the public become irrelevant when the outcome is known.

Staff have investigated how we might give effect to this expectation. For meetings, we propose to use the ‘action sheets’ process we have recently implemented, where the future release of publicly excluded information will be initiated as an item for action by staff, tracked through our action sheets.

As workshops do not result in formal decisions, we do not currently use the action sheet process for workshops. This means we will need to adopt a more manual

practice in the short-term to give effect to this expectation in relation to workshops. Staff will also research whether all publicly excluded information that goes before a workshop ultimately ends up also going before a formal meeting, in which case, our policy could reflect that consideration of the release of publicly excluded materials from a workshop will be ultimately be captured by the process we put in place for meetings.

In our sample of eight other councils, three (Greater Wellington Regional, Hutt City and Dunedin) have an established practice of considering public excluded items for future release.

2.3.3 Recording of Elected Members' votes

Of particular note is the expectation of the Ombudsman that meeting minutes should include a record of "how individual elected members' voted". The Ombudsman's report frames this matter as one of ensuring that a full and accurate record of debate is created, and that decisions aren't pre-determined outside of public meetings:

Meeting minutes should represent a full and accurate record of the content of local authority meetings. Minutes should not just record the final decision taken by elected members, but details of any debate or discussion preceding and informing the decision. In addition to aligning with principles of openness and accountability, recording the content of discussion and debate is a safeguard against any perception that decisions have been taken prior to the meeting, and are merely being 'rubber stamped' in the meeting setting. Though it is not a legislative requirement, I consider it is good administrative practice, and in the interests of accountability, to record the names of elected members who voted 'for' and 'against' resolutions and motions.

This practice would represent a significant departure from our current practice, and presents a number of potential issues including:

- a risk that consensus or consultative decision-making is stifled, with elected members being placed directly in a confrontational process that forces an entrenched position that might not otherwise arise in a process that focusses on a more collaborative approach to decision-making
- a reduction of efficiency and reduced time in meetings for discussion, with the calling for, tabulating and recording of votes likely to take a significant amount of time, particularly in meetings with a large number of resolutions.

In our sample of eight other councils, only one (Wellington City) have an established practice of recording Elected Member's votes on every resolution. A number of Councils have expressed concern about this expectation.

It is also worth noting that all Council and Core Committee meetings are live-streamed by default, meaning that the public has full and on-going access to all debate and discussion that occurs in the meeting, irrespective of what is captured in the minutes. Alongside this, Members can at any point call for division or request to have their opposition or abstention on a motion noted in the record.

It is possibly not entirely appropriate for staff to provide a recommendation on this point, as it goes to the heart of the conduct of debate and discussion between Elected Members, for which Members themselves are accountable. For this reason, we have presented a recommendation with options, including an option where this expectation could be implemented, but only for substantive or significant resolutions.

We would note that we are not aware of any demands from the public for this practice to be instituted at Bay of Plenty Regional Council. In addition the combination of live-streaming of meetings and the fulsome minutes that we produce mitigate the risk that the Ombudsman has identified regarding a lack of transparency of debate, discussion and auditable decision-making processes amongst Elected Members.

3. Considerations

3.1 Risks and Mitigations

There are no significant risks presented in this paper. The main risk identified is that the Council may attract criticism if their practices aren't in alignment with the Ombudsman's expectations. Completion of the corrective actions identified in this report will largely mitigate this risk.

3.2 Climate Change

The matters addressed in this report are of a procedural nature and there is no need to consider climate change impacts.

3.3 Implications for Māori

There are no direct implications for Māori as this is paper considers matters of a procedural nature. However, we do note that the expectation that each individual Elected Members' vote is named and recorded presents a risk to collaborative approaches to decision-making and does not align particularly well with tikanga Māori approaches to decision-making.

3.4 Community Engagement



Engagement with the community is not required as the recommended proposal / decision [relates to internal Council matters only].

3.5 Financial Implications

There are no material unbudgeted financial implications and this fits within the allocated budget.

4. **Next Steps**

Council staff intend to progress the implementation of the corrective actions identified in this report, except for the three actions under the 'council-owned decisions' heading above. With regards to the 'council-owned decisions' staff will take action consistent with decisions made by Council on this paper.

If it would be beneficial to Council, staff could return to a future meeting to update on progress implementing the actions identified in this report.

Attachments

Attachment 1 - Ombudsman's expectations in detail A3 [↓](#)

Theme	Expectation	Our practice	Current compliance	Gaps/opportunities for improvement	Proposed action	Timeframe for any improvement actions	Assessment of compliance after proposed action
Leadership and culture	Induction training for staff and elected members must highlight the distinction between the operational and governance arms of local councils.	Councillor induction programme includes multiple discussions and information on principles of governance and relationship between operational and governance arms of council. Staff induction includes a briefing on the role of governance in relation to Council.	Current practice is consistent with expectation	While we believe that our current practices provide good coverage of the relationship between governance and operations, we are currently reviewing our staff induction in relation to governance to ensure it continues to be fit for purpose.	Continue with our planned review of governance material in induction for staff.	Review by March 2024	Fully compliant
	Senior leaders should communicate clear and regular messages to all staff, signalling the council's commitment to conducting business in a manner that is open, transparent, and promotes accountability and public participation.	CE and Leadership Team regularly emphasise transparency to staff. This is backed up by the expectations of Councillors in promoting openness.	Current practice is consistent with expectation	There is an opportunity to consider a more formalised programme of communications to staff on this matter, using existing channels like daily comms emails to staff and potentially other initiatives like "transparency week" or similar.	Staff develop a communications plan for internal use to deliver a regular programme of comms internally	Comms plan developed by May 2024	Fully compliant
	Councils should have clear and visible public statements about their commitment to conducting business in a manner that is open, transparent, and facilitates accountability and public participation.	Council's website includes clear information about how the public can participate and attend Council meetings. One of Council's strategic priorities is 'ensuring effective community participation in decision making'. Our meetings and agendas page includes information about public information. The publicly available Code of Conduct places a clear expectation on members to be accountable to the public in their decision-making	Current practice is consistent with expectation	This is an opportunity to make more explicit statements at various points on our website to transparency and openness	Review web content to identify opportunities to include explicit transparency statements.	Update web content by May 2024	Fully compliant
	Ensure pathways exist for council staff to make suggestions about meeting and workshop practices.	The governance team is well connected with the organisation and receives suggestions from staff from time-to-time on the operations of workshops. Current operations are based on informal pathways.	Current practice is partially compliant with expectation	While our current practice does result in feedback and suggestions from staff about the operations of workshops, there is an opportunity to have more established and deliberate pathways for staff to provide suggestions.	Establish a formal pathway for staff to provide feedback on the operations of meetings and workshops, and promote that pathway to staff.	Formal pathway established by May 2024	Fully compliant
	Consider including a link to information about meetings and workshops prominently on the website landing page.	The front page of our website includes public notices on upcoming meetings. Our agendas and minutes page is one click away from the website's landing page.	Current practice is consistent with expectation	No change required	No change required	N/A	Fully compliant
	Consider surveying constituents to establish the type of information about meetings and workshops they want to see on the website.	We have not done a broad survey of constituents on this matter in recent memory.	Current practice is not consistent with expectation	Staff question whether a random or blanket survey of constituents would be the most efficient mechanism for obtaining meaningful feedback. A more targeted approach might result in better information.	We propose to include an invitation to provide views on potential improvements on our meetings and agenda web-page. This approach seems more likely to capture the views of regular users of publicly available information	Web page content updated by May 2024	Fully compliant
	Meetings	Review ease of access for meeting agendas, papers, and minutes on council websites (with a clear navigation path from the home page and minimal 'clicks' required).	Agendas, papers, minutes are available one click away from our website's landing page (Homepage > Your Council > Meetings and Agendas)	Current practice is consistent with expectation	No change required	No change required	N/A

	Make sure agendas and papers are posted on council websites with as much advance notice as possible before the meeting date.	We exceed (by three days on average) legislative requirements for paper availability in advance of meetings, and have publicly tracked accountability measures to ensure a focus on this.	Current practice is consistent with expectation	No change required	No change required	N/A	Fully compliant
	Review practice and internal guidance for the writing of public exclusion resolutions, ensuring: a) the form includes all elements of the schedule 2A form b) exclusion grounds are clearly identified, and section 7(2)(f)(i) is not relied on to exclude the public from meetings; and c) the reasons for applying the named exclusion ground to the content of the agenda item are clearly set out in plain english along with how the decision to exclude the public has been balanced against public interest considerations.	With regards to: a) we are compliant b) we are compliant c) we are partially complaint - we set out reasons for applying exclusion ground and we internally consider counter-vailing public interests, however we do not publish our consideration of public interest	Current practice is partially compliant with expectation	To be fully compliant with this expectation we need to re-consider the information we make public with regards to the exclusion of the public - more specifically we would need to provide an outline of how we considered the countervailing public interest when making the decision to make an item public excluded.	We propose to revise our wording with regards to notifying an item as public excluded to specifically include our consideration of public interest.	New wording in place by May 2024	Fully compliant
	Review practice and internal guidance for the keeping of meeting minutes, ensuring that minutes reliably contain a clear audit trail of the full decision making process, including any relevant debate and consideration of options, and how individual elected members voted.	We are compliant with the requirement to show a clear audit trail of decision making (and we note that all of our meetings are either live-streamed or recorded and made publicly available). However, we do not keep a record of how individual members voted, except for when a division is called for or Councillors specifically request that their name be recorded in a vote.	Current practice is partially compliant with expectation	We would welcome Members' views on the matter of the recording of individual members' votes. This does not align with our current approach to decision-making, which prioritises enabling discussion. A requirement to record every individual vote would have a significant impact, both in terms of having a chilling effect on collaborative decision-making and discussion, and on efficiency of meetings, with each vote taking more time to canvas, count and record.	We seek Members' guidance on whether we should consider taking a resolution to Council to adopt a policy of recording every vote.	To be discussed as part of February 2024 Council meeting	Will depend on Members' views about the recording of votes
	Formalise a process for reconsidering the release of public excluded content at a time when the basis for withholding it may no longer apply.	We do not have a set process around this.	Current practice is not consistent with expectation	We are not compliant with this expectation, and there is no reason that we should not be.	We propose to develop a process for this purpose.	New process formalised and in place by May 2024	Fully compliant
Workshops	Adopt a principle of openness by default for all workshops (and briefings, forums etc.), including a commitment to record a clear basis for closure where justified, on a case-by-case basis.	At the point of the Ombudsman's report being released we were compliant with the first half of this expectation, but not the second. We have subsequently improved our practice so that when a workshop is publicly excluded, a clear reason for the exclusion is made publicly available.	Current practice is consistent with expectation	No change required	No change required	N/A	Fully compliant
	Make sure the time, dates, venues, and subject matter, of all workshops are publicised in advance, along with rationale for closing them where applicable.	As per the expectation immediately above.	Current practice is consistent with expectation	No change required	No change required	N/A	Fully compliant
	Review practice and internal guidance for keeping records of workshop proceedings, ensuring they contribute to a clear audit trail of the workshop, including details of information presented, relevant debate, and consideration of options. Councils may wish to consider consulting with Archives NZ to determine good practice in this respect.	We keep records of workshops that are consistent with the records we keep of meetings. We publish these records (unless public excluded).	Current practice is consistent with expectation	No change required	No change required	N/A	Fully compliant
	Publish workshop records on the council's website as soon as practicable after the event.	We publish all workshop records (except where publicly excluded)	Current practice is consistent with	No change required	No change required	N/A	Fully compliant
	Formalise a process for considering release of information from closed workshops.	We do not have a set process around this.	Current practice is not consistent with expectation	We are not compliant with this expectation, and there is no reason that we should not be.	We propose to develop a process for this purpose.	New process formalised and in place by June 2024	Fully compliant

