AGENDA/KAUPAPA

Te Kaunihera o Te Tairāwhiti
GISBORNE
DISTRICT COUNCIL

P O Box 747, Gisborne, Ph 06 867 2049 Fax 06 867 8076
Email service@gdc.govt.nz Web www.gdc.govt.nz

MEMBERSHIP: Her Worship the Mayor Rehette Stoltz (Chair), Josh Wharehinga (Deputy Chair), Colin Alder, Andy Cranston, Larry Foster, Debbie Gregory, Ani Pahuru-Huriwai, Rawinia Parata, Aubrey Ria, Rob Telfer, Teddy Thompson, Rhonda Tibble and Nick Tupara.

FINANCE & PERFORMANCE/WHAKAHAERE PŪTEA ME ŌNA HUA Committee

DATE: Wednesday 9 April 2025

TIME: 9:00AM

AT: Te Ruma Kaunihera (Council Meeting Room), Awarua, Fitzherbert Street, Gisborne

AGENDA – OPEN SECTION

1. Apologies....4
2. Declarations of Interest....4
3. Confirmation of non-confidential Minutes....5
   3.1. Confirmation of non-confidential Minutes 19 February 2025....5
   3.2. Action Register....11
   3.3. Governance Work Plan....12
4. Leave of Absence....12
5. Acknowledgements and Tributes....12
6. Public Input and Petitions....12
7. Extraordinary Business....12
8. Notices of Motion....12
9. Adjourned Business....12
10. Reports of the Chief Executive and Staff....13
    10.1. DECISION Reports Finance....13

10.1.0. DECISION Reports Finance 13
10.1.1. **25-103** 2025/26 Fees and Charges 13
10.1.2. **25-63** BOPLASS Statement of Intent and Half Yearly Financial Report to 31 December 2024 76
10.1.3. **25-85** Regional Software Holdings Limited Update Cover Report 111
10.1.4. **25-94** Local Government Funding Agency - Half year report and draft Statement of Intent 202
10.2. INFORMATION Reports Finance 258
10.2.1. **25-15** Tairāwhiti Museum Annual Report 2023- 2024 258
10.2.2. **25-91** Financial Report 28 February 2025 301
10.3. INFORMATION Reports Performance 314
10.3.1. **25-48** Six Month Activity Report - Q1/Q2 - 2024/25 314
11. Public Excluded Business 397

Finance & Performance

Reports to:	Council
Chairperson:	Mayor Rehette Stoltz
Deputy Chairperson:	Deputy Mayor Josh Wharehinga
Membership:	Mayor and all Councillors
Quorum:	Half of the members when the number is even and a majority when the membership is uneven.
Meeting frequency:	Six weekly (or as required)

Purpose

To assist Council to oversee financial and non-financial performance, including the delivery of the Council's Capital Programme and oversight of the Council Controlled Trading Organisation (CCTO).

To monitor Council activities and services performance against budget, Annual Plans, the Long Term Plan, Annual Reports and corporate and financial policies.

The Finance and Performance Committee also receives enforcement and compliance performance activity reporting to ensure financial and non-financial performance oversight of its regulatory functions.

Terms of Reference

- Set, monitor and review plans, financial measures, practices and policies; the sources of funds, banking arrangements, insurance, investment and debt criteria, future financial arrangements.
- Monitor the performance of Council's treasury function – including strategic, investment and enterprise assets.
- Set fees and charges for Council services (including parking), where such fees are not set by laws (including bylaws).
- Approve preferred suppliers for capital projects and contracts where the value of the contract exceeds staff delegations.
- Approve expenditure (including substituted capital expenditure) items that are provided for in the Long Term Plan or Annual Plan where the value of that expenditure exceeds that authority delegated to officers.
- Approve debt write-offs where those debt write-offs are not delegated to staff.
- Consider all matters regarding the Local Government Funding Agency (LGFA).
- Monitor and review Council's strategic investment and enterprise assets – including consideration of the operational and financial effectiveness of Council Organisations, Council Controlled Organisations and Council's CCTO.

- In relation to the CCTO:
  - develop and approve the draft Statement of Intent for the CCTO
  - undertake any reviews of CCTO and make recommendations on any proposed changes to CCTO governance arrangements
  - consider and approve changes to service delivery arrangements arising from the service delivery reviews required under Local Government Act 2002 (LGA) that are referred to the Committee by the Chief Executive.
- Monitor the operational performance of Council's activities and services against approved levels of service.
- Monitor the operational performance of Council's regulatory activities and in particular enforcement and compliance, financial and non-financial performance reporting.
- Review and approve business plans including any related fees, charges and expenditure (including capital expenditure).
- Review the delivery of services under section 17A of the LGA.
- Monitor the delivery of the Council's Capital Programme, including inquiring into any material discrepancies from planned expenditure.

Power to Act

To make all decisions necessary to fulfil the role and scope of the Committee subject to the limitations imposed.

To establish subcommittees, working parties and forums as required.

To appoint non-voting advisory members (such as tangata whenua representatives) to assist the Committee.

Power to Recommend

To Council and/or any Council committee as it deems appropriate.

3.1. Confirmation of non-confidential Minutes 19 February 2025

MINUTES

Draft & Unconfirmed

Te Kaunihera o Te Tairāwhiti
GISBORNE
DISTRICT COUNCIL

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MINUTES of the FINANCE & PERFORMANCE/WHAKAHAERE PŪTEA ME ŌNA HUA Committee

Held in Te Ruma Kaunihera (Council Meeting Room), Awarua, Fitzherbert Street, Gisborne on Wednesday 19 February 2025 at 9:00AM.

PRESENT:

Her Worship the Mayor Rehette Stoltz (Chair), Colin Alder, Andy Cranston, Larry Foster, Debbie Gregory, Ani Pahuru-Huriwai, Rawinia Parata, Tony Robinson, Rob Telfer, Teddy Thompson, Rhonda Tibble, Nick Tupara, Josh Wharehinga.

IN ATTENDANCE:

Chief Executive Nedine Thatcher Swann, Director Lifelines Tim Barry, Director Internal Partnerships & Protection James Baty, Acting Director Liveable Communities Kerry Hudson, Chief Financial Officer Pauline Foreman, Director Sustainable Futures Jo Noble, Democracy & Support Services Manager Julian Rangihuna-Tuumuli, Senior Governance Advisor Teremoana Kingi and Committee Secretary Sally Ryan.

The meeting commenced with a Karakia.

Secretarial Note: Items were heard out of the order described in the agenda. For ease of reference the Minutes have been recorded in agenda order.

1. Apologies

MOVED by Cr Stoltz, seconded by Cr Wharehinga

That the apologies from Cr Ria be sustained. **CARRIED**

2. Declarations of Interest

Cr Foster declared an interest in report **25-19** Draft Fees and Charges as a business owner in the Central Business District.

3. Confirmation of non-confidential Minutes

3.1. Confirmation of non-confidential Minutes 6 November 2024

MOVED by Cr Gregory, seconded by Cr Foster

That the Minutes of 6 November 2024 be accepted. **CARRIED**

3.2. Action Register

Noted.

3.3. Governance Work Plan

Noted.

4. Leave of Absence

There were no leaves of absence.

5. Acknowledgements and Tributes

Her Worship the Mayor acknowledged the passing of Matua Owen Lloyd's wife.

6. Public Input and Petitions

There were no public input or petitions.

7. Extraordinary Business

There was no extraordinary business.

8. Notices of Motion

There were no notices of motion.

9. Adjourned Business

There was no adjourned business.

10. Reports of the Chief Executive and Staff

10.1. DECISION Reports Finance

10.1.1. 25-19 Draft Fees and Charges

Chief Financial Officer Pauline Foreman spoke to the report and answered questions of clarification including:

Secretarial note: **Attachment 1** in report **25-19** was incorrectly attached to the report as **Attachment 2**.

- Deposits are required when applying for a resource consent. The full costs of the consent are intended to cover processing costs and are processed under the current legislation.
- The fees increase is in line with inflation as set out in the 2024-2027 Three Year Plan.
- The increase in water fees reflects the expenses involved in processing and managing the water supply.

- The higher operational costs associated with parking metres is due to the increased cost for parking machines, as well as the digital payment facility and associated processing costs.
- A review is taking place, focusing on parking meter placement and parking fees.
- The fee increments for impounded dogs are set by the government.
- Pricing for water should become more transparent due to changes to Local Water Done Well and the introduction of the Water Economic Regulator. This will set fees across New Zealand and ensure water costs are covered in a sustainable way.
- Past surveys of town users have indicated support for parking meters to ensure that parking spaces are available for customers.
- The cost for a connection through the Drainwise program will increase from $50 to $150 due to higher operating expenses.
- Gisborne District Council advocate's that increase in fees are maintained whenever feasible, especially advocating to Central Government for statutory fees where they have remained unchanged for extended periods.
- Time-limited free parking still incurs operational costs, as parking wardens are needed to ensure vehicles adhere to the time limits.

Secretarial Note: The meeting adjourned at **10:15am** for morning tea and reconvened at **10:30am**.

Secretarial Note: Cr Parata left the meeting at **10:17am**.

MOVED by Cr Wharehinga, seconded by Cr Foster

1. That the Finance & Performance/Whakahaere Pūtea me Ōna Hua Committee: Approves the draft 2025/26 Fees and Charges for consultation.

CARRIED

10.1.2. 25-20 Draft Annual Plan 2025/26

Chief Financial Officer Pauline Foreman spoke to the report with questions of clarification including:

- Capital grants and capital subsidies are recorded as income, they are not used to fund operational expenses, so this results in an accounting surplus.
- Council borrows from the Local Funding Government Agency. Due to not being credit rated, the maximum amount able to be borrowed is 175% of Council's revenue.
- Any one-off injections of funding are not counted as income for the purposes of how much we can borrow under our 175% debt to revenue threshold.
- There is extra work generated by weather events resulting in government funding coming in.

- In the Annual Report benchmark graphs and comparatives are recorded separately as benchmark graphs and comparatives. Debt affordability quantified must be less than 175% and is currently sitting at 155%.
- Careful consideration is taken when looking at the annual plan. Currently there is a lot more work happening resulting in the need for more workers and a higher wage budget.
- Although there is a graph that breakdowns each activities expenditure by a percentage, it was noted that a clearer picture could be obtained if the dollar amounts could be provided.
- Every property was charged a uniform recovery rate fee in the first year after the extreme weather event.
- Growth is based on the amount of new rateable properties coming onto our system each year.
- Growth was estimated to increase by 0.5% in the 3 Year Plan. This gets looked at each year and is adjusted accordingly. For the 2024/25 Annual Plan, the growth was 0.8% based on the actual growth movement from the previous year.
- Total rates revenue is estimated to go up by 9.95%.
- There is currently no Council superannuation scheme for staff.
- All employee costs are recorded and charged either under employee costs or capital costs. These costs cannot be recorded twice.

MOVED by Cr Stoltz, seconded by Cr Telfer

That the Finance & Performance/Whakahaere Pūtea me Ōna Hua Committee:

1. Approves the draft 2025/26 Annual Plan as outlined in Attachment 1, including the draft Estimates set out within the draft Financial Statements.
2. Approves the draft Capital Works Programme for 2025/26 amounting to $150 million, as outlined in Attachment 1, Note 14 of the Our Finances section.
3. Agrees (having regard to those matters outlined within this report) that it is financially prudent to budget for an overall accounting surplus in the draft 2025/26 Annual Plan.
4. Agrees while noting the overall accounting surplus as set out in number 3 above, that some activities (as outlined within the report) will have an accounting deficit funded by loans or reserves.

CARRIED

10.2. INFORMATION Reports Finance

10.2.1. 25-18 Treasury Report - 31 December 2024

MOVED by Cr Wharehinga, seconded by Cr Thompson

That the Finance & Performance/Whakahaere Pūtea me Ōna Hua Committee:

1. Notes the contents of this report.

CARRIED

10.2.2. 25-21 Financial Report 31 December 2024

Chief Financial Officer Pauline Foreman spoke to the report with questions of clarification including:

- The variance in capital in Grants, Donations, Subsidies and Contributions is due to timing between works and has no adverse financial impacts to Council.
- A breakdown of what makes up expenditure and operating costs is outlined in full within the annual report.

MOVED by Cr Foster, seconded by Cr Gregory

That the Finance & Performance/Whakahaere Pūtea me Ōna Hua Committee:

1. Notes the contents of this report.

CARRIED

10.2.3. 25-23 Rates and Sundry Invoice Debt Management to 31 December 2024

Chief Financial Officer Pauline Foreman and Revenue Team Leader Fiona Scragg spoke to the report with questions of clarification including:

- There has been some pressure in rates debt during covid and the graph reflects when the debt occurred.
- Notes that debt will always be higher in the current year.
- Penalties issued for unpaid rates incurred further penalties if they were not paid by the due date. Apart from penalties applied for rates not being paid by the 20th of the month, no other penalties are applied. Previously penalties were also applied on six monthly debt and debt at the end of the year.
- The high amount of Sundry Debt for roads and footpaths is due to invoices that have been raised but are not yet paid from the funding allocated to those projects.

MOVED by Tony Robinson, seconded by Cr Gregory

That the Finance & Performance/Whakahaere Pūtea me Ōna Hua Committee:

1. Notes the contents of this report.

CARRIED

11. Public Excluded Business

Secretarial Note: These Minutes include a public excluded section. They have been separated for receipt in Section 11 Public Excluded Business of Council.

12. Readmittance of Public

MOVED by Cr Stoltz, seconded by Cr Wharehinga

That the Council

1. Re-admits the public.

CARRIED

13. Close of Meeting

There being no further business, the meeting concluded at **10:45am.**

Rehette Stoltz

MAYOR

3.2. Action Register

<table>
<tr><th>Meeting Date</th><th>Document</th><th>Item No.</th><th>Item</th><th>Status</th><th>Action Required</th><th>Assignee/s</th><th>Action Taken</th><th>Due Date</th></tr>
<tr><td>19-02-2025</td><td>Finance & Performance - 19 February 2025</td><td>10 2.2</td><td>25-21 Financial Report 31 December 2024</td><td>Completed</td><td>Information to be brought back to the committee with details on:
- what community property management is.
- figures for higher professional service costs.</td><td>Pauline Foreman</td><td>Update 02/04/2025:

Community Property – Capital expenditure
Noting that the pools capital expenditure relates to carry over from Kiwa pools, where the costs are final demolition/restoration around the Olympic pool. It is within overall budgeted project costs.

<table>
<tr><th></th><th colspan="3">As Feb25</th></tr>
<tr><th>Activity</th><th>Spend to Date</th><th>Budget to Date</th><th>Total Budget</th></tr>
<tr><td>Theatres</td><td>43,761</td><td>16,664</td><td>25,000</td></tr>
<tr><td>Museums</td><td>-</td><td>166,668</td><td>500,000</td></tr>
<tr><td>Monuments</td><td>977</td><td>30,000</td><td>30,000</td></tr>
<tr><td>Pools</td><td>212,623</td><td>-</td><td>-</td></tr>
<tr><td>Jetties & Ramps</td><td>12018.2</td><td>50,000</td><td>115,000</td></tr>
<tr><td></td><td>269,379</td><td>263,332</td><td>670,000</td></tr>
</table>

Professional services
As taken from 2023/24 Annual Report Note 9,
$4m full year costs. Includes:
• Prosecution, enforcement and investigation costs
• Recovery Office, mostly around legal costs for the FOSAL Voluntary Category 3 Property Buyouts
• Rating Valuation Costs
• Insurance brokerage fees
• Audit and other professional accounting fees : Treasury and Tax Governance
• Other legal fees</td><td>9-04-2025</td></tr>
</table>

3.3. Governance Work Plan

2025 Finance & Performance						Meeting Dates					
HUB	**Activity**	**Name of agenda item**	**Purpose**	**Report type**	**Owner**	**19-Feb**	**9-Apr**	**4-Jun**	**27-Aug**	**19-Nov**	
Finance & Affordability	Risk & Performance	Six Month Report	Provide Council with updates on progress and performance for the first and second quarters of the financial year 2024/25 regarding Council activities.	Information (I)	Tim Muir						
Finance & Affordability	Financial Services	BOPLASS SoI and Half Yearly Report	Provide half-yearly financial report for the period ending 31 December 2024	Decision (D)	Amanda O'Sullivan						
Finance & Affordability	Financial Services	Local Government Funding Agency Report to 31 December 2024	Provide half-yearly financial report for the period ending 31 December 2024 + Draft Statement of Intent	Decision (D)	Lucy Gibson						
Finance & Affordability	Financial Services	Regional Software Holdings Limited Update Cover Report	Provide update report to shareholders for the period July to December 2024 + Draft Statement of Intent	Decision (D)	Michaela Kocar						
Finance & Affordability	Financial Services	Gisborne Holdings Ltd Update	Provide Council with GHL's half yearly report to 31 December 2024 + Draft Statement of Intent	Public Excluded (D)	Ally Campbell						
Finance & Affordability	Financial Services	Financial report to end of period	Provide a high-level overview of the Council's financial results for the period	Information (I)	Mel Hartung						
Finance & Affordability	Cultural Activities	Tairawhiti Museum Annual Report 2023-2024	To present the trading arm of Gisborne Museum of Art and History Trust; Tairawhiti Museum's Annual Report and audited financial accounts.	Information (I)	Pene Walsh						
Finance & Affordability	Financial Services	2025/26 Fees and Charges	To present the final fees and charges for adoption	Decision (D)	Ally Campbell						

Te Kaunihera o Te Tairāwhiti
GISBORNE
DISTRICT COUNCIL

25-103

Title:	**25-103 2025/26 Fees and Charges**
Section:	Finance & Affordability
Prepared by:	Ally Campbell - Executive Policy Advisor
Meeting Date:	Wednesday 9 April 2025

Legal: No	Financial: Yes	Significance: **Low**

Report to FINANCE & PERFORMANCE/WHAKAHAERE PŪTEA ME ŌNA HUA Committee for decision

PURPOSE - TE TAKE

The purpose of this report is to present the final Fees and Charges for 2025/26 for adoption (**Attachment 1**).

SUMMARY - HE WHAKARĀPOPOTOTANGA

At its 19 February meeting, the Finance and Performance Committee accepted and resolved to consult on the draft Fees and Charges for the 2025/26 financial year (Report **25-19**).

For 2025/26, most fees have increased in line with inflation rates used for Year 2 of the 2024–2027 Three-Year Plan. Changes that are non inflation movements for 2025/26 include updates to Resource Consent deposits, Hairdresser fees, parking fees, and stormwater and wastewater connection fees.

Public consultation was undertaken and closed on March 28, with 6 submissions received. Of the 6 submissions received, only one has asked to be heard. They will be in attendance at this meeting to speak to their submission.

Staff have analysed the submissions and made a recommendation based on the information received. Staff recommend that the Finance and Performance Committee adopt the draft Fees and Charges for 2025/26 document as final with no additional changes, aside from minor changes to wording and formatting.

The final Fees and Charges for adoption have been included as **Attachment 1**. The full list of submissions has been provided in **Attachment 2.**

The decisions or matters in this report are considered to be of **Low** significance in accordance with the Gisborne District Council's (Council) Significance and Engagement Policy.

RECOMMENDATIONS - NGĀ TŪTOHUNGA

That the Finance & Performance/Whakahaere Pūtea me Ōna Hua Committee:

1. **Notes the contents of this report.**
2. **Approves the draft 2025/26 Fees and Charges as outlined in Attachment 1.**

Authorised by:

Pauline Foreman - Chief Financial Officer

Keywords: Draft 2025/26 Fees and Charges, 2025/26 Annual Plan, 2024-2027 Three Year Plan, 3YP, Financial Strategy

BACKGROUND - HE WHAKAMĀRAMA

1. In accordance with the Local Government Act 2002 (LGA), Council may prescribe fees or charges to recover the reasonable costs of services – such as for processing, monitoring and enforcement undertaken by Council staff.
2. While rates are generally applied more broadly, fees and charges are specific to particular services that mainly benefit the individual using them. Examples of services funded through fees and charges include resource consents, licenses, and registrations. Charging fees separately from rates ensures that the cost of providing these services is covered by those who directly benefit from them.
3. Fees and charges are reviewed annually as part of the Long Term Plan (LTP) or Annual Plan process. This year's review aligns with Year 2 of the 2024–2027 Three-Year Plan (3YP) and the Revenue and Financing Policy.
4. Council considers the cost of providing services and the impact of inflation when reviewing fees and charges. If a fee or charge increases beyond the rate of inflation, it is to cover the costs associated with providing the service and to maintain a fair balance between ratepayer contributions and those using and benefitting from the service (i.e., a 'user pays' system).

DISCUSSION and OPTIONS - WHAKAWHITINGA KŌRERO me ngā KŌWHIRINGA

Consultation Process

5. Fees and Charges consultation is run using the Special Consultative Procedure (SCP) guidelines, along with one month for the public to provide their feedback and submit on the draft Fees and Charges for the upcoming financial year.
6. This year, public consultation was undertaken from the February 28 to March 28. During this time, 6 submissions were received.

Feedback and Responses

7. Of the 6 submissions on the draft Fees and Charges for 2025/26, with only one of those submitters wanting to be heard. They will be in attendance at this committee meeting to speak to their submission.
8. Staff have analysed the submissions received and considered the suggestions provided by the submitters. Below is a summary of the key issues raised by submitters, along with staff responses and recommendations.

9. **Water Meter Charges**

Submission Feedback	One submitter opposed the proposed water meter charges for 2025/2026. They highlighted their lifelong commitment to water conservation, emphasising that their whanau has practised sustainable water use for generations and passed these values down to their tamariki and mokopuna. The submitter believes that as natural conservationists, they should not be subject to the proposed charges.
Staff Response	We acknowledge the importance of water and its conservation. We agree that fresh water is a finite resource, and as such Council considers wastage through leaks and excessive use puts pressure on this finite resource. Research has shown that by charging for metered water can reduce the amount of water needing to be produced, through reduced consumption and leak detection[1]. Our charges for water meter fees are based on what it costs to produce water. It also takes into account how much is being used by those that are on the water meters. These users are mostly the Commercial and industrial sector. It is based upon user pays and as such if the user, is not able to conserve as much as other users, then they are charged for what they consume or use. Most residential property owners connected to the water services, pay for their contribution of the water production costs through targeted rates.
Recommendation	The proposed fees and charges water meter rates of $2.10 plus GST is reflective of the costs required for cost recovery. It is comparable to other Councils water meter fees. Recommendation is to accept the draft Fees and charges for water meters.

10. **Affordability Concerns**

Submission Feedback	One submitter expressed their concerns that the community cannot afford further increases to fees, highlighting that salaries have not kept pace with inflation, making it difficult for residents to manage rising costs. The submitter felt that recent decisions, such as changes to road speed limits, have been a waste of ratepayer money and suggested that Council has not been considering the financial strain on the community.
Staff Response	Council always considers affordability when setting fees and charges. These charges are mostly adjusted in line with inflation and follow a user-pays approach. This means that people who use and benefit from services contribute to the cost, rather than spreading it across all ratepayers. The Revenue and Financing Policy sets out how much of the cost should be covered by fees and charges (user-pays) and how much should be funded through rates (public good). Council takes affordability seriously and has considered this carefully in its Financial Strategy, which aims to meet the needs of today's community while being fair to future generations. Affordability and fairness are always part of our annual review of fees and charges.
Recommendation	No change to the proposed 2025/26 Fees and Charges.

[1] https://tewaihanga.govt.nz/our-work/research-insights/valuing-water-sustainable-water-services-and-the-role-of-volumetric-charging

11. **Prioritising Road Repairs**

Submission Feedback	One submitter emphasised the need to prioritise road repairs over other Council initiatives, urging that resources be directed towards fixing damaged roads rather than focusing on perceived 'wants'.
Staff Response	Fees and charges are separate from ratepayer funding. Our Annual Plan for 2025/26 focuses on delivering key projects and services while continuing to advance our recovery programme. This programme aims to restore and strengthen core infrastructure, including roads, bridges, flood protection, and water management, to improve the region's resilience.
Recommendation	No change to the proposed 2025/26 Fees and Charges.

12. **Library Fees and Membership cards**

Submission Feedback	One submitter supported the removal of library fees for late returns and borrowing but suggested that Council introduce a fee for new membership cards to cover associated costs. They recommended maintaining free borrowing to support rangitahi and matua in the community.
Staff Response	Library membership is free of charge under S4 -142 Local Government Act 2002 and library cards enable patron engagement, financial and library operations. Should a library card need to be replaced, a fee of $12.00 will be charged.
Recommendation	No change to the proposed 2025/26 Fees and Charges.

13. **Alcohol Licensing concerns**

Submission Feedback	One submitter highlighted that the alcohol licensing fees listed in the draft Fees and Charges schedule are set by the Sale and Supply of Alcohol (Fees) Regulations 2013. However, these fees have not kept pace with the actual costs incurred by Council, and they anticipate that the fees will not adequately reflect costs until at least 2027. The submitter raised concerns that, without adjusting fees to better reflect costs, Council and ratepayers may be subsidising the costs associated with alcohol licensing. The submitter strongly encouraged Council to develop a bylaw to set realistic fees for alcohol licensing, recommending a move towards 100% cost recovery. The submitter emphasised that implementing a bylaw to set realistic alcohol licensing fees would not only support harm reduction but also align with the vision of "healthy people, healthy future."
Staff Response	The fees for alcohol licensing are set on a cost-recovery basis, following the rules set by the current legislation. However, these rules use outdated fee structures that make it difficult for Council to cover costs. This has led to ongoing shortfalls, making it harder to maintain a strong regulatory system without placing too much burden on ratepayers. Council has actively raised these concerns with Central Government, advocating for a review of the national fee structure to ensure a fair and effective regulatory environment. However, while the issue has been acknowledged at a national level, it is unlikely that any changes to the fee structure will occur in the near future. Locally, this issue is reviewed annually by Councillors through a report on the District Licensing Committee's income and expenses, as required under section 19 of the Sale and Supply of Alcohol (Fees) Regulations 2013. Any further discussions regarding the potential development of a bylaw to set more appropriate fees would take place outside the scope of the 2025/26 Fees and Charges review and would be guided by Councillors' interest in pursuing this option.
Recommendation	No change to the proposed 2025/26 Fees and Charges.

14. **Resource Consent Fee Increases**

Submission Feedback	A nationwide forest management services company expressed concerns about the significant fee increases for resource consents. While they acknowledged the need for periodic fee reviews, they believe the proposed increases are disproportionate and lack sufficient justification. Their concerns include: • **Lack of Transparency:** The rationale behind the increases was not clearly explained, and the stated alignment with inflation rates does not match the figures presented. • **Efficiency of Processes:** PF Olsen noted that the consent process has become slower and more expensive, yet these changes have not resulted in tangible improvements in environmental outcomes. • **Excessive Increases:** Concerns were raised about specific fee increases, including: a. Non-Notified Resource Consent Deposit Fee: Increase from $1,400 to $2,500 (78.6% increase) b. Section 127 (Variation) Deposit Fee: Increase from $545 to $1,400 (157% increase) c. Bundled Consent Deposit Fee: Increase from $1,800 to $3,000 (66.7% increase) d. Clustered/Global Consent Deposit Fee: Increase from $3,000 to $5,000 (66.7% increase) The submitter provided multiple recommendations, including considering a phased implementation of fee increases and conducting an independent review of cost justifications.
Staff Response	**Lack of Transparency** Previously, the deposit required from applicants for resource consent applications covered less than 25% of the total costs. As a result, many applicants were surprised by the final bills they received at the end of the process. This situation led to unrealistic expectations, with the applicants assuming the final costs would be only slightly higher than the deposit. The proposed change aims to ensure that the upfront deposit better reflects the actual processing costs of a resource consent, covering approximately 43% of the total costs. As part of our review of fees and charges, the Consents Team conducted a comparative analysis of deposits set by other Council's across New Zealand. Additionally, the team examined the costs of consents issued over the past two years to calculate the average processing costs of all the different activity types of consents. This analysis helped determine an appropriate deposit amount that accurately reflects a better proportion of the actual costs of processing a resource consent. The rise in costs over the years can be attributed to a variety of factors, not just inflation. These include the need for Council to take into new account new legislation, regulations and caselaw as they are introduced, the ongoing requirements related to treaty settlements and the need to engage with iwi, hapu and whanau on the incorporation of new scientific developments and evidence as they become available. These factors contribute to the complexity and scope of planning and consent processes, which often require additional resources, technical expertise and reviews.

Staff Response	**Efficiency** Over the last 18 months Council's Consents Team haven been undertaking a series of improvements aimed at increasing efficiency, achieving better timeframes and reduced costs. Some of the improvement projects include: • The Standard Operating Procedures (SOP) Manual – Our team has been developing an SOP manual that will outline, guide and standardise all processes and procedures for staff and contractors. This will include detailed guidance notes on planning, legal and technical areas. • RICO – Over the last six months, the team has been using a new online platform that centralises the processing of all decision reports, both internally and externally. The system standardises report writing and includes automated functions for maps and data integration from our GIS system and District Plan. On average, using this platform results in a time savings of 4-6 hours of processing time per consent. • External Consultant Planners Project – This project is focused on reviewing costs incurred by applicants, the quality of work, and the timeliness of outputs from our external workforce. As a result, several significant changes have been implemented, including the introduction of performance review parameters, a new induction package, a processing guidebook for consultants, a SharePoint system and new invoicing requirements. One key change is the introduction of a pricing guide, which sets maximum limits for processing consents and aligns with low, medium and high transactional thresholds. The pricing has been determined based on typical hours spent by internal and external staff and serves as a guide to the maximum number of hours expected to be spent in processing a consent. Our focus for the next six months will shift towards reviewing our external technical advisory contractors. • Each year, the consents team rolls out an annual training programme designed to enhance and maintain the technical planning capabilities of internal staff. The programme covers a wide range of planning related topics from Section 95 assessments, Section 104 assessments, writing good reports, the appeal process to being an expert witness. **Non-notified consents** The proposed increase in deposits from $1,400 to $2,500 reflects the growing complexity and scope of consent processing as noted above. While the increase exceeds the stated inflation rate of 2.9%, it is necessary to better align fees with actual processing costs and reduce the financial burden on the Council due to unpaid invoices. Additionally, it is also important to manage the applicant's expectations of costs by setting a deposit amount that more accurately reflects the actual costs of processing consents. A benchmarking exercise comparing fees across other councils indicates that the proposed deposit remains within the national range. For reference: • **Nelson City Council**: Non-notified consent deposits range from $3,000 to $5,800. • **Otago Regional Council**: Non-notified consent deposits are set at $3,000. • **Auckland Council**: Deposits range from $4,000 to $7,000 depending on activity type. • **Wairoa District Council**: Non-notified deposit - $2400.