	Consider adding the message that members of the public are able to make a complaint to me about the administration of workshops on a relevant section of a council's website.	We do not currently have a message of this nature on our website	Current practice is not consistent with expectation	We are not compliant, and it would be an easy change to be compliant	We propose to add a message to the "meetings" page of our website outlining an individual's right to complain to the Ombudsman	Web page content updated by May 2024	Fully compliant
Accessibility	All councils should aim to live stream council meetings and/or audio visually record meetings and publish the recording on their website.	We currently either Livestream and/or record and make recordings publicly available for all Council and core committee meetings. In addition we have a KPI that is publicly reported to encourage accountability.	Current practice is consistent with expectation	No change required	No change required	N/A	Fully compliant
	Consider live streaming and/or audio visually recording workshops.	We record all workshops at the moment. However, we do not have consistent practice about when we would publicly release a recording . We do not have a specific documented policy regarding workshops (we do have a policy for council and core committee meetings).	Current practice is partially compliant with expectation	It would be beneficial for us to develop a specific policy on recording workshops. Livestreaming of workshops would impose an administrative burden, with live-streaming requiring an additional staff member to operate for the period of the meeting.	Develop a policy on recording of workshops.	Policy developed and in place by May 2024	Fully compliant
	Consider making meeting dates and times more visible to the public.	We currently advertise meetings in local newspapers, on the landing page of our website. All agendas and supporting papers are one click away from the website landing page.	Current practice is consistent with expectation	No change required	No change required	N/A	Fully compliant
	Ensure full agendas, including reports, supporting materials, and meeting minutes are in a searchable format for screen readers.	Our agendas and papers are available in both PDF and HTML format and are in a searchable format.	Current practice is consistent with expectation	No change required	No change required	N/A	Fully compliant
	Undertake an accessibility audit to identify any barriers to inclusion and on completion of the audit, put in place a schedule of work to remedy any access issues or barriers to full inclusion of a wide range of people.	Prior to the release of the Ombudsman report we had been investigating adding an "accessibility" measure to our governance KPIs, which would be based on an annual assessment of our compliance with NZ Govt accessibility standards. We plan to progress with this.	Current practice is consistent with expectation	No change required	No change required	N/A	Fully compliant
Organisation structure, staffing and capability	Ensure sufficient staff have training in governance functions so that institutional knowledge does not rest with only a small number of staff, and processes for fulfilling these functions are written down and easily accessible.	We have a total of eight staff working in the governance area (including six advisors). The team has well documented processes and policies.	Current practice is consistent with expectation	No change required	No change required	N/A	Fully compliant
	Explore ways of using existing networks in local government to bolster resilience in critical areas of meeting and workshop practice.	We are connected to local government networks, including the governance manager being a member of Taituara's Democracy and Participation Advisory Group.	Current practice is consistent with expectation	No change required	No change required	N/A	Fully compliant
	Review the general training and guidance provided to staff, and consider approaching my office for assistance in improving those resources or in assisting with direct training of relevant staff.	We believe our training and induction material is of a good quality, but this provides a timely opportunity to review it.	Current practice is partially compliant with expectation	We believe our training and induction material is of a good quality, but this provides a timely opportunity to review it.	Undertake a review of training and induction material relating to meetings and workshops.	Review conducted by May 2024.	Fully compliant



Report To:	Regional Council
Meeting Date:	15 February 2024
Report Writer:	Mat Taylor, General Manager, Corporate
Report Authoriser:	Mat Taylor, General Manager, Corporate
Purpose:	To consider the Terms of the two Quayside Holdings Councillor Directors, which are currently set to expire in 2024.

Quayside Holdings Limited - Councillor Directors

Executive Summary

The current Board of Quayside Holdings Limited consists of four Independent Directors, the Council's Chief Executive, and two Councillor Directors.

The two Councillor directors' terms come to an end in 2024.

To provide continuity and experience to the Board, at a time of significant review, change, and anticipated community interest in Quayside Holdings Limited it is recommended that Councillor White is appointed for a second three-year term, and Councillor Crosby for a third three-year term.

Recommendations

That the Regional Council:

- 1 Receives the report, Quayside Holdings Limited - Councillor Directors.**
- 2 Approves a second three-year Term for Councillor Te Taru White to the Board of Quayside Holdings Limited**
- 3 Approves a third three-year term for Councillor Stuart Crosby to the Board of Quayside Holdings Limited**

1.1 Alignment with Strategic Framework

A Healthy Environment

Freshwater for Life
Safe and Resilient Communities
A Vibrant Region
The Way We Work We deliver value to our ratepayers and our customers.

1.1.1 **Community Well-beings Assessment**

Dominant Well-Beings Affected			
<input type="checkbox"/> Environmental	<input type="checkbox"/> Cultural	<input type="checkbox"/> Social	<input checked="" type="checkbox"/> Economic

2. **Councillor Directors to the Board of Quayside Holdings Limited**

The Current Quayside Board

The current Board of Quayside Holdings Limited consists of:

- four Independent Directors, three of whom were appointed in late 2023,
- the Council’s Chief Executive, and
- two Councillor Directors.

Appendix 1. provides a summary of the names and terms for the current Board.

Councillor Terms

Council will note that the two Councillor directors’ terms (the first three year term of Councillor White, and the second term for Councillor Crosby), come to an end in 2024. Councillor White in March, and Crosby in October.

Normally, and in accordance with the Council Policy on the *Appointment of Directors for Council CCOs*, Directors can be appointed for up to three 3 year terms - nine years in total.

To provide continuity and experience to the Board, at a time of significant review, change, and anticipated community interest in Quayside Holdings Limited it is recommended that Councillor White is appointed for a second three year term, and Councillor Crosby for a third three year term.

Appointment terms will be subject to the Councillors being elected as councillors following local body elections in 2025.

3. **Considerations**

3.1 **Risks and Mitigations**

n/a

3.2 Climate Change

The matters addressed in this report are of a procedural nature and there is no need to consider climate change impacts.

3.3 Implications for Māori

There are no implications for Māori from this report.

3.4 Community Engagement

n/a

3.5 Financial Implications

There are no financial implications should Council approve further terms for Councillors White and Crosby.

If a process is required, anticipated costs will depend on the number of applicants to become a Director, and the process would be run by an Appointments Panel.

Costs in the region of \$10k to \$20k would be expected.

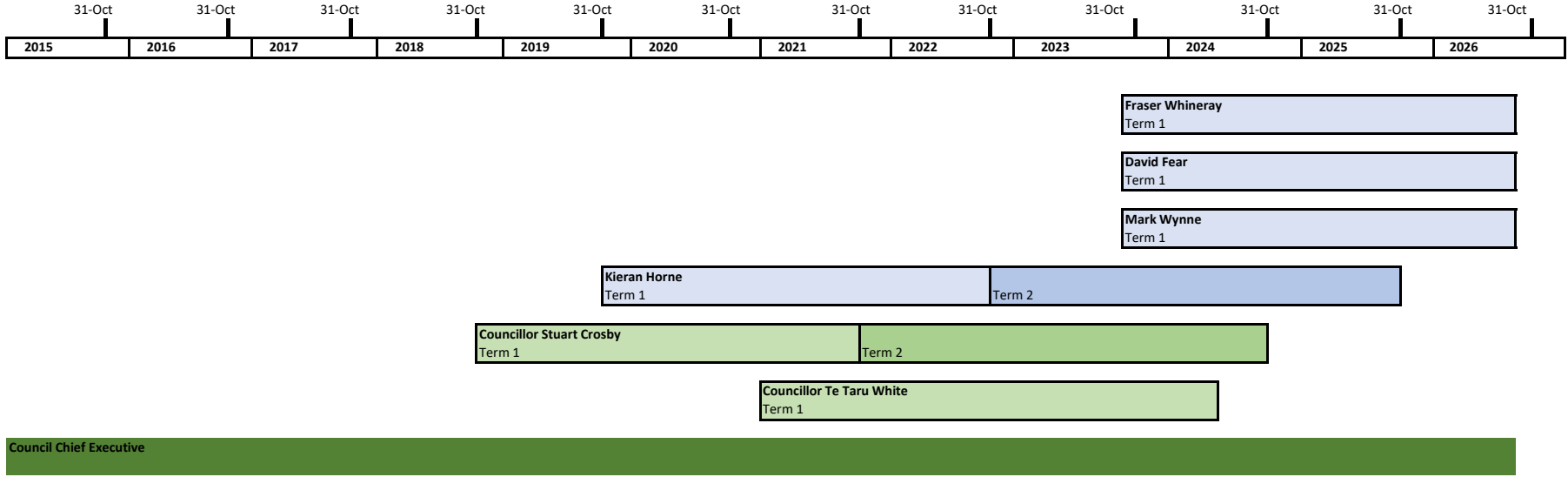
4. Next Steps

If Council decide to approve further terms for Councillors White and Crosby, there will not be a requirement for a process to interview, assess, and recommend to Council, suitable applicants from potential councillor candidates.

Attachments

Attachment 1 - Quayside Directors Appointment Schedule February 2024

Current Quayside Director Appointment Schedule (January 2024)





Report To:	Regional Council
Meeting Date:	15 February 2024
Report Writer:	Gillian Payne, Principal Advisor; Mark Le Comte, Principal Advisor, Finance and Kumaren Perumal, Chief Financial Officer
Report Authoriser:	Mat Taylor, General Manager, Corporate
Purpose:	The purpose of this report is to present the Annual Report for Regional Software Holdings Limited (RSHL) for the year ending 30 June 2023.

Regional Software Holdings Limited Annual Report for Year Ending 30 June 2023

Executive Summary

Regional Software Holdings Limited (RSHL) is owned by nine regional councils and unitary authorities, with a primary objective to provide a framework for collaboration and shared services on behalf of Te Uru Kahika, (the Regional Council sector).

RSHL supports the procurement and development of shared solutions to provide greater consistency across New Zealand and cost effectiveness that cannot be achieved by individual Councils.

Council has recently received the audited RSHL Annual Report for the year ended 30 June 2023 (Attachment 1).

RSHL report that they achieved all of their 14 performance targets for the year and had an operating surplus (after tax) of \$2.6 million which increased their total equity to \$6.8 million

Recommendations

That the Regional Council:

- 1 Receives the report, Regional Software Holdings Limited Annual Report for year ending 30 June 2023.**

1. Introduction

The purpose of this report is to present Council with the Regional Software Holdings Limited (RSHL) Annual Report for the year ended 30 June 2023 (Attachment 1).

RSHL is owned by nine regional councils and unitary authorities, with a primary objective to provide a framework for collaboration and shared services on behalf of the Regional Council sector.

RSHL supports the procurement and development of shared solutions to provide greater consistency across New Zealand and cost effectiveness that cannot be achieved by individual Councils.

1.1 Legislative Framework

Bay of Plenty Regional Council has an 11% percent shareholding in the Class A shares of RSHL, having become a shareholder in November 2022. RSHL is a Council Controlled Organisation (CCO) owned by Bay of Plenty Regional Council and eight other councils.

Section 67 of the Local Government Act 2002 requires Council Controlled Organisations to send its shareholders an annual report by 30 September each year. RSHL’s unaudited draft results were included in Council’s Annual Report for the year ended 30 June 2023.

The audited RSHL Annual Report for the year ended 30 June 2023 was delayed due to audit availability.

1.2 Alignment with Strategic Framework

A Healthy Environment
Freshwater for Life
Safe and Resilient Communities
A Vibrant Region
The Way We Work We look to partnerships for best outcomes.

Pursuing savings through shared services is an important strategy for Council to deliver better value for money to the Bay of Plenty community.

1.2.1 Community Well-beings Assessment

Dominant Well-Beings Affected			
<input type="checkbox"/> Environmental	<input type="checkbox"/> Cultural	<input type="checkbox"/> Social	<input type="checkbox"/> Economic
Low - Positive			

Shared services provide for efficient delivery of services.

2. **RSHL Annual Report for the year ended 30 June 2023**

2.1 **Financial results**

RSHL achieved a surplus before tax of \$3.3 million against a budgeted loss of \$0.7 million. The QSHL Board advises that the favourable position is largely due to timing differences in planned expenditure for work programmes.

2.2 **Non-financial performance**

RSHL achieved all of its 14 performance targets for the year.

The RSHL board advises that the Partnership Agreement for IRIS NextGen has been signed by nine councils and that a pilot implementation is intended to start in July 2024.

3. **Considerations**

3.1 **Risks and Mitigations**

There are no material risks related to the RSHL Annual Report.

3.2 **Climate Change**

The matters addressed in this report are of a procedural nature and there is no need to consider climate change impacts.

3.3 **Implications for Māori**

There are no implications for Māori from this report.

3.4 **Community Engagement**



INFORM
Whakamōhio

To provide affected communities with balanced and objective information to assist them in understanding the problems, alternatives and/or solutions.

The RSHL Annual Report for the year ended 30 June 2023 will be published on the Council website for public information as required by the Local Government Act.

3.5 **Financial Implications**

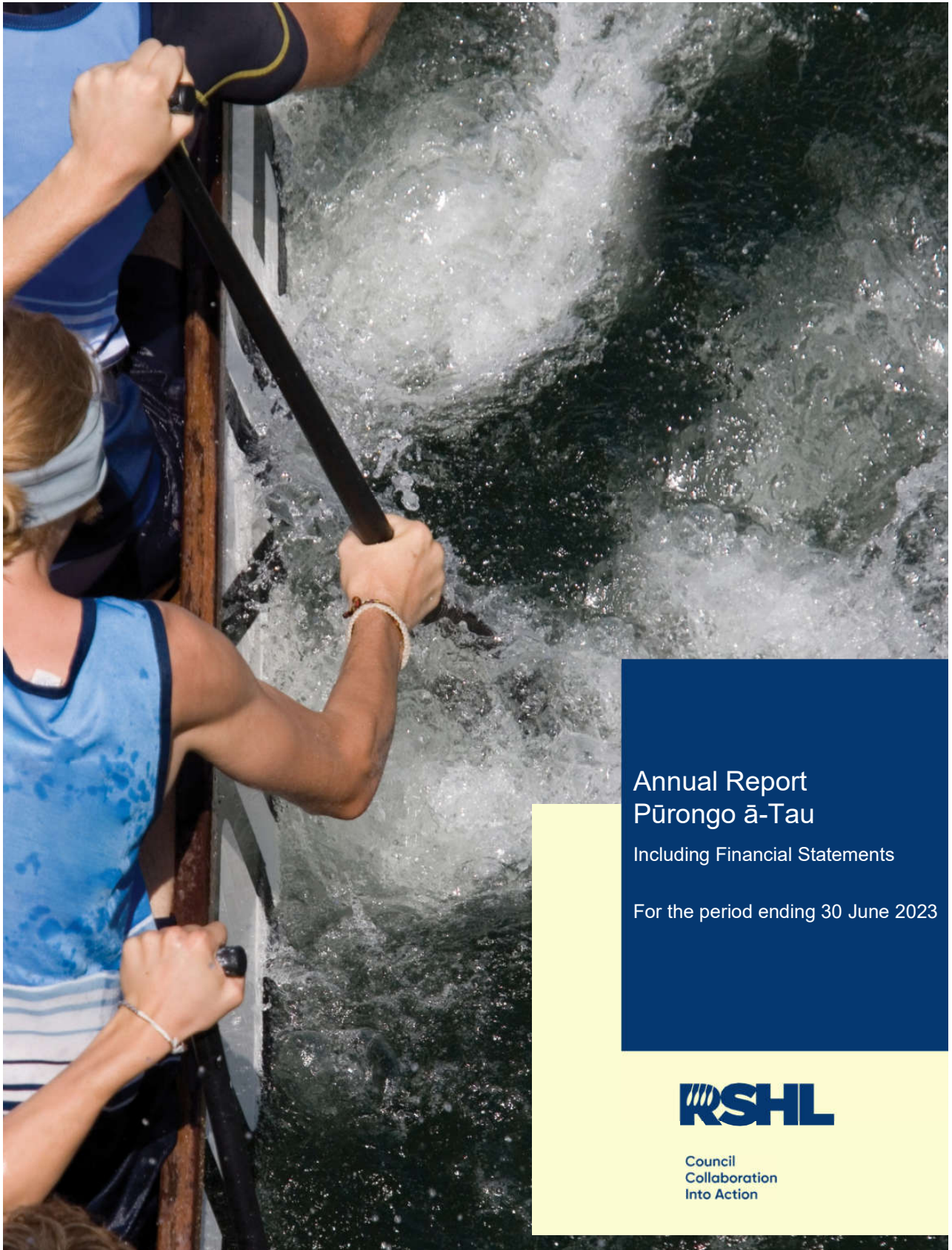
There are no material unbudgeted financial implications and this fits within the allocated budget.

4. **Next Steps**

The RSHL Annual Report for the year ended 30 June 2023 will be published on Council's website.

Attachments

Attachment 1 - Regional Software Holdings Limited Annual Report for the year ending 30 June 2023 [↓](#)



Annual Report
Pūrongo ā-Tau

Including Financial Statements

For the period ending 30 June 2023



Council
Collaboration
Into Action



Contents

2	Directors Report Te Pūrongo a ngā Kaiwhakahaere Matua
4	Statement of Responsibility Tauākī o te Kawenga
5	Statement of Service Performance Hei Ine i te Mahi
20	Financial Statements Ngā Tauākī Pūtea
23	Statement of Comprehensive Revenue and Expense Te Tauākī Matawhānui mō te Moniwhiwhi me ngā Whakapaunga
24	Statement of Financial Position Te Tauākī mō te Āhua o te Pūtea
25	Statement of Changes in Equity/Net Assets Te Tauākī mō ngā Panonitanga o te Whai Tūtanga/ngā Huarawa More
26	Statement of Cash Flows Te Tauākī mō ngā Kapewhiti
27	Notes to the Financial Statements Tuhinga Āpiti ki Te Ngā Tauākī Pūtea



Directors Report | Te Pūrongo a ngā Kaiwhakahaere Matua

Regional Software Holdings Limited For the year ended 30 June 2023

Tēnā koutou katoa

On behalf of Regional Software Holdings Ltd (RSHL), and the nine regional sector shareholders, it is our pleasure to present the 2022/2023 Annual Report.

RSHL is the Shared Services organisation of Te Uru Kahika. All 16 Regional and Unitary Councils in New Zealand are customers of RSHL.

RSHL delivers a wide range of Digital, Operational and Financial programmes, on behalf of Te Uru Kahika and participating councils.

Over the 2023 financial year RSHL has taken a leap forward towards our vision of *providing high-quality shared services for Te Uru Kahika (and associated agencies) that delivers value to customers, shareholders and the sector.*

In November 2022, RSHL completed the process started in 2021 when the RCEOs Group approved the business case for the creation of a Regional Sector Shared Services organization based on RSHL.

The restructure of RSHL into the Te Uru Kahika Shared Services organisation is complete. RSHL has a new constitution and shareholders agreement. The new share structure makes it simple, low risk and low cost for additional councils to join.

Along with the original 6 founding shareholders, we welcome Bay of Plenty Regional Council, Gisborne District Council and Hawkes Bay Regional Council as shareholders. We anticipate more councils becoming shareholders in the next year.

As part of the new constitution, RSHL directors are elected and retire by rotation. The process to elect an inaugural board of eight for the new entity concluded at a special general meeting on 23 February 2023.

As part of the transformation of the company, our staff establishment has grown from 2 to 8 staff, including the Regional Sector Office staff and the EMAR/LAWA Project Manager.

Financially the company is in a healthy position, with an end of year surplus before tax of \$3,311k against a budgeted loss of \$651k. The favourable position is largely due to timing differences in planned expenditure for work programmes.

The Integrated Regional Information System (IRIS) programme is RSHL's longest running. The six member councils developed a software solution (IRIS) for regional council specific functions. Hawkes Bay Regional Council also uses IRIS. The programme has been in place for nearly 10 years and has been a remarkable success.

As the IRIS system reaches the end of its useful life, RSHL has made the strategic decision to prioritise planning for the next generation of IRIS (IRIS Next Generation).

Overall, we expect that the IRIS Activity will continue to operate slightly favourable to budget and with reduced member contributions as the product is managing into retirement.

Expenditure on the IRIS solution is no longer being treated as a capital investment. As a result, the book value of the asset is depreciating rapidly. This is appropriate as the product nears the end of its life and the company looks to reinvest in IRIS NextGen. Cash balances remain healthy as the losses are resulting from depreciation rather than trading activities.

In September, the IRIS NextGen Partnership agreement was signed by RSHL and 9 councils. IRIS NextGen will provide the replacement for the IRIS product but has a bigger goal of delivering game-changing productivity improvements to the sector, achieved through alignment around consistent good practice processes, supported by fit for purpose software. The development of good-practice processes and build of the underpinning software product are progressing to plan and preparations are underway for the pilot implementation at Otago Regional Council starting July 2024.

The scope of IRIS Next Generation includes development of good practice processes for the regional sector, as well as selection of a vendor and partner to deliver the software solution. This approach builds on a key lesson learnt from the IRIS programme,



that having councils agree on consistent good practice processes significantly reduces the cost of developing and operating software.

IRIS Next Generation will be cloud based and be more efficient for staff and customers. Basing the solution on sector agreed best practice processes will enable sharing of resources, training, along with continuous improvement.

Datacom have been selected as our partner for the implementation of IRIS NextGen, with an offering based on their ERP platform “Datascape” and professional services to support the development of good practice process.

The IRIS NextGen Activity is markedly different to budget because the costs and expenditure for that programme was not confirmed until September 2022. Revenue and expenditure are in line with the budget agreed with the 9 participating councils.

RSHL also operates the Sector Financial Management System (SFMS) on behalf of Te Uru Kahika. Under this agreement, RSHL supports a range of sector work programmes and projects. RSHL manages funding collected from the sector to support shared sector activities, as well as providing project management support.

The Sector Financial Management System allows RSHL to further achieve its vision “To provide a high-quality shared service for the regional council sector (and associated agencies) that delivers value to customers, shareholders and the sector.”

RSHL continues to extend the services and value it provides to Te Uru Kahika.

The Sector Financial Management System is also favourable to budget with a surplus of \$3,450k versus budget of \$nil. This difference is purely driven by the timing of SFMS expenditure. It should be noted that any uncommitted surplus remaining at the end of the financial year will be refunded to councils or allocated to FY24 programmes at the discretion of the RCEOs Group.

Notably 59% of the revenue collected for the SFMS in FY23 came from central government. This funding was provided in support of work in the Essential Freshwater Programme, EMAR, LiDAR, iwi capability building and spatial projects. This investment from central government is an endorsement of the work of Te Uru Kahika, as well as the operating model that RSHL provides.

Te Uru Kahika is a local government success story that will continue to evolve and grow. RSHL and the shareholding councils can be proud of the role that we are playing in enabling this success.

In this period Malcolm Nicolson, Jane Carroll, John Crane, Heather Mabin and Amy Kubrycht resigned as board members. We thank them for their service to the organisation. We particularly note John Crane's contribution to RSHL, first as the General Manager and more recently as a director for a period of four years.

We also acknowledge former director Malcolm Nicolson who was made a Member of the New Zealand Order of Merit in the Kings Birthday honours for his services to local government and the community.

Signed on behalf of the Board of Directors:

G Shirley - Director

Date: 31 January 2024

A Aakjaer - Director

Date: 31 January 2024



Statement of Responsibility | Tauākī o te Kawenga

Regional Software Holdings Limited

For the year ended 30 June 2023

In terms of the Local Government Act 2002, the Board of Directors is responsible for the preparation of RSHL financial statements and to assist the company to meet its objectives and any other requirements in its Statement of Intent (SOI).

The Board of Directors of RSHL has the responsibility for establishing, and has established, a system of internal control designed to provide reasonable assurance as to the integrity and reliability of financial reporting.

In the Board of Director's opinion, these financial statements fairly reflect the financial position and operations of RSHL for the twelve months ended 30 June 2023 and confirm that all the statutory requirements in relation to the Performance Report were complied with, as outlined in the Local Government Act 2002 and the Companies Act 1993.

Signed on behalf of the Board of Directors:

G Shirley - Director

Date: 31 January 2024

A Aakjaer - Director

Date: 31 January 2024



Statement of Service Performance | Hei Ine i te Mahi

Regional Software Holdings Limited For the year ended 30 June 2023

Who are we and why do we exist?

Vision

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

Mission

Deliver shared solutions to Te Uru Kahika along with collaborative outcomes through sector special interest groups to achieve:

- Consistent, good-practice regional sector specific processes and functions
- Value through economies of scale
- Greater influence for Te Uru Kahika with central government through cohesion and collaboration
- Reduced risk through ensuring continuity of supply and control of the destiny of regional sector specific software.

Values

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

- We are forward thinking and innovative
- We are responsive and deliver value
- We are professional and accountable
- We are flexible and open.

Guiding Principles

- The best decision is that which provides the best end result, primarily for regional sector councils and indirectly the communities they serve.
- Our solutions will be practical, appropriate to the scale of the problem and affordable.
- Where appropriate we will utilise codes of practice and standards produced by industry groups.
- All parties to any decision or interaction will be treated with respect, dignity, integrity, and honesty.

What did we do?

Activities

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

The company operates by facilitating collaborative initiatives between councils and through managed contractual arrangements. Some councils are both customers of RSHL and providers of service to RSHL.