Staff Response	Data from the previous financial year further supports the need for this adjustment. Total charges for non-notified resource consents amounted to **$1,212,942**, while deposits paid were only **$311,240.00** representing **just 25% of actual costs**. These figures illustrate that current deposits significantly underrepresent actual costs, contributing to outstanding debt. The cost of processing a non-notified consent over the last financial year averaged **$5,563.9.** **Section 127 (Variations)** Our variation deposit fee is significantly lower than benchmarking from other Councils; in fact for Auckland, Marlborough and Tasman Councils, the variation deposit and non-notified deposit are almost identical, if not the same rate. <u>Benchmarking Data:</u> Auckland Council $4400 Tasman District Council $1450 Marlborough District Council $1265 Our proposal to align the variation deposit with the current non-notified deposit of $1400 is supported by the above comparative analysis. Tasman and Marlborough District Councils charge the same deposit for variations as they do for non-notified applications. Auckland Council's variation deposit of $4,400 is closely aligned with their non-notified deposit fees, which range from $4,000 to $7,000. The cost of processing a section 127 variation over the last financial year averaged $4,392.68. **Bundled Consents** The rationale for adjusting deposit fees across bundled consents is consistent with the reasoning provided for non-notified consent deposits. These applications have become increasingly complex and resource-intensive, requiring more processing time and specialist input. The proposed increase aligns with the findings of the benchmarking exercise conducted for non-notified consents. <u>Benchmarking Data:</u> Auckland Council's deposit for two or more activities was $12,000. Nelson Council's deposit fee for one activity is $3000, plus an additional $1000 for each additional consent required. Overall, the deposit amounts as above are significantly higher than proposed by Gisborne District Council. **Clustered/Global Consent** The rationale for adjusting deposit fees across clustered and global consents is consistent with the reasoning provided for non-notified consent deposits. These applications are even more complex and resource-intensive, requiring greater processing time and specialist input as they often cross multiple sites and locations. The proposed increase aligns with the benchmarking exercise referenced for non-notified consents.
Recommendation	No change to the proposed 2025/26 Fees and Charges.

ASSESSMENT of SIGNIFICANCE - AROTAKENGA o NGĀ HIRANGA

Consideration of consistency with and impact on the Regional Land Transport Plan and its implementation
Overall Process: **Low** Significance
This Report: **Low** Significance

Impacts on Council's delivery of its Financial Strategy and Long Term Plan
Overall Process: **Low** Significance
This Report: **Low** Significance

Inconsistency with Council's current strategy and policy
Overall Process: **Low** Significance
This Report: **Low** Significance

The effects on all or a large part of the Gisborne district
Overall Process: **Medium** Significance
This Report: **Low** Significance

The effects on individuals or specific communities
Overall Process: **Medium** Significance
This Report: **Medium** Significance

The level or history of public interest in the matter or issue
Overall Process: **Low** Significance
This Report: **Low** Significance

15. The decisions or matters in this report are considered to be of **Low** significance in accordance with Council's Significance and Engagement Policy.

TREATY COMPASS ANALYSIS

Kāwanatanga

16. Council has upheld its governance responsibilities by applying the Special Consultative Procedure (SCP), ensuring open and transparent processes for decision-making. The consultation process was accessible to the public and included tangata whenua, allowing them to participate meaningfully. The alignment of fees with the 2024–2027 Three-Year Plan and relevant legislation demonstrates responsible governance and consistency with the Council's policies and strategies. Council's structured approach to setting and reviewing fees reflects a sound commitment to its role under kāwanatanga.

Rangatiratanga

17. The report recognises the importance of engaging with the community, including tangata whenua, during the consultation process. Clear guidance around services that hold cultural significance acknowledges and supports Māori values and authority in matters of importance. Council also considers mātauranga Māori through its respectful responses to feedback, demonstrating a commitment to supporting Māori participation and autonomy.

Oritetanga

18. Council's fees and charges are grounded in a user-pays principle that supports fairness and aligns with its Revenue and Financing Policy. This report acknowledges affordability as a key consideration, reflecting a commitment to equitable outcomes for the community. By maintaining minimal changes beyond inflationary adjustments, Council ensures that Māori and all residents have fair access to services without undue financial burden. The inclusion of targeted rates and careful balance between public good and individual benefit further supports equity.

Whakapono

19. Council's approach to the 2025/26 Fees and Charges reflects an awareness of and respect for tikanga and cultural values. Feedback received during consultation was acknowledged with care, and services with cultural significance were considered thoughtfully. The report demonstrates a commitment to recognising Māori perspectives and values within service delivery, aligning with article four of Te Tiriti o Waitangi by ensuring belief systems and customs are respected and reflected in Council processes.

TANGATA WHENUA/MĀORI ENGAGEMENT - TŪTAKITANGA TANGATA WHENUA

20. There are no significant changes to the draft 2025/26 fees and charge that require additional Māori engagement, as fee increases are in line with the 3YP. Tangata whenua have been engaged and consulted with as part of the consultation process.

COMMUNITY ENGAGEMENT - TŪTAKITANGA HAPORI

21. Public Consultation was undertaken and closed on March 28, with 6 submissions received. The consultation was advertised via Council's website and the newspaper.

CLIMATE CHANGE – Impacts / Implications - NGĀ REREKĒTANGA ĀHUARANGI – ngā whakaaweawe / ngā ritenga

22. Council acknowledges the potential impacts of climate change through the setting of fees and charges, particularly in areas that involve environmental management and regulatory oversight. Fees for activities such as resource consents, monitoring, and compliance help ensure that Council can manage and mitigate environmental risks, including those associated with climate change.

CONSIDERATIONS - HEI WHAKAARO

Financial/Budget

23. The fees and charges support the estimated income levels included in the 2024-2027 Three Year Plan. The Revenue and Financing Policy sets out how Council funds each of its activities. In deciding how to fund each activity, Council takes into account:
    a. The community outcomes to which an activity contributes.
    b. The distribution of benefits between the community as a whole, identifiable parts of the community and individuals (beneficiary pays principle).
    c. The period during which the benefits are expected to occur (inter-generational equity principle).

24. The extent to which actions, or inactions, of individuals or groups contribute to the need to undertake the activity (exacerbator pays principle).

25. The costs and benefits of funding the activity distinctly from other activities.

26. The Fees and Charges for 2025/26 support the inflationary rates used within Year 2 of 2024-2027 Three Year Plan. However, it should be noted that there will be a comprehensive cost recovery review over the next 3-6 months. The results of the review will be workshopped with Council, and if there are departures from 2025/26 Fees structure were to occur then they would be consulted again or be implemented in the following year.

Legal

27. The 2025/26 Fees and Charges document complies with legislative requirements.

POLICY and PLANNING IMPLICATIONS - KAUPAPA HERE me ngā RITENGA WHAKAMAHERE

28. There are no policy and planning implications around the 2025/26 changes to Fees and Charges.

RISKS - NGĀ TŪRARU

29. If the proposed Fees and Charges are not adopted, there is a risk that Council will not meet costs forecast in the 3YP.

NEXT STEPS - NGĀ MAHI E WHAI AKE

Date	Action/Milestone	Comments
May 2025	Notification of Dog Control Fees	
1 July 2025	Implementation of 2025/26 Fees and Charges	

ATTACHMENTS - NGĀ TĀPIRITANGA

1. Attachment 1 - Fees and Charges 25-26 [**25-103.1** - 44 pages]
2. Attachment 2 - Fees and Charges Submissions Full [**25-103.2** - 8 pages]

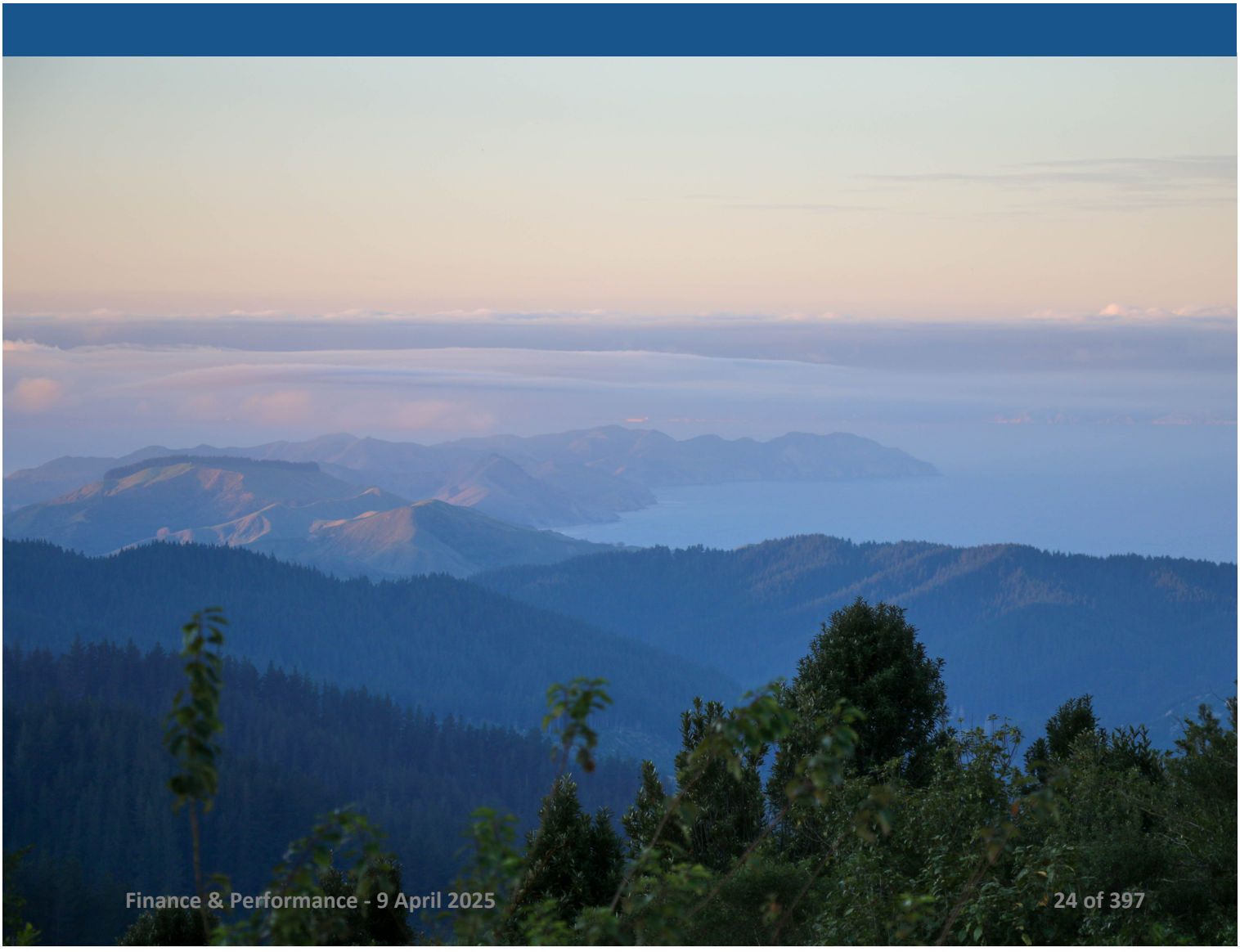
VERSION 6
April 1, 2025 10:45 AM

Te Kaunihera o Te Tairāwhiti
GISBORNE
DISTRICT COUNCIL

2025/26

Ngā utu me ngā utu whakauru
Fees and charges

The Council fees and charges are used to fund the operation and maintenance of a variety of services provided to the community



Contents

About the fees and charges 3

Corridor access requests 4

CAR type definitions 5

Cemeteries 6

Community housing 7

Enviromental and regulatory services 8

- Staff time, basis of charges and disbursements 8
- Resource consents 10
- Compliance monitoring and enforcement 13
- Environmental science monitoring 15
- Policy planning 16
- Building services 17
- Environmental health services 23
- Alcohol licensing 27
- Enforcement 28
- Animal control 32
- Parking 34

Gisborne theatres 35

HB Williams Memorial Library 38

Parks, reserves and sports grounds 39

Kiwa Pools 40

Stormwater, wastewater and water supply 41

Rates 43

Summer camping 43

Conveniences 43

About the fees and charges

Council fees and charges help fund the operation and maintenance of various community services. These are reviewed annually as part of the Annual Plan or Long-Term Plan.

When reviewing fees and charges, several principles are considered, including the cost of providing services, value for money, and community expectations. The balance between affordability and accessibility is also taken into account.

Most fees and charges are based on cost recovery or set by legislation. For 2025/26, fees have been adjusted in line with the inflation rate used for Year 2 of the 2024–2027 Three-Year Plan. Where fees are not regulated, they are rounded to the nearest dollar, meaning some lower fees may increase slightly above inflation. Regulated fees are updated when we receive notification from the relevant authority

All fees and charges include GST at the rate of 15% and will take effect from 1 July 2025.

We have made every effort to provide a complete and accurate schedule of fees and charges. If any errors or omissions are identified, charges will be adjusted in line with the relevant legislation and the staff service and hourly charge-out rates outlined in this schedule.

Council reserves the right to introduce or adjust fees and charges at its discretion. Please check our website for the most up-to-date information.

For applications requiring a deposit (also called an initial fixed fee), the final cost will be based on actual processing time and any site visits required. In some cases, actual costs may exceed the deposit paid.

Summary of new fees or changes (other than inflation costs)

- **Kiwa pools:** Fees were reviewed in October 2024 and took effect on 1 December 2024, covering the period until 30 June 2025. Fees for the 2025/26 year have also been set. Refer to our website for the full schedule.
- **Parking fees:** Most parking fees have increased by an additional 50 cents per hour. As parking fees have remained unchanged for 10 years, this increase is still slightly below the cumulative inflation rate over that period.
- **Ministry for Primary Industries (MPI) levy:**A new levy for domestic food businesses, set by MPI, will take effect from 1 July 2025 at $57.50 (excluding GST).
- **Hairdresser registration fees:** There is now a single fee covering both registration and inspection costs, as there are no legal or statutory requirements for separate registrations. This fee represents an increase from the previous charge, reflecting two hours of officer time (one for administrative processing and one for inspection).
- **Environmental health services:** The wording for camping facility registration has changed from “Normal” to “Annual” to reflect the permanent nature of certain campgrounds (e.g., Tatapouri, A&P Showgrounds). This registration fee is based on camping ground legislation and should not be confused with fees for freedom camping bylaws or temporary camping ground facilities (e.g., R&V, Woodland), which are covered under "Limited Duration Camping Grounds."
- **Resource consent deposit fees:** Deposit fees for resource consents have increased.
- **Objections to resource consents:** A new deposit fee of $1,000 applies to objections under Sections 357A and 357B of the Resource Management Act. Additional charges will apply if actual costs exceed the deposit. The applicant is responsible for all actual costs associated with a hearing on an objection.
- **Working dog registration fees:** Fees are now capped for the first six registered dogs.
- **Stormwater and wastewater connection fees:** A new fee of $150 has been introduced for stormwater and wastewater connections to the council network. This ensures proper management and compliance with fit-for-purpose standards. Previously, this was referred to as an "extraordinary connection fee."
- **Science monitoring fees for resource consents:**The structure for annual science monitoring fees has been revised based on the number and type of active consents. A standard fee is now applied per activity, with higher fees for larger activities due to their greater environmental impact. This change aims to improve accuracy in cost recovery.
- **Oakview subdivision:** A new footpath deposit has been introduced for building consents in the Oakview subdivision. Due to the wider, coloured concrete footpaths in this area, repairs for damage caused by heavy vehicles are more costly.
- **Water meter fees:** Fees have increased by 25 cents to account for inflation and cost recovery.

Note: All scheduled fees and charges are inclusive of GST (15%) unless otherwise stated.

Corridor access requests

Car Type	2025/26 Fees
Standard CAR Will incur an inspection charge – fee below*	360
Project CAR Will incur an inspection charge – fee below*	360
Non-Standard CAR Will incur an inspection charge – fee below*	539
Blanket CAR Will incur an inspection charge – fee below*	180
*Close inspection per site Commercial utility providers can avoid this charge if they provide photographic evidence of the completed work site. This will reduce the inspection workload. These sites are assessed as low risk as these are professional tradespeople operating to the 'National Code of Practice for Utility Operators'. There will be clear guidelines on requirements for this self-service aspect.	180
Non-Compliance	593
Minor CAR	At Council discretion
Work Access Permit Extension	91
Cancelation of CAR Application	91
Time Restricted per car park per day (Designated pay-to-park areas)	42

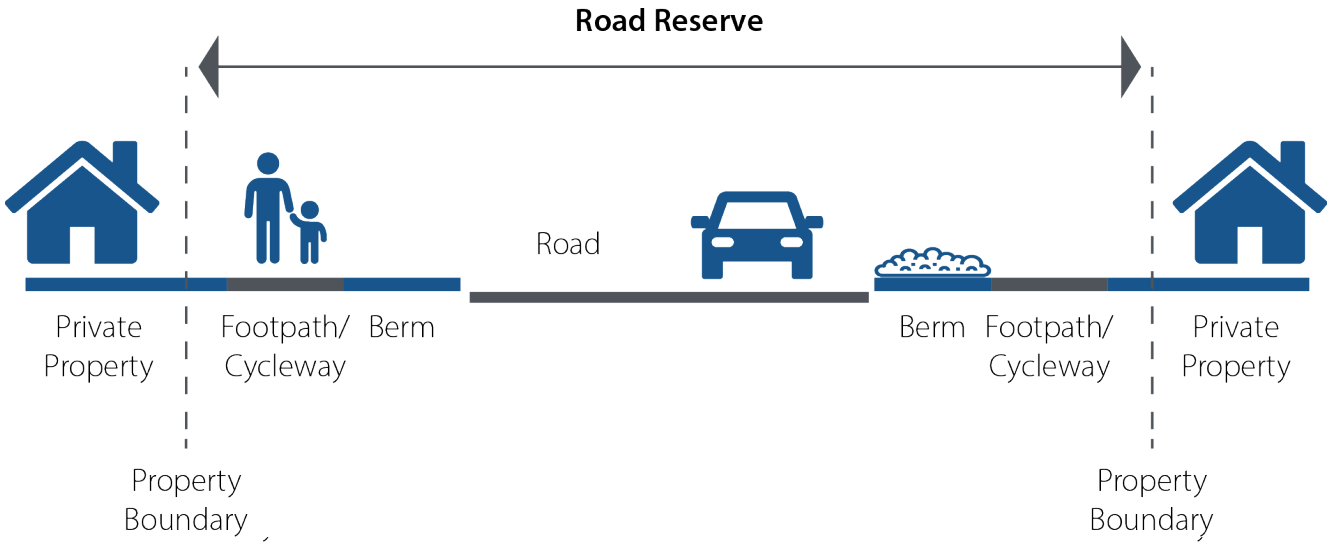
Authority/Requirement: Section 150 of the Local Government Act (2002)

A CAR is required for, but not limited to, the following activities:

- Any activity that will alter, or cause to be altered, the surface of any part of the road corridor - including and not limited to excavating, drilling and resurfacing
- The placement of any pipe, duct, pole, cabinet or other structure below, on or above the road corridor
- A new vehicle crossing, driveway works
- Building construction (commercial)
- Scaffolding works associated with renovations or building maintenance
- Shop front fit outs/repairs/replacements
- Crane operators
- Building cleaning/painting up to 4 hours
- Events

CAR type definitions

Standard CAR:	This is a CAR that requires no expert input from the Network Managers or Contract Managers. These are mostly excavation CARS.
Project CAR:	This covers professional project work that is either long and/or has standard work site practices that can be bundled under one CAR. For example, connecting ultra-fast broadband to houses or undertaking emergency work like repairing burst water pipes.
Non-standard CAR:	This is a CAR that requires expert input from the Network Managers or Contract Managers. It may have implications for other roading activities. It may need interdepartmental consideration as well.
Non-compliance:	This is a charge for those working on the network that either do not have a CAR or are in breach of their CAR conditions.
Inspection per site:	This is a fee for having network professionals investigate the worksite as required at completion, at the end of the defect liability period or other as required.



Note: All scheduled fees and charges are inclusive of GST (15%) unless otherwise stated.

Cemeteries

ITEM	2025/26 Fees
BURIAL PLOT PURCHASE FEE	
Full size - 2.4m x 1.2m	
Taruheru	1,290
Motu	355
Ormond	355
Patutahi	1,290
Rakauroa	355
Ruatōria	355
Te Araroa	355
Te Puia	355
Tokomaru Bay	1,290
Tolaga Bay	1,290
Children's Lawn (Taruheru Cemetery) - 0.6m x 1.2m	355
INTERMENT FEE	
Monday - Friday	
Standard	615
Children (12 years and under)	310
Additional fee for out-of-district residents (additional to normal interment fee)	310
Saturday and Sunday	
Standard	905
Children (12 years and under)	460
Additional fee for out-of-district residents (additional to normal interment fee)	605
Statutory Holiday	
Standard	1,405
Children (12 years and under)	705
Additional fee for out-of-district residents (additional to normal interment fee)	605
ASHES PLOT PURCHASE AND PLACEMENT	
Ashes - 450mm x 450mm berm (placement of ashes extra)	295
Garden block (includes two placements of ashes)	525
Niche area (includes first placement of ashes and plaque with 14 words inscription)	265
Tokomaru Bay and Tolaga Bay (2 placements of ashes)	295
Placement of ashes in any plot already purchased in cemetery	80
OTHER CHARGES	
Disinterment fee	780
Extra deep digging of grave	185

Community housing

Rental amounts are set at 90% of the average rental for similar units (as stated by Tenancy Services). Rents are reviewed on an annual basis. For more information about rent updates see Council's website *gdc.govt.nz* >> **Community housing | Gisborne District Council**

Complex	Location
Attlee Place	Carnarvon Street
Awhina Court	Ayton Street
Barwick Place	Wainui Road
Craig Court	Craig Road
Elgin Court	Lytton Road
Frances Gregory Court	Jackson Street
Lytton Court	Lytton Road
Lytton Court - Disabled Unit	Lytton Road
Rangimarie Court	Hospital Road
Te Karaka Court	Balfour Road
Wildish Court	Wildish Street

Note:

Applicants must be aged 55 or older, hold a current community services and/or an equivalent SuperGold Card. A bond of $350 plus two weeks' rent in advance must be paid at the commencement of a tenancy. When a tenant wishes to vacate a unit, bond payments are fully refundable if the unit is in the same condition as when it was first occupied.

Environmental and regulatory services

Staff time, basis of charges and disbursements

Staff time

An hourly charge-out rate will apply unless otherwise stated:	2025/26 Fees
Team Leader/Manager Senior Scientist Senior Officer and Principal Planner Development Engineer & Geotechnical Officer Advisors - Science, Contracts, Hearings, Systems, Māori Engagement, Senior Investigator	210
Science Officer Planner, Intermediate Planner Building Services Officer Building Technical Officer Compliance Officer Investigator	188
Administrative services / Consent Co-ordinator (per hour)	126
Consultant, Technical Expert - External	Charge at cost plus disbursements

Basis of charges

The hours applied by staff to the resolution of an application or event, and subsequently charged for, will be reasonable taking into account Council's responsibilities, cost to applicant and welfare of the community.

Provision of information in response to general enquiries is a free service to the public unless otherwise specified in this document.

Provision of professional advice in relation to specific building and development proposals is free for an initial period of 15 minutes. Thereafter it is charged on a cost of service basis.

For resource consent applications, Council requires a cost recoverable deposit to be paid. This is a deposit only and further fees may be charged on a full cost recovery basis.

A 50% premium may be added to normal charge-out rates for activities caused by working without or outside the terms of consents required by Council.

Where the Tairāwhiti Plan has stated that other fees and charges provisions apply or that no charges will apply this is also specified in this document.

Disbursements

The hourly charge-out rates include normal office overheads such as telephone calls, office accommodation records and typing. Other actual disbursements such as photocopying will be charged as follows, unless otherwise stated in the fees and charges document:

	2025/26 Fees	
Microfilming/scanning		
Scan per page	$2.25 - $8.99	
Photocopies/printing	**B&W**	**Colour**
Less than 20 copies		
A4	0.91	1.47
A3	1.47	2.72
More than 20 copies		
A4	0.45	0.68
A3	0.57	0.80
Mapping printing/copying	**Full colour**	**With aerial photo**
A4	12	16
A3	16	22
A2	22	28
A1	28	40
A0	40	61
Mapping scanning	**$**	**$**
<100	12	40
>100 same original size	8	61

Resource consents

Section 36, 125, 127, 128, 139 and 150 - Resource Management Act 1991, Local Government Official Information Act.

We charge the actual costs for processing a consent application, apart from a limited number of applications which are subject to a fixed fee as detailed below. Actual costs include, but are not limited to:

- Staff time spent processing a resource consent/variations/minor correction at the staff charge out rates detailed in section 1.0
- Contractor's or consultant's time based on the charge out rate of the contractor or consultant engaged to do the work
- Disbursements which may include travel costs, expert advice, photocopying / scanning and hearing costs.
- The Council will apply interim invoicing for applications that accumulate costs exceeding $5,000 during the consent process. Generally these consents would be of significant scope and complexity extending over long periods of time.
- The fee for notifed consents (limited and public) must be paid prior to notification. The fee will be the notified consent fee, less the deposit fee paid at the time the application was lodged.
- Any refund may be used to offset any outstanding balances.

Authority/ Requirement	Subject		2025/26 Fees
	REGIONAL AND DISTRICT RESOURCE CONSENTS (Includes Subdivisions)		
	DEPOSIT FEE		
Resource Management Act 1991 Section 36	a.	Certificate of Compliance / Certificate of Existing Use Rights (Deposit Fee) [1]	614
	b.	Partial transfer of water consent to another person within the existing consent term (Deposit Fee) [1]	250
	c.	Non-notified (Deposit Fee) [1]	2,500
	d.	Notified (Deposit Fee) [1]	5,000
	e.	Bore Permit (Deposit Fee) [1]	614
	f.	Bundled - More than one activity type bundled together triggers this fee (Deposit Fee) [1]	3,000
	g.	Clustered / Global Consents - Five or more consent applications lodged together triggers this fee (Deposit Fee) [1]	5,000
	f.	Section 127 - variation (Deposit Fee) [1]	1,400
	g.	Section 223 deposit [1]	256
	h.	Section 224(c) deposit [1]	481
	i.	Combined Section 223 and Section 224(c) deposit [1]	767
	j.	Section 221 - Consent Notice deposit [1]	113
	ACTUAL FEE		
Resource Management Act 1991 Section 36	a.	Section 222 - Completion Certificate plus Bond	212
	b.	Section 108(2)(b) - Bond*	Actual Cost
	c.	Engineering Plan check (including site visits)*	Actual Cost
	d	Section 226 - certificate to separate record of title*	Actual Cost
	e.	Section 241 - certificate to cancel amalgamation*	Actual Cost
	f.	Section 243 - surrender of easements*	Actual Cost

Authority/ Requirement	Subject	2025/26 Fees
Resource Management Act 1991 Section 36	Whole transfer of Coastal Permits, Water Take consents, Water Permits for Damming or Diverting and Discharge Permits (but not limited to) to another person at the same site within the existing consent term	125
	Application to reduce the allocated rate of surface water take consent or allocated annual volume of groundwater take consent	Nil
	Applications for activities identified in regional and district plans that have a zero fee - Activity which only infringes the Soil Conservation (and no other) Rules in the Tairāwhiti Plan [2]	Nil
	Water Take Consent - Non-Refundable Waitlist Payment*	59
	Pre-Lodgement advice/Pre application meeting****	Actual cost
	Land Use Consent Condition(s) Certification*	Actual cost
	Section 125 - Extension of Time*	Actual cost
	Section 128 - Review of consent conditions by consent authority*	Actual cost
	Section 36 - Miscellaneous Certificates of Compliance*	Actual cost
	Section 36 - Cancellation of RMA instruments*	Actual cost
	Section 87BB - Deemed Permitted Activity*	Actual cost
Local Government Act 2002 Section 50	Right of way approval – Section 348*	Actual cost
	RESOURCE CONSENT ADMINISTRATION	
	CIRCULATION FEE	
	Non-notified applications (Circulation to 1 - 3 parties) [3]	215
	Non-notified applications (Circulation to more than 4 parties) [3]	265
	Notified applications [3]	440
	ACTUAL FEE	
Resource Management Act 1991 Section 36	Cancel consent - all processing costs to date, plus fee of:	101
	Search of Council records for National Environmental Standards requirements - residential site	428
	Search of Council records for National Environmental Standards requirements - commercial site	485
	SUBSCRIPTION - ACTUAL FEE	
	One Off / First Request - Weekly Monthly Consent Data Report*	124
	Annual Subscription - Weekly Consent Data Report - Request of same data	936
	Annual Subscription - Monthly Consent Data Report - Request of same data	204

Authority/ Requirement	Subject	2025/26 Fees
Resource Management Act 1991 Section 36	**HEARINGS**	
	Commissioner's costs (external commissioners at applicant's request)*	Actual cost
	Commissioner's costs (at submitter's request)**	Actual cost
	Commissioner's costs (at Council appointment)***	Actual cost
	Objections under S357A and S357B (deposit) *****	1000
Section 36	**DESIGNATIONS**	
	DEPOSIT FEE	
	Designation (Deposit Fee) [1]	3100
Section 176A	Outline Plan Consideration (Deposit Fee) [1]	435
	Outline Plan Waiver (Deposit Fee) [1]	271
Section 176A(2)(c)	**NOTICE OF REQUIREMENT**	
	Non-notified (deposit fee) [1]	2500
	Notified (Deposit fee) [1]	7000

Notes:

1 The Council will charge for additional time processing the consent where this time exceeds the deposit paid. Under S36AAB(2), the Council is able to stop processing a consent until this fixed fee is paid.

2 Note the Tairāwhiti Plan identifies in Policy that these consents will not be charged for.

3 The Resource Consent Administration-Circulation Fee is non-refundable for resource consents returned as incomplete under section 88 of the Resource Management Act 1991.

* Items are charged at actual and reasonable cost unless otherwise identified.

** The submitter(s) pay the actual cost of the application being heard and decided, less any charges payable by the heard and decided.

*** The applicant pays the actual cost of the application being heard and decided, less any discount percentage as per Council's hearings discount policy where commissioners have been used because Council has a greater interest than the public. Additional charges will apply where actual costs exceed the deposit. The applicant is responsible for all actual costs associated with a hearing on an objection.

**** First hour of one staff members time is provided free of charge. Thereafter staff time for pre-lodgement advice/pre-application meetings are charged in accordance with the fees & charges schedule. These costs will include administrative time, preparation, actual meeting time and follow up advice.

***** Additional charges will apply where actual costs exceed the deposit. The applicant is responsible for all actual costs associated with a hearing or an objection.

Staff time in preparing reports and attending hearings will be charged at actual time. Miscellaneous charges (copying, venue hire, printing, etc.) will be charged at actual cost.

Compliance monitoring and enforcement

The Compliance Monitoring and Enforcement Team charge actual and reasonable costs for all permitted activity, consent and non-compliance monitoring. Actual and reasonable costs include, but are not limited to:

- Staff time spent monitoring sites, including travel time, desk top monitoring (data/technical analysis etc.), meetings, phone calls, tests and samples
- Contractor's or consultant's time based on the charge out rate of the contractor or consultant engaged to do the work
- Disbursements which may include travel costs, expert advice, photocopying / scanning

Authority/ Requirement	Subject	2025/26 Fees
Resource Management Act 1991 Section 36	**REGIONAL AND DISTRICT RESOURCE CONSENTS**	
	CONSENT MONITORING	
	Set up the resource consent monitoring programme	190
	Fee for late submissions and/or incorrect submission of records (including data) and monitoring reports as required by consent or Resource Management Act Regulations	229
	Site Inspection (site visit)	Actual & reasonable cost
	Inspection Report (i.e CME report/Fieldsheet)	Actual & reasonable cost
	Travel Time	Actual & reasonable cost
	Monitoring administration	Actual & reasonable cost
	Desktop Monitoring - including data/technical analysis, review of plans (including management plans)	Actual & reasonable cost
	Disbursements including tests and samples	Actual & reasonable cost
	Correspondance (including meetings, emails, letters and phonecalls)	Actual & reasonable cost
	External specialists/consultants including technical advice	Actual & reasonable cost
	REGIONAL AND DISTRICT RESOURCE CONSENTS - HEARINGS	
	Commissioner costs	Actual & reasonable cost
Resource Management Act 1991 National Environmental Standard for Plantation Forestry Part 3 & National Environmental Standard Commercial Forestry Regulations	**PERMITTED ACTIVITY MONITORING –FORESTRY**	
Regulation 106 (a)	Permitted Activity monitoring for Regulation 24(earthworks)	Actual & reasonable cost
Regulation 106 (b)	Permitted Activity monitoring for Regulation 37 (river crossings)	Actual & reasonable cost
Regulation 106 (c)	Permitted Activity monitoring for Regulation 51 (forestry quarrying)	Actual & reasonable cost
Regulation 106 (d)	Permitted Activity monitoring for Regulation 63 (harvesting)	Actual & reasonable cost

Authority/ Requirement	Subject	2025/26 Fees
Resource Management Act 1991	PERMITTED ACTIVITY MONITORING –FRESHWATER	
National Environmental Standard for Freshwater 2020 (NESF) Part 4, Regulation 75	Permitted activity monitoring for freshwater regulations	Actual & reasonable cost
Tairāwhiti Resource Management Plan	PERMITTED ACTIVITY MONITORING – STORMWATER	
	Point Source Discharges	
Rule 6.2.3(3)	Permitted Activity monitoring for Stormwater for Rule	Actual & reasonable cost
Resource Management Act 1991	MEASURING AND REPORTING OF WATER TAKES REGULATIONS 2010	
	Water Use Returns and Audits (Annual Fee)	
	Web portal/text water meter entry fee	176
Telemetered is automatic readings to GDC	Telemetered water meter entry fee	103
	Telemetered or web portal/text entry - each additional water meter	46
	Fax/email/standard post	266
	Fax/email/standard post - each additional water meter	91
	Where not set up to take water	91
	Other Fees	
	Compliance audit where water meters don't meet standards	322
	Site Visits	Actual and reasonable cost
	ENFORCEMENT FEES	
Resource Management Act 1991 Section 36	Council administration charge for drafting and issuing enforcement actions – charged to holder of consent (does not include any additional costs of non-compliance)	Actual & reasonable cost
	Fee for late submissions and/or incorrect submisssion of records (including data) and monitoring reports as required by consent or Resource Management Act Regulations	229

Environmental science monitoring

Section 36, 125, 127, 128, 139 and 150 - Resource Management Act 1991, Local Government Official Information Act.

Authority/ Requirement	Subject	2025/26 Fees
Resource Management Act 1991 Section 36	**REGIONAL IMPACT/MONITORING/SCIENCE CHARGES (ongoing consents)**	
	Air discharge	240
	Air discharge – large	478
	Discharge to land or water: 0-100m3/day	240
	Discharge to land or water - large: >100m3/day	478
	Water takes surface water: <25l/s, or groundwater: < 200,000 m3/year	240
	Water takes surface water: 25l/s -60l/s, groundwater: 200,000 - 500,000 m3/year	832
	Water take surface water: 60 l/s - 100 l/s, groundwater: >500,000 m3/year	1188
	Water take surface water: >100 l/s	2372
	Gravel/Sand abstraction: >10,000-10,000m3/year	240
	Gravel/Sand abstraction: >10,000m3/year	358
	Forestry harvest: < 200 ha	122
	Forestry harvest: >200ha	240
	Quarry/other earthworks	74
	Native vegetation clearance	74

Policy planning

Section 36 and Part 2, Schedule 1 Resource Management Act 1991 and Sub Part 5 (Section 197 to Section 211) Local Government Act 2002.

Authority/ Requirement	Subject	2025/26 Fees
Resource Management Act 1991 Section 36 AND Part 2, Schedule 1	**PRIVATE PLAN CHANGES - Deposit Fee**	17,763
	Note: Council may reduce the deposit fee to the estimated actual and reasonable costs if staff consider this is likely to be significantly less than the deposit fee.	
	The Council may, at its discretion, charge the costs incurred to date before initiating the following milestones:	
	• Before the request for the change to the policy statement or plan is included on the committee agenda; and • Before the matter is included on the agenda of the Hearings committee or other committee for decision.	
	The Council may also, at its discretion, require a deposit of the anticipated cost of commissioning any report in relation to the request. Costs associated with any request for a change to a policy statement or plan that is adopted by the Council, as if it was a change made by itself, will not be recovered from the applicant and a refund will be given of any charges paid.	
Local Government Act 2002 Sub Part 5 (s.197 to s.211)	**DEVELOPMENT CONTRIBUTIONS**	
	Council will assess resource consent and building consent applications for development contributions in accordance with its current policy, available on the GDC website.	In accordance with the 2024 Policy
	COST OF HARD COPY PLANS (excl Postage)*	
	Tairāwhiti Resource Management Plan	1,573

Note:

Items are charged at actual cost unless otherwise identified.

Building services

Authority/ Requirement	Subject	2025/26 Fees
Building Act 2004 Section 240 **Local Government Act 2002**	**Project information memoranda**	
	Minor Projects	*
	Residential [1]	351
	Commercial [1]	401
	Industrial [1]	441
	Project Information Memorandam for entities which will not obtain a building consent.	511
	Note: Costs quoted are the minimum fees incurred and may be more.	
Local Government Official Information and Meetings Act Section 44A	**Land information memoranda (LIM)**	
	1. Residential: Under 1 hectare = 10 working days [1]	403
	2. Commercial/Industrial/Rural or Residential greater than 1 hectare = 10 working days (application fee) [1]	646
	Note: Costs quoted are the minimum fees incurred and may be more.	
Resource Management Act 1991 **Section 36**	**Forestry Blocks** - If in doubt regarding the category please contact Gisborne District Council	*
	Large Properties will be charged accordingly.	*
	Record retrieval fee	57
Building Act 2004 **Section 219 & 240**	**Property search**	
	Residential property search	78
	Rural package (base fee) balance to be charged at time and materials basis on completion or termination of application	72
	Most recent floor and site plan	21
	Plumbing and drainage plan	18
	Specific plan/permit	18
	Commercial	122
	Most recent site plan, floor plan, elevations, cross sections	50
	Most recent floor and site plan	21
	Plumbing and drainage plan	18
	Specific plan/permit	18
Local Government Act 2002 Section 150	**Overseas Investment Certificates**	*

Note:

* Special Instructions: Should special circumstances exist that result in a field inspection and/or substantial research, Council reserves right to charge any additional fees that are appropriate based on the amount of time required to provide the requested information. The cost will be based on the hourly rate in Section 1.0.

Authority/ Requirement	Subject	2025/26 Fees
Local Government Act 2002 Section 150	**Rural Address Property Identification (RAPID) No.**	
	To allocate and supply RAPID number and plate	30
	Product Delivery	
	Courier/ postage costs	*at cost
Building Act 2004 Section 72 (Building Subject to Hazard)	**Record of Title Registration**	
	Sections 73 and 74 Notice	350
	Removal of above registration	350
Building Act 2004 Section 75 (Building over two or more Separate Lots)	**Record of Title Registration**	
	Sections 77 and 78 Notice	350
	Removal of above registration	350
Local Government Act 2002 Section 150	Common Drains Section 461 - LGA 1974	*at cost
	Entry of Building Report to Property File	72
	Copy of Record of Title	25
	Copy of Consent Notice (base fee)	20
	Copy of each additional Consent Notice	10
Building Act 2004	**Building Consent Exemption (record on Property File)**	
	Exemptions	144
Building Act 2004 Section 240	**Scanning of Building Consent Plans Disbursements**	
	Standard fee (all A4 and A3)	46
	Standard fee for consecutive 100 pages	26
	A2, A1 plans - per sheet	16
	Note: Scanning fee is not applicable to digitally lodged or fixed fee consents.	
	Printing of Building Consent Plans Disbursements	
	Standard fee (A4 and A3 sheets) - up to 100 pages	61
	Standard fee for consecutive 100 pages	36
	A2, A1 plans - per sheet	18

Note:

Printing fee is not applicable to fixed fee consents.

Authority/ Requirement		Subject	2025/26 Fees
		BUILDING CONSENTS	
Building Act 2004 Section 219 & 240	1	**New Structures, Additions and Alterations (deposit) [1] balance to be charged at time and materials basis on completion or termination of application**	
		Alterations and garages [1]	650
		New dwellings [1]	1,000
		Commercial up to and including $1m [1]	1,200
		Commercial or other above $1m [1]	2,500
	2	**Fireplaces [2]**	
		Freestanding [2]	450
		In-Built [2]	593
	3	Marquees	350
	4	**Demolition - deposit * [2] balance to be charged at time and materials basis on completion or termination of application**	
		a. Residential (includes 1 inspection) # [2]	259
		b. Commercial (includes 2 inspections) # [2]	449
		# Additional inspections at cost # Plus footpath and sign damage bond (as overleaf)	
Local Government Act 2002 Section 150 **Building Act 2004** Section 219 & 240 **Resource Management Act 1991** Section 36	5	**Sign Consent**	*
		Note: Some signs will require land use consent - see 2.0 Resource Consents	*
Building Act 2004 Section 219 & 240	6	**Pools up to $19,000 - deposit [3] balance to be charged at time and materials basis on completion or termination of application**	
		In-ground swimming pools, fence and drainage [2]	646
		Above ground swimming pools, fence and drainage including fencing existing pool [2]	450
		Three yearly inspection of swimming pool fencing as required by the Building Act 2004 Revisit for non-compliant pool after check *	188
		Entry of swimming pool inspection report from IQPI onto property file	72
	7	**Minor Building Consent (4)** Work under minor building consent must be for a residential project under the value of $19,000 and meet the criteria listed on the Application for Minor Building Work form. [2]	646
	8	**Solar Panels (restrictions apply)**	560

Authority/ Requirement	Subject	2025/26 Fees
	FOOTPATH and SIGN DAMAGE	
Building Act 2004 Section 219 & 240	Footpath damage - refundable deposit# **Note: GST exempt**	1,000
	Footpath damage (CBD per metre street frontage) - refundable deposit# **Note: GST exempt**	300
	Oakview subdivision - footpath damage - refundable deposit **Note: GST exempt**	2,000
	# **Plus** Administration Fee - non-refundable	70
	TECHNICAL PEER REVIEWS	
Building Act 2004 Section 219 & 240	Peer review fee (charged at cost)	*
	ACCREDITATION LEVY CHARGE (applies to all building consents)	
	Note: *Levy is already included in fixed fee consents*	
Building Act 2004 Section 219 & 240	$1.00 per $1,000 - Minimum fee	32
	$1.00 per $1,000- Maximum Fee	1,000
	CODE COMPLIANCE CERTIFICATE (CCC)	
	Note: *Fee already included in fixed fee consents*	
	CCC - Residential and small projects	101
Building Act 2004 Section 219 & 240	CCC - Standard commercial	293
	CCC - Large commercial (with fire design, occupancy >100, or multi-unit >10)	583
	CHANGES TO BUILDING CONSENT	
	• Amendment to building consent	*
	• Extension to building consent	50
Building Act 2004 Section 219 & 240	Consent re-activation fee (no activity for more than 5 years)	116
		57
	Refused building consents - all processing costs to date, plus fee of:	99
	COMPLIANCE SCHEDULES	
	Schedule application base fee	144
	Plus fee per feature identified in schedule +	52
Building Act 2004 Section 219 & 240	Amendment to compliance schedule base fee	76
	Plus fee per feature removed/added or altered +	52
	BUILDING WARRANT OF FITNESS	
	Building warrant of fitness site audit	190
Building Act 2004 Section 219 & 240	Process building warrant of fitness	83
Building Act 2004 Section 97(d)	**CERTIFICATE OF ACCEPTANCE - Relevant building consent fees plus**	796

Authority/ Requirement		
Building Act 2004 Section 219.01	**CERTIFICATE FOR PUBLIC USE**	224
	RENEW CERTIFICATE FOR PUBLIC USE	135
	INFORMATION ON BUILDING CONSENTS (i.e. schedules, compiled data)	*
	SPECIAL SERVICES	
	Disbursements : Mileage	$1.04/km
	Disbursements : Other	*at cost
Amusement Devices Regulations 1978	**AMUSEMENT DEVICES (GST Exclusive)**	
	Single device	10
	Each additional device	2
	Each device beyond 7 days	1
	Plus administration, processing and inspection	*at cost
Local Government Act 2002 Section 150	**INSPECTIONS**	
	Where applicable (per hour)	190
Local Government Act 2002 Sub Parts (s .197- s.211)	**DEVELOPMENT CONTRIBUTIONS**	
	Council will assess building consent applications for development contributions in accordance with its current policy (available on the GDC website)	In accordance with current policy
	Appeals	*at cost

Notes:

* Items are charged at actual and reasonable cost unless otherwise identified.

1. Items are charged at actual and reasonable cost to memorandum/consent stage. Charges for subsequent required inspections are made at uplift of consent on the basis of specific quoted schedule. Council reserves the right to recover additional inspection charges made necessary by action or inaction of consent holder. Each inspection type is charged at a standard rate. On visits where more than one inspection type is undertaken each incurs a fee.

2. Deposit and standard fee includes set number of inspections and standard processing time. Any additional inspections or time to process the consent will be charged at cost.

3. Pools on a hill/slope or with a value of over $20,000 will require a full actual and reasonable cost Building Consent.

4. Jobs that require only one inspection will be at a lesser rate. This is at the discretion of Council building official.

A Ministry of Business, Innovation and Employment (MBIE) levy is charged at the rate of $1.75 inc GST for each $1,000 or part thereof of total building value (plumbing and drainage included) when the total value of building work for which consent is sought is $20,444 inc GST or more. A Building Research Association of New Zealand (BRANZ) levy is charged at the rate of $1 of each $1,000 or part thereof of the total building value (plumbing and drainage included) when the total value of building work for which consent is sought is $20,000 or more. Some of the fees are determined by statute or regulation and Council is not able to change them. They are subject to change on direction without notice. Council reserves the right to increase charges for Land Information New Zealand should these increase.

The building services fees and charges relate to the following regulations:

- Building Act 2004, S. 45.01(d), S.72, S.75, S.240, S.219(d)
- Local Government Act 2002, S.150 and Sub Parts S.197-S.211
- Public Places Bylaw
- Amusement Devices Regulations 1978
- Resource Management Act 1991, S.36
- Local Government Official Information and Meeting Act, S.44A

Environmental health services

Registrations

Authority/ Requirement	Subject	2025/26 Fees
Food Act 2014	**New registration**	
	Processing registration of risk based measure based upon a template or model issued by MPI of a business subject to a national programme:	
	Fixed fee [1]	357
	Multisite business - extra fee per additional site [1]	169
	Per hour for every extra hour of process time [2]	190
	Renewal of registration	
	Processing annual renewal of existing registration:	
	Fixed fee [1]	214
Food Act 2014	Multisite business - application per additional site [1]	96
Section 204	Per hour for every extra hour of process time [2]	190
Food Regulations 2015	**Amendment to registration**	
	Processing amendment to registered risk based measure based on a template or model issued by MPI or to registration of a business subject to a national programme:	
	Fixed fee [1] Significant [3]	206
	Fixed fee [1] Minor [4]	158
	Per hour for every extra hour of process time [2]	124
	Ministy of Primary Industries (MPI) domestic food business levy A collection fee may be added by the territorial authority.	66.13
	Verification [5]	
	Conducting verifications. Charges include time spent on scheduling and final administration, preparation, on site or remote verification, reporting and follow up.	
	Per hour for officer time [5]	190
	Per hour for administration time [5]	127
	Technical specialist required - at cost [5]	at cost
	Overdue Corrective Action Follow up. Charges include time spent on email, phone calls, site visits, assessment, outcome changes and administration	190
	Compliance and monitoring: (charge per hour) [5]	
Food Act 2014	Conduct complaint driven investigation resulting in issue of improvement notice by food safety officer. Conduct emergency investigation resulting in issue of direction or seizure notice.	190
Section 204	Disposal costs for seized food or food related accessories. [5]	at cost
Food Regulations 2015	Storage costs for seized food or food related accessories. [5]	at cost
	Application for review of issue of improvement notice [5]	190
	Monitor food safety and suitability [5]	190
	Cancellation of verification audits [5]	
	These can come on same working day or non-attendance by essential personnel preventing completion of a verification.	
	Loss of 1 hour cost recovered at:	190
	Mentoring services: (charge per hour)	190

Note: All scheduled fees and charges are inclusive of GST (15%) unless otherwise stated.

	Subject	2025/26 Fees
	HARBOURMASTER	
Gisborne District Navigation and Safety Bylaw	Application for suspension or exemption	70
	Plus Disbursements	at cost
Local Government Act 2002 Section 150 **General Harbour (Nautical and Miscellaneous)** Regulations 169, Section 21 **Gisborne District Navigation and Safety Bylaw**	Removal of vessel or obstruction (per hour), **plus vessel hire** and any other contractor costs.	212
	Tier 1 Marine Oil Spill Plan Assessment	
Local Government Act 2002 Section 150	Lodgement	46
	Assessment (per hour)	212
	Audit (per hour)	212
	Harbour Master and Boat Charge out rates	
Gisborne District Navigation and Safety Bylaw	Per Hour (or part thereof)	350
	Per Half Day (up to four hours)	1000
	Per Day (up to eight hours)	2000

Authority/ Requirement	Subject	2025/26 Fees
Health (Registration of Premises) Regulations 1966 Regulation 7	Change of ownership of registered or licensed premises [1]	158
Local Government Act 2002 Section 150	Application Fee for Proposed New Registered or Licensed Premises (excluding food) [1]	208
	Hairdressers Annual Registration and inspection	
Health (Registration of Premises) Regulations 1966 Regulation 7	Health (Hairdressers) Regulations 1980 Regulation 3	379
	- Extra Inspections - charged at cost using the hourly rate of: [5]	190
	Unregistered Hairdressers	
Local Government Act 2002 Section 150	Health (Hairdressers) Regulations 1980	
	- Hygiene Inspection - charged at cost using the hourly rate of: [5]	190
	Funeral Directors Annual Registration and Inspection	
Health (Registration of Premises) Regulations 1966 Regulation 7	Health Burial Regulations 1946 Regulation 13	389
	Camping Ground Registration and Inspection	
Camping Ground Regulations 1985 Regulation 3	Annual	569
	Limited Duration Camping Grounds	480
	Offensive Trade Registration and Inspection	
Health Act 1956 Section 54 (1)	Offensive Trade Fee	389
	Saleyard Annual Registration	
Health Act 1956 Section 58	Small	299
	Large	389
Local Government Act 2002 Section 150	Annual Hygiene Inspection and Administration Fee for Premises Handling Food or Alcohol but exempted from Registration Under Food Act	190

Authority/ Requirement	Subject	2025/26 Fees
Local Government Act 2002 Section 150 **Gisborne District Mobile Shops, Hawkers, Stalls and Itinerant Traders Bylaw**	Mobile Shop Licence (registration fee) [6]	190
	Hawkers Licence [6]	190
	Itinerant Traders Licence registration fee[6]	190
	Subsequent inspection of Mobile Shop, Hawker or Itinerant Trader per hour	190
	Follow up visit to assess compliance of permit holder -per hour	190
Local Government Act 2002 Section 150	**Special Duties**	
	Charge out per hour	190
	Plus Disbursements	at cost
	Subsequent monitoring visit as a result of non-compliance with a Health Act notice (per hour)	190
Local Government Act 2002 Section 150	**Gambling Venue Consent**	
	Application fee	289
	Plus notification/hearing costs	at cost
	Extract from record	40
	Miscellaneous activity plus special events not otherwise chargeable (per hour)	190
	Plus Disbursements	at cost
Gisborne District Keeping of Animals, Bees or Poultry Bylaw	**Litter/Rubbish**	
	Investigation and clean-up of litter and dumped rubbish (per hour)	190
	Plus Disbursements	at cost
	Application for approval to keep animals, bees or poultry and first monitoring visit [7]	113
	Monitoring and enforcement (per hour)	190

Notes:

1 Payable by the applicant on application.

2 Any remainder, to fixed fee, payable within 20 working days of issue of invoice.

3 Significant amendment means a change in the risk based measure.

4 Minor amendment means a change to registration or scope details.

5 Per hour of officer time, payable within 20 days of issue of invoice.

6 If a food business, food registration and verification fees will also apply.

7 Compliance Monitoring & Enforcement Manager may waive if application was made voluntarily and not subject to a complaint.

Alcohol licensing

Sale and Supply of Alcohol (Fees) Regulations 2013 - S.7, S.18, Local Government Act 2002, S.150.

Authority/ Requirement	Subject	2025/26 Fees	
Sale and Supply of Alcohol (Fees) Regulations 2013	**DISTRICT LICENSING COMMITTEE (includes annual and registration fees)**	**Charges are GST exclusive.**	
	Registration fees		
	On Licence	140 -1,250	
	Renewal On Licence	140 -1,250	
	Variation or cancellation to conditions of On Licence	140 -1,250	
	On Licence (BYO)	140 -1,250	
	Variation or cancellation to conditions of On Licence (BYO)	140 -1,250	
	Renewal On Licence (BYO)	140 -1,250	
	Conveyance On Licence	140 -1,250	
	Off Licence	140 -1,250	
	Renewal Off Licence	140 -1,250	
	Variation or cancellation to conditions of Off Licence	140 -1,250	
	Club Licence	140 -1,250	
	Renewal Club Licence	140 -1,250	
	Variation or cancellation to conditions of Club Licence	140 -1,250	
	Registration Fee category	**Application Fee**	**Annual Fee**
	Very low	368	161
	Low	609.50	391
	Medium	816.50	632.50
	High	1023.50	1035
	Very High	1207.50	1437.50
	Other Application fees		
	Manager's Certificate	275	
	Renewal Manager's Certificate	275	
	Extract from record	50	
	Permanent Club Charters Annual Fee	550	
	***NOTE:** All fees set by regulation. Set Value of fee is payable to Alcohol Regulatory Licensing Authority for above.*		
Sale and Supply of Alcohol (Fees) Regulations 2013	**Special Licence - Application Fees**		
	Class 1 - One large event or more than three medium events or more than 12 small events	500	
	Class 2 - One to three medium events or three to 12 small events	180	
	Class 3 - One or two small events	55	
	Temporary Authority	258	
Local Government Act 2002 Section 150	**Compliance Certificate**		
	Compliance Certificate (Building Act and Resource Management Act) for new premises or premises seeking variations.	196	

Notes:

All fees set by regulation. Set Value of fee is payable to Alcohol Regulatory Licensing Authority for above.

In the event the application is withdrawn, consideration will be given by the Regulatory Services Manager for a refund. Administration costs will be charged prior to any refund being made. There will be no refund on Special Licence applications. Fees are set by regulation and are outside Council's control. They are subject to change without notice.

Enforcement

Authority/ Requirement	Subject	2025/26 Fees
Litter Act 1979 Section 15(1)(a)	The depositing of any litter in or on any public place (definitions as below):	
	- Minor	100
	- Medium	200
	- Major	400
Litter Act 1979 Section 15(1)(b)	The depositing of any litter in or on any private land without the consent of its occupier (definitions as below):	
	- Minor	100
	- Medium	200
	- Major	400
Litter Act 1979 Section 15(1)(a) Section 15(1)(b)	Having deposited any litter in or on any public place or in or on any private land without the consent of its occupier, leaves the litter there (definitions as below):	
	- Minor	100
	- Medium	200
	- Major	400

DEFINITIONS

(A) Minor Littering - INFRINGEMENT FEE $100

Minor littering is defined as depositing in or on a public place or in or on private land without the consent of the occupier:

DEFINITIONS

- Wrappers/paper
- Chewing gum
- Small food waste
- Takeaway food/drink containers
- Fish and chip papers
- Plastic drink bottle(s)
- Aluminium cans

NOTE: *For cigarette butt littering, this is a two-step enforcement process.*

First Step: *Educate/warning – offender advised this is not acceptable.*

Second Step: *If a person is found depositing cigarette butt litter, having already been warned, an infringement fee of $100 will be issued.*

DEFINITIONS
(B) Medium Littering - INFRINGEMENT FEE $200
Medium littering is defined as - depositing in or on a public place or in or on private land without the consent of the occupier: • Single used disposal nappy or nappies • Small dumping (e.g. shopping bags) – domestic/commercial waste in or by public litter bins • Small dumping in or by commercial waste bins/clothing bins/recycling stations • Persistent use of unofficial bags without Council stickers • Small insecure load from truck or trailer • Domestic waste placed in a Council litter bin. **Small dumping defined as** - ***one shopping bag or single item*** **Small insecure load** - ***paper, single item, grass clippings, dust that has come off a truck or trailer***

DEFINITIONS	
(C) Major Littering - INFRINGEMENT FEE $400	
Major littering is defined as depositing in or on a public place or in or on private land without the consent of the occupier:	
• Household waste	• Green waste
• Commercial waste	• Car parts
• Any other litter defined in the Litter Act 1979 not defined as a minor or medium littering above.	
Other Definitions	
Domestic Waste - ***waste generated in households, both urban and rural***	
Commercial Waste - ***waste generated by commercial businesses, institutions and small industrial businesses such as retail and construction***	
NOTE: ***Sections 15(2) and 16 of the Litter Act 1979 define the depositing of glass or glass bottles (or broken glass bottles) as a dangerous form of litter and thus considered by Council as a major littering offence. The decision whether to issue an infringement notice for major littering or to refer the matter to the District Court will be determined on a case-by-case basis, based on the severity and malicious intent of the alleged offence.***	

Authority/ Requirement	Subject	2025/26 Fees
Gisborne District Public Places Bylaw Clause 6.2(a)	No person shall play any game or use any object including skating devices, cycles or motorised scooters recklessly or in a manner which may intimidate, cause annoyance or inconvenience, be dangerous or injurious or cause an obstruction or nuisance to persons in the public place, or damage the public place.	
	- First offence	70
	- Second offence	126
Gisborne District Public Places Bylaw Clause 6.2(b)	No person shall drive any vehicle in a manner that is dangerous or inconsiderate to pedestrians or other vehicles.	
	- First offence	70
	- Second offence	126
Gisborne District Public Places Bylaw - Clause 9.1(c)	The depositing of any household or trade refuse in or around a public litter receptacle on any public place.	126
Gisborne District Public Places Bylaw - Clause 9.2	Causing, permitting or suffering any litter to escape from a receptacle or vehicle onto any public place.	126
Gisborne District Public Places Bylaw - Clause 17.1	No person shall ride a skating device in any area defined in the schedule of this bylaw:	
	- First offence	70
	- Subsequent offence	126
Gisborne District Public Places Bylaw - Clause 17.2	No person shall ride a skating device on any footpath outside areas defined in the schedule of this bylaw without due care to ensure no damage is caused to any property or without reasonable consideration for other persons using the footpath:	
	- First offence	70
	- Subsequent offence	133
Resource Management Act 1991 Section 336(2)(b)	Return of seized equipment - stereos	252
Resource Management Act 1991 and Resource Management (Infringement Offences) Regulations 1999	Infringement offences	As per regulations
Local Government (Infringement Fees for Offences Gisborne District Navigation Bylaw) Regulations	Infringement offences	As per regulations

Notes:

These fees and charges refer to the following regulations:

- Health (registration of premises) Regulations 1966 - Regulation 3 and 7
- Local Government Act 2002, S.150
- Camping Ground Regulations 1985 - Regulation 3
- Health Act 1956 - S.54(1), S.58
- Food Hygiene Regulations 1974 - Regulation 4(1), (2), Regulation 83,
- Food Act 2014 - S.204
- Food Regulations Act 2015
- General Harbour (Nautical and Miscellaneous) - Regulations 169, Section 21
- Resource Management Act 1991
- Maritime Transport Act 1994

These fees and charges are in line with the following Council bylaws:

- Gisborne District Mobile Shops, Hawkers, Stalls and Itinerant Traders Bylaw
- Gisborne District Navigation and Safety Bylaw
- Gisborne District Keeping of Animals, Bees or Poultry Bylaw

Animal control

Authority/ Requirement	DOGS	Fee (If paid by 31.7.25) $	De-sexed Fee (If paid by 31.7.25) $
	DOG REGISTRATION	**Penalty of 25% is applied on top of charges shown below, if paid after 31 July 2025**	
Dog Control Act 1996 Section 37	Rural livelihood - working dogs *2	60	54
	Normal urban and including those in rural areas not required for rural livelihood *	108	98
	Dangerous dog owner (rural and urban) *	162	146
	Probationary dog owner (rural and urban) *	160	144
	Selected owner policy[1]&**	75	68
	Selected owner - Superannuitants *	61	55
	Superannuitants *	71	64
	NZ licensed dog owner ***	64	58
	Guide and hearing dogs	0	0
	Replacement Dog tag	17	
	IMPOUNDING DOGS		
Dog Control Act 1996 Section 68	**Between 8.00am and 4.30pm on weekdays**		
	- First impounding		72
	- Second impounding		84
	- Subsequent impounding		116
	After Hours and weekends		
	- First impounding		84
	- Second impounding		96
	- Subsequent impounding		127
	Sustenance per day		27
	Advertising		Actual & reasonable cost

Notes:

* Penalty of 25% for late payment applies to all dogs registered after 31 July 2025.

** Selected Owners who do not pay by 31 July 2025 revert back to standard owner rate plus penalty for late payment.

*** No new applications for Licensed Owners will be accepted from 1 July 2019.

[1] To be eligible for Selected Owner discount, the dog owner must pay registration fees on time and their dog has no infringement history, and the owner must agree to property inspections by Animal Control officers to insure required standards are met. The new metal tags are to be returned on application of a refund.

[2] Working dogs registration fees are capped at the first 6 dogs per owner.

New dog registration after 31 July 2025 will be pro-rated depending on the number of months remaining in the dog registration year and when the dog turns 3 months old.

Discount for De-sexing – with proof from licenced veterinarian, a 10% discount may be applied to registration of all qualifying dogs paid by 31 July 2025.

Sections 37 and 68, Dog Control Act 1996 and Section 14 and 15(1), Impounding Act 1955.

Authority/ Requirement	STOCK RANGING / IMPOUNDING	2025/26 Fees
Impounding Act 1955 Section 14 - Sheep	**SHEEP**	
	Between 8.00am and 4.30pm on weekdays	
	- First impounding	84
	- Second impounding	98
	- Subsequent impounding	135
	After Hours and weekends	
	- First impounding	96
	- Second impounding	109
	- Subsequent impounding	147
	Sustenance (per day)	Actual & reasonable cost
	Advertising	Actual & reasonable cost
Impounding Act 1955 Section 14 Horse and Cattle	**HORSE AND CATTLE**	
	Between 8.00am and 4.30pm on weekdays	
	- First impounding	153
	- Second impounding	178
	- Subsequent impounding	247
	After Hours and weekend	
	- First impounding	165
	- Second impounding	190
	- Subsequent impounding	259
	- Sustenance (per day)	Actual & reasonable cost
	- Advertising	Actual & reasonable cost
Impounding Act 1955 Section 15(1)	**DRIVING CHARGES**	
	Stock control charge out rate (per hour)	125
	Plus Disbursements:	Vehicle cost/km
	- Mileage	$1.04/km
	- Others	Actual & reasonable cost

Parking

Refer to the Gisborne District Traffic and Parking Bylaw

Authority/ Requirement	Subject	2025/26 Fees
Gisborne District Traffic and Parking Bylaw	**Parking prices are under review and are subject to change, please refer to the Gisborne District Council website. The Parking fees apply from 8.30am to 5pm on Monday to Friday and 9am to 12 noon on Saturday**	
	Parking 2 hours CBD metered parking spaces Gladstone Road, Bright Street, Hardy Lane and Peel Street (**per hour**)	2.50
	Parking 2 hours CBD metered parking spaces Derby Street, Grey Street, Lowe Street, Palmerston Road and Reads Quay (**per hour**)	2.00
	Parking 8 hours CBD metered parking spaces Grey Street car park, Customhouse Street and Reads Quay (**per hour**)	1.50
	Parking 2 hours Maximum, Library Car Park (**per hour**)	2.50
	CBD Contractor's Parking Permit (**per week**)	15.00
	CBD Resident's Parking Permit	188
Land Transport (Offences and Penalties) Regulations 1999	**Timed Parking Offences and Infringement Fees (Note: Fee increases on time factor)**	
	Parked at an expired meter	20
	Displayed expired parking authorisation	20
	Time variations of timed offences [1]	
	Not more than 30 minutes	20
	More than 30 minutes but not more than one hour	25
	More than one hour but not more than two hours	36
	More than two hours but not more than four hours	51
	More than four hours	71
	Failing to display parking authorisation ticket in Pay and Display area	40

Notes:

[1] Indicates authority also under Section 139 Land Transport Act 1998

All other parking infringement fees and stationary vehicle offences infringement fees are set by statute, specifically Schedule 1 of Land Transport (Offences and Penalties) Regulations 1999.