In the 2023 Financial year RSHL activities were grouped as follows:

IRIS	<p>The IRIS Programme delivers the IRIS software platform to shareholder and customer councils. The IRIS software has been in use for 8 years and is currently in use at 7 councils.</p> <p>The 7 councils actively collaborate on the use of IRIS and the future development roadmap.</p>
------	--

A. e. A. >
P. D. >



	<p>RSHL and the member councils have determined that the IRIS software platform will need to be replaced within the next 2-4 years.</p>
<p>IRIS Next Generation</p>	<p>RSHL and the member councils have determined that the IRIS software platform will need to be replaced within the next 2-4 years.</p> <p>IRIS Next Generation (IRIS NextGen) will be a cloud-based Software as a Service solution (SaaS) with better online and mobile features. IRIS NextGen will be more efficient for staff and customers.</p> <p>Along with the SaaS, we will implement consistent “good practice” processes for the sector.</p> <p>Over the next two years, RSHL will confirm:</p> <ul style="list-style-type: none"> • The IRIS NextGen solution • A transition plan for existing users • A growth plan to attract new councils to the programme.
<p>Environmental Monitoring and Reporting (EMAR)</p>	<p>The objective of EMAR is to improve the collection, accessibility and presentation of environmental data in New Zealand. The EMAR Programme has three projects.</p> <ul style="list-style-type: none"> • 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. <p>EMAR is an all-of-sector programme, and includes partner agencies from central government (MfE, Stats NZ and DoC) and the Cawthron Institute (and others).</p> <p>The EMAR programme is managed by RSHL and governed by the EMAR Steering Group. Each project has its own Steering Group who oversee operational activities.</p> <p>The EMAR/LAWA Programme Manager is employed by RSHL and is part of the Regional Sector Programme office. EMAR/LAWA project administration (financial and contractual) is managed by RSHL on behalf of project partners.</p> <p>The NEMS project is managed by Horizons on behalf of the project partners.</p>
<p>Regional Sector Office</p>	<p>The Regional Sector Office supports the activities of Te Uru Kahika and the Regional Sector Special Interest Groups (SIG) network.</p> <p>The Regional Sector Office supports the activities of Te Uru Kahika including the Te Uru Kahika Network (formerly the SIG Network).</p>

A. e. A. G.
P. B. J.



	<ul style="list-style-type: none"> • The Sector Office is made up of four roles: • Executive Policy Advisers – Regional CEOs Group • Chief Science Advisor • Resource Management Reform Director • Regional Sector SIG Network Administrator <p>Sector Office staff are employed by RSHL.</p>
Sector Financial Management System	<p>In 2020 the Regional Council Collaboration (ReCoCo) Programme was superseded by the Sector Financial Management System (SFMS). As part of the SFMS RSHL is responsible for the management of the funding for regional sector collaborative programmes.</p> <ul style="list-style-type: none"> • Sector Business Plan • River Managers Programme • ReCoCo Technology Projects • Bio Managers Programme • Bio Control Programme. <p>The sector has a budget of over \$2M for these initiatives. RSHL collects this funding from councils and engages suppliers to deliver services to achieve the outcomes from each of the programmes.</p> <p>ReCoCo is one of the programmes within the SFMS. Under the ReCoCo banner RSHL delivers collaborative technology projects for groups of regional councils under the ReCoCo Programme. The ReCoCo programme is led by the Corporate and Finance Special Interest Group.</p>

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

Funds for the operation of the Sector Office, The Sector Financial Management System, EMAR/LAWA, IRIS and IRIS NextGen are received by way of levies from the councils participating in each programme. Each programme pays a share of the overhead costs of the company proportional to the size of the programme.

These levies are set annually in the Statement of Intent.

For some projects additional funding is collected from central government entities.

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

Activity	Description
Sector Financial Management System	<p>Payment of annual contributions will be sought from all Te Uru Kahika councils for the operation of the Programmes in the Sector Financial Management System.</p> <p>For some programmes, additional contributions may be sought from other local government organisations and government ministries.</p> <p>Contributions will be according to the agreed models. This activity includes:</p> <ul style="list-style-type: none"> • Sector Business Plan • River Managers Business Plan • River Managers Climate Resilience



- ReCoCo Technology Projects
- EMaR
- Bio Managers
- Bio Control
- Science Programme
- Sector Office Special Projects
- Regional Sector Office

The funding contributions for the Sector Office, EMAR and the most of the SFMS programmes is based on the size of the Council. The total amounts to be collected vary year to year based on the work programmes.

Tier 1 – 9.4% each	Tier 2 – 6.2% each	Tier 3 – 3.2% each
Auckland Council	Horizons RC	Tasman DC
Environment Canterbury	Otago RC	Nelson City Council
Greater Wellington RC	Hawkes Bay RC	Gisborne DC
Waikato RC	Northland RC	Marlborough DC
Bay of Plenty RC	Taranaki RC	West Coast RC
	Environment Southland	
Total 47%	Total 37%	Total 16%

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 FY23 RSHL collected \$8.9M in support of Te Uru Kahika, of which \$5.3M came from central government.

IRIS

Payment of an Annual Fee for IRIS will be sought from all councils that use the Software for annual support and development fees, as set out in the License Agreement.

Proportion of Contributions to the IRIS Programme

Contributions for IRIS will be collected in the following proportions.

Shareholder	Percentage
Waikato Regional Council	32.39%
Northland Regional Council	11.93%
Horizons Regional Council	16.00%
Taranaki Regional Council	11.93%
Southland Regional Council	11.93%
West Coast Regional Council	3.87%
Hawkes Bay Regional Council	11.93%

A. e. A. g.
G. B. J.



	Total	100%															
	In FY23 RSHL collected \$1.4M of funding from participating councils.																
IRIS Next Generation	<p>The IRIS NextGen Partnership agreement sets out the funding to be collected from each participating council and the activities that the funds will be used for. The 9 Participating Councils share the programme costs of the IRIS NextGen programme according to the following contribution model:</p> <table border="1"> <thead> <tr> <th>Large Councils</th> <th>Medium Councils</th> <th>Small Councils</th> </tr> </thead> <tbody> <tr> <td>17.93% per council (Total 35.87%)</td> <td>10.87% per council (Total 43.48%)</td> <td>4.35% per council (Total 4.35%)</td> </tr> <tr> <td>Waikato Regional Council Bay of Plenty Regional Council</td> <td>Horizons Regional Council Otago Regional Council Northland Regional Council Hawke’s Bay Regional Council</td> <td>Nelson City Council</td> </tr> <tr> <td></td> <td>8.15% per council (Total 16.30%)</td> <td></td> </tr> <tr> <td></td> <td>Taranaki Regional Council Environment Southland</td> <td></td> </tr> </tbody> </table> <p>Over the 10-year term of the Partnership Agreement, the programme costs are expected to total ~\$26 million.</p> <p>Programme costs are budgeted and approved by the IRIS NextGen Steering Group annually.</p> <p>In FY23 RSHL collected \$3.7M from participating councils for IRIS NextGen.</p>		Large Councils	Medium Councils	Small Councils	17.93% per council (Total 35.87%)	10.87% per council (Total 43.48%)	4.35% per council (Total 4.35%)	Waikato Regional Council Bay of Plenty Regional Council	Horizons Regional Council Otago Regional Council Northland Regional Council Hawke’s Bay Regional Council	Nelson City Council		8.15% per council (Total 16.30%)			Taranaki Regional Council Environment Southland	
Large Councils	Medium Councils	Small Councils															
17.93% per council (Total 35.87%)	10.87% per council (Total 43.48%)	4.35% per council (Total 4.35%)															
Waikato Regional Council Bay of Plenty Regional Council	Horizons Regional Council Otago Regional Council Northland Regional Council Hawke’s Bay Regional Council	Nelson City Council															
	8.15% per council (Total 16.30%)																
	Taranaki Regional Council Environment Southland																
RSHL Overhead Costs	<p>Overhead costs are costs that cannot be allocated to a specific work programme.</p> <p>All work programmes contribute to overhead costs of RSHL, with the proportion of the contribution based on actual revenue in that financial year.</p> <p>In the 2023 Financial year the proportion of overheads to each programme is as follows:</p> <table border="1"> <thead> <tr> <th></th> <th>2023</th> </tr> </thead> <tbody> <tr> <td>IRIS</td> <td>11%</td> </tr> <tr> <td>IRIS NextGen</td> <td>34%</td> </tr> <tr> <td>SFMS</td> <td>55%</td> </tr> </tbody> </table>			2023	IRIS	11%	IRIS NextGen	34%	SFMS	55%							
	2023																
IRIS	11%																
IRIS NextGen	34%																
SFMS	55%																

A. e. A. J.
G. J. J.



How did we perform?

<p>IRIS</p>	<p>As the focus shifts to the future and IRIS NextGen, we reduced the frequency of IRIS releases. The 4.06 release was provided to councils in November 2022. This was the last functional release to include minor enhancements.</p> <p>Future releases will focus on data cleansing and data migration tools. Functional enhancements will only be developed if there is an approved business case or to support legislative changes.</p> <p>In this period, we completed the IRIS Data Migration Project Definition Phase to provide guidance to councils on how to approach data migration, scope the data to be migrated from IRIS to Datascape and determine what tools will be used export, cleanse and transform data.</p> <p>The councils agreed that Microsoft SQL Master Data Services will be used to validate and transform data to prepare it for loading into Datascape. Work has been completed to develop the tools to identify data issues and cleanse, export and transform the data.</p> <p>Councils now require baseline templates to collect and structure data within the newly created IRIS Master Data Platform. During this year, work has commenced to:</p> <ul style="list-style-type: none"> • Structure data so councils can access agreed subsets of data for each of the IRIS modules, • Support identification of data issues such as redundant data, • Support development business rules to cater for customisations and council specific quality requirements, and • Support the fixing of reported data errors.
<p>IRIS Next Generation</p>	<p>In this period, 9 councils signed a Partnership Agreement to participate in the IRIS NextGen Programme, signalling a 10-year commitment to develop good-practice processes for the Regional Sector and implement the IRIS NextGen solution.</p> <p>The Datascape design and build phase commenced in October 2022. This is a fixed price development and will take 21 months. The initial focus was on enhancements to the Datascape platform to allow delivery of the functional requirements specific to the regional sector.</p> <p>The good practice workstream began in March 2023 with a workshop during the official launch. The workshop was designed to align key stakeholders with the good practice approach. This was followed by individual council assessments (using a mix of surveys and in-person workshops) in May.</p> <p>In the financial statements the IRIS Next Generation Activity revenue and expenditure is markedly different to budget because the costs and expenditure for that programme were not confirmed until September 2022. Revenue and expenditure are in line with the budget agreed with the 9 participating councils.</p>
<p>Sector Shared Services</p>	<p>On 3 August 2021, the RCEOs forum approved the business case for the creation of a Regional Sector Shared Services organization based on RSHL.</p> <p>The restructure of RSHL into the Te Uru Kahika Shared Services organisation is complete. RSHL now has 9 shareholders, with 2 additional councils completing their internal processes to join.</p> <p>Along with the original 6 founding shareholders, we welcome Bay of Plenty Regional Council, Gisborne District Council and Hawkes Bay Regional Council as shareholders.</p> <p>As part of the new constitution RSHL directors are elected and retire by rotation. The process to elect an inaugural board for the new entity concluded at a special general meeting on 23 February 2023.</p>

A.e.A.S.
P.S.



	<p>As at 30 June 2023 RSHL employs or engages 7 permanent, 1 seconded and 7 contracted resources that support sector work programmes.</p> <p>RSHL has enabled the continued growth of Te Uru Kahika, providing a vehicle for sustainable growth by employing sector staff, managing the sectors finances and providing a structure for sector implementation programmes.</p>
<p>Regional Sector Office</p>	<p>The Regional Sector Office supports the activities of Te Uru Kahika including the Te Uru Kahika Network (formerly the SIG Network).</p> <p>The Sector Office is made up of four roles:</p> <ul style="list-style-type: none"> • Executive Policy Advisers – Regional CEOs Group • Chief Science Advisor • Resource Management Reform Director • Regional Sector SIG Network Administrator <p>In September 2022, we welcomed these roles as employees of RSHL.</p> <p>Over the first part of the year the Executive Policy Advisers focussed on coordinating sector submissions to a raft of central government proposals including:</p> <ul style="list-style-type: none"> • RM Reform Legislation • The Future for Local Government Review • Freshwater Farm Plan Regulations • Water Services Legislation • LGOIMA Act Amendments. <p>The policy advisors also coordinated the preparation of induction material for incoming Elected Members.</p> <p>The Regional Sector SIG Network Administrator has been extremely active in the first part of this year. Along with normal duties the role has taken responsibility for coordinating the RCEOs meetings along with the induction sessions for incoming mayors and chairs.</p> <p>The Resource Management Reform Director role was filled in June 2023. The purpose of this role is to work across the sector to coordinate, communicate and advise councils and develop shared projects, where possible, to ensure resource management reform is delivered efficiently and effectively.</p> <p>The Chief Science Advisor role has been in place for 12 months. The role is a part-time secondment from NIWA to RSHL, on behalf of Te Uru Kahika. While there are more opportunities ahead, progress in the first year has been positive and several important results have been delivered or are in train, including:</p> <ul style="list-style-type: none"> • Implementation of several initiatives that enhance the coordinated vision for regional sector science, build relationships with key internal and external parties, and champion the regional sector’s science capability and capacity; • Establishment of channels for sector science input into Resource Management reform; • Embedding of science input into the regional sector’s newly established Climate Group; • Promoting the role and interests of the regional sector in current reform of the New Zealand science system.
<p>Environmental Monitoring and Reporting (EMAR)</p>	<p>In August 2022, we welcomed the National EMAR/LAWA Project Manager as an employee of RSHL.</p> <p>EMAR Programme</p> <p>The EMAR Steering Group have started discussions on the long-term strategy for EMAR.</p>