Gisborne theatres

War Memorial Theatre

	Performances			Meetings & Seminars		Social Functions
	Professional or Touring Groups & Artists	Professional Groups & Artists Not for Profit	Local Amateur Groups & Schools	Commercial, Professional, Government	Community, Voluntary Groups	Weddings, Gatherings, Celebrations
Theatre Hire: Performance day	1,801	1,276	556	1,143	608	1,637
Theatre Hire: Set up or rehearsal day	530	530	268	530	278	530
Additional shows: (on same day extra charge)	638	428	268	0	0	0
Foyer Only:	638	530	428	530	428	798
Green Room Only:	$40 per hour (minimum 3 hours)					

War Memorial Theatre Additional Charges:	
Energy charges	*40¢ per unit metered
House Technician	$65 per hour. Minimum required tech hours apply for events using the Theatre.
Front of house staff	$35 per hour
Security	Supplied on request, charged to hirer
Projector and screen	$300 for first day & $100 for each additional day
Sound system basic, including 1 microphone	$200 for first day & $50 each additional day
Use of Kitchen	$80
Tablecloths	$8 each
Raised staging, per section	$40 per day (external hire)

Notes:

All scheduled fees and charges are inclusive of GST, unless otherwise stated.

A hire deposit will be required to confirm a booking.

Proprietary Ticketing Services. Licensed Premises.

* Fees relating to Theatre additional charges are subject to change and may be updated at any time during the year based on actual costs that Council incurs.

Lawson Field Theatre

	Performances			Meetings & Seminars		Social Functions
	Professional or Touring Groups & Artists	Professional Groups & Artists Not for Profit	Local Amateur Groups & Schools	Commercial, Professional, Government	Community, Voluntary Groups	Weddings, Gatherings, Celebrations
Theatre Hire:	916	711	412	711	412	1081
Theatre Hire: Set up or Rehearsal day	371	319	186	330	186	330
Additional shows: (on same day extra charge)	319	268	206			
Theatre Hire Half Day: (8am-12pm or 1-5pm)				381	258	
Theatre Hire Evening: (6-11pm)				546	340	
Rose Room Only Full Day:	494	433	309	479	309	479
Rose Room Only Half Day: (8am-12pm or 1-5pm)				268	186	268
Rose Room Only Evening: (6-11pm)	381	330	258	319	258	319
Commercial Kitchen	$30 per hour, $90 per half day, $150 per full day.					

Lawson Field Theatre Additional Fees:

Energy charges	*35¢ per unit metered
House Technician	$65 per hour. Minimum required tech hours apply for events using the Theatre.
Front of house staff	$35 per hour
Security	Supplied on request, charged to hirer
Projector and screen	Theatre $200 first day & $50 each additional day Rose Room $60
Sound system basic, including 1 microphone	Theatre $150 first day & $50 each additional day Rose Room $40 (Full sound system quote available on request)
Use of Kitchen	$80 (Additional cleaning fee if kitchen not left clean)
Tea and coffee Service minimum 20 people	$2.50 per person
Tablecloths	$8 each
Raised staging, per section	$40 per day (external hire)

Notes:

All scheduled fees and charges are inclusive of GST, unless otherwise stated.

Hire charge includes tables and chairs.

Theatre Hire may include access to Rose Room, subject to availability.

To qualify for Half Day or Evening hire, the entire event (including all set up and packdown) must fit into the specified hours. If any event activity takes place in the venue outside of these hours, then it will revert to Full Day hire charge.

A hire deposit may be required to confirm a booking.

Proprietary Ticketing Services. Option for Licensed Premises.

* Fees relating to Theatre additional charges are subject to change and may be updated at any time during the year based on actual costs that Council incurs.

Gisborne Sound Shell

	Performances			Meetings & Seminars		Social Functions
	Professional or Touring Groups & Artists	Professional Groups & Artists Not for Profit	Local Amateur Groups & Schools	Commercial, Professional, Government	Community, Voluntary Groups	Weddings, Gatherings, Celebrations
Per Day (minimum)	1,600	-	1,100	-	-	-
Set up or rehearsal day	50% daily hireage					
Ticketing services available. Contact halls@gdc.govt.nz						
No private functions						
Sound Shell Additional Charges:						
Energy charges	*35¢ per unit metered					

HB Williams Memorial Library

ITEM	LOAN PERIOD	2025/26 Fees
Artworks	6 weeks	5
Periodicals	2 weeks	1
Interloans - plus any fees from loaning libraries	Various	12
Replacement membership cards		12
Photocopying - A3 b/w	N/A	0.40
Photocopying and printing - A4 b/w	N/A	0.20
Photocopying - A3 colour	N/A	2
Photocopying - A4 colour	N/A	1
Decommissioned books - standard		2-5
Book bag		6
Splendid Isolation - Book - wholesale paperback	N/A	31
Splendid Isolation - Book - retail paperback	N/A	51
Splendid Isolation - Book - wholesale hardback	N/A	55
Splendid Isolation - Book - retail hardback	N/A	75
Lost/damaged material - administration cost per item @ plus Replacement cost per item	N/A	5
Reference enquiries (outside free membership area) - per hour or part thereof @ plus copy fees	N/A	52

Room hire	2025/26 Fees
Mahutonga = Southern Cross Room*	
Per hour	31
Half day	82
Full day	126
Papatipu = Launch Pad	
Per hour	31
Constellation Courtyard*	
Per hour	21
Half day	52
Full day	84
Cleaning fee**	52

* Half day is max 4 hours. Full day is max 8 hours.

** Cleaning fee applies if facilities are left in unclean state.

Parks, reserves and sports grounds

GDC Parks, Reserves and Sports Grounds are available for booking subject to GDC approval.

Bookings	2025/26 Fees
To book a council reserve, park or sports ground, visit the GDC website and fill in the online Request Form.	POA
Wedding on a reserve	
If you're planning to get married at the rose garden or any other council park or reserve, you need to let us know.	
If you wish to book the Botanical Gardens, you'll need to let us know which area of the park you would like to use.	
A fee applies for weddings, you pay this once your booking has been confirmed by reserves staff.	120
Sports grounds	
To hold an event or match on a council sports ground, a fee is charged based on the grounds maintenance cost.	POA
Reserves	
Any commercial event or activity is charged a fee based on the type of event.	POA
You need to fill in the Hold an Event Form.	

Notes:

Alcohol in a public place

There are some rules around consumption of alcohol in public places. Generally a toast at a wedding is fine, anything more, you need to talk to our environmental health team.

If you intend to supply or sell alcohol at an event on a public park or reserve, you need to fill in the Hold an Event form or talk to our environmental health team first to clarify what you are allowed to do.

For more information about forms and bookings see Council's website *gdc.govt.nz* >> **Booking a park, reserve, beach, sports field | Gisborne District Council**

Kiwa Pools

All fees and charges are "pay before use"

The charges for Kiwa Pools were reviewed October 2024 and came into effect 1 December 2024 for the period to 30 June 2025. The fees for the 2025/26 year have also been set.

General Admission	2025/26 Fees
Adult	7.50
Adult (10 pass or smart card)	63
Annual Pass (adult) ($52 pm direct debit)	520
Children/Community Services Card Holders/Senior Citizens	5.50
Children/Community Services Card Holders/Senior Citizens (10 pass or smart card)	45
Children under 2 years of age	FREE
Annual Pass (Children/Community Services Card Holders/Senior Citizens) ($35 pm direct debit)	350
Spectator	2.50
Family Pass A - 1 adult and up to 2 children	14.50
Family Pass B - 2 adults and up to 4 children	25
Family Pass C - 2 adults and up to 2 children OR 1 adult and up to 4 children	19
Casual Aquafit	11
Aquafit (10 pass)	90
Aquafit (10 pass) (Children/Community Services Card Holders/ Senior Citizens	72
Entry per session (for Lane and Pool hire) eg Sports clubs and approved aquatic operators with an associated lane booking (smart card $2.20)	2.50

Lane and pool hire	2025/26 Fees
Lane hire 25m per hour (2) Discounted $12/hour	22
Lane hire 33m per hour Discounted $22/hour	32
Lane hire 50m per hour Discounted $25/hour	44
Moveable floor area (1/4 of pool) per hour Discounted $66/hour	86
Learn to Swim pool/Hydrotherapy pool* (1/3 of pool) per hour Discounted $12/hour	22
Hydrotherapy Suite 30 mins *	37
Hydroslide (unlimited daily use)	6.50
Dive pool (exclusive use per hour)	75

Function room/foyer	2025/26 Fees
Function/family room Discounted $23/hour	38
Kiwa foyer - business/corporate hour (out of hours only)	285

Notes:

* The Hydrotherapy Suite can only be booked by a trained professional.

Discounted cost is applied when bookings are made by sports codes and schools with long term annual lane rental agreements.

Discounted cost applicable for regular community groups only.

Stormwater, wastewater and water supply

Connection fee to the public network	
Stormwater and Wastewater	
Wastewater and/or Stormwater connection to council network, charged per connection	150
Drainwise	
There are no consultation fees for DrainWise, however we will use the provisions of the Local Government Act, Building Act or Drainage Bylaw to recover costs plus a 10% administration fee.	
Trade Waste Fee	
The trade waste discharge fee is paid by industries whose trade waste flows through the city wastewater system.	
Discharge fee per cubic metre:	0.54
Descretionary Trade Waste Consent Application Fees	
Food premises	117
Wash pad / workshop premises	117
Tankered Waste	116
Significant Industry	Actual time + testing
Descretionary Trade Waste Annual Consent Renewal Charges	
Food Premises	186
Wash pad / workshop premises	186
Tankered Waste	116
Significant Industry maximum consent charge based on risk and time.	1,102
Any follow up work will be charged out at an hourly charge -out rate of:	
Senior/Team Leader Professional Service	210
Professional Services	188
Administrative services	126
Any additional testing will be charged at actual and reasonable costs.	at cost

Wastewater	
CCTV camera hire (per hour)	315
Tankered Waste Discharge Fee	59
Water Supply	
An ordinary water connection fee for the physical connection from the water main to the boundary. Fee is exclusive of GST and costs for traffic management, pavement / road / area reinstatements, service locates, and is limited to connections no longer than 20 lineal meters water main to boundary. (This is for existing lots prior to and on 31 January 2006).	637
An extraordinary water connection fee to be charged at the full cost, of a tendered or quoted price, for the physical connection from the main to the boundary plus a 10% administration fee on the connection works cost (plus GST). This will also apply for all subdivision connections after 31 January 2006.	Cost plus 10% admin fee
A definition of an ordinary and an extraordinary connection are contained within the Gisborne District Water Bylaw 2015.	
An infrastructure supply and administration fee per delivery for the supply of water to carriers from the Waipaoa Water Treatment Plant and similar Council supply points (plus GST).	15
A special reading fee for each unscheduled water meter reading (plus GST)	75
Water by meter charges	
The water pricing model has been used to calculate the average cost per unit of water produced. The model determines the appropriate level of charging to cover fixed, variable and availability costs of providing water to both residential and commercial users.	
Council's Funding Policy for this activity is 100% targeted rates to people connected to the reticulation system (50% for those that have availability but are not connected). Commercial users, water carriers and bulk users have a combination of targeted rate, water carrier fees and water by meter charges.	
From 1 July 2025 - $2.10 per cubic metre + GST	2.10

Rates, summer camping and conveniences

Rates

Finance Admin Fees	2025/26 Fees
Rates Refund Fee: A fee of $28 per transaction may be included in Fees and Charges for processing a rate refund. This would exclude refunds on properties involving sale and purchase agreements.	28
Annual Fee for provision of valuation data supply. E.g. Trademe, Headway QV, REINZ.	876

Summer camping

Gisborne District Council Restricted Seasonal Camping is allowed with a permit. For more information about the Gisborne District Council Restricted Seasonal Camping sites and permit conditions see on Council's website *gdc.govt.nz* >> **Summer Camping | Gisborne District Council**

Note:

The Gisborne District Council Restricted Seasonal Camping season opens at Labour Weekend and closes 31st March 2025.

Conveniences

ITEM	2025/26 Fees
Bright Street toilets	0.50
Bright Street showers	4.00

Te Kaunihera o Te Tairāwhiti
GISBORNE
DISTRICT COUNCIL

PO Box 747
Gisborne 4040 NZ

15 Fitzherbert Street, Gisborne
Waiapu Road, Te Puia Springs

06 867 2049
0800 653 800

service@gdc.govt.nz
www.gdc.govt.nz

@GisborneDC
Antenno app

Attachment 2: Fees and Charges Submissions

Submission 1

Name: Winston Moreton

Organisation (if applicable): N/A

Date Submitted: Feb 28, 2025, 03:19 PM

Would like to be heard: No

Do you agree with the proposed Draft Fees and Charges 2025/26: No

If no, please tell us why:
I am very pleased to note the recommendations around library fees no longer apply charges for late returns and borrowing for members. I suggest however a fee for a new membership card. Say card cost for any new member including child. I assume the cards have a cost component. Otherwise borrowing should remain free in the interests of rangitane and matua

Submission 2

Name: Issac Cockx

Organisation (if applicable): N/A

Date Submitted: Mar 01, 2025, 12:26 AM

Would like to be heard: No

Do you agree with the proposed Draft Fees and Charges 2025/26: No

If no, please tell us why:
because our roads Need to be Fixed never mind your wants get it sorted

Submission 3

Name: Victoria Robinson

Organisation (if applicable): CnV Citrus Ltd

Date Submitted: Mar 05, 2025, 04:22 PM

Would like to be heard: No

Do you agree with the proposed Draft Fees and Charges 2025/26: No

If no, please tell us why:
Gisborne ratepayers cannot sustain yet more increases. Our salaries have not increased with inflation let alone above inflation. How do you expect us to survive if we cant afford water. Most Gisborne residents are really struggling and this is yet another cost we cant afford. You wasted our rates on ridiculous road speed limits when this was never asked for now you are going to skin us for water. You wont listen to submissions I expect you to go ahead and put more onerous costs on to the people of Tairāwhiti.

Submission 4

Name: Monique Bedim

Organisation (if applicable): PF Olsen Ltd

Date Submitted: Mar 11, 2025, 10:59 AM

Would like to be heard: Yes (contacted but no longer wants to be heard)

Do you agree with the proposed Draft Fees and Charges 2025/26: No

If no, please tell us why:
Full submission included as Appendix 1

Submission 5

Name: Ruby

Organisation (if applicable): N/A

Date Submitted: Mar 27, 2025, 12:36 AM

Would like to be heard: No

Do you agree with the proposed Draft Fees and Charges 2025/26: No

If no, please tell us why:

We oppose the proposed Water Meter Charges 2025/2026 as a rural whanau born and raised we have and always will be dedicated conservers of our natural resources be it whenua/land, ngahere/native forest, awa/river, moana/sea in particular wai/water. We were taught and it was instilled in us the importance of conserving wai as a tamaiti/child to adulthood by not wasting water eg letting taps run, water in basin, our own water tank supply this is an important practice conservation and we have continued these practices with our tamariki and mokopuna, we are natural conservationists. We contribute daily to preserving wai in our practices and actions and oppose the proposed charges.

Submission 6

Name: Andrew Galloway

Organisation (if applicable): Alcohol Healthwatch

Date Submitted: Mar 27, 2025, 02:59 PM

Would like to be heard: Yes

Do you agree with the proposed Draft Fees and Charges 2025/26: No

If no, please tell us why:
Full submission included as Appendix 2

To: Gisborne District Council

11 March 2025

Submission on the fee increases in proposed 2025/2026 Fees and Charges

Thank you for the opportunity to submit on the Proposed 2025/2026 Fees and Charges.

PF Olsen is a nationwide forest management services company - delivering on all aspects of forest management for our clients, including environmental forest certification, carbon accounting, protected ecosystem management and restoration, and forest consultation. We have over 1,300 clients who collectively own approximately 140,000 ha of plantation forests (of varying sizes), with a range of objectives for their forest investments. A significant number of our clients have forests within the Gisborne District.

We are writing to express our concerns regarding the proposed Fees and Charges for the 2025/2026 period, particularly the significant increases in resource consent fees. While we acknowledge the necessity of periodic fee reviews to reflect operational costs and inflationary pressures, several of the proposed increases appear disproportionate and lack sufficient justification. We respectfully request a thorough review to ensure fairness, transparency, and compliance with statutory requirements.

Specific Concerns:

1. Lack of Transparency:

The rationale for these increases has not been clearly articulated by the Council. The claim that fees have "predominantly increased by the rate of inflation" does not align with the figures presented.

2. Efficient use of resources

Prior to any fees increases above inflation, we ask that the council look for internal efficiencies. We are regular applicants for resource consents. Over the years, we have seen the amount of time taken to process consents significantly increase, the number of conditions significantly increase and the costs increase exponentially. While we recognise that some of these changes are inevitable, unfortunately the consent process appears inefficient and does not result in tangible differences in environmental impacts.

3. Non-Notified Resource Consent Deposit Fee:

- The proposed increase from $1,400 to $2,500 represents a **78.6% increase**, significantly exceeding the stated inflation rate of 2.9%.

- This increase may disproportionately impact smaller projects and individual property owners, potentially discouraging responsible development.
- A detailed breakdown of the cost components that necessitate such a substantial increase should be provided to support the increased fee.

4. Section 127 (Variation) Deposit Fee:

The proposed increase from $545 to $1,400 represents a **157% increase**.

5. Bundled Consent Deposit Fee:

The proposed increase from $1,800 to $3,000 represents a **66.7% increase**.

6. Clustered/Global Consent Deposit Fee:

The proposed increase from $3,000 to $5,000 represents a **66.7% increase**. Most fees and charges are based on cost recovery or set by legislation. For 2025/26, fees should have been adjusted in line with the inflation rate used for Year 2 of the 2024–2027 Three-Year Plan. Given this, the scale of the proposed increases appears inconsistent with the stated principles and requires further justification.

Recommendations:

1. Request for Transparency:

The Council should provide a detailed cost breakdown for each fee increase to demonstrate compliance with Sections 36 (Resource Management Act) and 150 (Local Government Act). This should also include details on how each proposed fee aligns with actual processing costs.

2. Phased Implementation of Fee Increases:

If fee increases are deemed necessary, they should be implemented gradually over multiple years to mitigate financial impact on applicants.

3. Independent Review of Cost Justifications and efficiencies:

An external review should be conducted to assess whether the proposed fees align with actual processing costs and efficiency of processing applications. If necessary, an audit should be undertaken to ensure compliance with cost-recovery principles.

Conclusion:

The Council's 2021-2031 Long-Term Plan assumes that resource consents for capital works can be obtained without significant delays or increased costs. The scale of the proposed fee increases contradicts this assumption and may create unintended barriers to development.

We urge the Council to reconsider the proposed fees in light of legal requirements and fairness principles. Ensuring that charges remain reasonable, transparent, and proportionate to actual costs will help maintain confidence in the resource consent process.

Thank you for considering this submission.

Yours Sincerely

Monique Bedim

Environmental Planner

PF Olsen Ltd

Submission on the Gisborne District Council Ngā utu me ngā utu whakauru Tairāwhiti draft fees and charges 2025/26

Alcohol Licensing Fees

28 March 2025

Tēnā koutou

Thank you for the opportunity to provide feedback on the Council's draft Fees and Charges 2025/26. We are submitting specifically on alcohol licensing fees

We would like the opportunity to speak (virtually) to our submission.

If you have any questions on the comments we have included in our submission, please contact:

Andrew Galloway
Executive Director
Alcohol Healthwatch
M: [redacted]
E: [redacted]

About Alcohol Healthwatch

Alcohol Healthwatch is an independent national charity working to reduce alcohol-related harm and inequities. We provide a range of regional and national health promotion services such as providing evidence-based information and advice on policy and planning matters; supporting community action projects, and coordinating networks to address alcohol-related harm such as the Cross-council Local Alcohol Policy Network.

Specific Comments

1. The alcohol licensing fees referred to on page 27 of Fees and Charges draft are those set by the Sale and Supply of Alcohol (Fees) Regulations 2013. However, while full cost recovery was envisaged by the Sale and Supply of Alcohol Act 2012, the nationally-fixed default fees set under the 2013 Regulations have not kept pace with the costs incurred by the Council, and it is anticipated that these fees will not adequately reflect costs till at least 2027.[1]

2. Without setting realistic fees, the Council (and ratepayers) would be subsidising the costs associated with alcohol licensing. Hence an increasing number of councils have utilised their bylaw-making powers under the Sale and Supply of Alcohol (Fee-setting Bylaws) Order 2013[2] and set fees (usually 100% cost recovery) through this process as a licensing authority, and in respect of inspection and enforcement functions.

3. We strongly encourage the Council to also make a bylaw to allocate realistic costs for licensing activities, and recommend that the Council consider opting for 100% cost recovery[3], increasing fees incrementally until the bylaw is reviewed in five years' time.

4. We further recommend that the Council conduct a comprehensive review of all the costs incurred with licensing, which includes costs associated with administration, monitoring and enforcement to ensure that these are met by the sector.

5. Reviewing fees in a timely manner would, we believe, meet the policy objectives of the licensing fees regime, namely:

    (a) To recover the total reasonable costs incurred by the Council in administering the alcohol licensing system
    (b) To ensure that those who create the greatest need for regulatory effort bear the commensurate costs
    (c) To allow local circumstances to be reflected in the fees paid by operators and income received by the Council
    (d) To minimise alcohol-related harm, to the extent that this can be achieved through a cost recovery regime.[4]

Summary

6. The alcohol licensing regime and fee-setting is part of a package of measures which, when used comprehensively, can create safer environments and significantly minimise rates of hazardous drinking and subsequently alcohol-related harm. This includes the Council's Local Alcohol Policy and the Alcohol Control Bylaw 2015 and similar policies.

7. A bylaw that sets fees that reflect the costs incurred with liquor licencing is not only a harm reduction strategy, but it also supports Tairāwhiti-Gisborne's vision of healthy people, healthy future.

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2 Sale and Supply of Alcohol (Fee-setting Bylaws) Order 2013. https://www.legislation.govt.nz/regulation/public/2013/0453/latest/whole.html

3 For example:
- Hastings District Council Alcohol Licensing Fees Bylaw 2024. The bylaw has a progressive 100% recovery model with no ratepayer contribution. See: https://www.hastingsdc.govt.nz/assets/Document-Library/Alcohol-Licensing-Fee-Bylaw/Alcohol-Licensing-Fee-Bylaw.pdf.
- Porirua City Council Alcohol Fees Bylaw 2024, Council adopted the Alcohol Fees Bylaw in with the intention of full cost recovery of alcohol licensing costs from 1 October 2026. See: https://storage.googleapis.com/pcc-wagtail-media/documents/Alcohol_Fees_Bylaw_2024.pdf
- Hutt City Council Draft Alcohol Fees Bylaw 2024. The Council has achieved 93% cost recovery and is proposing 100% cost recovery as an option for the 2024 bylaw. See: https://haveyoursay.huttcity.govt.nz/alcohol-fees-bylaw-2024, 10 December 2024 https://huttcity.infocouncil.biz/Open/2024/12/HCC_10122024_AGN_3339_AT.PDF.
- Hamilton City Council Draft Alcohol Fees Bylaw. Commencing with 95% of costs with an increase annually of 3%. See: https://haveyoursay.hamilton.govt.nz/alcohol-fees-bylaw-2025.
- Kapiti Coast District Council Alcohol Licensing Fees Bylaw 2024. Fees from 1 July 2028-2029 - 90% cost recover over five years, with option to further review the level of cost recovery ahead of the next Annual Plan (for example, lifting recovery to 100%). See: https://www.kapiticoast.govt.nz/media/amgnzzqb/alcohol-fees-licensing-bylaw-2024.pdf
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- Wellington City Council Alcohol Fees Bylaw. Fees 85% user pays. - https://wellington.govt.nz/-/media/your-council/plans-policies-and-bylaws/bylaws/files/alcohol-fees-bylaw-2024.pdf?la=en&hash=E740BA23791C8CA8F55A230467299BE4F33FF9C0

4 Ministry of Justice. Regulatory Impact Statement for the Alcohol Licensing System. 2013. https://www.regulation.govt.nz/assets/RIS-Documents/ris-justice-frf-nov13.pdf.

Te Kaunihera o Te Tairāwhiti
GISBORNE
DISTRICT COUNCIL

25-63

Title: **25-63 BOPLASS Statement of Intent and Half Yearly Financial Report to 31 December 2024**

Section: Finance & Affordability

Prepared by: Amanda O'Sullivan - Management Accountant

Meeting Date: Wednesday 9 April 2025

Legal: No	Financial: Yes	Significance: **Low**

Report to FINANCE & PERFORMANCE/WHAKAHAERE PŪTEA ME ŌNA HUA Committee for decision

PURPOSE - TE TAKE

The purpose of the report is to submit BOPLASS Ltd.'s Half Yearly Report for the period ending 31 December 2024 and their Draft Statement of Intent for 2025–2028.

SUMMARY - HE WHAKARĀPOPOTOTANGA

BOPLASS Ltd is a Council Controlled Organisation (CCO) that was formed to investigate, develop, promote and deliver shared services, and joint procurement for some or all member councils. Gisborne District Council (Council) is one of nine shareholding councils of BOPLASS. The financial report provides information against the objectives and performance requirements set out in the Statement of Intent.

The Statement of Intent is the key accountability document between Council and the CCO. It sets out the company's strategic direction and it must be consulted on and approved by the directors annually. Schedule 8(9) of the Local Government Act 2002 sets out the content of the document which must cover the next three financial years.

The Chief Executive, as a Director of BOPLASS, is requested to review and to approve the draft Statement of Intent for circulation to shareholders. This was approved by BOPLASS to present to councils by 1 March 2025.

The Finance & Performance Committee is invited to provide feedback to the Chief Executive at this meeting, so the views of Council can be provided to the BOPLASS Board, prior to 30 April 2025.

The BOPLASS directors will consider any comments made by the shareholders before approving the final Statement of Intent by 30 June 2025.

The Half Yearly Report for 31 December 2024 and the Draft Statement of Intent 2025-2028 (for the period starting 1 July 2025 until 30 June 2028) is attached in **Attachment 1** and **Attachment 2.**

The decisions or matters in this report are considered to be of **Low** significance in accordance with the Council's Significance and Engagement Policy.

RECOMMENDATIONS - NGĀ TŪTOHUNGA

That the Finance & Performance/Whakahaere Pūtea me Ōna Hua Committee:

1. **Approves the Draft Statement of Intent 2025-2028 (for 1 July 2025 until 30 June 2028); subject to the Committee's feedback.**
2. **Instructs the Chief Executive to provide feedback from the Committee (as their role as a Shareholder) to BOPLASS Ltd by 30 April 2025.**

Authorised by:

Pauline Foreman - Chief Financial Officer

Keywords: BOPLASS, Statement of Intent, SOI, Council Controlled Organisation, CCO

BACKGROUND - HE WHAKAMĀRAMA

1. BOPLASS exists to provide councils in the Bay of Plenty and Gisborne regions with initiatives to investigate, procure, develop, and deliver shared services that can be achieved more effectively for the benefit of all or some of the councils. BOPLASS is partnering with 26 businesses to provide such savings. There are 60 current joint procurement and collaborative projects undertaken, with BOPLASS identifying 36 potential projects for consideration with extensive saving potential.
2. The nine Directors that make up the Board are also the current Chief Executives of their respective shareholding councils. The Board includes an independent chair.
3. The main focal point of the Board is on supporting the strategic development of the organisation, to ensure constructive interaction between the company's activities and the activities of the Council.
4. Each activity or project is managed by an Advisory Group which is nominated by the shareholding councils to deliver it. Council participation in each initiative is decided on an "opt in" basis as initiatives are not compulsory.

DISCUSSION and OPTIONS - WHAKAWHITINGA KŌRERO me ngā KŌWHIRINGA

5. The discussion below outlines the main highlights from the interim set of accounts and the draft Statement of Intent.

Half yearly report to 31 December 2024

a. Interim set of accounts

The organisation is currently operating on a small surplus. This is due to receiving a continued increase in recoveries of purchases on behalf of councils.

b. Insurance procurement continues to be a focus

- Inter-regional collaboration has allowed favourable benefits and savings to be achieved.
- Continuing to build on our strong established relationships within the insurance markets has allowed BOPLASS to obtain competitive pricing on the renewal of the 2024/2025 insurance policies.
- Cyber cover (insurance for security of our information services to prevent cyber-attacks and avoid security breaches) has been achieved, but with new expectations from insurers. Continued cover is dependent on maintaining compliant and high standards of cyber security within BOPLASS councils.
- An invitation has been extended to all BOPLASS councils to work with AON who can develop a risk management service and expertise, which in turn provides insurance underwriters with a greater level of accuracy of data provided.

c. Inter-Regional Collaboration

- BOPLASS are engaging regularly with other council groups to explore opportunities for further inter-regional alliances. A recent joint tender for occupational health services across multiple councils highlights the tangible benefits of such collaborative efforts.

d. LiDAR (light detection and ranging) projects

- Tenders have been awarded for rural and urban orthophotography covering Western BOP and Gisborne with aerial capture to be undertaken during the 2024-2025 summer.
- BOPLASS has negotiated a free trial for oblique software and imagery. This is aerial imagery collected at an angle to the horizon. Oblique imagery is particularly beneficial for wetlands or biodiversity work as it will provide a much higher level of understanding of landscapes.
- GIS (Geographic Information Systems) mapping has been renewed through collective BOPLASS agreements. This essential mapping feeds into our insurance data to retain a competitive advantage with the insurers.

Draft Statement of Intent (SOI) for 2025-2028

6. The SOI is developed under Schedule 8 of the Local Government Act 2002. It provides a basis for the accountability of the Directors to the Shareholders for the performance of BOPLASS Ltd.

a. Performance targets

- Ensure supplier agreements are proactively managed.
- Investigate joint procurement initiatives.
- Identify opportunities to collaborate with other LASS.
- Continually developing and extending access to the collaboration portal.
- Communicate with each shareholder council at appropriate levels.
- Ensure the current funding model is appropriate.

b. Future Developments

- BOPLASS remains adaptive in a complex and changing work environment.
- Joint procurement opportunities will be actively pursued to ensure savings and benefits are delivered.
- Initiatives raised by two or more member councils will be considered by the board with councils participating on an opt-in basis.
- The board will be looking for commitment from councils to participate in collaborative services and to provide a lead in the identification and management of opportunities and projects.

c. Identified Joint Procurement and Collaborative Projects

- The board is looking at expanding their partnership with other local authorities as they recognise the benefits and the range of opportunities for inter-regional collaboration.

d. Projects for Consideration

7. The full list of projects for future consideration is included below and within SOI (**attachment 2).**

Projects for Consideration

- Agenda management software
- Archive services
- Asset Management
- Building consents
- Business continuity planning
- CCTV monitoring
- Centralised insurance resource
- Chemicals
- Consents processing
- Contractor online inductions
- Debt Management
- Diversion of putrescible waste from landfill
- Driver training
- Drug & Alcohol testing
- Electoral Officer services
- Engineering Codes of Practice
- Fleet purchasing and management
- Geospatial services
- Health & Safety management system
- Health insurance
- High volume print
- ICT security policies
- Insurance valuations
- Inter-council secondments
- Joint software support
- LGOIMA requests
- Lone worker field solutions
- PPE & uniform
- Property valuation services
- Rates collection
- Regional contractor database
- Risk and total assurance
- Solid waste regional facilities strategy
- Staff engagement survey systems
- Vehicle monitoring
- Web services

ASSESSMENT of SIGNIFICANCE - AROTAKENGA o NGĀ HIRANGA

Consideration of consistency with and impact on the Regional Land Transport Plan and its implementation
Overall Process: **Low** Significance
This Report: **Low** Significance

Impacts on Council's delivery of its Financial Strategy and Long Term Plan
Overall Process: **Low** Significance
This Report: **Low** Significance

Inconsistency with Council's current strategy and policy
Overall Process: **Low** Significance
This Report: **Low** Significance

The effects on all or a large part of the Gisborne district
Overall Process: **Low** Significance
This Report: **Low** Significance

The effects on individuals or specific communities
Overall Process: **Low** Significance
This Report: **Low** Significance

The level or history of public interest in the matter or issue
Overall Process: **Low** Significance
This Report: **Low** Significance

8. The decisions or matters in this report are considered to be of **Low** significance in accordance with Council's Significance and Engagement Policy.

TREATY COMPASS ANALYSIS

Kāwanatanga

9. The governance provisions of the Treaty are reflected through the structure of BOPLASS Ltd, which enables councils to collaborate on shared procurement and service delivery. The Board includes the Chief Executives of the shareholding councils, ensuring strategic oversight and alignment with council objectives. Engagement occurs at multiple levels, with opportunities for feedback and participation in decision-making.

Rangatiratanga

10. The structure of BOPLASS allows councils to participate in initiatives on an opt-in basis, respecting the autonomy of each council in determining their level of involvement. The collaborative approach to procurement and shared services acknowledges the distinct needs of different regions and supports decision-making that aligns with local priorities. Consideration is given to partnerships that enhance participation and shared leadership in projects.

Oritetanga

11. BOPLASS promotes equitable access to procurement opportunities and shared services, contributing to cost savings and operational efficiencies across councils. Collaboration in areas such as insurance procurement, GIS mapping, and inter-regional projects ensures that all participating councils benefit from collective expertise and resources. The focus on financial sustainability and strategic investment supports equitable service delivery.

Whakapono

12. Consideration is given to the values of tangata whenua within procurement and service delivery frameworks. Environmental and risk management initiatives, such as LiDAR projects and collective insurance strategies, reflect a commitment to responsible stewardship. Engagement with key partners ensures that decisions align with broader social, cultural, and environmental outcomes.

TANGATA WHENUA/MĀORI ENGAGEMENT - TŪTAKITANGA TANGATA WHENUA

13. For this report engagement with Tangata Whenua is not required as it is presenting the half yearly report of a CCO, not a Council document.

COMMUNITY ENGAGEMENT - TŪTAKITANGA HAPORI

14. Engagement with the community is not required.

CLIMATE CHANGE – Impacts / Implications - NGĀ REREKĒTANGA ĀHUARANGI – ngā whakaaweawe / ngā ritenga

15. BOPLASS considers environmental sustainability as a priority in its business activities, where they consider the broader environmental, social and cultural outcomes as part of their procurement process.

16. With the council's adoption of a 2030 carbon neutral target (report 22-30), feedback could be given to BOPLASS on how this can be achieved through looking at new opportunities or alternative approaches to procurement and shared services in our short, medium and long-term decision-making.

CONSIDERATIONS - HEI WHAKAARO

Financial/Budget

17. BOPLASS is bound by the accountability provisions of the Local Government Act 2002, which requires the directors to deliver a report to the shareholders within two months of the end of the first six months of the financial year. The report is required to provide information against the objectives set out in the SOI.

18. An annual "council contribution" is provided to BOPLASS for being a member. Gisborne District Council also contribute to project costs which we have shares in, including the Mahitahi collaboration portal, insurance, Aerial imagery programme, ESRI GIS licensing (Environmental Systems Research Institute) and the FME (Feature Manipulation Engine) licence and software to name a few.

Financial Year	2022/23	2023/2024	2024/25 To 29 Feb 2025)
Council Annual Contribution	$ 29,864	$ 31,656	$ 32,701
Other BOPLASS Contributions	$ 105,470	$ 160,905	$ 48,328
Total (GST Excl.)	**$ 135,334**	**$ 192,561**	**$ 81,029**

19. Between 2009 and 2024 Council has made net savings of $3.23m, mostly from insurance savings. Coupled with these financial benefits, we have gained many non-financial benefits from our involvement with the group. These include a best practice methodology, the collaboration portal, networking and contract management efficiencies.

Legal

20. There are no legal implications in this report.

POLICY and PLANNING IMPLICATIONS - KAUPAPA HERE me ngā RITENGA WHAKAMAHERE

21. BOPLASS Ltd states that it will conduct itself in accordance with its constitution, its annual SOI, the provisions of the Companies Act 1993, and Schedule 8 (9) of the Local Government Act 2002 which sets out the requirements for the SOI document which must cover the next three years. The vision of BOPLASS to partnering with councils for value and service are captured within our own community values of Tairāwhiti Piritahi "together making it smart, making it easy and making it happen"

RISKS - NGĀ TŪRARU

22. New Zealand is classed as the second riskiest country in the world (Lloyds of London 2018), in terms of insurance. The insurance market is quite different from 12 months ago and insurers are focused on increasing climate change, natural disasters and cyber-crime risk, and the impact of these on councils' risk profiles. Some insurers are rethinking their long-term strategies, and the notions of trust and core values are playing a greater role in the industry than ever before.

23. To retain a competitive advantage with the hardening of global insurance markets, BOPLASS is ensuring that they have up to date asset schedules and hazard mapping to look at regions susceptible to flood or sea inundations. With a mix of New Zealand and London markets, underwriters' cost-effective coverage has proved challenging.

NEXT STEPS - NGĀ MAHI E WHAI AKE

Date	Action/Milestone	Comments
Prior to 30 April 2025	Submissions by shareholder's representative in writing.	Council members are the shareholders, and the shareholders' representative is the Chief Executive.
30 June 2025	Shareholders to approve draft SOI document.	The directors must consider any comments made by the shareholders.

ATTACHMENTS - NGĀ TĀPIRITANGA

1. Attachment 1 - Half yearly report 2024-25 [**25-63.1** - 11 pages]
2. Attachment 2 - BOPLASS SOI 2025-2028 Approved Draft [**25-63.2** - 15 pages]

BOPLASS Ltd

HALF YEARLY REPORT TO SHAREHOLDERS

Period ended 31 December 2024

"COUNCILS PARTNERING FOR VALUE AND SERVICE"

BOPLASS Chair's Report

It is with pleasure that the Directors present their 2024/2025 Half Yearly Report to Shareholders demonstrating the continuing contribution the company makes to collaboration between councils.

With the renewal of councils' insurance through BOPLASS in November 2025, it is pleasing to report a reduction in insurance rates for key categories across the BOPLASS councils when compared with premiums for the year prior. While this partly reflects additional capital coming into the insurance markets, it also highlights the benefit of the collective insurance programme and the strong interest being generated in the BOPLASS programme through direct presentations into the insurance markets. This continued build in interest has allowed BOPLASS to further leverage established relationships to obtain very competitive pricing for member councils. The indication from our brokers and the underwriters is that the BOPLASS history and approach helps achieve a significant reduction in rate relative to similar organisations.

Although particularly good outcomes have been achieved with insurance this year, BOPLASS continues to investigate alternative risk transfer mechanisms to ensure our councils are well-positioned should the cost or availability of traditional insurance change. A project is currently underway to complete loss modelling across all the BOPLASS councils to ensure the information on councils' assets and risks is accurate and up to date to support decisions on loss limits for the group and for individual councils.

The collective aerial photography programme continues to provide financial savings for councils, with tenders awarded this year for urban and rural orthophotography covering Taupō, Rotorua, Western BOP, Gisborne, and Tauranga regions. In addition to the procurement savings, the aerial imagery programme is providing significant resource savings through councils working together to establish collaborative services. The sharing of Bay Maps is an excellent example of this, effectively forming a single hub for councils' communities to access mapping and associated data.

It is good to see increasing collaboration with MW LASS and/or Co-lab, with a number of procurement and shared services opportunities being developed which benefit a large group of councils and reduce the effort involved.

BOPLASS has a number of active procurement opportunities either in the formative stage or about to go to tender. Additionally, the board have identified shared service opportunities for BOPLASS to further investigate. Additional information about current projects is available in the attached report.

Yours faithfully

Craig O'Connell
Chair

BOPLASS Ltd

"COUNCILS PARTNERING FOR VALUE AND SERVICE"

HALF YEARLY REPORT TO SHAREHOLDERS

14 FEBRUARY 2025

1 INTRODUCTION

The Local Government Act 2002 requires that the Directors deliver to the Shareholders a report within two months of the end of the first six months of the financial year. The report is required to provide information against the objectives set out in the Statement of Intent. The following report records the objectives of the company and reports on performance against a table of specific performance requirements set out in the Statement of Intent.

2 OBJECTIVES OF BOPLASS LTD

The company exists to provide councils in the Bay of Plenty and Gisborne regions with an umbrella vehicle to investigate, procure, develop, and deliver shared services.

Working together with the full support and involvement of staff, we will provide benefit to councils and their stakeholders through improved levels of service, reduced costs, improved efficiency and/or increased value through innovation.

These will be achieved primarily through:

JOINT PROCUREMENT

Being the procurement of services or products by two or more councils from an external provider regardless of whether the service is paid for through BOPLASS or individually by participating councils.

SHARED SERVICES

Being the participation of two or more councils in the provision of a common service which may be jointly or severally hosted.

3 GOVERNANCE

The end of 2024 included a change of Chief Executive at Whakatāne District Council. BOPLASS welcomes new director Steven Perdia (Whakatāne District Council) to the BOPLASS Board.

4 NATURE AND SCOPE OF ACTIVITIES

The principal nature and scope of the activities of BOPLASS Ltd is to:

- Use joint procurement to add value to goods and services sourced for its constituent councils.
- Facilitate shared services that benefit councils and their stakeholders through improved levels of service, reduced costs, improved efficiency, innovation and/or increased value.
- Pursue best practice in the management of all activities to obtain best value and minimise risk.
- Demonstrate fiduciary responsibility by ensuring that its activities are adequately funded from savings achieved, levies, council contributions, or Government funding where available.
- Allow other councils or organisations to participate in its activities where this will benefit its constituent councils directly or indirectly.
- Represent the collective views of its shareholders in matters with which it is associated.

5 FUTURE DEVELOPMENTS

BOPLASS Ltd will continue to work on business cases for joint procurement and shared services that may be provided in the region or cross-regionally.

The Board has adjusted its strategy to ensure a greater focus on shared services opportunities, while continuing to deliver savings and value to councils through new and existing joint procurement initiatives.

Current reviews for joint procurement and shared services cover but are not limited to:

- Agenda management software
- Archive services
- Asset Management
- Building consents
- Business continuity planning
- CCTV monitoring
- Centralised insurance resource
- Chemicals
- Consents processing
- Contractor online inductions
- Debt management
- Diversion of putrescible waste from landfill
- Driver training
- Drug & Alcohol testing
- Electoral Officer services
- Engineering Codes of Practice
- Fleet purchasing and management
- Geospatial services
- Health & Safety management system
- Health insurance
- High volume print
- ICT security policies
- Insurance valuations
- Inter-council secondments
- Joint software support
- LGOIMA requests
- Lone worker field solutions
- PPE & uniform
- Property valuation services
- Rates collection
- Regional contractor database
- Risk and total assurance
- Solid waste regional facilities strategy
- Staff engagement survey systems
- Vehicle monitoring
- Web services

Other collaborative opportunities may be progressed after the Board has considered individual business cases and formally agreed to take on and deliver (or host/procure etc.) the project.

Joint procurement opportunities will continue to be identified and developed with individual councils engaging under the opt-in principle established by the Board. Joint procurement initiatives will be considered by the Board and/or its advisory groups where there is demonstrated support from two or more member councils.

The Board supports BOPLASS continuing to develop collaboration opportunities outside of the regional boundaries. BOPLASS will continue to proactively explore opportunities to partner with other Local Authorities and shared services organisations within New Zealand where they are developing, or considering developing, cost effective shared services and products that are of value to the Bay of Plenty and Gisborne councils.

BOPLASS development of the Collaboration Portal for the sharing of information on joint procurement or shared services opportunities within the constituent councils has identified a number of duplicate projects across councils which present an opportunity for further collaboration. The BOPLASS Collaboration Portal has become more widely used by other LASS, councils, and local government organisations and provides an opportunity to assist with the identification and management of inter-regional collaboration opportunities. BOPLASS will continue to develop the Collaboration Portal and make it available to the wider local government community.

6 PERFORMANCE TARGETS

To ensure the company continues to operate effectively in both governance and management terms over the next three years the current SOI targets are to:

- Ensure supplier agreements are proactively managed to maximise benefits for BOPLASS councils.
- Investigate new joint procurement initiatives for goods and services for BOPLASS councils.
- Identify opportunities to collaborate with other LASS in Procurement or Shared Service projects where alliance provides benefits to all parties.
- Further develop and extend the Collaboration Portal for access to, and sharing of, project information and opportunities from other councils and the greater Local Government community to increase breadth of BOPLASS collaboration.
- Communicate with each shareholding council at appropriate levels.
- Ensure current funding model is appropriate.

The Board believes that all targets are being achieved or are on-track to be achieved, as is demonstrated by the following list of current initiatives.

7 CURRENT INITIATIVES

The following initiatives have been under consideration or operating during the first part of the year:

HIGHLIGHTS

- Electoral Officer services – BOPLASS has engaged with electoral services companies to investigate potential benefits of shared electoral officer services and/or joint procurement of services. Any service would be established subsequent to 2025 local body elections.
- Cyber risk management – All councils have again been able to achieve full cyber insurance cover through the BOPLASS programme. Insurers requirements remain stringent and continued cover is dependent on high standards of cyber security being maintained by all BOPLASS councils. To assist with this, BOPLASS recently facilitated an information session for the BOPLASS councils' IT managers, where a cyber insurance expert provided information on insurers' new requirements, new threats, and how to manage an incident to ensure compliance with insurers expectations.
- Risk management services – Every year the BOPLASS insurance underwriters become more demanding in the levels of data they require and the accuracy of the data. This has created challenges for some of the smaller councils. BOPLASS has worked with Aon to develop a risk management service to assist our councils with this specific skillset. The service has been established to, particularly, provide risk management support and expertise to our smaller councils that may not have a risk management skillset inhouse as a dedicated resource.
- Occupational health services – BOPLASS is managing a tender in conjunction with Co-Lab for occupational health services across the greater region.
- Bay Maps open data – Bay Maps has been established as a shared portal for Bay of Plenty mapping services and is utilised by the BOPLASS GIS group. Having a single portal negates the requirement for councils to develop and maintain individual mapping services.
- LGOIMA requests – BOPLASS is facilitating a collaborative project between councils to share information on LGOIMA processes and help ensure consistent responses to requests. Working in conjunction with the other two LASS, a shared platform is being developed to share information between councils to assist with establishing consistency and best practice.
- Artificial Intelligence (AI) – AI technology is moving fast with the integration now embedded in a multitude of platforms and software solutions. BOPLASS facilitated a seminar delivered by Houston Technology specifically to member councils to provide awareness in preparing for AI using Microsoft Office 365. BOPLASS continues to identify opportunities for councils to share learnings as they adopt AI.

- Inter-LASS collaboration – Multiple projects continue to be identified by LASS leads that would benefit from inter-regional collaboration and could leverage shared services across LASS groups. This collective approach aims to streamline procurement processes and achieve superior outcomes through aggregated volumes. The recent joint tender by BOPLASS and Co-Lab for Occupational Health Services, covering Waikato, Gisborne, and Bay of Plenty councils, highlights the tangible benefits of such collaborative efforts.
- Crime Prevention/CCTV Monitoring – Working in conjunction with NZ Police, BOPLASS is investigating establishing three regional hubs for CCTV monitoring across BOPLASS councils. The establishment of these three centres of excellence will assist in providing coordinated police monitoring within each region.
- Insurance renewals – In the first half of the financial year, BOPLASS led insurance renewals of behalf of the collective group of councils and achieved improved outcomes for all councils across a range of policies. Of particular note was the below-ground infrastructure insurance, with a decrease in rates achieved this year. In addition to the reduced premium rates, benefits also included improved insurance terms, increased coverage limits, and renewed underwriter interest in our programme. Our continued proactive approach and direct presentations into the markets has helped build strong relationships with underwriters and favourable outcomes for all councils involved.
- Waste Operator and Licensing Data System (WOLDS) – The rollout of WOLDS is being phased across the BOPLASS and Waikato councils, with six councils in the initial tranche. The balance of councils will move at a later date, with some still to complete changes to their bylaw to allow external management of these services. WOLDS will allow centralised management of waste contractor licensing, significantly reducing the workload for councils, while also providing improvements in waste data.
- Aerial Imagery – Tenders have been awarded for urban and rural orthophotography covering Taupō, Rotorua, Western BOP, Gisborne and Tauranga regions, with aerial capture to be undertaken during the summers of 2024-25.
- Contours from LiDAR – A project is underway to produce contours for the entire Bay of Plenty region using the LiDAR data BOPLASS councils procured collectively for the region. The contours will provide an important complete topography layer for councils' mapping. The collective agreement offers councils a cost-effective solution and improved efficiency for the region under a single process.
- Oblique Imagery – BOPLASS is investigating a collective agreement across the BOP region for oblique imagery – aerial imagery collected at an angle to the horizon. Oblique imagery helps provide a much higher level of understanding of landscapes, which is particularly helpful for wetlands or biodiversity work. BOPLASS has successfully negotiated a free trial of oblique software and imagery, allowing councils an opportunity to experiment with the technology and develop use cases.

- Contractor and Employee H&S Inductions – A project continues to be investigated to develop a common platform and standard for the development and management of H&S inductions – for both staff and contractor purposes.
- GIS Software and Services – A number of key contracts for councils' geospatial software have been reviewed and renewed through collective BOPLASS agreements.
- MahiTahi Collaboration Portal – Further growth has been achieved with the MahiTahi Collaboration Portal with additional councils joining and using it as a collaboration tool for sharing information across councils.
- Health insurance – A project is underway to explore benefits of establishing a group scheme across the BOPLASS group.
- Media Copyright Agency (MCA) – A collective contract providing savings for all BOPLASS councils has been renegotiated with MCA.
- Institute of Public Works Engineering Australasia (IPWEA) – BOPLASS has renewed the single BOPLASS membership covering all councils and providing membership savings.
- Media Monitoring Service – A collective contract continues to provide BOPLASS councils with a more cost-effective broader service including print, online, broadcast media, social media and 'social listening' services that analyse social media feedback or sentiment.
- Debt Management Services – BOPLASS is working with MW LASS to provide debt management as a shared service to BOPLASS councils.
- Driver Training – BOPLASS continues to investigate options for appointing a preferred provider for driver training services.
- Lone worker field solutions – BOPLASS is investigating technologies and solutions to support council staff in lone worker situations.
- Communication – BOPLASS continues to regularly engage with our constituent councils, senior management and shareholders to ensure opportunities continue to be developed to the benefit of all stakeholders. Additionally, advisory groups, comprising subject matter experts from each council, meet regularly to identify and lead specific projects to provide benefits to all councils through collaboration.
- Viability of Current Funding Model – The sources of BOPLASS funding and the viability of the funding model are regularly reviewed with financial reporting provided to the BOPLASS Board.

8 FINANCIAL REPORTS

8.1 Financial Support and Accounting Services

Accountancy services and support continue to be provided by Tauranga City Council.

8.3 Accounting Policies

The company is compliant with the accounting policies stated in the Statement of Intent.

8.4 Tier 2 PBE Accounting Standards Applied

The financial accounts are prepared with application of Tier 2 accounting standards.

8.5 Financial Reports

Financial Reports for the period to 31 December 2024 are attached.

8.6 Variations

Aerial photography revenue and expenditure are slightly behind target but this is simply a timing issue with progress payments, with imagery capture often being at the mercy of the weather.

Project revenue is reported as $25,310 ahead of budget. This is due to contributions being received at the commencement of projects and will balance in the second half of the year.

9 STAFFING, ACCOMMODATION AND SUPPORT

Staff

Staffing levels are unchanged with a part-time administrator continuing to provide additional project support and management of existing activities.

Accommodation and Support

We continue to appreciate the office space provided to us by BOP Regional Council and the support that is offered for IT and Accounting services by Tauranga City Council.

BOP LASS LTD STATEMENT OF COMPREHENSIVE INCOME FOR THE MONTH ENDED 31 DECEMBER 2024				
	Actual YTD	**Budget YTD**	**Total Budget**	**YTD Variance**
REVENUE				
Revenue - Core	**189,700**	**183,808**	**367,615**	**5,893**
Bank Interest Received	9,845	3,500	7,000	6,345
Council Contribution	179,855	180,308	360,615	(453)
Revenue - Projects	**754,520**	**765,750**	**1,311,500**	**(11,230)**
Bank Interest Received	2,029	750	1,500	1,279
Aerial Photography Revenue	114,813	150,000	400,000	(35,187)
Collaboration Portal Revenue	30,000	20,000	40,000	10,000
Lease Revenue - ICN	72,505	67,500	135,000	5,005
Lease Revenue - Video Conference	13,104	7,500	15,000	5,604
Projects - Recoveries Revenue	522,069	520,000	720,000	2,069
TOTAL OPERATING REVENUE	**944,220**	**949,558**	**1,679,115**	**(5,337)**
EXPENSES				
Expenditure - Core	**223,576**	**223,104**	**423,436**	**472**
ACC	595	500	950	95
Accommodation & Travel	7,932	5,500	5,500	2,432
Accounting & Audit	10,185	12,000	24,000	(1,815)
Administration	8,655	10,000	20,000	(1,345)
Amortisation	631	2,500	5,000	(1,869)
Bank Fees	1	100	200	(99)
Conferences	4,296	2,500	2,500	1,796
Depreciation	1,889	2,150	4,300	(261)
Directors Costs	11,754	10,111	23,000	1,643
Fringe Benefit Tax	1,732	2,250	4,500	(518)
General & Catering	0	750	1,500	(750)
Health & Safety	0	500	1,000	(500)
Insurance	13,066	13,000	14,000	66
Interest Paid - TCC Loan	0	0	0	0
Legal	0	1,250	2,500	(1,250)
Salaries	149,795	150,362	300,723	(567)
Salaries - Projects OpEx	(3,527)	(9,000)	(18,000)	5,473
Staff Support Costs	10,554	9,750	19,500	804
Staff Training Costs	535	1,250	2,500	(715)
Subscriptions	533	2,132	4,263	(1,598)
Tax Advice	4,950	5,500	5,500	(550)
Expenditure - Projects	**720,203**	**726,454**	**1,255,679**	**(6,251)**
Aerial Photography Expense	114,813	150,000	400,000	(35,187)
Collaboration Portal OpEx	6,562	13,990	27,979	(7,428)
Lease Expense - ICN	73,123	64,800	129,600	8,323
Lease Expense - Video Conference	16,830	14,100	14,100	2,730
Projects - Recoveries Expenditure	508,874	483,564	684,000	25,310
TOTAL OPERATING EXPENDITURE	**943,778**	**949,558**	**1,679,115**	**(5,779)**
OPERATIONAL SURPLUS / (DEFICIT) BEFORE TAX	**442**	**0**	**0**	**442**

BOP LASS LTD STATEMENT OF FINANCIAL POSITION AS OF 31 DECEMBER 2024	
	Actual YTD
Bank	
Cheque Account	1,038,841
Trust A/c Aerial Photography	83,242
Crime Prevention	1,139
Total Bank	**1,123,222**
Current Assets	
Trade Debtors	89,763
Accrued Revenue	57,318
Tax Payable (Tax Receivable)	28,837
Prepayments	3,907
Total Current Assets	**179,824**
Non-current assets	
Intangible - Computer Software	79,175
Intangible - Amortisation	(74,440)
Computer Equipment at cost	4,516
Less Accumulated Depreciation on Computer Equipment	(4,653)
Inter Council Network	25,097
Accumulated Depreciation Inter Council Network	(14,289)
Total Non-current assets	**15,407**
TOTAL ASSETS	**1,318,453**
Current Liabilities	
Business Credit Card	935
Trade Creditors	13,129
Accrued Expenses	4,537
TCC Loan	0
GST Collected, Paid, Payments (Refunds)	(11,627)
Retentions	11,893
Income in Advance	1,257,469
PAYE Accruals Payable	14,477
Total Liabilities	**1,290,813**
NET ASSETS	**27,639**
Equity	
Current Year Earnings	99,002
Retained Earnings	(71,805)
Share capital	442
TOTAL EQUITY	**27,639**

BOPLASS Ltd

STATEMENT OF INTENT FOR 2025-2028

June 2025

"COUNCILS PARTNERING FOR VALUE AND SERVICE"

1. Introduction

This Statement of Intent (SOI), developed under Schedule 8 of the Local Government Act 2002:

- Declares a public statement of the activities and intentions of BOPLASS Ltd and the objectives to which those activities will contribute.
- Provides an opportunity for the shareholders to influence the direction of BOPLASS Ltd, and
- Provides a basis for the accountability of the Directors to the Shareholders for the performance of BOPLASS Ltd.
- Covers BOPLASS Ltd and any subsidiary company established in pursuance of the objectives herein.

2. Background and Benefits

The councils that operate within the Bay of Plenty and Gisborne Regions have formed a Council Controlled Organisation (CCO) to investigate, develop and deliver Joint Procurement and Shared Services projects where delivery is more effective for any combination of some or all of the councils.

Since inception, estimated financial savings of over $34 million have been achieved by the participating councils through undertaking joint initiatives. BOPLASS is forecast to return in excess of $2.5 million in savings in the 2024-25 financial year.

Other benefits that have been achieved through collaboration are:

- improved levels and quality of service;
- a co-ordinated and consistent approach to the provision of services;
- reductions in the cost of support and administrative services;
- opportunities to develop new initiatives;
- economies of scale resulting from a single entity representing many councils in procurement.

These benefits and opportunities can apply to all councils irrespective of location or size.

Business processes, information architectures and functional tools differ in each council to varying degrees. The BOPLASS strategies facilitate a journey of progressive development using the approach identified in the BOPLASS Strategy and Action Plan to:

- enhance the capability to collaborate;
- encourage the elimination of barriers to collaborative action; and
- identify services that deliver viable business cases.

A generic sequence or stages of collaboration between multiple councils is followed to develop Shared Services, as shown in *Figure 1*.

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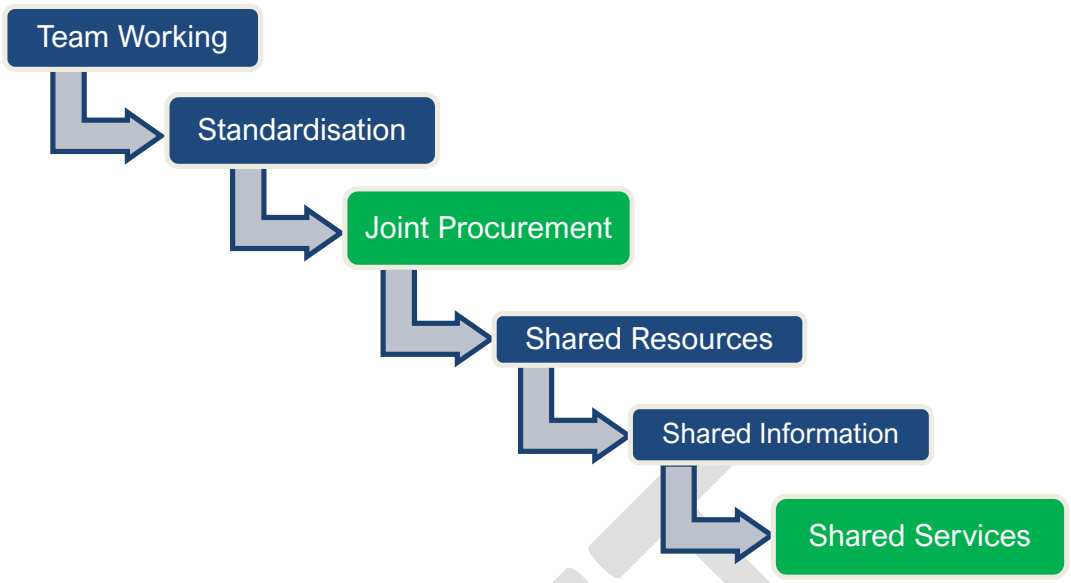

Figure 1

Many of the BOPLASS Joint Procurement projects have supported the development of standard products, services or solutions across the councils. These standards assist in creating a foundation for the delivery of collaboration within the councils.

Examples of Joint Procurement and Shared Service projects are:

- Infrastructure Insurance
- Collective Training
- Aerial Imagery and LiDAR
- Provincial Growth Fund Co-funding for LiDAR Capture
- Standardised Community Engagement App
- Lone Worker Field Solutions
- Robotic Process Automation
- Accounts Payable Automation Software
- Print Media Licencing
- Insurance Valuations
- Contractor Online Inductions
- Health and Safety Management Software
- Radio Telephony (RT) Strategy
- Solid Waste Management
- Health and Safety Inter-Council Audits
- Asbestos Protocols
- Sustainable Public Procurement
- Health and Safety Benchmarking
- Video Conferencing Services
- Archive Services
- Inter-Council Network (ICN) Review, Redesign and Renegotiation
- Debt Collections
- Collaboration Portal
- Capital Construction and Civil Works Projects
- Fortigate Firewall Services
- Wireless WAN
- Inter-LASS Collaboration
- Human Resources Information Systems
- CCTV and monitoring

A full list of projects is provided in Appendix B.

3. Our Vision

"COUNCILS PARTNERING FOR VALUE AND SERVICE"

4. Objectives of BOPLASS Ltd

Working together with the full support and involvement of staff, we will provide benefit to councils and their stakeholders through improved levels of service, reduced costs, improved efficiency and/or increased value through innovation.

These will be achieved primarily through:

Joint Procurement

Being the procurement of services or products by two or more councils from an external provider regardless of whether the service is paid for through BOPLASS or individually by participating councils.

Shared Services

Being the participation of two or more councils in the provision of a common service which may be jointly or severally hosted.

5. Nature and Scope of Activities

The principal nature and scope of the activities of BOPLASS Ltd is to:

- Use Joint Procurement to add value to goods and services sourced for its constituent councils.
- Establish the underlying technology, framework, platform and policies to enable and support collaboration.
- Facilitate initiatives that benefit councils and their stakeholders through improved levels of service, reduced costs, improved efficiency, innovation and/or increased value.
- Pursue best practice in the management of all activities to obtain best value and minimise risk.
- Demonstrate fiduciary responsibility by ensuring that its activities are adequately funded from savings achieved, levies, council contributions, or Government funding where available.
- Allow other councils or organisations to participate in its activities where this will benefit its constituent councils directly or indirectly.
- Actively monitor and engage with Shared Service developments across the public sector to identify opportunities for further development and establishing best practice.
- Represent the collective views of its Shareholders in matters with which it is associated.