	<p>LAWA project</p> <p>Outcome: Trusted, accessible, high quality, up-to-date environmental data and information from Te Uru Kahika on LAWA.</p> <p>LAWA is now 10-years old, and is a well-known platform for authoritative environmental data and information. Since launch in 2014, we have had over 1.3 million users and 6.4 million page views. Visits to the LAWA website continue to grow, which means LAWA is continuing to further the reach and value of the information from the Te Uru Kahika and securing our place as a strategic asset for authoritative environmental information for New Zealand.</p> <p>LAWA contains data and information for eight topics covering surface and groundwater quality, water quantity, air quality, estuary health and land cover.</p> <p>Much of the data in the topics are updated in ‘real-time’ or annually, enabling us to provide annual summary snapshots on the State of our Environment, and to support National Environmental Reporting by Stats NZ and MfE.</p> <p>In addition to ensuring the environmental monitoring data and information is kept up-to-date so New Zealanders have the latest information to track the State of our Environment, LAWA is expanding in a new direction to start to capture on the ground actions from catchment groups, with a view to linking these to improved water health outcomes over time. A new topic ‘Actions for Healthy Water’ was initiated in the past year.</p>
<p>Sector Financial Management System</p>	<p>In 2020, the Regional Council Collaboration (ReCoCo) Programme was superseded by the Sector Financial Management System (SFMS). As part of the SFMS RSHL is responsible for the management of the funding for Te Uru Kahika collaborative programmes.</p> <p>The sector recognises the benefits of collaboration between councils and acting as one. The number and size of collaborative projects is growing each year.</p> <p>It is important that sector has efficient processes for collection of funding and the payment of suppliers. It is also increasingly important that the sector can demonstrate the outcomes achieved from collaboration.</p> <p>The Te Uru Kahika network was extremely active in FY23. As a result of this the SFMS experienced a high level of activity.</p> <p>RSHL held 30 service contracts on behalf of Te Uru Kahika over this financial year.</p> <p>\$8.9M dollars of funding was collected for sector work programmes including \$5.3M from central government. The support from central government highlights the value of the SFMS as a focus point for funding.</p>

[Handwritten signatures]



Key Judgements

<p>IRIS</p>	<p>When assessing the performance of the IRIS Programme we consider whether RSHL has appropriately managed the programme. This includes budget, vendor management, product roadmap and communications with councils.</p> <p>We place an emphasis on predictability, delivery and consistency.</p> <p>Performance against budget, delivery of releases, customer and user feedback are used.</p>
<p>IRIS Next Generation</p>	<p>When assessing the performance of the IRIS NextGen Programme we consider whether RSHL has appropriately managed the programme. This includes budget, vendor management, product roadmap and communications with councils.</p> <p>We place an emphasis on predictability, delivery and consistency.</p> <p>Performance against budget, delivery against milestones, and customer feedback are used.</p>
<p>Sector Shared Services</p>	<p>When assessing the performance of the Sector Shared Services Activity we consider whether RSHL has achieved the objectives of that programme, primarily the creation of a regional sector shared services organisation.</p> <p>Performance against activity outcomes is used to form an assessment.</p> <p>The emphasis is on achieving the necessary change to the structure of RSHL.</p>
<p>Regional Sector Office</p>	<p>When assessing the performance of the Regional Sector Office we consider the extent to which the Sector Office has effectively supported the smooth operation of Te Uru Kahika and enabled the sector to respond to issues and opportunities as they arise.</p> <p>Feedback from stakeholders and achievement of targeted outcomes is used to form an assessment.</p> <p>We place an emphasis on enabling the work of council staff undertaking work within the Te Uru Kahika framework.</p>
<p>EMAR</p>	<p>When assessing the performance of the EMAR we consider whether RSHL has appropriately managed the programme. This includes budget, vendor management, product roadmap and communications with councils.</p> <p>An emphasis is placed on predictability, delivery and consistency.</p> <p>Performance against budget, delivery of releases, customer and user feedback are used to form an assessment.</p>
<p>Sector Financial Management System</p>	<p>When assessing the performance of the Sector Financial Management System we assess whether the SFMS is meeting its objectives:</p> <ul style="list-style-type: none"> • Removal and minimising duplication of effort across councils • Greater innovation through a collaborative partnership model • More efficient management of existing sector shared services • Better communication and stakeholder engagement • Better control/consistency of information being provided • Demonstrate new “ways of working” to drive better outputs • Demonstrate to central government that councils are collaborating on areas of national importance for which they have responsibility for and for which a national picture is required • More efficient management of sector shared funding:



	<ul style="list-style-type: none">• Efficient collection of funds from councils• Timely payment of providers, following a clear and appropriate approval pathway.• Clear and transparent reporting on funds applied to programmes, linking to outcomes achieved <p>Feedback from stakeholders and achievement of targeted outcomes is used to form an assessment.</p>
--	---

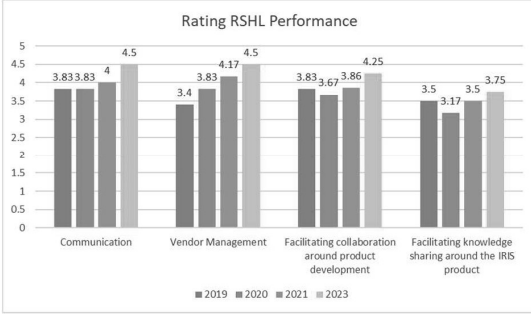
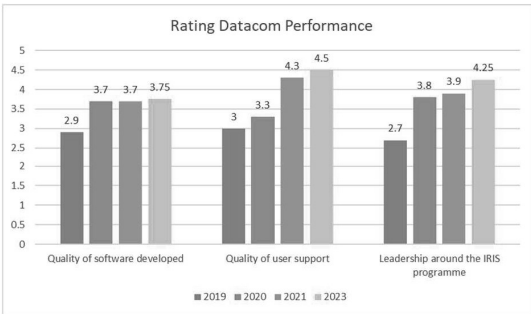
A. e. A. G. >
P. D. >

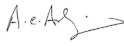



Performance Measures | Hei Ine i te Mahi

Regional Software Holdings Limited
For the year ended 30 June 2023

The following performance measures were incorporated into the Statement of Intent for the 2022-23 financial year.

July 1 2022- June 30 2023		
Non-Financial	With participating councils, define and agree milestones for the IRIS NextGen Programme.	<p>Achieved - The Partnership Agreement for IRIS NextGen was executed in September. This sets the overarching structure of the programme.</p> <p>The milestones for the programme were endorsed by the Steering Group in November 2022 and are documented in the Programme Plan.</p>
	<p>Undertake an annual survey of IRIS users and shareholder/customer Councils in relation to product performance, Datacom support and RSHL support.</p> <p>Provide a summary of the survey results in the annual report, including performance against the baseline.</p> <p>Survey results to be the same or better than the previous year.</p>	<p>Achieved – This survey was completed in June 2023 to ensure that all councils were on the latest version of the IRIS Software.</p> <p>4 councils completed the customer survey. Results were markedly better across all categories for RSHL and Datacom service performance.</p> <div style="display: flex; flex-direction: column; align-items: center;">   </div> <p>In these results the scale is 1-Very Poor, 2- Poor, 3- Neutral, 4-Good, 5-Outstanding.</p> <p>83 Continuous or Frequent users of IRIS responded to the user surveys. Compared to previous years, results</p>



Statement of Service Performance | Hei Ine i te Mahi
Performance Measures continued

Item 10.4, Attachment 1

		July 1 2022- June 30 2023									
		were mixed (within the margin of error) but still generally favourable. For “IRIS provides me the information I need” and “IRIS supports me to do my job”. Results for “Speed of the IRIS application” were well down, but this issue was limited to one council, with users at other councils reporting speed improvements.									
	Prepare and adopt the annual IRIS development roadmap by 30 June for delivery in the subsequent year.	Achieved - The roadmap is constantly reviewed by the IRIS Advisory Group. It was last presented to the board in June 2023.									
	Major IRIS Enhancement projects are completed within approved budget or (for items in progress) on track against their agreed timeline and budget at 30 June of each year.	<p>Achieved The MAJ058 IRIS data migration project definition phase was completed under budget - the budget for the project was \$69K, with the total invoiced \$65K.</p> <p>On track As at 30 June 2023 the following projects are on track:</p> <ul style="list-style-type: none"> MAJ059 IRIS Data Migration Base Platform MAJ060 IRIS Data Migration Base Templates MAJ061 IRIS Data Migration – Loading Data <p>The outputs of this work will be a platform for migration of data from IRIS to Datascape (IRIS NextGen) and tools to identify data issues and cleanse, export and transform the data.</p>									
	Budgets for IRIS support and minor enhancements are approved by the Board by 30 June each year and delivery within these budgets is effectively managed by the Advisory Group and the General Manager.	<p>Achieved- Budgets were approved via the Statement of Intent Process in June 2023.</p> <p>Both support and development were under budget at year end.</p> <table border="1"> <thead> <tr> <th>Category</th> <th>Expenditure \$000s</th> <th>Budget \$000s</th> </tr> </thead> <tbody> <tr> <td>Develop</td> <td>\$100</td> <td>\$140</td> </tr> <tr> <td>Support</td> <td>\$211</td> <td>\$222</td> </tr> </tbody> </table>	Category	Expenditure \$000s	Budget \$000s	Develop	\$100	\$140	Support	\$211	\$222
Category	Expenditure \$000s	Budget \$000s									
Develop	\$100	\$140									
Support	\$211	\$222									
	Be an effective service delivery vehicle for regional council sector shared programmes under the Sector Financial Management System.	<p>Achieved– RSHL has effectively managed the SFMS.</p> <p>Revenue is well ahead of plan, due to significant funding provided by central government. Expenditure is consistent with the amounts documented in the SFMS Briefing Paper.</p> <p>RSHL held 30 service contracts on behalf of Te Uru Kahika over this financial year.</p> <p>\$8.9M dollars of funding was collected for sector work programmes including \$5.3M from central government. The support from central government highlights the value of the SFMS as a focus point for funding.</p>									

A. e. A. g.

G. P. d.



Statement of Service Performance | Hei Ine i te Mahi
Performance Measures continued

Item 10.4, Attachment 1

		July 1 2022- June 30 2023
	Effectively support the activities of the Regional Sector through the Regional Sector Office	<p>Achieved - Over the first part of the year the Executive Policy Advisors focussed on coordinating sector submissions to a raft of central government proposals including:</p> <ul style="list-style-type: none"> • Resource management reform legislation • The Future for Local Government Review • Freshwater farm plan regulations • Water services legislation • LGOIMA amendments <p>The policy advisors also coordinated the preparation of induction material for incoming Elected Members.</p> <p>With the election of new Chairs and Mayors in October 2022 the Office also undertook a review of the Sector's priorities and work programmes for the 23/24 year and beyond.</p> <p>The Regional Sector SIG Network Administrator has taken responsibility for coordinating the RCEOs meetings along with the induction sessions for incoming mayors and chairs, this is in addition to normal duties.</p> <p>The Chief Science Advisor has focussed on:</p> <ul style="list-style-type: none"> • Implementation of several initiatives that enhance the coordinated vision for regional sector science, build relationships with key internal and external parties, and champion the regional sector's science capability and capacity; • Establishment of channels for sector science input into Resource Management reform; • Embedding of science input into the regional sector's newly established Climate Group; • Promoting the role and interests of the regional sector in current reform of the New Zealand science system.
	Budgets for EMAR are approved by the EMAR Steering Group by 30 June each year, and delivery within these budgets is effectively managed by the EMAR Project Manager	<p>Achieved – The Workplan and Budget for this year was endorsed by the EMAR SG in late 2021/22 FY and formally signed off on the 8th of July 2023 EOFY status - work has been delivered within available budget.</p> <p><u>Workstream activities:</u></p> <p>Ongoing – EMAR and LAWA Strategies to inform longer-term direction.</p> <p>Complete - All planned updates and upgrades to existing topics</p> <p>In train – development of a new topic 'Actions for Healthy Waterways'</p>
	Be a service delivery vehicle for wider regional council sector and related bodies information management programmes and related shared services. Projects to be delivered on time and on	<p>Achieved - Under the SFMS and ReCoCo programmes, RSHL supports the delivery of the following projects:</p> <ul style="list-style-type: none"> • Environmental Data Programme • Sector Reference Model Engagement Project • N-Cap Implementation • INFDP Programme

A.e.A.S. :
C.R.D.



Statement of Service Performance | Hei Ine i te Mahi
Performance Measures continued

		July 1 2022- June 30 2023
	budget as agreed in each of the Statements of Work between RSHL and the relevant regional sector group.	<ul style="list-style-type: none"> Essential Freshwater Implementation Freshwater Farm Plans Implementation. <p>RSHL ensured appropriate project management controls were in place for each project.</p> <p>RSHL also managed the funding for the follow sector programmes:</p> <ul style="list-style-type: none"> LIDAR PGF Programme Manager WellsNZ Retrolens.

		July 1 2022- June 30 2023
Financial	RSHL will operate within approved budget, with any material variations approved by the Board.	<p>Achieved – RSHL is operating within approved operating budgets for all programmes.</p> <p>In November, the Board approved a variation to the budget approved in the SOI, to reflect the additional revenue and expenditure from the IRIS NextGen Implementation Programme, which started in September 2022. The budget for this programme was not confirmed when the SOI was approved.</p>
	Annual charges for shareholders and customers to be at the level approved by the Board and councils based upon the approved operating budget and budgets	<p>Achieved- All charges have been the same or less that approved by the respective programmes.</p>

		July 1 2022- June 30 2023
Growth	Monitor the regional council sector market and explore/respond to opportunities to expand the customer and/or shareholder base of RSHL.	<p>Achieved – In November, RSHL welcomed Bay of Plenty Regional Council, Gisborne District Council and Hawkes Bay Regional Council as shareholders.</p> <p>Additional councils will join when and if they are able, including Otago Regional Council which signed a deed of accession in July 2023.</p>
	Work with the Regional Sector SIG Network to develop shared service opportunities.	<p>Achieved - The Partnership agreement for IRIS NextGen was executed in September.</p> <p>In addition, RSHL is supporting the Essential Freshwater Programme to deliver the Integrated National Farm Data Platform.</p> <p>RSHL is supporting the Environmental Data Group and Digital Solutions Group to deliver the Environmental Data Management System.</p>
	Engage with councils in the regional sector to increase the scope of the usage of IRIS NextGen.	<p>Achieved - The Partnership Agreement for IRIS NextGen was executed in September with 9 councils committing to the programme (two more that use IRIS).</p>

A. e. A. J.
CPD



Statement of Service Performance | Hei Ine i te Mahi
Performance Measures continued

	The objective is to increase the number of councils using the solution, and the breadth of the solution in use.	For the remainder of this year the focus will be on fully establishing the programme and planning the implementation schedule for the 9 participating councils.
--	---	---

Item 10.4, Attachment 1

A. e. A. J.
G. J. J.



Financial Statements | Ngā Tauākī Pūtea

Regional Software Holdings Limited For the year ended 30 June 2023

The financial statements required by section 67 of the Local Government Act 2002 are attached.

Audit of the Performance Report

In the prior year, Parliament passed an Act to extend by two months the statutory reporting time frames in the Crown Entities Act 2004 and the Local Government Act 2002. The extensions apply to Crown entities and organisations listed in Schedule 4 and 4A of the Public Finance Act 1989 and local authorities and council controlled organisations with 30 June balance dates.

Auditors are experiencing extended high workloads due to the impact of Covid-19 and the extension of timeframes was to allow audits to be completed without compromising audit quality.

The previous extension of timeframes does not apply to this Annual Report.

Registered Office

C/- O'Fee Next Level Accounting
PO Box 1007, Palmerston North

Auditors

Audit New Zealand on behalf of the Controller and Auditor-General.

Directors

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

Mike Nield (Chairperson)	Taranaki Regional Council
John Crane	Waikato Regional Council (until 23 February 2023)
Janine Becker	Waikato Regional Council (from 23 February 2023)
Malcolm Nicolson	Northland Regional Council (until 24 August 2022)
Bruce Howse	Northland Regional Council (from 24 August 2022)
Ged Shirley	Horizons Regional Council
Jane Carroll	Southland Regional Council (until 24 August 2022)
Amy Kubrycht	Southland Regional Council (from 24 August 2022 until 23 February 2023)
Wilma Falconer	Southland Regional Council (from 23 February 2023)
Heather Mabin	West Coast Regional Council (until 23 February 2023)
Fiona McTavish	Bay of Plenty Regional Council (from 23 February 2023)
Asbjorn Aakjaer	Independent Director
Bruce Robertson	Independent Director (From 23 February 2023)

A. e. A. S. J.

G. P. J.

Interest Register

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

Director	Organisation	Interest
Bruce Howse	Northland Regional Council	Group Manager, Corporate Services of Shareholding Council
Fiona McTavish	Bay of Plenty Regional Council BOPLASS Limited McTavish-Huriwai Investments Limited Quayside Holdings Limited Quayside Securities Limited Quayside Properties Limited	Chief Executive of Shareholding Council Director Director & Shareholder Director Director Director
Janine Becker	Waikato Regional Council	Director, Finance & Business Services of Shareholding Council
Mike Nield	Taranaki Regional Council Taranaki Stadium Trust	Director, Corporate Services of Shareholding Council Trustee
Ged Shirley	Horizons Regional Council	General Manager, Regional Services & Information of Shareholding Council
Wilma Falconer	Southland Regional Council Project Partners Limited	Chief Executive of 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 <i>Note: Negotiate Consulting may from time to time provide advisory services to Northland Regional Council and Waikato Regional Council.</i>	Director & Shareholder Director & Shareholder Director & Shareholder Director & Shareholder
Bruce Robertson	R Bruce Robertson Limited <i>Local Authorities:</i> Auckland Council Hamilton City Council Thames-Coromandel District Council Waipa District Council Waitomo District Council	Director and Shareholder (consulting and advisory services). Through this business have a range of local authority and central government clients providing generally one off support and services, although sometimes over an extended time period. Audit & Risk Committee Chair (retiring October 2023) Audit & Risk Committee Chair Audit & Risk Committee Chair Audit & Risk Committee Chair Audit & Risk Committee Chair

A.e.A. → *B.R.*



Taupo District Council	Audit & Risk Committee Chair (commenced 2023)
Bay of Plenty Regional Council	Audit & Risk Committee Deputy Chair
Tauranga City Council	Member of Strategy, Finance & Risk Committee
Gisborne District Council	Audit & Risk Committee Chair
Napier City Council	Audit & Risk Committee Chair
South Wairarapa District Council	Audit & Risk Committee Chair (commenced 2023)
Wellington City Council	Audit & Risk Committee Chair
Timaru District Council	Audit & Risk Committee Chair
Invercargill City Council	Audit & Risk Committee Chair
Southland District Council	Audit & Risk Committee Chair
Ministry of Primary Industries (MPI)	Audit & Risk Committee Chair

The following directors received the following payments throughout the year:

A Aakjaer - \$33,000 (Last Year: \$33,000) for independent director services.

B Robertson - \$9,208 (Last Year: Nil) for independent director services.

The other directors are paid through their respective Councils.

A. e. Aakjaer

B. Robertson



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

Regional Software Holdings Limited
For the year ended 30 June 2023

	NOTES	2022-23	2022-23 SOI	2021-22
Revenue				
Regional Sector Shared Services	2	8,904,518	2,800,656	3,635,230
Member Contributions	2	4,902,541	1,646,289	1,271,390
Other revenue	2	298,331	128,715	478,942
Interest	2	38,626	600	3,254
Total Revenue		14,144,016	4,576,260	5,388,817
Expenses				
Administration Costs	3	105,248	101,970	66,222
Audit and Legal Fees	1	93,683	85,000	116,722
Datacom Support Services		193,129	275,340	225,397
Environmental Charges		23,316	63,768	20,480
External Contractors		3,039,453	170,000	595,447
External Directors Fees		42,728	37,000	33,647
Management Fees		-	-	143,578
Other Direct Software Expenses		424,203	490,682	472,182
Personnel costs		843,340	778,000	302,370
Promotional costs		3,933	84,000	506
Regional Sector Shared Services		4,953,973	2,128,000	3,715,467
Travel and Meeting Costs		120,022	34,500	13,563
Depreciation Expense	6	1,132	-	-
Amortisation Expense	7	989,043	979,556	977,272
Total Expenses		10,833,202	5,227,816	6,682,854
Surplus/(Deficit) before Tax		3,310,814	(651,556)	(1,294,037)
Income Tax				
Tax Expense	10	725,888	-	(118,839)
Total Income Tax		725,888	-	(118,839)
Total Comprehensive Revenue and Expense		2,584,925	(651,556)	(1,175,198)

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

Explanations of major variances against budget are provided in the notes.

Annual Report - Pūrongo ā-Tau | Regional Software Holdings Limited

A.e.A.S. →

G.P.S. →

Page 23 of 41



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

Regional Software Holdings Limited
As at 30 June 2023

	NOTES	2022-23	2022-23 SOI	2021-22
Assets				
Current Assets				
Cash and Cash Equivalents		5,851,788	899,799	1,560,358
Receivables and Prepayments	5	2,180,386	-	1,378,096
Goods and Services tax		-	-	79,896
Income Tax Receivable		11,971	-	1,156
Total Current Assets		8,044,146	899,799	3,019,506
Non-Current Assets				
Property, Plant & Equipment	6	7,826	2,111,430	-
Intangible Assets	7	1,601,459	-	2,581,597
Total Non-Current Assets		1,609,285	2,111,430	2,581,597
Total Assets		9,653,431	3,011,229	5,601,103
Liabilities				
Current Liabilities				
Payables and Deferred Revenue	8	1,838,018	-	1,411,215
Employee Entitlements	9	51,977	-	20,088
Goods and Services Tax		282,823	-	-
Total Current Liabilities		2,172,818	-	1,431,304
Non-Current Liabilities				
Loans		-	-	-
Deferred Tax Liability		725,888	-	-
Total Non-Current Liabilities		725,888	-	-
Total Liabilities		2,898,706	-	1,431,304
Net Assets		6,754,725	3,011,229	4,169,800
Equity				
Contributed Capital		5,149,150	5,149,150	5,149,150
Accumulated Funds		1,605,575	(2,137,922)	(979,350)
Total Equity		6,754,725	3,011,229	4,169,800

A. e. A. >
P. d. >

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



Statement of Changes in Equity/Net Assets | Te Tauākī mō ngā Panonitanga o te Whai Tūtanga/ngā Huarawa More

Regional Software Holdings Limited
For the year ended 30 June 2023

	2022-23	2022-23 SOI	2021-22
Equity			
Opening Balance	4,169,800	3,662,784	5,344,998
Total Comprehensive Revenue and Expense for the year	2,584,925	(651,556)	(1,175,198)
Balance at 30 June	6,754,725	3,011,229	4,169,800
Total Comprehensive Revenue and Expense Attributable to			
Regional Software Holdings Ltd	2,584,925	(651,556)	(1,175,198)

A.e.A. >
P.R.H.



Statement of Cash Flows | Te Tauākī mō ngā Kapewhiti

Regional Software Holdings Limited
For the year ended 30 June 2023

	2022-23	2022-23 SOI	2021-22
Cash Flows from Operating Activities			
Receipts from Members and Non-Members	5,015,316	4,575,660	1,494,645
Interest Received	38,626	600	3,254
ReCoCo Income	8,290,390	-	4,467,814
Other Income	173,962	-	146,979
Income tax received/(paid)	(10,815)	-	(805)
Payments to suppliers and employees	(9,508,806)	(4,248,260)	(5,160,529)
GST	309,251	-	(3,933)
Total Cash Flows from Operating Activities	4,307,923	328,000	947,425
Cash Flows from Investing and Financing Activities			
Proceeds from loans borrowed from other parties	-	-	-
Payments to acquire property, plant and equipment	(7,589)	(328,000)	-
Payments to purchase intangibles	(8,905)	-	(72,994)
Total Cash Flows from Investing and Financing Activities	(16,494)	(328,000)	(72,994)
Net Increase/ (Decrease) in Cash	4,291,430	-	874,431
Cash Balances			
Cash and cash equivalents at beginning of period	1,560,358	899,799	685,927
Cash and cash equivalents at end of period	5,851,788	899,799	1,560,358
Net change in cash for period	4,291,430	-	874,431

A. e. A. S.

G. S. J.

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



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

Regional Software Holdings Limited For the year ended 30 June 2023

1. Statement of Accounting Policies | Te Tauākī mō ngā Kaupapa Here Mahi Kaute

Reporting Entity

Regional Software Holdings Limited (RSHL) was incorporated 17 October 2012. RSHL was primarily incorporated for the purposes of managing the investment and development of IRIS software, and had incorporated, and has designated itself a Public Benefit Entity (PBE), in keeping with the designation of the shareholders.

RSHL is a Public Limited Liability Company incorporated and registered under the Companies Act 1993 and is a council-controlled organisation as defined in Section 6 of Local Government Act 2002.

RSHL has no subsidiaries or joint ventures.

Entity Structure

In November 2022 the company was restructured. A new constitution and shareholders agreement were adopted.