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6. Sustainable Future: Environmental, Social and Governance (ESG)

The board recognises the importance of ESG in BOPLASS' role and ensuring that integrated risk management, non-financial outcomes, and Te Tiriti are considered in all BOPLASS joint procurement and shared services initiatives.

The company is committed to operating all aspects of its business with a focus on protecting and enhancing our communities today and in the future through sustainable environmentally responsible business practices, social contribution, and good governance.

The company has always had a stakeholder-centric approach, ensuring the company's objectives, goals and the undertaking of business are aligned with our constituent councils, our wider communities and supporting ESG outcomes that have wide-ranging benefits.

While achieving financial savings for member councils through BOPLASS joint procurement is a key objective, the company recognises the importance and responsibility of social procurement and will continue to consider the broader environmental, social and cultural outcomes as part of all BOPLASS procurement processes.

As examples, BOPLASS is working towards satisfying ESG criteria within social procurement by:

- Increasing access to BOPLASS procurement contracts for NZ businesses and local businesses, with particular focus on those groups that may have limited access to opportunities (such as Māori and Pacific Peoples' businesses).
- Giving consideration to organisations that provide employment opportunities to targeted groups and promote inclusion and diversity within their workforce.
- Recognising vendors that will help future-proof the ability of New Zealand businesses to trade.

With a focus on *Social Sustainability*, BOPLASS ensures a balanced approach is taken with the company's activities to create positive social and cultural outcomes for the local communities it serves while also maximising positive outcomes for Māori and the broader community.

Environmental Sustainability is a priority in all BOPLASS business activities – internal and external. Through collaboration and partnership with its constituent councils, BOPLASS strives to protect and enhance our environment and biodiversity. The company is committed to operating in an environmentally responsible way and will embed sustainability considerations (including ethical considerations) within a culture of excellence across its wider business and all joint procurement and shared services initiatives.

Te Tiriti o Waitangi responsibilities and outcomes are a driver for governance and management decisions within BOPLASS, include acknowledging and involving mana whenua as Kaitiaki o Te Taiao in project decisions impacting on land or natural

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resources. The company is committed to providing and improving opportunities for Māori to contribute to local government decision-making processes and establishing collaborative partnerships and processes that reflect mutual outcomes.

7. Governance Structure

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

The Company is governed by its directors. To ensure total synergy between the Company's activities and its council shareholders' activities, nine Directors are also the current Chief Executives of their respective shareholding councils. The dual roles recognise the interdependence of BOPLASS and its councils in the undertaking of its activities.

The Board also includes an independent Chair, appointed with specific skills and knowledge to add incremental value. This appointment brings experience and specialist skills that are complementary to those held by the other Directors.

Shareholder	**Appointed Director**
Bay of Plenty Regional Council	Fiona McTavish
Gisborne District Council	Nedine Thatcher-Swann
Kawerau District Council	Morgan Godfery
Ōpōtiki District Council	Stace Lewer
Rotorua Lakes Council	Andrew Moraes
Taupō District Council	Julie Gardyne
Tauranga City Council	Marty Grenfell
Western Bay of Plenty District Council	John Holyoake
Whakatāne District Council	Steven Perdia
Independent Director and Chair	**Craig O'Connell**

Sub-groups of council subject matter experts have responsibility for regular monitoring of operational aspects of BOPLASS projects, allowing the Board to primarily focus on supporting the strategic development of the organisation.

Each activity or project is managed by an Advisory Group, nominated by the shareholding councils in that particular service. The Board retains the right to approve nominations to the Advisory Groups and all of their material decisions – there is only one Board of Directors and that remains at the umbrella or holding company level.

The Board has established a principle that participation in each initiative is decided by individual councils on an 'opt in' basis.

Services delivered are subject to a formal service level agreement between BOPLASS Ltd and the participating councils, outlining the services and activities provided, where when and how; and reflecting the capital and operational costs being met by each service shareholder.

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Joint Procurement initiatives consistent with their nominated role may be undertaken by any advisory group or as approved by the Operations Committee. In considering Joint Procurement initiatives, the Company will take into account the opportunities available through All of Government (AoG) purchasing arrangements and, where there is demonstrated benefit to the Company or its constituent councils, support such initiatives. In assessing the benefits of a Joint Procurement initiative, opportunities for integration shall be considered. The Board has recognised that the availability of All of Government Procurement options has the potential to impact on BOPLASS' ability to provide procurement options in some categories.

Subject to the approval of shareholders in accordance with the shareholder agreement the Directors may decide that a particular activity is best managed as a subsidiary company and proceed accordingly. Any subsidiary company whose objectives are in accordance with the objectives set out in this Statement of Intent shall not be required to have a separate Statement of Intent.

8. Future Developments

The company recognises the importance of remaining adaptive in what is a complex and changing working environment. BOPLASS continues to look at new opportunities or alternative approaches to progressing projects that benefit our shareholding councils.

The Board recognise that the drive for change and/or collaboration in some key areas of council business will often be led by other groups, e.g., waters reform, RMA changes. Although BOPLASS may not be leading these specific projects, the organisation may be considered as one of the vehicles available to assist with managing collective regional outputs from these projects.

BOPLASS Joint Procurement opportunities will continue to be actively pursued to ensure maximum savings and benefits are delivered to the participating councils through existing and new contracts.

Joint Procurement initiatives will be considered by the Board and/or its advisory groups where there is demonstrated support from two or more member councils, with councils participating on an opt-in basis.

BOPLASS will explore opportunities for councils to develop ICT solutions using middleware and cloud technologies that allow for future sharing and the development of Shared Services without the wholesale replacement of IT systems.

Shared Services projects are approved by the board based upon identifying initiatives that will provide genuine value to all participating councils. Shared Services may be delivered by BOPLASS, partnering with a LASS, or in conjunction with multiple LASS.

The Board will be looking for commitment from councils to participate in collaborative services and to provide a lead in the identification and management of opportunities and projects.

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9. Inter-Regional Collaboration

The board recognise the benefits of BOPLASS proactively partnering with other local authorities and Shared Services organisations where they are either developing or considering developing cost effective services or Joint Procurement initiatives that are of value to the BOPLASS councils. The Board is constantly looking to expand on this activity and the range of opportunities for inter-regional partnering. BOPLASS will work towards providing improved visibility of projects being undertaken in other regions that may provide opportunities for multiple councils to participate in.

Where practicable, BOPLASS will work with other LASS or councils to leverage off, or participate in, services established by other collective local government groups.

The Collaboration Portal, established by BOPLASS for the sharing of information on Shared Services or Joint Procurement opportunities, has been made available to the wider local government community to provide better visibility of common projects and to encourage further cross-regional collaboration. BOPLASS will continue to market the benefits of inter-region collaboration and assist other councils through providing support and access to the Collaboration Portal.

BOPLASS has provided substantial savings to its shareholding councils through joint procurement undertaken with neighbouring regions. The Board has tasked BOPLASS with leading further inter-regional joint procurement initiatives that will provide benefit to all parties through an aggregated approach.

Significant benefits and savings have been achieved in the placement of councils' insurance through working in conjunction with other LASS. BOPLASS is considered a leader in the development of the interLASS insurance collective. Promoting the size of the aggregated LASSes to provide critical mass and maintain our favourable position within the insurance industry will continue to be leveraged.

10. Stakeholder Engagement

BOPLASS recognises the ambitious plans our constituent councils have for their communities and endeavours to support these aspirations through:

- Regular engagement at project, management, and governance level.
- Including councils' short, medium, and long-term goals within BOPLASS planning.
- Using quality information from councils to guide our decision-making.
- Identifying and developing services that directly benefit councils and/or their communities.
- Monitoring councils' future plans and remaining agile to change to include these aspirations in our own planning.
- Ensuring there are regular communications about individual council's LTP developments to assist BOPLASS with aligning with councils' strategic direction.
- Regularly communicating to ensure stakeholders are aware of what we are doing and why we are doing it.
- Involving councils in our decision-making and planning.

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11. Performance Targets

To ensure the Company continues to operate effectively in both governance and management terms over the next three years the targets are to:

Target	How	Measure
Ensure supplier agreements are proactively managed to maximise benefits for BOPLASS councils.	Manage and/or renegotiate existing contracts.	Contracts reviewed annually to test for market competitiveness. New suppliers are awarded contracts through a competitive procurement process involving two or more vendors where applicable.
Investigate new Joint Procurement initiatives for goods and services for BOPLASS councils.	Procure from sources offering best value, service, continuity of supply and/or continued opportunities for integration. (Current identified projects are listed in Appendix B.)	A minimum of four new procurement initiatives investigated. Initiatives provide financial savings of greater than 5% and/or improved service levels to the participating councils.
Identify opportunities to collaborate with other LASS in Procurement or Shared Service projects where alliance provides benefits to all parties.	BOPLASS to regularly engage with other LASS to identify and explore opportunities for further inter-regional collaboration.	Quarterly reporting on engagement and a minimum of one new collaborative initiative undertaken annually.
Implement Shared Services demonstrating best practice and added value to participating councils and stakeholders.	Identify Shared Services projects of benefit to two or more councils and lead the implementation.	Initiate at least one new Shared Service each year and no less than two Shared Services successfully implemented within three years.
Communicate with each shareholding council at appropriate levels.	Actively engage in obtaining political support for identified projects.	Information provided to elected members, and feedback sought, on BOPLASS projects, benefits to local communities, and value added to each council.
Ensure current funding model is appropriate.	Review BOPLASS expenditure and income and review council contributions and other sources of funding.	Performance against budgets reviewed quarterly. Company remains financially viable.

12. Balance Sheet Ratios

The Local Government Act 2002 Schedule 8 (9) requires the SOI to include the projected ratio of shareholders' funds to total assets within the Forecast Statement of Financial Position. As at 30 June 2024 the consolidated Shareholder funds comprised $27,197 and the total assets were $1,608,694. The resulting ratio is 1.69%.

As asset owning Shared Services are approved, the Board will, if appropriate, provide a mechanism for the recognition of each council's contribution.

13. Accounting Policies

13.1 Statement of Accounting Principles

The Company will adopt accounting practices that comply with NZ IFRS, the requirements of the LGA and the Financial Reporting Act 1993.

13.2 IPSAS Accounting Standards

As a Public Sector Public Benefit Entity (PS PBE), the Company has elected to report using International Public Sector Accounting Standards for Public Benefit Entities under Tier 3 PBE standards.

13.3 Measurement Basis

The Company will follow generally accepted international accounting principles for reporting of earnings and financial position.

13.4 Specific Accounting Principles

The following are principles which will have a significant effect on the measurement of financial position:

- Accounts Receivable are stated at their expected realisable value after writing off any known bad debts and providing for doubtful debts.
- Investments are valued at the prevailing market value.
- Fixed assets are recorded at cost, less accumulated depreciation.
- Any liability for overseas funding of equipment, systems or services is based on the prevailing exchange rate as at balance date.
- Where intangible assets are purchased, such as intellectual property, these are capitalised and written off on a straight-line basis over their expected life, but no greater than four years.
- All assets are depreciated over their expected useful lives. Depreciation is provided on a diminishing value basis over the estimated useful life, at the same rate as is allowed by the Income Tax Act 1994.
- It is not envisaged that the Company will hold inventories, other than those that might relate to providing information services to a number of parties. They will be valued at net realisable value.
- Taxation will be provided as required in line with relevant legislation.
- In accordance with the Public Audit Act 2001 and the Local Government Act 2002, the office of the Auditor General will be responsible for the audit of the Company's financial statements.

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14. Distributions to Shareholders

The Company is not expected to make profits that would ordinarily be distributed by way of dividends. Any surplus funds (after tax) remaining from an activity, or the annual operations of the Company shall be carried forward to the ensuing year and may be used to reduce service costs, invest in further developing other services, and/or as the Directors may decide.

15. Information to be Provided to Shareholders

The Company will deliver the following statements to shareholders:

- On a three-monthly basis the Financial Position and Cashflow.
- Within two months of the end of the first half of the financial year: Financial Performance and Financial Position.
- Within three months of the end of the financial year the following audited statements: Financial Position, Movements in Equity, Cashflows, Service Performance plus a summary of how the Company has tracked against its objectives and prospects for the next financial year, and a report on the Company's medium to long term plans.
- Six monthly summaries of project activities included in Half Yearly and Annual Reports.

16. Procedures for the Purchase and Acquisition of Shares

The Board will give approval before BOPLASS Ltd subscribes for, purchases, or otherwise acquires shares in any company or other organisation, which is external to the group.

17. Activities for Which the Board Seeks Compensation

The ongoing activities to identify, develop, procure Shared Services will be budgeted for in advance, subject to a business case and either funded by individual councils without BOPLASS Ltd involvement, or agreed by the Board to be funded by BOPLASS Ltd with consequent recovery from participating councils.

Shareholding councils will contribute to the operational costs of the Company on an annually agreed basis.

The Company will also seek contributions by way of a levy or administration charges on services provided or administered. In determining an appropriate charge, the Directors may take into account the cost of running the Company, its future operational requirements, the nature and cost of the service provided, benefits achieved and councils' ability to pay.

The Company may provide services (at a cost recovery or a cost-plus basis) to other non-shareholding councils within or beyond the region. Any surplus from such activity will be used to either reduce service costs and/or invest in further developing of that or other services, as agreed by the Advisory Group and by the Board.

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18. Value of Shareholder's Investment

The Directors estimate that, at this stage, BOPLASS Ltd has limited commercial value. As each shareholder's investment in BOPLASS Ltd is less than $20,000, the Board believe that fairly represents the value of their investment. The Directors will reassess the value of this shareholding on or about the 1st of March each year.

19. Financial Forecasts

The Forecast Financial Statements for the years 2025-2028 are included (Appendix A).

The Aerial Photography revenue/expenses reflects the flying programme determined by the participating councils which includes interim flying programmes and extensive region-wide flying programmes over the next five years.

A continued increase in Recoveries has been forecast to reflect the direct recovery of purchases made on behalf of councils through Joint Procurement projects.

It is the company's intention to always fully recover costs incurred on behalf of participating councils.

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Appendix A

SOI Forecast 2025/28	Budget 2024/2025	Forecast 2025/2026	Forecast 2026/2027	Forecast 2027/2028
REVENUE				
Revenue - Core	**362,115**	**371,130**	**380,871**	**394,131**
Bank Interest Received	1,500	1,500	2,000	2,000
Council Contribution	360,615	369,630	378,871	392,131
Revenue - Projects	**1,317,000**	**1,327,000**	**1,245,000**	**1,245,000**
Aerial Photography Income	400,000	400,000	320,000	320,000
Bank Interest Received	7,000	10,000	10,000	10,000
Collaboration Portal	40,000	45,000	50,000	50,000
Lease Income - ICN	135,000	137,000	130,000	130,000
Lease Income - Video Confer.	15,000	15,000	15,000	15,000
Recoveries	720,000	720,000	720,000	720,000
Total Operating Revenue	**1,679,115**	**1,698,130**	**1,625,871**	**1,639,131**
EXPENSES				
Expenditure - Core	**423,436**	**444,451**	**458,992**	**469,563**
ACC	950	950	950	950
Accommodation & Travel	5,500	6,000	5,000	5,000
Accounting & Audit	24,000	25,000	26,000	26,000
Administration	20,000	20,000	22,000	22,000
Amortisation	5,000	4,500	3,800	3,800
Bank Fees	200	200	200	200
Conferences	2,500	2,500	2,500	2,500
Depreciation	4,300	4,000	4,000	4,000
Directors' costs	23,000	23,000	25,000	25,000
Fringe Benefit Tax	4,500	4,500	4,500	4,500
General & Catering	1,500	1,500	1,500	1,500
Health and Safety	1,000	1,000	1,000	1,000
Insurance	14,000	16,000	17,000	18,000
Interest Paid - TCC Loan	0	0	0	0
Legal	2,500	2,500	2,500	2,500
Salaries	300,723	309,744	319,037	328,608
Salaries - C'Portal Opex	-18,000	-10,000	-10,000	-10,000
Staff Support Costs	19,500	21,000	22,000	22,000
Staff Training Costs	2,500	2,500	2,500	2,500
Subscriptions	4,263	4,057	4,005	4,005
Tax Advice	5,500	5,500	5,500	5,500
Expenditure - Projects	**1,255,679**	**1,253,679**	**1,166,879**	**1,169,569**
Aerial Photography Expense	400,000	400,000	320,000	320,000
Collaboration Portal Opex	27,979	27,979	27,979	27,979
Lease Expense - ICN	129,600	131,600	124,800	124,800
Lease Expense - Video Confer.	14,100	14,100	14,100	14,100
Projects - Recoveries	684,000	680,000	680,000	682,690
Total Operating Expenditure	**1,679,115**	**1,698,130**	**1,625,871**	**1,639,132**
Operational Surplus/ (Deficit) before Tax	**0**	**0**	**0**	**0**

Appendix B

Undertaken Joint Procurement Projects

Requiring ongoing management for performance, renewal or replacement:

- Accounts Payable automation software
- Advertising services
- Aerial imagery and LiDAR
- Air travel services
- Antivirus software
- Archaeological services
- Asbestos protocols
- Banking
- Capital construction and civil works
- Cloud services
- Collective training services
- Community engagement app
- Courier services
- Cyber insurance
- Document management – EDRMS
- Document storage
- EFTPOS services
- Electricity
- Electronic purchasing
- EMA membership
- Firewall Services
- FME Server
- Fuel
- Geospatial training services
- GIS regional technical advisor
- GIS software
- GPS vehicle tracking
- Health & Safety benchmarking
- Health & Safety management software
- Health & Safety training services
- Health & Wellbeing online platform
- Historic imagery digitisation
- HR information systems
- Infrastructure as a Service
- Insurance brokerage services
- Insurance – General
- Insurance – Infrastructure
- Internet services
- IPWEA library
- Media monitoring
- N3/GSB membership
- Oblique imagery
- Office supplies
- Postal services
- Print media copyright services
- Provincial Growth Fund co-funding
- Radio telephony
- Rapid antigen tests
- Reprographic – printers/copiers
- Risk management workshops
- Security services
- Staff wellbeing portal
- Telephony – voice, data, mobile
- Tender facilitation
- Transactional banking
- Travel and accommodation services
- Valuation services provider
- Video conferencing services
- Website analytics
- Wireless WAN

Appendix B

Shared Services

Managed by BOPLASS or by one or more constituent councils:

- After hours call management
- Contractor H&S prequalification
- Debt recovery services
- Employee benefit schemes
- FME licensing pool
- GIS imagery data storage
- GIS support (inter-council)
- GIS web services
- Health and safety auditing
- Historic aerial imagery digitisation
- Insurance COE
- Inter-council network
- Internal audit services
- MahiTahi LG Collaboration Portal
- Media monitoring
- Occupational health services
- Radio telephony strategy
- Section 17a reviews
- Shared licence server
- Solid waste services
- Standards NZ
- Video conferencing hosting
- Waste Operator and Licensing Data System

Projects for Consideration

- Agenda management software
- Archive services
- Asset Management
- Building consents
- Business continuity planning
- CCTV monitoring
- Centralised insurance resource
- Chemicals
- Consents processing
- Contractor online inductions
- Debt Management
- Diversion of putrescible waste from landfill
- Driver training
- Drug & Alcohol testing
- Electoral Officer services
- Engineering Codes of Practice
- Fleet purchasing and management
- Geospatial services
- Health & Safety management system
- Health insurance
- High volume print
- ICT security policies
- Insurance valuations
- Inter-council secondments
- Joint software support
- LGOIMA requests
- Lone worker field solutions
- PPE & uniform
- Property valuation services
- Rates collection
- Regional contractor database
- Risk and total assurance
- Solid waste regional facilities strategy
- Staff engagement survey systems
- Vehicle monitoring
- Web services

Te Kaunihera o Te Tairāwhiti
GISBORNE
DISTRICT COUNCIL

25-85

Title: **25-85 Regional Software Holdings Limited Update Cover Report**

Section: Finance & Affordability

Prepared by: Michaela Kocar - Team Leader Management Accounting

Meeting Date: Wednesday 9 April 2025

Legal: Yes	Financial: No	Significance: **Low**

Report to FINANCE & PERFORMANCE/WHAKAHAERE PŪTEA ME ŌNA HUA Committee for decision

PURPOSE - TE TAKE

The purpose of this report is to provide the Regional Software Holdings Limited's Half Yearly Report for the period ending 31 December 2024 and their draft Statement of Intent 2025-2026 (for the period 1 July 2025 until 30 June 2028).

SUMMARY - HE WHAKARĀPOPOTOTANGA

Regional Software Holdings Limited (RSHL) is a Council Controlled Organisation (CCO), of which Gisborne District Council (Council) is a shareholder alongside other regional Councils. RSHL delivers a wide range of digital, operational, and financial programmes, on behalf of Te Uru Kahika (collective of 16 Regional councils and Unitary Authorities in NZ) and participating councils. Its major technology programmes provide long-term efficiencies and cost savings to councils.

The Half Yearly Report for 31 December 2024 and the Draft Statement of Intent 2025/26 (for the period starting 1 July 2025 until 30 June 2028) is attached in **Attachment 1** and **Attachment 2**.

The Finance & Performance Committee is invited to provide feedback to the Chief Executive at this meeting, so the views of Council can be provided to the RSHL Board, prior to 30 April 2025.

The RSHL directors will consider any comments made by the shareholders before approving the final Statement of Intent by 30 June 2025.

The decisions or matters in this report are considered to be of **Low** significance in accordance with the Council's Significance and Engagement Policy.

RECOMMENDATIONS - NGĀ TŪTOHUNGA

That the Finance & Performance/Whakahaere Pūtea me Ōna Hua Committee:

1. **Approves the Draft Statement of Intent 2025-2026 (for 1 July 2025 until 30 June 2028); subject to Committee's feedback.**
2. **Instructs the Chief Executive to provide feedback from the Committee (as their role as a Shareholder) to Regional Software Holdings Limited by 30 April 2025.**

Authorised by:

Pauline Foreman - Chief Financial Officer

Keywords: Regional Software Holdings Limited, RSHL, Half Yearly Report, Statement of Intent 2025-26, SoI

BACKGROUND - HE WHAKAMĀRAMA

1. In 2021, the regional sector (New Zealand's 16 Regional Councils and Unitary Authorities) who work together on areas of shared interest, expressed an interest in taking this arrangement a step further through the creation of a shared services company.
2. This came in response to increased demands from Central Government to deliver a broad range of reform packages; capacity and capability challenges and competition between councils to attract and retain talent; and expectations from our communities for councils to do more with less.
3. Council joined RSHL in November 2022.
4. The organisation's main objectives are:
    - Ensure the local government sector is better prepared to respond to current and future challenges.
    - Achieve a better return on investment with a focus on quality of outcome and realising the value proposition for the sector.
    - Achieve consistent good practise process across the sector and within councils.
5. Building on the success of the past three years (financial savings and significant operational benefits to the regional sector), company strategy is now situated around three pillars:
    - Programme Delivery
    - Service Management
    - Customer Focus

Board Composition

6. In response to the increase in scale of the organisation, some board composition changes are suggested The Board invites feedback on this recommendation.
    - There is a vacant seat at the RSHL Board after routine resignation of a director during the AGM meeting in November 2024 and The Board recommends filling the position with an additional Independent Director.
    - The Chairperson role which is currently filled by a council director to be filled by an independent individual.

DISCUSSION and OPTIONS - WHAKAWHITINGA KŌRERO me ngā KŌWHIRINGA

7. The discussion below outlines the main highlights from the interim set of accounts as reported within the half yearly report and the draft 2025-2026 Statement of Intent.

HALF YEARLY REPORT TO 31 DECEMBER 2024

8. According to the Directors report, RSHL has made excellent progress in a challenging environment for the sector in the first half of this financial year, despite the company running at a loss of $946k against a budgeted loss of $304k.
9. The overall net loss is a result of depreciation of the original IRIS product, which is no longer being treated as a capital investment and is being replaced by investment in IRIS Next Gen, not a result of trading activities.

10. The revenue is tracking favourable to budget as unbudgeted funding for the Public Transport Ticketing has been collected. This trend is likely to continue through the second half of the financial year.

11. Expenditure pre-depreciation is more than budgeted as one-off payment to support Te Uru Kahika initiatives supporting East Coast recovery following Cyclone Gabrielle was made.

12. Cash balances remain healthy and favourable to budget. The cash position is also favourable to budget, due to the Sector Financial Management Funds, which are held on behalf of the regional sector.

DRAFT STATEMENT OF INTENT 2025-2026 (FOR THE PERIOD 01 JULY 2025 UNTIL 30 JUNE 2028)

13. RSHL has delivered significant operational and financial benefits to the regional sector, and the intention is to continue to deliver these services and increase their value over time.

14. Apart from the focus on flagship IRIS NextGen Programme, services are delivered in various domains. These include transport, spatial imaginary and emissions modelling.

15. RSHL activities are grouped as follows:

    - The IRIS Programme – a software platform for shareholders
    - IRIS Next Generation Programme – a cloud-based software as a service solution. The roll out is scheduled to start in 2025.
    - Environmental Monitoring and Reporting (EMAR) - aiming to improve collection, accessibility and presentation of environmental data.
    - The Sector Financial Management System (SFMS) - support services to enable Te Uru Kahika to achieve its objectives by managing the funding for regional sector collaborative programmes.
    - Public Transport Ticketing Programme – new function which commenced in September 2024 to ensure a smooth rollout of National Ticketing System.

16. Fees charged to Councils, are based upon what activities Councils are participating in and the size of the Council. Gisborne District Council is participating in Te Uru Kahika Support Services and Public Transport Ticketing Programme.

17. Council under the RSHL criteria, is defined as a Tier 3, the lowest end of the pricing schedule.

18. The Statement of Intent budgets are separated into four activities:

    - IRIS NextGen
    - IRIS Classic
    - Sector Work Programmes
    - Public Transport Ticketing Programme

19. Attached are:

    - Draft 2025-2026 Statement of Intent - **Attachment 2**.
    - Draft 2025-2026 Statement of Intent Covering Letter – **Attachment 3.**

ASSESSMENT of SIGNIFICANCE - AROTAKENGA o NGĀ HIRANGA

Consideration of consistency with and impact on the Regional Land Transport Plan and its implementation
Overall Process: **Low** Significance
This Report: **Low** Significance

Impacts on Council's delivery of its Financial Strategy and Long Term Plan
Overall Process: **Low** Significance
This Report: **Low** Significance

Inconsistency with Council's current strategy and policy
Overall Process: **Low** Significance
This Report: **Low** Significance

The effects on all or a large part of the Gisborne district
Overall Process: **Low** Significance
This Report: **Low** Significance

The effects on individuals or specific communities
Overall Process: **Low** Significance
This Report: **Low** Significance

The level or history of public interest in the matter or issue
Overall Process: **Low** Significance
This Report: **Low** Significance

20. The decisions or matters in this report are considered to be of **Low** significance in accordance with Council's Significance and Engagement Policy.

TREATY COMPASS ANALYSIS

Kāwanatanga

21. The governance structure of RSHL aligns with the principles of Kāwanatanga, ensuring that regional councils have representation in decision-making. The Board includes directors from various councils, reflecting a collaborative approach to governance within the regional sector. The inclusion of an independent Chair and an additional Independent Director strengthens the governance framework, allowing for diverse perspectives in strategic decision-making.

Rangatiratanga

22. Rangatiratanga is reflected in RSHL's commitment to delivering high-quality shared services that enable councils to operate efficiently and effectively. The initiatives of RSHL contribute to enhancing decision-making processes across councils and align with sector-wide goals of modernisation and efficiency.

Oritetanga

23. Oritetanga is demonstrated through RSHL's structured funding model, which ensures proportional contributions from participating councils. The organisation's approach to shared services supports operational efficiencies and cost reductions, enabling councils to access technological advancements that might otherwise be unattainable. The focus on financial sustainability and equitable service delivery underpins RSHL's commitment to sector-wide collaboration and shared benefits.

Whakapono

24. Whakapono is reflected in the environmental monitoring and reporting initiatives managed by RSHL, which contribute to the responsible stewardship of natural resources. The organisation's emphasis on data management and system improvements aligns with broader environmental and sustainability objectives. By facilitating sector-wide collaboration, RSHL supports efforts to improve environmental data accessibility and reporting, ensuring informed decision-making and effective resource management.

TANGATA WHENUA/MĀORI ENGAGEMENT - TŪTAKITANGA TANGATA WHENUA

25. For the purpose of this report, engagement with Tangata Whenua is not required.

COMMUNITY ENGAGEMENT - TŪTAKITANGA HAPORI

26. For the purpose of this report, engagement with the Community is not required.

CLIMATE CHANGE – Impacts / Implications - NGĀ REREKĒTANGA ĀHUARANGI – ngā whakaaweawe / ngā ritenga

27. RSHL considers climate change impacts in relation to the activities that they undertake and facilitate. Programmes within the Sector Financial Management System in particular include activities relating to climate change resilience. Environmental monitoring and reporting improve the collection, accessibility and presentation of environmental data in New Zealand.

CONSIDERATIONS - HEI WHAKAARO

Financial/Budget

RSHL

28. According to the attached half yearly report (**Attachment 1**), funds for the operation of the Sector Office 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 and are set annually in the Statement of Intent.

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

30. The financial statements of RSHL included in the half yearly report 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).

Council Costs

31. Gisborne District Council's contribution is $137k for the 2024/25 financial year. Costs in Years 2 and Year 3 of the 2024-2027 Three Year Plan, has been projected by RSHL to increase by the rate of inflation.

Legal

32. RSHL is a Public Limited Liability Company incorporated and registered under the Companies Act 1993 and is a Council Controlled Organisation (CCO), as defined in Section 6 of Local Government Act 2002.

33. The focus of the CCO is a Regional Shared Services Organisation, where the company RSHL is the vehicle that it operates under.

34. The half yearly report covers a 6-month period from 1 July 2024 to 31 December 2024 as is required under Section 66 of the Local Government Act 2002.

35. RSHL's Board of Directors are elected and retire by rotation. The Board is the overall final body responsible for all decision-making within the company and is accountable to its shareholders (which includes Gisborne District Council) for the financial and non-financial performance of the company.

POLICY and PLANNING IMPLICATIONS - KAUPAPA HERE me ngā RITENGA WHAKAMAHERE

36. Similarly, to BOPLASS Ltd which is another CCO, RSHL conducts itself in accordance with its constitution, its annual SOI, the provisions of the Companies Act 1993, and Schedule 8 of the Local Government Act 2002 which sets out the requirements for the SOI document.

RISKS - NGĀ TŪRARU

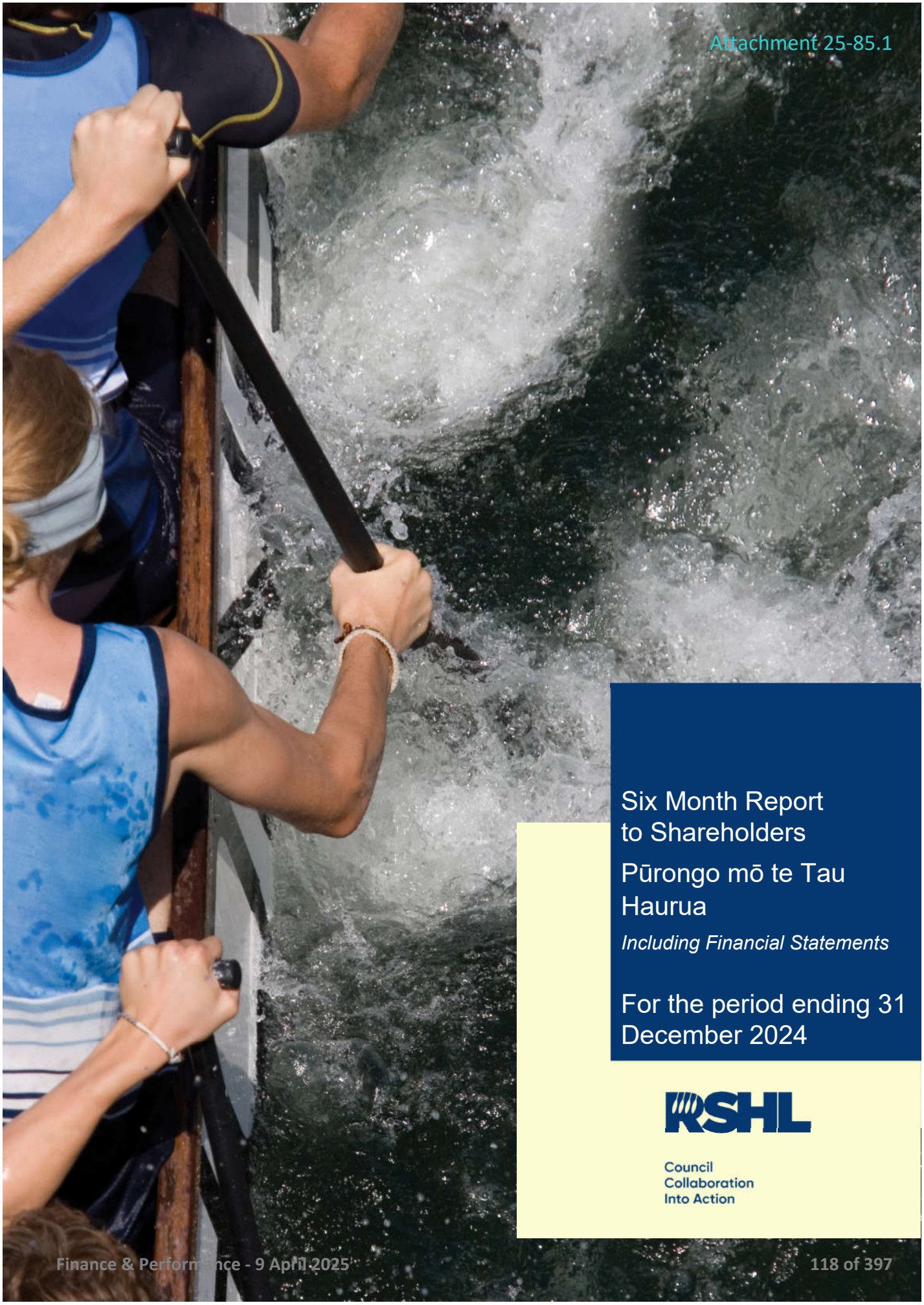
37. The CCO model spreads the risks for any shared activities across the participating councils, mitigating and minimising the risk to individual councils. RSHL (as a pre-existing CCO) already has the necessary controls and processes in place to manage risk.

NEXT STEPS - NGĀ MAHI E WHAI AKE

Date	Action/Milestone	Comments
1 May 2025	RSHL considers shareholders feedback	
30 June 2025	Adopts the Statement of Intent for the period 1 July 2025 until 30 June 2026	

ATTACHMENTS - NGĀ TĀPIRITANGA

1. Attachment 1 - RSHL Interim Report to Shareholders Pūrongo mō te Tau Haurua F Y 25 [**25-85.1** - 42 pages]
2. Attachment 2 - RSHL DRAFT Statement of Intent 2025-26 [**25-85.2** - 38 pages]
3. Attachment 3 - Covering Letter for Draft RSHL SOI F Y 2025-26 [**25-85.3** - 4 pages]



Six Month Report to Shareholders

Pūrongo mō te Tau Haurua

Including Financial Statements

For the period ending 31 December 2024

RSHL

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 6 months ended 31 December 2024

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

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

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

The structure of RSHL makes it simple, low risk and low cost for additional councils to join as shareholders and we look forward to more councils completing this simple step.

In the 6 months to 31 December 2024, RSHL made excellent progress in a challenging environment for the sector.

In the current economic and political climate, shared services and new ways of working are more important and valuable than ever. Our major programmes such as IRIS NextGen, Public Transport Ticketing Programme, Local Data Emissions Platform and Wells will all provide long-term value, efficiencies and cost savings to councils.

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

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

Financial Position

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

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

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

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

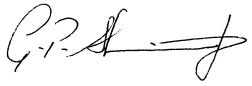
Looking Forward

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

Signed on behalf of the Board of Directors:

M Nield - Chairperson

Date: 28 February 2025



G Shirley - Director

Date: 28 February 2025

Statement of Responsibility | Tauākī o te Kawenga

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

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

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

In the Board of Director's opinion, these financial statements fairly reflect the financial position and operations of RSHL for the six months ended 31 December 2024 and confirm that all the statutory requirements in relation to the Performance Report were complied with, as outlined in the Local Government Act 2002 and the Companies Act 1993.

Signed on behalf of the Board of Directors:

M Nield - Chairperson

Date: 28 February 2025

G Shirley - Director

Date: 28 February 2025

Statement of Service Performance | Hei Ine i te Mahi

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

Who are we and why do we exist?

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

Objectives

Primary objectives

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

Supporting objectives

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

Values

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

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

Environmental and Sustainability Ethics

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

What did we do?

Activities

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

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

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

IRIS	The IRIS Programme delivers the IRIS software platform to shareholder and customer councils. The IRIS software has been in use for 10 years and is currently in use at 7 councils. The 7 councils actively collaborate on the use of IRIS and the future development roadmap. The IRIS Programme is overseen by the IRIS Advisory Group. This group agrees the roadmap and sets the budgets for the programme. RSHL and the participating councils will replace the IRIS software platform via IRIS NextGen by the end of 2028. The IRIS Programme is now in the sunset phase. Expenditure is kept to a minimum to allow councils and staff to focus on IRIS NextGen. *Performance* When assessing the performance of the IRIS Programme we consider whether RSHL has appropriately managed the programme. This includes budget, vendor management, product roadmap and communications with councils. We place an emphasis on value, predictability, and delivery. Performance against budget and delivery of releases are used to assess performance.
IRIS Next Generation	Nine councils are working with RSHL and Datacom on the delivery of the IRIS NextGen Programme, under a formal partnership agreement. The IRIS NextGen Programme is led by the IRIS NextGen Steering Group. The Group is made up of senior managers from the councils, RSHL and Datacom. The goal of the IRIS NextGen Programme is to deliver game-changing productivity improvements to the regional sector through sector alignment around good practice process, supported by fit for purpose software. IRIS Next Generation (IRIS NextGen) will be a cloud-based Software as a Service solution (SaaS) based on the Datacom Datascape platform. IRIS NextGen will deliver a modern software platform to councils, including an online customer portal and a mobile field application. Along with the software solution, the programme will implement consistent “good practice” processes for the sector. IRIS NextGen will: • Make council staff work easier • Promote operational excellence and efficiency • Demonstrate collaboration at a sector level • Ensure the development of the technical solution is fit for purpose.

	Over the next year the IRIS NextGen Programme will complete the build of the IRIS NextGen software solution and commence rollout to the councils, starting with implementation at the pilot council in 2025. The goal is to roll out IRIS NextGen to the participating councils by the end of 2028. *Performance* When assessing the performance of the IRIS NextGen Programme we consider whether RSHL has appropriately managed the programme. This includes budget, vendor management, product roadmap and communications with councils. We place an emphasis on predictability, delivery and consistency. Performance against budget, delivery against milestones, and customer feedback are used to assess performance.
Environmental Monitoring and Reporting (EMAR)	The objective of EMAR is to improve the collection, accessibility and presentation of environmental data in New Zealand. The EMAR Programme has three projects. • National Environmental Monitoring Standards (NEMS) – Aims to ensure consistency in the way environmental monitoring data is collected and handled throughout New Zealand. • Environmental Data Management System (EDMS) – Aims to provide a single access point to environmental data from multiple sources in a consistent format. • Land, Air Water Aotearoa (LAWA) – Shares data and information to tell the story of our environment. EMAR is an all-of-sector programme, and includes partner agencies from central government: MfE, Stats NZ and DoC (and others). The EMAR programme is managed by RSHL and governed by the EMAR Steering Group. Each project has its own Steering Group who oversee operational activities. The EMAR/LAWA Programme Manager is employed by RSHL. The LAWA project administration (financial and contractual) is managed by RSHL. *Performance* When assessing the performance of EMAR we consider whether RSHL has appropriately managed the programme. This includes budget, vendor management, product roadmap and communications with councils. An emphasis is placed on predictability, delivery and consistency. Performance against budget, delivery of releases, customer and user feedback are used to form an assessment.
Te Uru Kahika Support Services	Te Uru Kahika Is the collective name for the 16 Regional Councils and Unitary Authorities in New Zealand. Through Te Uru Kahika, the regional sector: • Shares knowledge and resources between councils • Coordinates input into national direction setting • Works together to more effectively implement central government policy and respond to nationally significant events.

The Virtual Office of Te Uru Kahika is made up of a small team who coordinate the activity of cross-functional groups from different councils.

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

The Virtual Office

The Virtual Office supports the activities of Te Uru Kahika.

The Virtual Office is made up of the following roles:

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

All of these roles are employed or engaged by RSHL.

Sector Financial Management System (SFMS)

Te Uru Kahika organises its activities into Work Programmes:

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

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

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

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

These services are:

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

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

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

These levies are set annually in the Statement of Intent.

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

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

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

	The funding contribution for most of the SFMS programmes is based on the size of the Council. The total amounts to be collected vary year to year based on the work programmes. **Tier 1 – 9.4% each**: Auckland Council *; Environment Canterbury; Greater Wellington RC; Waikato RC; Bay of Plenty RC; **Total 47%** **Tier 2 – 6.2% each**: Horizons RC; Otago RC; Hawke's Bay RC; Northland RC; Taranaki RC; Southland RC; **Total 37%** **Tier 3 – 3.2% each**: Tasman DC; Nelson City Council; Gisborne DC; Marlborough DC; West Coast RC; **Total 16%** *Auckland Council does not fund all sector programmes. In cases where they do not fund a programme, their contribution will be collected from the remaining councils according to the model above. BioControl, Climate Change Resilience and the Science Programme have custom funding models based on the value of the programmes to the region. The budget and funding arrangements for the SFMS are documented in the SFMS Briefing Paper which is approved with the Te Uru Kahika Business Plan before the start of each financial year. In FY25 RSHL expects to collect $3.9M in funding from councils in support of Te Uru Kahika
IRIS	Payment of an Annual Fee for IRIS will be sought from all councils that use the Software for annual support and development fees, as set out in the License Agreement. **Proportion of Contributions to the IRIS Programme** Contributions for IRIS will be collected in the following proportions. **Shareholder** / **Percentage** Waikato Regional Council: 32.39% Northland Regional Council: 11.93% Horizons Regional Council: 16.00% Taranaki Regional Council: 11.93% Southland Regional Council: 11.93% West Coast Regional Council: 3.87% Hawke's Bay Regional Council: 11.93% **Total**: **100%** In FY25 RSHL expects to collect $0.44M of funding from participating councils.

<table>
<tr>
<td>IRIS Next Generation</td>
<td>
The IRIS NextGen Partnership agreement sets out the funding to be collected from each participating council and the activities that the funds will be used for. The 9 Participating Councils share the programme costs of the IRIS NextGen programme according to the following contribution model:
<table>
<tr><th>Large Councils</th><th>Medium Councils</th><th>Small Councils</th></tr>
<tr><td>17.93% 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
Southland Regional Council</td><td></td></tr>
</table>
Over the 10-year term of the Partnership Agreement, the programme costs are expected to total $31.6M.

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

Programme costs include:
• Datacom software solution delivery
• Datacom programme management
• Datacom support and maintenance
• Datacom council implementation costs
• Datacom Good Practice Process Operating Model development
• RSHL programme management
• Travel and meeting expenses.
• RSHL Overheads

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

In addition to the shared programme costs stated above, each Participating Council will directly incur costs. These costs are the responsibility of each Participating Council and will not be shared according to the council contribution model.
</td>
</tr>
<tr>
<td>RSHL Overhead Costs</td>
<td>
Overhead costs are costs that cannot be allocated to a specific work programme.

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

In the 2025 Financial year the budgeted proportion of overheads to each programme is as follows:
</td>
</tr>
</table>

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

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

How did we perform?

IRIS	We have previously reported that the frequency of IRIS releases has been reduced, to allow focus on IRIS NextGen and minimize cost. The 4.07 release provided in January 2024 was the last major release of functionality. Two hotfixes were made available to councils in September 2024 and December 2024 to address some minor issues raised. During the reporting period, work was completed to provide sophisticated tools to enable councils to cleanse their IRIS data and prepare it for migration into Datascape Regional Sector Solution (RSS). Work can now commence to deliver the final piece of the IRIS data migration toolkit, focussing on the conversion and transformation of data that it maps to Datascape Datascape Regional Sector Solution (RSS). The work is planned for the period March – September 2025. Datacom have provided analysis on the technical aspects of the IRIS platform that may create risk to councils using the product up until the end of life (2028). They are investigating risk mitigation strategies, including investigating security vulnerabilities, upgrading some "building block" components. The goal is to ensure the product remains secure and functional until 2028 at the lowest possible cost.
IRIS Next Generation	The IRIS NextGen Programme is progressing steadily towards the start of the Pilot implementation in May 2025, despite a delay to the completion of the build of the Datascape Regional Sector Template. Delivery by Datacom of the IRIS NextGen solution was delayed until Q1 2025. The first release of functionality was delivered in late January. The cost impacts of this delay were reduced because the contract for the development of IRIS NextGen is fixed-price. Councils have placed a major emphasis on user testing the solution and processes once delivered by Datacom. The testing programme for IRIS NextGen will be comprehensive, ensuring that the solution is of high quality, before the start of the Pilot Implementation. More than 35 staff have been seconded from councils to perform product acceptance testing. More than 30 good practice workshops were held to support the Design and Build stage. This was supplemented with early feedback demonstrations, video snapshots of functionality and in-person roadshows at councils. In October, an online solution demonstration to over 250 council staff showcased the features that had been developed to date. This was well received by staff. It has been pleasing to note the strong alignment across councils on good practice. Organisational change management activities in this period included quarterly sponsor forums and the establishment of a Change Managers Forum to facilitate collaboration between councils in the planning and execution of their change journeys. Detailed planning is underway with the Pilot council for their implementation. Councils are developing a strategy and resource model to share resources and support the Pilot implementation. Financially, the IRIS NextGen Programme is on-budget.
Te Uru Kahika Support Services	Te Uru Kahika Is the collective name for the 16 Regional Councils and Unitary Authorities in New Zealand. Through Te Uru Kahika, the regional sector: • Shares knowledge and resources between councils

- Coordinates input into national direction setting
- Works together to more effectively implement central government policy and respond to nationally significant events.

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

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

These services are:

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

Environmental Monitoring and Reporting (EMAR)	**EMaR Strategic Directions Update** **EMaR Vision**: Kaitiaki of a trusted environmental data and information system that enables New Zealanders to make informed decisions. There has been limited progress on longer-term strategies for the broader EMaR programme (NEMS, EDMS, LAWA) and the LAWA project. Planning has now begun to assess the environmental data,

science and evidence needs from the EMaR programme partners. This will inform a revised EMaR strategy. The first step in the process is a workshop scheduled for Q4 of 2024/25, which will focus on confirming Te Uru Kahika's strategic priorities and needs. This will help provide a sector-wide view for the EMaR Steering Group to consider, alongside the priorities of our Ministry partners (MfE, DOC and Stats NZ), to guide EMaR's strategic direction.

LAWA Project Update

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

1. Maintaining and Updating LAWA Content:

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

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

2. Increasing LAWA's Reach:

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

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

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

3. New Projects:

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

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

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

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

<table>
<tr>
<td>Public Transport Ticketing Programme</td>
<td>In September this year the board approved a business case for the transition of the Regional Integrated Ticketing System (RITS) team from ORC to RSHL. This team is responsible for operation of the RITS system in use at 11 councils as well as supporting the eventual transition to the National Ticketing System (NTS). The transition enables a long-term sustainable home for the programme.
<table>
<tr><th>Service Category</th><th>Notes</th></tr>
<tr><td>Financial/Operations Management</td><td>We have established contracts for the small number of suppliers providing services to the Public Transport Ticketing Programme.

We have established a funding agreement with the councils participating in the RITS Programme, collected our first funding from the councils.

The necessary structures have been set up in our financial systems to account for Public Transport Ticketing Programme income and expenditure separately from other activities.</td></tr>
<tr><td>Operation of shared services/solutions.</td><td>The PTTP Budget will be included in the DRAFT and Final SOI Budgets published by RSHL this year.</td></tr>
<tr><td>Employment of Staff</td><td>PTTP staff have transferred to RSHL and inducted.

Transfer of PTTP records from ORC to RSHL, and provisioning of new IT equipment is occurring according to the implementation plan.</td></tr>
</table>
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Key Judgements

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

	• Employment of Staff • Programme Management • Management Services (As requested)

Performance Measures

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

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

Performance Statement: We will manage our programs to a high standard.

Target	Timing
All projects and programmes will follow an appropriate approval pathway for their size, scope and complexity.	Self-assessment in June each year.

In the period 1 July – 31 December 2024 two new projects were approved and started.

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

Target	Timing
All programmes will have an effective planning process. Draft plans and budgets will be set before 1 March, final plans and budgets will be set by 30 June.	Self-assessment in June each year.

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

Theme : Support Te Uru Kahika

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

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

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

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

Theme : Operational Excellence

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

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

These performance targets will be assessed at year end.

Financial Statements | Ngā Tauākī Pūtea

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

This report covers the 6 months from 1 July 2024 to 31 December 2024 as required by section 66 of the Local Government Act 2002. RSHL has no subsidiaries or joint ventures.

Registered Office

C/- ONLA, 12 Victoria Avenue, Palmerston North

Directors

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

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

Interest Register

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

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

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

	Ministry of Primary Industries (MPI)	Audit & Risk Committee Chair

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

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

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

The other directors are paid through their respective Councils.

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

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

	NOTES	31 DEC 2024 6 MONTHS (UNAUDITED)	31 DEC 2023 6 MONTHS (UNAUDITED)	31 DEC 2024 6 MONTHS SOI	30 JUNE 2025 12 MONTHS SOI	30 JUNE 2024 12 MONTHS (AUDITED)
Revenue						
Regional Sector Shared Services	2	2,581,405	2,783,213	2,063,102	5,120,024	6,867,364
Member Contributions	2	2,316,789	2,969,018	2,098,006	5,064,650	5,980,859
Other revenue	2	37,213	182,687	34,182	68,363	242,157
Interest	2	48,112	71,541	12,498	25,000	134,376
Total Revenue		**4,983,519**	**6,006,460**	**4,207,788**	**10,278,037**	**13,224,756**
Expenses						
Administration Costs	3	59,749	76,339	46,518	88,540	130,147
Audit and Legal Fees	1	31,418	21,311	20,827	102,030	95,560
Datacom Support Services		125,250	78,149	125,250	250,500	206,978
Environmental Charges		57,256	69,126	42,828	85,650	145,527
External Contractors		564,151	1,862,419	773,556	3,625,162	4,347,344
External Directors Fees		37,700	36,681	39,198	78,400	75,200
Other Direct Software Expenses		368,253	215,425	340,739	681,481	456,382
Personnel costs		932,725	673,264	920,976	1,841,950	1,359,892
Promotional and External Communications costs		145,083	72,980	41,626	83,250	129,901
Regional Sector Shared Services		3,189,834	3,306,213	1,868,041	3,736,084	7,850,616
Grants and donations made		210	-	-	-	-
Travel and Meeting Costs		192,786	83,657	92,496	184,990	198,862
Depreciation Expense	8	2,170	3,005	-	-	6,293
Amortisation Expense	9	222,556	255,625	200,214	400,429	500,557
Total Expenses		**5,929,141**	**6,754,194**	**4,512,269**	**11,158,466**	**15,503,260**
Surplus/(Deficit) before Tax		**(945,622)**	**(747,734)**	**(304,481)**	**(880,429)**	**(2,278,504)**
Income Tax						
Tax Expense	12	-	-	-	-	(637,797)
Total Income Tax		**-**	**-**	**-**	**-**	**(637,797)**
Total Comprehensive Revenue and Expense		**(945,622)**	**(747,734)**	**(304,481)**	**(880,429)**	**(1,640,706)**

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

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

Regional Software Holdings Limited
As at 31 December 2024

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

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

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

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

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

Statement of Cash Flows | Te Tauākī mō ngā Kapewhiti

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

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

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

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

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

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

Reporting Entity

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

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

RSHL has no subsidiaries or joint ventures.

Entity Structure

Following the restructure of RSHL into the Te Uru Kahika Shared Services organisation in November 2022, the company has a Board of 7 directors, comprised of 5 council representatives and two independent directors. The Board oversees the governance of RSHL. The Board is accountable to its shareholders for the financial and non-financial performance of the company. RSHL directors are elected and retire by rotation. In addition, there is a Chief Executive who is responsible for the day-to-day operations of RSHL and reports to the Board.

The Company has:

- 10 Class A (Control) Shares, and
- 10,000 Class B (IRIS) Shares which represent the ownership rights over IRIS classic asset and enable the founding shareholders to retain their rights and ownership of the IRIS asset following the restructure of RSHL in November 2022.

The total number of shares at 31 December 2024 is 10,010 (30 June 2024: 10,010).

The shareholding of the Company as at 31 December 2024 is as follows:

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

The financial statements are those of RSHL, for the six months ended 31 December 2024, and were authorised for issue by the Board of Directors on 28 February 2025.

Basis of Preparation

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

Statement of Compliance

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

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

Presentation Currency and Rounding

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

Changes in Accounting Policies

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

Summary of Significant Accounting Policies

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

Foreign Currency Transactions

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

Goods and Services Tax

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

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

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

Critical Accounting Estimates and Assumptions

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

Additional Disclosure

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

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

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

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

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

2. Revenue

Accounting Policy

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

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

Exchange Revenue

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

Other Revenue

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

Investment Revenue

Interest revenue is recorded as it is earned.

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

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

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

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

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

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

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

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

Members Contributions

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

Members contributions include $2,225,110 income from the shareholder councils in 6 months to 31 December 2024 as described in note 14. Members contributions from non-shareholder councils total $91,679.

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

3. Expenses

Accounting Policy

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

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

4. Personnel Costs

Accounting Policy

Salaries and wages

Salaries and wages are recognised as an expense as employees provide services.

Superannuation schemes - defined contribution schemes

Employer contributions to Kiwisaver are accounted for as defined contribution superannuation schemes and are expensed in the surplus or deficit as incurred.

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

6. Cash and Cash Equivalents

Accounting Policy

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

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

7. Receivables

Accounting Policy

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

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

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

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

8. Property, Plant and Equipment

Accounting Policy

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

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

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

Depreciation

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

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

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

Impairment and Impairment Reversals (Cash-Generating Assets)

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

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

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

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

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

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

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

9. Intangible Assets

Accounting Policy

Software acquisition and development

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

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

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

Staff training costs are recognised as an expense when incurred.

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

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

Amortisation

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

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

Acquired computer software 10 years 10%

Internally developed computer software 10 years 10%

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

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

Impairment and Impairment Reversals (Cash-Generating Assets)

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

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

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

RSHL has considered the external and internal sources of information under IPSAS 26 and considers it likely that on or about 30 June 2027 the current IRIS software platform and attendant e-learning software will be discontinued with no residual value. On this consideration the current IRIS asset and attendant e-learning software has been impaired in 2021 and then further impaired in 2022, but with no further impairment identified in 2023 or 2024.
Therefore all impaired software assets will be amortised on a straight-line basis at variable rates so as to have a nil residual value on 30 June 2027 (no change since last year).

All assets that will not be impacted by impairment will continue to be amortised on a straight-line basis at 10% and have no residual value on 30 June 2027.
The impairment adjustment from the 2021 and the 2022 years will form part of the amortisation expense until 30 June 2027 in the statement of comprehensive revenue and expense.

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

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

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

10. Payables and Deferred Revenue

Short term payables are measured at the amount payable.

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

11. Employee Entitlements

Accounting Policy

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

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

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

12. Income Tax

Accounting Policy

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

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

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

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

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

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

Income tax for the 6 months to 31 December 2024 has not been accounted for in this report, and will be included in the annual report for the year ended 30 June 2025.

13. Equity

Accounting Policy

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

	31 DEC 2024 6 MONTHS (UNAUDITED)	31 DEC 2023 6 MONTHS (UNAUDITED)	30 JUNE 2025 12 MONTHS SOI	30 JUNE 2024 12 MONTHS (AUDITED)
Equity				
Contributed Capital				
Balance at 1 July	5,149,150	5,149,150	5,149,150	5,149,150
Capital Contribution	-	-	-	-
Balance at end of period	**5,149,150**	**5,149,150**	**5,149,150**	**5,149,150**
Accumulated Surplus				
Balance at 1 July	(35,131)	1,605,575	(2,892,727)	1,605,575
Surplus/(deficit) for the year	(945,622)	(747,734)	(880,429)	(1,640,706)
Balance at end of period	**(980,753)**	**857,841**	**(3,773,156)**	**(35,131)**
Total Equity	**4,168,397**	**6,006,991**	**1,375,994**	**5,114,019**

14. Contingent Liabilities and Guarantees

There are no contingent liabilities or guarantees as at 31 December 2024 (Last year - nil).

15. Related party transactions

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

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

Shareholder	**31 DEC 2024 (UNAUDITED)**	**30 JUNE 2024 (AUDITED)**	**31 DEC 2023 (UNAUDITED)**	**Description of Services**
Waikato Regional Council	1,517	-	-	Reimbursement for travel booked by WRC on behalf of RSHL
Waikato Regional Council	14,000	-	-	Transitional funding for the National River Quality Network
Horizons Regional Council	-	8,236	-	Reimbursement for staff member seconded to IRIS NextGen
Taranaki Regional Council	37,628	19,980	-	Reimbursement for 2 staff members seconded to the IRIS NextGen project
Taranaki Regional Council	7,000	-	-	Transitional funding for the National River Quality Network
Gisborne District Council	500,000	-	-	Funds provided to RSHL for “Support for the Government response to the Ministerial Land Use Inquiry in Tairāwhiti (MILU)".
Bay of Plenty Regional Council	-	512,982		Reimbursement for BioControl Programme
Bay of Plenty Regional Council	76,607	-	-	Reimbursement of costs Practices, Methodologies and Standards NZ River Managers SIG
Bay of Plenty Regional Council		3,749	-	Reimbursement of costs Product Acceptance Testing for IRIS NextGen
Hawkes Bay Regional Council	-	24,951		River Managers SIG Professional Development Programme expenditure
Hawkes Bay Regional Council	10,500	-	-	Transitional funding for the National River Quality Network
Northland Regional Council	24,635	6,563	-	Reimburse for staff member seconded to the IRIS NextGen project and travel costs
Otago Regional Council	10,500	-	-	Transitional funding for the National River Quality Network
Otago Regional Council	54,025	59,303	7,377	Secondment of staff members seconded to IRIS NextGen

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

Member contributions were received as follows:

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

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

16. Events After Balance Date

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

17. Financial Instruments

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

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

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

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.

RSHL

Council
Collaboration
Into Action

PO Box 1007, Palmerston North

Tauākī Whakamaunga Atu | Statement of Intent 2025-2026

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1. Kupu Takamua | Foreword

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

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

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

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

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

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

Objectives
Primary objectives

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

Supporting objectives

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

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

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

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

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

Nāku noa nā

Mike Nield

Board Chair

2. Ngā Ihirangi | Table of Contents

1. Kupu Takamua | Foreword 2
2. Ngā Ihirangi | Table of Contents 3
3. Kupu Whakataki | Introduction 4
4. Te Āhua me te Hōkaitanga o ngā Mahi ka Whakahaeretia | Nature and Scope of Activities to be Undertaken 5
5. Ngā Tūpono Āheinga hei Whanaketanga | Possible Opportunities for Growth 11
6. Te Huarahi Whāinga a te Poari ki te Mana Whakahaere | Board's Approach to Governance 11
7. Ngā Poutohutohu | Directors 12
Interest Register 12
8. Ngā Ūnga Mahi me Ētahi Atu Ine | Performance Targets and Other Measures 14
9. Ngā Mōhiohio Kaiwhaipānga | Shareholders Information 16
10. Ngā Mahi e Rapua Nei Te Utu Paremata | Activities for Which Compensation Is Sought 19
11. Ngā Tahua FY2026 | FY2026 Budgets. 24
Consolidated Statement of Financial Performance 25
Consolidated Statement of Financial Position as at 30 June 2026 26
Consolidated Statement of Cash Flows 27
IRIS Programme Activity - Statement of Financial Performance 28
IRIS NextGen Programme Activity - Statement of Financial Performance 29
Sector Financial Management System Activity- Statement of Financial Performance 30
Public Transport Ticketing Programme - Statement of Financial Performance 31
RSHL Corporate Activity - Statement of Financial Performance 32
12. Ngā Kaupapahere Kaute | Accounting Policies 33
13. Note For Information: Requirements for Statement of Intent 36

3. Kupu Whakataki | Introduction

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

Subsidiaries

RSHL has no subsidiaries or joint ventures.

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Supporting objectives

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Values

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

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

Environmental and Sustainability Ethics

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

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

RSHL provides a framework for collaboration in local government, with a focus on the regional sector. We develop and support shared solutions that engender greater consistency, efficiency, and reduce cost. RSHL provides a more cost-effective alternative than individual councils can achieve on their own.

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

RSHL activities are grouped as follows:

Activity	Description
IRIS Next Generation Programme	Ten councils are working with RSHL and Datacom on the delivery of the IRIS NextGen Programme, under a formal partnership agreement. The goal of the IRIS NextGen Programme is to delivery game-changing productivity improvements to the regional sector through sector alignment around good practice process, supported by fit for purpose software. IRIS Next Generation (IRIS NextGen) will be a cloud-based Software as a Service solution (SaaS) based on the Datacom Datascape platform. IRIS NextGen will deliver a modern software platform to councils, including an online customer portal and a mobile field application. Along with the software solution, the programme will implement consistent "good practice" processes for the sector, IRIS NextGen will: • Make council staff work easier. • Promote operational excellence and efficiency. • Demonstrate collaboration at a sector level. • Ensure the development of the technical solution is fit for purpose. Over the next two years the IRIS NextGen Programme will complete the build of the IRIS NextGen software solution and commence rollout to the councils, starting with implementation at the pilot council in 2025. *Performance* When assessing the performance of the IRIS NextGen Programme we consider whether RSHL has appropriately managed the programme. This includes budget, vendor management, product roadmap and communications with councils. We place an emphasis on predictability, delivery and consistency. Performance against budget, delivery against milestones, and customer feedback are used to assess performance.