At the beginning of the period the Company comprised of a Board of seven Directors. The Board oversees the governance of RSHL. The Board is accountable to its shareholders for the financial and non-financial performance of the company. In addition, there is a Chief Executive who is responsible for the day-to-day operations of RSHL and reports to the Board.

Each of the six shareholder entities were entitled to separately appoint one director each, and one independent director was appointed by the Board.

Following the restructure of RSHL into the Te Uru Kahika Shared Services organisation the company has a board of 8 directors, comprised of 6 council representatives and two independent directors.

RSHL directors are elected and retire by rotation. The process to elect an inaugural board for the new entity concluded at a special general meeting on 23 February 2023.

At the time of formation, the company issued 10,000 shares to its shareholders based on a previously agreed sizing formula.

As part of the restructure of the Company and adoption of a new shareholders' agreement and constitution the Company:

- Issued a single Class A "Controlling" Share to each existing shareholder of the Company.
- Created a Class B shareholding which will hold the ownership rights over IRIS classic asset. 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 to the new shareholding.
- Issued a single Class A share to Bay of Plenty Regional Council, Gisborne District Council and Hawkes Bay Regional Council on completion of the necessary processes and documents.

The shareholding of the Company as at 30 June 2023 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	-
Hawkes Bay Regional Council	1	-

The shareholdings changed during the year in line with the Company Constitution November 2022 and the Shareholders Agreement November 2022. The opening 10,000 shares (fully paid up) were re-designated Class B Shares representing the original Shareholders' funding contribution towards the development of the IRIS Software. 9 new Class A Shares were issued during the year for fair value of \$1 per share. The total number of shares at 30 June 2023 is 10,009 (2022: 10,000).

The financial statements are those of RSHL, for the twelve months ended 30 June 2023, and were authorised for issue by the Board of Directors on 31 January 2024.

Basis of Preparation

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

Statement of Compliance

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

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

RSHL transitioned to PBE Standards RDR in the year ended 30 June 2022, as stipulated in XRB A1, because total annual expenditure exceeded \$2,000,000 in 2019/20 and 2020/21. RSHL had previously elected to apply PBE SFR-A (PS) Public Benefit Entity Simple Format Reporting - Accrual (Public Sector) up to 30 June 2021.

Presentation Currency and Rounding

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

Changes in Accounting Policies

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

Summary of Significant Accounting Policies

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

Foreign Currency Transactions

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

Goods and Services Tax

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

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

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

Critical Accounting Estimates and Assumptions

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

Additional Disclosure

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

For this financial year eight staff members were employed by RSHL (last year there were two).

Remuneration Bracket	2022-23	2021-22
Up to 100,000	5	0
100,000 - 110,000	0	0
110,000 - 120,000	0	0
120,000 - 130,000	1	0
130,000 - 140,000	0	0
140,000 - 150,000	1	1
150,000 - 160,000	0	0
160,000 - 170,000	0	0
170,000 - 180,000	0	0
180,000 - 190,000	1	1

A. e. A. J.
C. D. J.



	2022-23	2021-22
Fees to Auditors		
Fees to Audit NZ for audit of the financial statements and performance information	44,267	11,380
Fees to Audit NZ for other services	-	-
Total Fees to Auditors	44,267	11,380

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

2. Revenue

Accounting Policy

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

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

Exchange Revenue

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

Other Revenue

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

Investment Revenue

Interest revenue is recorded as it is earned.

Non-Exchange Revenue

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

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

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

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

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

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

Members Contributions and Regional Sector Shared Services

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

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

A.e.A.S.

G.P.A.



	2022-23	2021-22
Members Contributions		
Members Contributions as per SOI	4,902,541	1,211,619
Shared Licence Funding	-	59,771
Total Members Contributions	4,902,541	1,271,390

Members contributions include \$4,332,237 income from the shareholder councils as described in note 13. Members contributions from non-shareholder councils total \$570,304.

	2022-23	2021-22
Other Income		
Consulting Services	188,293	155,223
Recovery of Other Direct Software Expenses	110,038	66,589
User Funding - Hawkes Bay Regional Council	-	156,931
Recoco Contribution to Overheads	-	100,199
Total Other Income	298,331	478,942

3. Expenses

Accounting Policy

Expenditure is recognised on an accrual basis when the service was provided, or the goods received. Costs associated with maintaining the IRIS software suite are recognised as an expense when incurred.

	2022-23	2021-22
Administration Expenses		
Accounting & Technical Support	90,542	59,379
Administration Costs	11,455	4,121
Bank Fees	383	372
Insurance	2,868	2,350
Total Administration Expenses	105,248	66,222

4. Cash and Cash Equivalents

Accounting Policy

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

	2022-23	2021-22
Cash and cash equivalents		
Business Online Saver	283,807	280,577
Credit Card - Mark Donnelly	(1,191)	(290)
Current Account	5,569,171	1,280,071
Total Cash and cash equivalents	5,851,787	1,560,358



5. Receivables

Accounting Policy

Short-term receivables are recorded at the amount owed, less an allowance for credit losses. RSHL applies the simplified expected credit loss model of recognising lifetime expected credit losses for receivables.

In measuring expected credit losses, short-term receivables have been assessed on a collective basis as they possess shared credit risk characteristics. They have been grouped based on the days past due.

Short-term receivables are written off when there is no reasonable expectations of recovery. Indicators that there is no reasonable expectations of recovery include the debtor being in liquidation or the receivable being more than one year overdue.

	2022-23	2021-22
Receivables and Prepayments		
Accounts Receivable	2,103,265	1,315,336
Prepayments	77,121	62,760
Total Receivables and Prepayments	2,180,386	1,378,096

6. Property, Plant and Equipment

Accounting Policy

Property, plant, and equipment consists of the following asset classes: Computer Hardware.

All asset classes are measured at cost, less accumulated depreciation, and impairment losses.

Individual assets, or group of assets, are capitalised if their cost is greater than \$5,000.

Depreciation

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

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

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

Impairment and Impairment Reversals (Cash-Generating Assets)

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

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

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

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

A.e.A.g.
C.R.D.

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

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

	Computer Hardware	Total
Balance as at 1 July 2021	-	-
Additions	-	-
Disposals (net accumulated depreciation)	-	-
Depreciation Expense	-	-
Balance as at 30 June 2022	-	-
Balance as at 1 July 2022	-	-
Additions	8,958	8,958
Disposals (net of accumulated depreciation)	-	-
Depreciation Expense	(1,132)	(1,132)
Balance as at 30 June 2023	7,826	7,826

7. Intangible Assets

Accounting Policy

Software acquisition and development

Acquired computer software licenses are capitalised on the basis of the costs incurred to acquire and bring to use the specific software.

Costs that are directly associated with the development of software for internal use are recognised as an intangible asset. Direct costs include the costs of services, software development employee costs, and an appropriate portion of relevant overheads.

From the 2020-21 year all IRIS development is now treated as operating expenses (previously recognised as property, plant and equipment). All determined IRIS development that will not enhance the asset that was previously recognised as property, plant and equipment has now been expensed in the year.

Staff training costs are recognised as an expense when incurred.

Costs associated with maintaining computer software are recognised as an expense when incurred.

Costs of software updates or upgrades are capitalised only when they increase the usefulness or value of the software. Costs associated with development and maintenance of the RSHL website are recognised as an expense when incurred.

Amortisation

The carrying value of an intangible asset with a finite life is amortised on a straight-line basis over its useful life. Amortisation begins when the asset is available for use and ceases at the date that the asset is derecognised. The amortisation charge for each financial year is recognised in surplus or deficit.

The useful lives and associated amortisation rates of major classes of intangible assets have been estimated as follows:

A. e. A. g. →
P. J. d. f.

Acquired computer software 10 years 10%

Internally developed computer software 10 years 10%

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

Cash-generating assets and non-cash generating assets are distinguished by whether or not the primary objective of holding the assets is to generate a commercial return. RSHL has assessed that it has no non-cash-generating assets.

Impairment and Impairment Reversals (Cash-Generating Assets)

Intangible assets subsequently measured at cost that have an indefinite useful life, or are not yet available for use, are tested annually for impairment, irrespective of whether there is any indicator of impairment.

For further details, refer to the policy for impairment of property, plant, and equipment in Note 6. The same approach applies to the impairment of intangible assets.

Under International Public Sector Accounting Standards (IPSAS) 31 and 26 the management of RSHL is required to consider whether there is an impairment to the suite of intangible assets.

RSHL has considered the external and internal sources of information under IPSAS 26 and considers it likely that on or about 30 June 2027 the current IRIS software platform and attendant e-learning software will be discontinued with no residual value. On this consideration the current IRIS asset and attendant e-learning software has been impaired in 2021 and then further impaired in 2022, but with no further impairment identified in 2023.

Therefore all impaired software assets will be amortised on a straight-line basis at variable rates so as to have a nil residual value on 30 June 2027 (no change since last year).

All assets that will not be impacted by impairment will continue to be amortised on a straight-line basis at 10% and have no residual value on 30 June 2027.

The impairment adjustment from the 2021 and the 2022 years will form part of the amortisation expense until 30 June 2027 in the statement of comprehensive revenue and expense.

	E-Learning Software	IRIS Software Intellectual Property	Total
Balance as at 1 July 2021	26,933	3,458,942	3,485,875
Additions	-	72,994	72,994
Disposals (net accumulated amortisation)	-	-	-
Amortisation Expense	(4,491)	(972,781)	(977,272)
Balance as at 30 June 2022	22,442	2,559,155	2,581,597
Balance as at 1 July 2022	22,442	2,559,155	2,581,597
Additions	-	-	-
Disposals (net of accumulated amortisation)	-	-	-
Amortisation Expense	(4,491)	(984,552)	(989,043)
Balance as at 30 June 2023	17,951	1,574,603	1,592,554

At 30 June 2023 the work in progress value of the IRIS Asset is \$Nil. The work in progress written off has been included in other direct software expenses. (30 June 2022: \$Nil with \$72,94 capitalised during the year and \$Nil written off during the year).

A.e.A.S. →
G.P.A. →



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

8. Payables and Deferred Revenue

Short term payables are measured at the amount payable.

	2022-23	2021-22
Payables and Deferred Revenue		
Accounts Payable	1,712,558	1,361,903
Accrued Expenses	40,410	28,392
Income Received in Advance	85,050	20,920
Total Payables and Deferred Revenue	1,838,018	1,411,215

9. Employee Entitlements

Accounting Policy

Employee entitlements that are expected to be settled wholly before 12 months after the end of the reporting period in which the employees provide the related service are measured based on accrued entitlements at current rates of pay. These include salaries and wages accrued up to balance date, and annual leave earned to but not yet taken at balance date.

Annual leave expected to be settled within 12 months of balance date are classified as a current liability.

	2022-23	2021-22
Employee Entitlements		
Wages Payable	19,319	6,046
Leave Liability	32,657	14,042
Total Employee Entitlements	51,977	20,088

10. Income Tax

Accounting Policy

Income tax expense includes components relating to current tax and deferred tax, and is calculated using tax rates and tax laws that have been enacted or substantively enacted at balance date.

Current tax is the income tax payable based on the taxable profit for the current year, plus any adjustments to income tax payable in respect of prior years.

Deferred tax is the amount of income tax payable or recoverable in future periods in respect of temporary differences and unused tax losses. Temporary differences are differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit.

Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which the deductible temporary differences or tax losses can be utilised.

Deferred tax is not recognised if the temporary difference arises from the initial recognition of goodwill or from the initial recognition of an asset or liability in a transaction that affects neither accounting profit nor taxable profit.

Current and deferred tax is recognised against the profit or loss for the period, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

	2022-23	2021-22
Income Tax		
Components of Tax Expense		
Current Tax	-	-
Deferred Tax	725,888	(118,839)
Tax Expense	725,888	(118,839)
Net surplus/ (deficit) before tax	3,310,814	(1,294,037)
Tax at 28%	927,028	(362,330)
Plus / (less) tax effect of:		
Non-Deductible Expenditure	9,874	32,477
Effect of changes in recognised tax losses	(211,014)	211,014
Tax Expense	725,888	(118,839)

Deferred tax assets/(liabilities)	Tax losses	Property, plant and equipment	Deferred revenue	Other temporary differences	Total
Balance at 1 July 2021	1,187,061	(848,155)	(463,005)	5,260	(118,839)
Charged to surplus or deficit	(83,545)	178,060	22,466	1,858	118,839
Charged to other comprehensive revenue and expense	-	-	-	-	-
Balance at 30 June 2022	1,103,516	(670,095)	(440,539)	7,118	-
Charged to surplus or deficit	56,528	240,829	(1,035,640)	12,395	(725,888)
Charged to other comprehensive revenue and expense	-	-	-	-	-
Balance at 30 June 2023	1,160,044	(429,266)	(1,476,179)	19,513	(725,888)

The Company has gross tax losses available to carry forward of \$4,143,014 (2022: \$4,694,750). Tax losses have been recognised to the extent they are offset by deferred tax liabilities \$4,143,014 (2022: \$3,941,129). A deferred tax asset has not been recognised in relation to tax losses in 2022: \$753,617.

A. e. A. g. →
P. d. f.

11. Equity

Accounting Policy

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

	2022-23	2021-22
Equity		
Contributed Capital		
Balance at 1 July	5,149,150	5,149,150
Capital Contribution	-	-
Balance at end of period	5,149,150	5,149,150
Accumulated Surplus		
Balance at 1 July	(979,350)	195,848
Surplus/(deficit) for the year	2,584,925	(1,175,198)
Balance at end of period	1,605,575	(979,350)
Total Equity	6,754,725	4,169,800

12. Contingent Liabilities and Guarantees

There are no contingent liabilities or guarantees as at 30 June 2023 (Last year - nil).

13. Related party transactions

Related party disclosures have not been made for transactions with related parties that are within a normal supplier or client/recipient relationship on terms and conditions no more or less favourable than those that it is reasonable to expect RSHL would have adopted in dealing with the party at arm's length in the same circumstances.

Related Party Transactions Significant to RSHL Requiring Disclosure (excluding GST):

Shareholder	2022/23	2021/22	Description of Services
Waikato Regional Council	93,765	142,808	Management Services - IRIS PMO Manager
Waikato Regional Council	33,006	7,338	Reimbursement for travel booked by WRC on behalf of RSHL
Waikato Regional Council	1,464	-	Purchase of laptop for staff member
Waikato Regional Council	-	49,000	Reimbursement for staff member seconded to the sector farm platform project. Funded from the SFMS.
Horizons Regional Council	51,001	147,751	Reimbursement of Regional Sector Office Costs, funded from the SFMS.
Horizons Regional Council	4,177	-	Reimbursement for travel booked by HRC on behalf of RSHL
Taranaki Regional Council	-	11,331	Reimbursement for staff member seconded to the IRIS NextGen project.
Taranaki Regional Council	-	737	Reimbursement for travel for staff member seconded to the IRIS NextGen project


 A. e. Ag.

Taranaki Regional Council	290	-	Reimbursement for Te Uru Kahika Mayors/Chairs induction dinner cost, funded from the SFMS
Taranaki Regional Council	5,270	-	Admin costs for Biosecurity Working Group
Bay of Plenty Regional Council	507,892	-	Reimbursement for BioControl Programme
Bay of Plenty Regional Council	37,240	-	Reimbursement of costs Practices, Methodologies and Standards NZ River Managers SIG
Hawkes Bay Regional Council	78,254	-	River Managers SIG Professional Development Programme expenditure

Revenue of \$4,902,541 was received from the shareholder councils as member contribution in the year ended 30 June 2023 as outlined in note 2 (2022: \$1,211,619)

Member contributions were received as follows:

Shareholder	2022/23	2021/22
Waikato Regional Council	1,054,691	446,833
Bay of Plenty Regional Council	655,945	-
Horizons Regional Council	594,653	217,482
Hawkes Bay Regional Council	544,566	-
Northland Regional Council	544,566	164,616
Taranaki Regional Council	445,059	164,616
Southland Regional Council	445,057	164,616
West Coast Regional Council	47,702	53,455

As at 30 June 2023 \$368,074 (2022: \$317,949) was owed to RSHL by Member Councils and \$425,474 (2022: 152,998) was owed by RSHL to Member Councils.

2022-23 2021-22

Key Management Personnel Compensation

Senior Management Team, including the Chief Executive

Total full-time equivalent personnel	5	2
Remuneration	570,141	284,065

14. Events After Balance Date

There are no significant events after balance date (2022: Nil).

15. Financial Instruments

PBE IPSAS 41 replaces PBE IFRS 9 Financial Instruments and is effective for the year ending 30 June 2023. RSHL has assessed that there will be little change as a result of adopting the new standard as the requirements are similar to those contained in PBE

A. e. A. J.

G. J. J.

IFRS 9. The carrying amounts of financial assets and liabilities in each of the PBE IPSAS 41 financial instrument categories are as follows:

	2022-23	2021-22
Financial assets measured at amortised cost		
Cash and cash equivalents	5,851,788	1,560,358
Receivables (excluding taxes receivable)	2,138,546	1,378,096
Total Financial assets measured at amortised cost	7,990,334	2,938,454
Financial liabilities measured at amortised cost		
Payables (excluding income in advance and taxes payable)	1,730,243	1,381,741
Total Financial liabilities measured at amortised cost	1,730,243	1,381,741

Financial Instrument Risks

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

Market risk

Currency risk

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

Fair value interest rate risk

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

Credit risk

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

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

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

Although cash and cash equivalents as at 30 June 2023 are subject to the expected credit loss requirements of PBE IPSAS 41, no loss allowance has been recognised because the estimated loss allowance for credit losses is trivial.

RSHL has deposited funds only with Westpac (Standard & Poor's credit rating of AA-), a registered bank.



Liquidity risk

Management of liquidity risk

Liquidity risk is the risk that RSHL will encounter difficulty raising liquid funds to meet commitments as they fall due. As part of meeting its liquidity requirements, RSHL closely monitors its forecast cash requirements. RSHL maintains the level of available cash to meet liquidity requirements and to meet liabilities as they fall due.

16. Breach of Sections 67(1) and 69 of the Local Government Act 2002

RSHL was required under section 67(1) and 69 of the Local Government Act 2002 to complete its audited financial statements and service performance information by 30 September 2023. This timeframe was not met.



Notes to the Financial Statements | Tuhiinga Āpiti ki Te Ngā Tauāki Pūtea

17. Explanations of Major Variances Against Budget

Statement of Financial Performance	Actual	Budget	Variance	Explanation
Regional Sector Shared Services Revenue	8,904,518	2,800,656	6,103,862	Te Uru Kahika did not finalise the SFMS budget until August 2022. As such the budget figure for FY23 was based on the FY22 figure. The shared services revenue budget was set in August 2022 at \$3.3M. In fact \$3.6M was collected from councils. Additional funding was collected for Intensive Winter Grazing Analysis and other Spatial Programmes. In addition, MFE provided over \$2M in funding of the Essential Freshwater Programme and \$3m in funding for the East Coast Lidar Programme.
Member Contributions	4,902,541	1,646,289	3,256,252	Member contributions included \$3.7M for IRIS NextGen. The original budget included only \$0.4M for IRIS NextGen in FY23. This matches the variance.
Interest	38,626	600	38,026	RSHL held significant cash reserves for much of the year because of lump-sum funding received from MFE and timing variances on expenditure for major programmes. Interest was allocated to programmes using the overheads model.
Audit and Legal Fees	93,683	85,000	8,683	Budgeted figure included \$20K for HR Consultancy costs, which have been included under personnel costs. Expenditure included \$12K for review of IRIS NextGen legal documents, this was funded by the IRIS NextGen Programme.
Datacom Support Services	193,129	275,340	(82,211)	These are charges for support of the IRIS product. Less support was required than budgeted.
Environmental Charges	23,316	63,768	(40,452)	Budgeted figure included \$40K for hosting of EMAR and LAWA, which has been allocated under regional sector shared services expenses.
External Contractors	3,039,453	170,000	2,869,453	Budgeted figure did not include IRIS NextGen Programme costs as the programme was not approved until November 2022.
Other Direct Software Expenses	424,203	490,682	(66,479)	WRC cancelled its Cognise subscription, resulting in a \$20K reduction in expenditure, while IRIS Development costs were also underspent by \$40K.
Personnel costs	843,340	778,000	65,340	Te Uru Kahika added additional hours for Sector Office Staff and staff costs were more than budgeted due to additional processing and compliance costs.
Promotional costs	3,933	84,000	(80,067)	Budgeted figure included \$68K for EMAR and LAWA which has been allocated to regional sector shared services expenses.

Handwritten signature
A. e. A. g.

Item 10.4, Attachment 1



Council
Collaboration
Into Action

PO Box 1007, Palmerston North

Independent Auditor's Report

To the readers of Regional Software Holdings Limited's financial statements and performance information for the year ended 30 June 2023

The Auditor-General is the auditor of Regional Software Holdings Limited (the company). The Auditor-General has appointed me, Clarence Susan, using the staff and resources of Audit New Zealand, to carry out the audit of the financial statements and performance information of the company on his behalf.

Opinion

We have audited:

- the financial statements of the company on pages 23 to 41, that comprise the statement of financial position as at 30 June 2023, the statement of comprehensive revenue and expense, statement of changes in equity/net assets and statement of cash flows for the year ended on that date and the notes to the financial statements that include accounting policies and other explanatory information; and
- the performance information of the company on pages 15 to 19.

In our opinion:

- the financial statements of the company:
 - present fairly, in all material respects:
 - its financial position as at 30 June 2023; and
 - its financial performance and cash flows for the year then ended; and
 - comply with generally accepted accounting practice in New Zealand in accordance with Public Benefit Entity Reporting Standards Reduced Disclosure Regime; and
- the performance information of the company presents fairly, in all material respects, the company's actual performance compared against the performance targets and other measures by which performance was judged in relation to the company's objectives for the year ended 30 June 2023.

Our audit was completed on 31 January 2024. This is the date at which our opinion is expressed.

The basis for our opinion is explained below. In addition, we outline the responsibilities of the Board of Directors and our responsibilities relating to the financial statements and the performance information, we comment on other information, and we explain our independence.

Basis for our opinion

We carried out our audit in accordance with the Auditor-General's Auditing Standards, which incorporate the *Professional and Ethical Standards and the International Standards on Auditing (New Zealand)* issued by the New Zealand Auditing and Assurance Standards Board. Our responsibilities under those standards are further described in the Responsibilities of the auditor section of our report.

We have fulfilled our responsibilities in accordance with the Auditor-General's Auditing Standards.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of the Board of Directors for the financial statements and the performance information

The Board of Directors is responsible on behalf of the company for preparing financial statements that are fairly presented and that comply with generally accepted accounting practice in New Zealand. The Board of Directors is also responsible for preparing the performance information for the company.

The Board of Directors is responsible for such internal control as it determines is necessary to enable it to prepare financial statements and performance information that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements and the performance information, the Board of Directors is responsible on behalf of the company for assessing the company's ability to continue as a going concern. The Board of Directors is also responsible for disclosing, as applicable, matters related to going concern and using the going concern basis of accounting, unless the Board of Directors intends to liquidate the company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors' responsibilities arise from the Local Government Act 2002.

Responsibilities of the auditor for the audit of the financial statements and the performance information

Our objectives are to obtain reasonable assurance about whether the financial statements and the performance information, as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance but is not a guarantee that an audit carried out in accordance with the Auditor-General's Auditing Standards will always detect a material misstatement when it exists. Misstatements are differences or omissions of amounts or disclosures and can arise from fraud or error. Misstatements are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decisions of readers, taken on the basis of these financial statements and the performance information.

For the budget information reported in the financial statements and the performance information, our procedures were limited to checking that the information agreed to the company's statement of intent.

We did not evaluate the security and controls over the electronic publication of the financial statements and the performance information.

As part of an audit in accordance with the Auditor-General's Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. Also:

- We identify and assess the risks of material misstatement of the financial statements and the performance information, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- We obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- We evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.
- We evaluate the appropriateness of the reported performance information within the company's framework for reporting its performance.
- We conclude on the appropriateness of the use of the going concern basis of accounting by the Board of Directors and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists we are required to draw attention in our auditor's report to the related disclosures in the financial statements and the performance information or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- We evaluate the overall presentation, structure and content of the financial statements and the performance information, including the disclosures, and whether the financial statements and the performance information represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Board of Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Our responsibilities arise from the Public Audit Act 2001.

Other information

The Board of Directors is responsible for the other information. The other information comprises the information included on pages 1 to 14 and 20 to 22, but does not include the financial statements and the performance information, and our auditor's report thereon.

Our opinion on the financial statements and the performance information does not cover the other information and we do not express any form of audit opinion or assurance conclusion thereon.

In connection with our audit of the financial statements and the performance information, our responsibility is to read the other information. In doing so, we consider whether the other information is materially inconsistent with the financial statements and the performance information, or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on our work, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Independence

We are independent of the company in accordance with the independence requirements of the Auditor-General's Auditing Standards, which incorporate the independence requirements of Professional and Ethical Standard 1: *International Code of Ethics for Assurance Practitioners (including International Independence Standards) (New Zealand) (PES 1)* issued by the New Zealand Auditing and Assurance Standards Board.

Other than the audit, we have no relationship with, or interests in, the company.



Clarence Susan
Audit New Zealand
On behalf of the Auditor-General
Tauranga, New Zealand