Activity	Description
Te Uru Kahika Support Services	Te Uru Kahika Is the collective name for the 16 Regional Councils and Unitary Authorities in New Zealand. Through Te Uru Kahika, the regional sector: • Shares knowledge and resources between councils, • Coordinates input into national direction setting, • Works together to more effectively implement central government policy and respond to nationally significant events. The Virtual Office of Te Uru Kahika is made up of a small team who coordinate the activity of cross-functional groups from different councils. RSHL provides support services that enable Te Uru Kahika to achieve it's objectives. *Sector Financial Management System (SFMS)* Te Uru Kahika organises its activities into Work Programmes. Under the SFMS, RSHL collects funding from councils for each of these programmes in a coordinated way, contracts service providers to assist with the delivery of the programmes, pays provider and reports on the use of the funding. The services that RSHL provides to Te Uru Kahika are defined in a Memorandum of Agreement. When assessing RSHL's performance for this activity, the focus is different for each service. The performance measures are defined in the MoA. These services are: **Financial/Operations Management** — These are foundational services, the focus is on compliance with policy, alignment with good practice. **Operation of shared services/solutions.** — The focus is on achieving the intended outcome of the shared service, while effectively managing staff and finances. **Employment of Staff** — The focus is on providing a working environment where staff are supported, motivated and safe. **Programme Management** — The focus is on delivering high quality, skilled and trusted programme management, so that Te Uru Kahika maximises the benefits of investment into shared programmes. **Management Services (As requested)** — The focus is on being an enabler and problem solver, allowing Te Uru Kahika to maintain momentum towards its goals.

Shared Services

RSHL operates shared services and solutions for councils. These services involve the engagement of a vendor to deliver a solution to a group of councils.
RSHL leads councils through a process to define their shared objectives. RSHL then works with councils and vendors to implement a solution.
RSHL is constantly evaluating new opportunities to deliver more value to the regional sector through shared services and solutions.

Current Shared Services

WellsNZ

Service Description:
Regional and Unitary Councils collect and manage large amounts of data on wells, geothermal bores and galleries. This data is essential for planning, consenting, compliance and science processes. It is also a valuable resource for well owners, drilling companies and consultants. Through the WellsNZ website, Te Uru Kahika presents data on location, construction, geology and more.

Participating Organisations:
Auckland Council, Waikato Regional Council, Environment Canterbury, Otago Regional Council

Objectives:
- To make data about Wells and Bores more easily available to all stakeholders.
- To develop and apply consistent standards for the recording of data about wells and bores.

Link:
https://wellsnz.teurukahika.nz/

Data Emissions Platform

Service Description:
The solution provided is a web-based data analytics platform to support historical, current and future community greenhouse gas emissions reporting based on the GPC methodology and identification of decarbonisation pathways.

Participating Organisations:
- Northland Regional Council
  - Whangarei City Council
  - Far North District Council
- Auckland Council
- Waikato Regional Council
  - Hamilton City Council
- Bay of Plenty Regional Council
  - Tauranga City Council
  - Western Bay of Plenty District Council
  - Whakatane District Council
  - Rotorua Lakes Council
- Gisborne District Council
- Hawkes Bay Regional Council
- Nelson City Council
- Tasman District Council
- Environment Canterbury
  - Waimakariri District Council
  - Selwyn District Council
  - Kapiti Coast District Council
- Ministry for the Environment

Objectives:
To enable a consistent and cost-effective approach for local government to understand and report on local emissions profiles and

Activity	Description	
		projections, to support evidenced-based decisions on emissions reduction priorities and actions using a standardised platform.
	N-Cap	**Service Description:** The N-Cap solution allows farmers and their representatives to record their synthetic nitrogen use via an online portal, OR alternatively to submit the required records through their fertiliser company. **Participating Organisations:** All Regional Sector Councils. **Objectives:** • To provide farmers with a pathway to meet their obligation to record synthetic nitrogen use under regulations that came into force in 2022. • To provide regional councils with the tools they need to meet their regulatory responsibilities. • To ensure national consistency on the rollout of the N-Cap Regulations. **Link:** https://n-cap.teurukahika.govt.nz
	Retrolens	**Service Description:** Retrolens allows public access to historical aerial photography of New Zealand. **Participating Organisations:** Retrolens is overseen by The Local Government Geospatial Alliance (LGGA) which includes representatives from all Regional Sector Councils, and a number of local authorities. **Objectives:** To inform and educate the public on historical changes to the landscape in New Zealand. **Link:** https://retrolens.co.nz/

Activity	Description
Environmental Monitoring and Reporting (EMAR) Programme	The objective of EMAR is to improve the collection, accessibility, and presentation of environmental data in New Zealand. The EMAR Programme has three projects. • National Environmental Monitoring Standards (NEMS) – Aims to ensure consistency in the way environmental monitoring data is collected and handled throughout New Zealand. • Environmental Data Management System (EDMS) – Aims to provide a single access point to environmental data from multiple sources in a consistent format. • Land, Air Water Aotearoa (LAWA) – Shares data and information to tell the story of our environment. EMAR is an all-of-sector programme, and includes partner agencies from central government: MfE, StatsNZ and DOC (and others). The EMAR programme is managed by RSHL and governed by the EMAR Steering Group. Each project has its own Steering Group who oversee operational activities. The EMAR/LAWA Programme Manager is employed by RSHL. The LAWA project administration (financial and contractual) is managed by RSHL. *Performance* When assessing the performance of the EMAR we consider whether RSHL has appropriately managed the programme. This includes budget, vendor management, product roadmap and communications with councils. An emphasis is placed on predictability, delivery and consistency. Performance against budget, delivery of releases, customer and user feedback are used to form an assessment.
Public Transport Ticketing Programme	In September 2024 RSHL welcomed the Regional Integrated Ticketing System (RITS) team. This team was previously hosted at Otago Regional Council. This team is responsible for operation of the Regional Integrated Ticketing System (Bee Card) in use at 10 councils. The focus of that activity is on ensuring system and vendor performance is maintained during the transition to NTS, and that councils can transition seamlessly. The team is also coordinating the rollout of the National Ticketing System (Motu Move) to these 10 councils by 2028. The focus of that activity is ensuring participating Councils are adequately represented and that the solution provided matches expectations. *Performance* When assessing the performance of both these workstreams, we consider whether RSHL has appropriately managed the programmes. This includes budgets, vendor management (for Bee Card), communications with councils and broader stakeholder engagement.

Activity	Description
IRIS Programme	The IRIS Programme delivers the IRIS software platform to shareholder and customer councils. The IRIS software has been in use for 10 years and is currently in use at 7 councils. The 7 councils actively collaborate on the use of IRIS and the future development roadmap. The IRIS Programme is overseen by the IRIS Advisory Group. This group agrees the roadmap and sets the budgets for the programme. RSHL and the member councils will replace the IRIS software platform via IRIS NextGen by the end of 2028. This means that the programme is now in the sunset phase. Expenditure is kept to a minimum to allow councils and staff to focus on IRIS NextGen. *Performance* When assessing the performance of the IRIS Programme we consider whether RSHL has appropriately managed the programme. This includes budget, vendor management, product roadmap and communications with councils. We place an emphasis on value, predictability, and delivery. Performance against budget and delivery of releases are used to assess performance.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

- The Board recommends that the vacant position be filled with an additional Independent Director.
- The Chairperson role is currently filled by a council director. The board recommends that an independent Chair be appointed.

The draft budget for FY2026 and onwards includes these proposed changes.

7. Ngā Poutohutohu | Directors

The following directors are in office on 1 July 2025

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

Interest Register

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

Director	Organisation	Interest
Fiona McTavish	Bay of Plenty Regional Council BOPLASS Limited McTavish-Huriwai Investments Limited Quayside Holdings Limited Quayside Securities Limited Quayside Properties Limited	Chief Executive of RSHL Shareholding Council Director Director & Shareholder Director Director Director
Janine Becker	Waikato Regional Council	Director, Finance & Business Services of RSHL Shareholding Council
Mike Nield	Taranaki Regional Council Taranaki Stadium Trust	Director, Corporate Services of RSHL Shareholding Council Trustee
Ged Shirley	Horizons Regional Council	General Manager, Regional Services & Information of RSHL Shareholding Council
Wilma Falconer	Southland Regional Council Project Partners Limited	Chief Executive of RSHL Shareholding Council Director of Project Partners Limited (jointly owned company with husband)
Asbjorn Aakjaer	Negotiate Limited Aakjaer Trustee Company Ice Bear Holdings Limited One Sheep at a Time Limited EMD Advantage Limited (Infor) Regional Software Holdings Limited (RSHL) Waikato Regional Council (Infor – Public Sector), KPMG	Director & Shareholder Director & Shareholder Director & Shareholder Director & Shareholder EMDA Board Chair Involvement with various vendors from time to time re RSHL's shared service vehicle (incl buying & service delivery) role for the Regional sector. Current active relationship – Datacom. Providing implementation consulting services to the WRC Finance Team – Infor (solution provider/implementation delivery partner). Engagement post implementation support only.

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

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

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

Theme: Programme Delivery

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

Target	Timing
All projects and programmes will follow an appropriate approval pathway for their size, scope and complexity. All programmes will have an effective governance structure and planning processes appropriate to the size and complexity of the programme. Draft plans and budgets will be set before 1 March, final plans and budgets will be set by 30 June. An independent assurance review will be completed for major programmes each year.	To be completed by 30 June each year.
All programmes will meet agreed delivery targets set by the programme governance group each year. Annual performance surveys will be completed with participating councils. Survey feedback will be considered and actioned where appropriate – including sharing feedback with the Board.	November each year.

Theme: Service Delivery

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

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

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

Theme : Operational Excellence

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

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

9. Ngā Mōhiohio Kaiwhaipānga | Shareholders Information

Shareholding

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

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

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

The current shareholding of the Company is as follows.

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

Estimate of Commercial Value of The Shareholder's Investment

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

Distribution of Profits to Shareholders

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

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

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

Information to Be Provided to the Shareholders

The company will deliver the following Statements to shareholders:

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

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

Procedures for Major Transactions and Other Acquisitions and Disposals

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

Procedures for Issue of Shares

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

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

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

<table>
<tr><th>Activity</th><th>Description</th></tr>
<tr><td>IRIS Next Generation</td><td>The IRIS NextGen Partnership agreement sets out the funding to be collected from each participating council and the activities that the funds will be used for. The 10 Participating Councils share the programme costs of the IRIS NextGen programme according to the following contribution model:
<table>
<tr><th>Large Councils</th><th>Medium Councils</th><th>Small Councils</th></tr>
<tr><td>17.20% per council (Total 34.40%)</td><td>10.40% per council (Total 41.60%)</td><td>4.20% per council (Total 8.40%)</td></tr>
<tr><td rowspan="3">Waikato Regional Council
Bay of Plenty Regional Council</td><td>Horizons Regional Council
Otago Regional Council
Northland Regional Council
Hawke’s Bay Regional Council</td><td rowspan="3">Nelson City Council
West Coast Regional Council</td></tr>
<tr><td>7.80% per council (Total 15.60%)</td></tr>
<tr><td>Taranaki Regional Council
Southland Regional Council</td></tr>
</table>
Over the 10-year term of the Partnership Agreement, the programme costs are expected to total $31.6M

Programme costs include:

• Datacom software solution delivery
• Datacom programme management
• Datacom support and maintenance
• Datacom council implementation costs
• Datacom Good Practice Process Operating Model development
• RSHL programme management
• Travel and meeting expenses.
• RSHL Corporate Costs

In FY25 RSHL expects to collect $3.7M from participating councils for IRIS NextGen. In addition, there will be a budget provision to collect a contingency if required and approved by the IRIS NextGen Steering Group. The contingency provision for FY2026 is $428K.

In addition to the shared programme costs stated above, each Participating Council will directly incur costs. These costs are the responsibility of each Participating Council and will not be shared according to the council contribution model.</td></tr>
</table>

<table>
<tr>
<td>Te Uru Kahika Support Services</td>
<td>
Payment of annual contributions will be sought from all Te Uru Kahika councils for the operation of the programmes within the Te Uru Kahika construct.

For some programmes, additional contributions may be sought from other local government organisations and government ministries.

Contributions will be according to the agreed models. This activity includes:

• Te Uru Kahika Office
• Sector Business Plan
• Climate Change
• River Managers
• EMaR
• Bio Managers
• Bio Control
• Science Programme

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

<table>
<tr><th>Tier 1 – 9.4% each</th><th>Tier 2 – 6.2% each</th><th>Tier 3 – 3.2% each</th></tr>
<tr><td>Auckland Council*</td><td>Horizons RC</td><td>Tasman DC</td></tr>
<tr><td>Environment Canterbury</td><td>Otago RC</td><td>Nelson City Council</td></tr>
<tr><td>Greater Wellington RC</td><td>Hawke’s Bay RC</td><td>Gisborne DC</td></tr>
<tr><td>Waikato RC</td><td>Northland RC</td><td>Marlborough DC</td></tr>
<tr><td>Bay of Plenty RC</td><td>Taranaki RC</td><td>West Coast RC</td></tr>
<tr><td></td><td>Southland RC</td><td></td></tr>
<tr><td>Total 47%</td><td>Total 37%</td><td>Total 16%</td></tr>
</table>

*Auckland Council does not fund all sector programmes. In cases where they do not fund a programme, their contribution will be collected from the remaining councils according to the model above.

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

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

In FY26 RSHL expects to collect $5.7M in funding from councils for sector work programmes.
</td>
</tr>
</table>

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

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

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

It is anticipated that two new councils will sign up for this service in FY26. Total funding to be collected is $208K, collected according to the following model:

<table>
<tr><th>Council</th><th>% Contribution</th></tr>
<tr><td>Environment Canterbury</td><td>18.75</td></tr>
<tr><td>Waikato Regional Council</td><td>18.75</td></tr>
<tr><td>Auckland Regional Council</td><td>18.75</td></tr>
<tr><td>Bay of Plenty Regional Council</td><td>18.75</td></tr>
<tr><td>Northland Regional Council</td><td>12.50</td></tr>
<tr><td>Otago Regional Council</td><td>12.50</td></tr>
<tr><td>Total</td><td>100.00</td></tr>
</table>
</td>
</tr>
<tr>
<td></td>
<td>Data Emissions Platform</td>
<td>Service Description:
The solution provided is a web-based data analytics platform to support historical, current and future community greenhouse gas emissions reporting based on the GPC methodology and identification of decarbonisation pathways.

20 organisations contributed to the inception of the Data Emissions Platform in FY2025. Contributions were collected based on what funding each organisation had available to contribute.

From FY2026 onwards contributions will be based on a regional model with a funding allocation from each participating region, with the councils within each region determining how the contribution will be allocated. This model is still in development and will be provided in the Final version of the SOI in June.

The total funding amount to be collected in FY26 is $333K.</td>
</tr>
<tr>
<td></td>
<td>N-Cap</td>
<td>Service Description: The N-Cap solution allows farmers and their representatives to record their synthetic nitrogen use via an online portal, OR alternatively to submit the required records through their fertiliser company.

The N-Cap solution is funded from contributions collected Te Uru Kahika Essential Freshwater Programme. The total allocated for N-Cap is $28K.</td>
</tr>
<tr>
<td></td>
<td>Retrolens</td>
<td>Service Description:
Retrolens allows public access to historical aerial photography of New Zealand.</td>
</tr>
</table>

The total funding to be collected in FY2026 is budgeted as $50K. 50% of this is budgeted to be collected from Land Information New Zealand | Toitū Te Whenua, with the balance to be collected from the Te Uru Kahika councils using the standard ReCoCo model.

Category	% Share	Council
Large Councils	9.40%	Auckland
		Environment Canterbury
		Waikato Region Council
		Greater Wellington Regional Council
		Bay of Plenty Regional Council
Medium Councils	6.20%	Horizons Regional Council
		Otago Regional Council
		Hawkes Bay Regional Council
		Northland Regional Council
		Taranaki Regional Council
		Southland Regional Council
Small Councils	3.20%	Tasman District Council
		Nelson City Council
		Gisborne District Council
		Marlborough District Council
		West Coast Regional Council.

Public Transport Ticketing Programme

10 Councils contribute to the Public Transport Ticketing System Programme under a funding agreement signed by RSHL in 2024.
Contributions are collected according to the following model agreed by the councils and RSHL.

Council	Cost share %
Waikato Regional Council	24.3%
Bay of Plenty Regional Council	24.3%
Otago Regional Council	24.3%
Horizons Regional Council	6.3%
Hawkes Bay Regional Council	6.3%
Taranaki Regional Council	2.9%
Nelson City Council	2.9%
Invercargill City Council	2.9%
Northland Regional Council	2.9%
Gisborne District Council	2.9%

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

Proportion of Contributions to the IRIS Programme
Contributions for IRIS will be collected in the following proportions.
<table>
<tr><th>Council</th><th>Share</th></tr>
<tr><td>Waikato Regional Council</td><td>32.39%</td></tr>
<tr><td>Northland Regional Council</td><td>11.93%</td></tr>
<tr><td>Horizons Regional Council</td><td>16.00%</td></tr>
<tr><td>Taranaki Regional Council</td><td>11.93%</td></tr>
<tr><td>Southland Regional Council</td><td>11.93%</td></tr>
<tr><td>West Coast Regional Council</td><td>3.87%</td></tr>
<tr><td>Hawkes Bay Regional Council</td><td>11.93%</td></tr>
</table>
In FY25 RSHL expects to collect $282K in funding from participating councils with the remainder of the programme funded from surplus funds from previous years held by RSHL.</td>
</tr>
<tr>
<td>RSHL Corporate Costs</td>
<td>Corporate costs are for the operation and development of the company.

All work programmes will contribute to RSHL Corporate Costs, with the contribution based on the programmes proportion of revenue in the financial year.

In the 2026 Financial year (and the following 2 years) the budgeted proportion of Corporate Costs to each programme is as follows:
<table>
<tr><th></th><th>2024/25 (SOI)</th><th>2025/26</th><th>2026/27</th><th>27/28</th></tr>
<tr><td>IRIS</td><td>4.5%</td><td>3.0%</td><td>5%</td><td>5%</td></tr>
<tr><td>IRIS NextGen</td><td>43.0%</td><td>35.3%</td><td>52%</td><td>26%</td></tr>
<tr><td>SFMS</td><td>52.5%</td><td>48.6%</td><td>39%</td><td>62%</td></tr>
<tr><td>PTTP</td><td></td><td>13.1%</td><td>5%</td><td>7%</td></tr>
</table>
In FY25 RSHL expects to have corporate costs of $0.74M. This is 6.1% of total operating expenditure.</td>
</tr>
</table>

It is noted that other products or services may be delivered by RSHL. Any such services will only be delivered after the Directors have considered each individual business case including the proposed budget and agreed that the proposed service meets the objectives of RSHL.

Any ongoing activities to identify, develop or procure additional products or services will be budgeted for in advance, subject to a business case. The subsequent recovery of costs will be agreed on a case-by-case basis.

11. Ngā Tahua FY2026 | FY2026 Budgets.

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

Budgeting process.

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

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

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

Consolidated Statement of Financial Performance

For the 12 Months to 30 June 2026

2024/25 SOI Budget		2025/26 Revised	2026/27 Indicative (Revised)	2027/28 Indicative (Revised)
	Income			
438,639	IRIS Programme	286,749	610,882	438,634
4,626,011	IRIS NextGen Programme	4,161,704	7,685,624	2,521,857
3,926,204	Sector Work Programmes	5,588,805	5,631,187	5,908,146
-	RITS Programme	1,542,373	689,629	710,071
1,193,820	Central Government Funding	138,820	138,820	138,820
10,184,674		*11,718,451*	*14,756,142*	*9,717,528*
	Other Income			
25,000	Interest Received	*25,000*	25,000	25,000
68,363	Council Specific Software Funding	*70,414*	71,822	73,259
93,363		*95,414*	*96,822*	*98,259*
10,278,037	**Total Income**	**11,813,865**	**14,852,964**	**9,815,786**
	Expenditure			
8,900	Administration costs	*10,162*	12,573	12,687
79,640	Accounting & Technical Support	*70,540*	71,951	73,390
102,030	Audit Fees	*72,131*	73,574	75,045
	Legal and HR Advice	*57,510*	42,860	43,217
250,500	Datacom Support Services (IRIS)	*300,000*	330,000	250,000
4,558,780	Technology Services	*3,289,170*	6,451,365	1,504,875
85,650	IT Hosting Charges	*90,100*	91,302	92,528
	Loan Onpayment	*112,901*	108,273	103,644
-	Finance Costs	-	-	-
7,500	Training	-	-	-
1,834,450	Personnel Costs	*2,459,130*	2,511,111	2,554,433
	Contractors	*2,711,415*	2,082,243	1,972,882
83,250	Promotional Costs	*3,000*	3,000	3,000
78,400	Independent Director's Fees	*122,055*	151,526	154,557
184,990	Travel & Meeting Costs	*190,855*	177,572	180,224
	IT Support Services	*7,000*	7,140	7,283
68,363	Council Specific Software Purchases	*70,414*	71,822	73,259
12,500	Software Subscriptions	*35,642*	36,355	37,082
3,403,084	Consultants	*2,621,426*	2,558,474	2,604,423
10,758,037		**12,223,451**	**14,781,142**	**9,742,528**
	Other Expenditure			
400,429	Amortization	*400,429*	301,795	1,043
11,158,466	**Total Expenditure**	**12,623,880**	**15,082,937**	**9,743,571**
(880,429)	**Surplus/ (Deficit) before tax**	**(810,015)**	**(229,973)**	**72,216**
	Income Tax Expense			
(880,429)	**Surplus/(Deficit) after Tax**	**(810,015)**	**(229,973)**	**72,216**

Consolidated Statement of Financial Position as at 30 June 2026

2024/25 Budget		2025/26 SOI	2026/27 Indicative	2027/28 Indicative
	ASSETS			
	Current assets			
133,699	Cash and Cash Equivalents	3,493,376	3,565,198	3,638,457
	Debtors and Prepayments	1,866,364	2,347,501	1,550,036
	Non Current Assets			
1,242,296	Property, Plant & Equipment	3,152	1,556	771
	Intangible Assets	309,360	9,163	8,905
1,375,995	**Total Assets**	5,672,251	5,923,418	5,198,169
	LIABILITIES			
	Current liabilities			
-	Creditors and Accrued Expenses	2,204,507	2,674,192	1,895,727
-	Income Received in Advance	-	-	-
	GST payable	44,190	55,644	36,644
	Non Current Liabilites			
	Deferred Tax Liability	-	-	-
-	**Total Liabilities**	2,248,697	2,729,836	1,932,371
1,375,995	**NET ASSETS**	**3,423,555**	**3,193,582**	**3,265,798**

REPRESENTED BY:

2024/25 Budget		2025/26 SOI	2026/27 Indicative	2027/28 Indicative
	Equity			
5,149,150	Equity	5,149,150	5,149,150	5,149,150
(880,429)	Current Year Earnings	(810,015)	(229,973)	72,216
(2,892,727)	Retained Earnings	(915,580)	(1,725,595)	(1,955,568)
1,375,995	**Total Equity**	**3,423,555**	**3,193,582**	**3,265,798**

Statement of Movement in Equity

2,256,423	Opening Equity	4,233,570	3,423,556	3,193,583
(880,429)	Comprehensive income for the year	(810,015)	(229,973)	72,216
1,375,995	**Total Equity**	**3,423,556**	**3,193,583**	**3,265,799**

Consolidated Statement of Cash Flows

For the 12 Months to 30 June 2026

2024/25 Budget		2025/26 SOI	2026/27 Indicative	2027/28 Indicative
	Cashflows from Operating Activities			
	Cash received from:			
10,253,037	Receipts from customers	11,788,865	14,827,964	9,790,786
-	Shareholder contributions	-	-	-
25,000	Interest	25,000	25,000	25,000
-	Income Tax Paid (refunded)	-	-	-
10,278,037	*Total Operating Receipts*	**11,813,865**	**14,852,964**	**9,815,786**
	Cash applied to:			
10,758,037	Payments to suppliers	12,223,451	14,781,142	9,742,528
	Net GST movement			
-	Income Tax Paid (refunded)	-	-	-
-	Interest W/holding tax paid	-	-	-
10,758,037	*Total Operating Payments*	**12,223,451**	**14,781,142**	**9,742,528**
(480,000)	**Net cash from operating**	**(409,586)**	**71,822**	**73,259**
	Cashflow from Investing Activities			
	Cash received from:			
-	Sale of Fixed Assets	-	-	-
-	Investment Maturities	-	-	-
-	*Total Investment Receipts*	**-**	**-**	**-**
	Cash applied to:			
-	Purchase of Fixed/ Intangible assets	-	-	-
-	Investment deposits	-	-	-
-	*Total Investment Payments*	**-**	**-**	**-**
-	**Net cash from investing**	**-**	**-**	**-**
	Cashflow from Financing Activities			
	Cash received from:			
-	Capital contributions	-	-	-
	Proceeds from Loan Borrowings			
-	*Total Financing Receipts*	-	-	-
	Cash applied to:			
	Capital repaid			
-	Loan interest paid	-	-	-
	Loan repayment of debt			
-	*Total Financing Payments*	-	-	-
-	**Net cash from financing**	**-**	**-**	**-**
(480,000)	**Net increase (decrease) in cash-flow for the year**	**(409,586)**	71,822	73,259
613,699	Opening cash balance	3,902,962	3,493,376	3,565,198
133,699	**Closing cash balance**	**3,493,376**	**3,565,198**	**3,638,457**
	Made up of:			
25,000	Current account	500,000	500,000	500,000
108,699	Auto-call account	2,993,376	3,065,198	3,138,457
133,699		**3,493,376**	**3,565,198**	**3,638,457**

IRIS Programme Activity - Statement of Financial Performance

For the 12 Months to 30 June 2026

2024/25 Budget		Notes	2025/26 SOI	2026/27 Indicative	2027/28 Indicative
438,639	IRIS Programme		*286,749*	610,882	438,634
-	IRIS NextGen Programme		-	-	-
-	Sector Work Programmes		-	-	-
-	Central Government Funding			-	-
438,639			*286,749*	*610,882*	*438,634*
	Other Income				
-	Interest Received		-	-	-
68,363	Council Specific Software Funding		*70,414*	71,822	73,259
68,363			*70,414*	*71,822*	*73,259*
507,002	**Total Income**		**357,163**	**682,704**	**511,892**
	Expenditure				
-	Administration costs		-	-	-
-	Accounting & Technical Support		-	-	-
-	Audit Fees		-	-	-
	Legal and HR Advice		-	-	-
250,500	Datacom Support Services (IRIS)		*300,000*	*330,000*	*250,000*
585,168	Technology Services		*300,000*	*100,000*	-
29,000	IT Hosting Charges		*30,000*	*30,000*	*30,000*
	Loan Onpayment		-	-	-
-	Finance Costs		-	-	-
-	Training		-	-	-
33,490	Personnel Costs		*41,701*	*42,535*	*43,386*
	Contractors		-	-	-
-	Promotional Costs		-	-	-
-	Independent Director's Fees		-	-	-
-	Travel & Meeting Costs		-	-	-
	IT Support Services		-	-	-
68,363	Council Specific Software Purchases		*70,414*	*71,822*	*73,259*
2,200	Software Subscriptions		*2,200*	*2,244*	*2,289*
-	Consultants		-	-	-
18,281	Overhead Recovery - Expense		*22,434*	*34,281*	*39,701*
987,002			*766,749*	*610,882*	*438,634*
	Other Expenditure				
400,429	Amortization		*400,429*	301,795	1,043
1,387,431	**Total Expenditure**		**1,167,178**	**912,677**	**439,677**
(880,429)	**Surplus/ (Deficit) before tax**		**(810,015)**	**(229,973)**	**72,216**
	Income Tax Expense				
(880,429)	**Surplus/(Deficit) after Tax**		**(810,015)**	**(229,973)**	**72,216**

IRIS NextGen Programme Activity - Statement of Financial Performance

For the 12 Months to 30 June 2026

2024/25 Budget		Notes	2025/26 SOI	2026/27 Indicative	2027/28 Indicative
-	IRIS Programme		-	-	-
4,196,011	IRIS NextGen Programme		3,733,897	6,949,042	2,249,210
430,000	IRIS NextGen Contingency		427,806	736,582	272,647
-	Sector Work Programmes		-	-	-
-	Central Government Funding		-	-	-
4,626,011			*4,161,704*	*7,685,624*	*2,521,857*
	Other Income				
-	Interest Received		-	-	-
-	Council Specific Software Funding		-	-	-
			-	-	-
4,626,011	**Total Income**		**4,161,704**	**7,685,624**	**2,521,857**
	Expenditure				
-	Administration costs		-	-	-
-	Accounting & Technical Support		-	-	-
-	Audit Fees		-	-	-
	Legal and HR Advice		-	-	-
-	Datacom Support Services (IRIS)		-	-	-
3,528,162	Technology Services		*2,533,864*	5,586,734	1,203,617
-	IT Hosting Charges		-	-	-
	Loan Onpayment		-	-	-
-	Finance Costs		-	-	-
-	Training		-	-	-
426,910	Personnel Costs		*423,376*	442,874	451,732
	Contractors		*408,149*	416,312	278,733
-	Promotional Costs		-	-	-
-	Independent Director's Fees		-	-	-
64,000	Travel & Meeting Costs		*61,200*	62,424	63,672
	IT Support Services		-	1,428	1,457
-	Council Specific Software Purchases		-	-	-
2,060	Software Subscriptions		-	6,528	6,659
-	Consultants		*45,900*	46,818	47,754
430,000	IRIS NextGen Contingency		*427,806*	736,582	272,647
174,879	Overhead Recovery - Expense		*261,409*	*385,924*	*195,587*
4,626,011			*4,161,704*	*7,685,624*	*2,521,857*
	Other Expenditure				
-	Amortization		-	-	-
4,626,011	**Total Expenditure**		*4,161,704*	*7,685,624*	*2,521,857*
-	**Surplus/ (Deficit) before tax**		-	-	-
	Income Tax Expense				
-	**Surplus/(Deficit) after Tax**		-	-	-

Sector Financial Management System Activity- Statement of Financial Performance

For the 12 Months to 30 June 2026

2024/25 Budget		Notes	2025/26 SOI	2026/27 Indicative	2027/28 Indicative
	Income				
3,926,204	Sector Work Programmes		5,588,805	5,631,187	5,908,146
1,193,820	Central Government Funding		138,820	138,820	138,820
5,120,024			*5,727,625*	*5,770,007*	*6,046,966*
	Other Income				
-	Interest Received		-	-	-
-	Council Specific Software Funding		-	-	-
-			-	-	-
5,120,024	**Total Income**		**5,727,625**	**5,770,007**	**6,046,966**
	Expenditure				
-	Administration costs		-	-	-
-	Accounting & Technical Support		-	-	-
-	Audit Fees		-	-	-
	Legal and HR Advice		-	-	-
-	Datacom Support Services (IRIS)		-	-	-
15,450	Technology Services		*27,500*	28,050	28,611
56,650	IT Hosting Charges		*60,100*	61,302	62,528
	Loan Onpayment		*112,901*	108,273	103,644
-	Finance Costs		-	-	-
-	Training		-	-	-
1,243,300	Personnel Costs		*1,257,909*	1,283,067	1,308,729
	Contractors		*1,383,266*	1,410,931	1,439,149
77,250	Promotional Costs		-	-	-
-	Independent Director's Fees		-	-	-
103,690	Travel & Meeting Costs		*69,655*	69,148	70,251
	IT Support Services		-	4,998	5,098
-	Council Specific Software Purchases		-	-	-
7,210	Software Subscriptions		*6,000*	22,848	23,305
3,403,084	Consultants		*2,450,526*	2,491,656	2,536,669
213,390	Overhead Recovery - Expense		*359,769*	*289,733*	*468,982*
5,120,024			*5,727,625*	*5,770,007*	*6,046,966*
	Other Expenditure				
-	Amortization		-	-	-
5,120,024	**Total Expenditure**		*5,727,625*	*5,770,007*	*6,046,966*
-	**Surplus/ (Deficit) before tax**		-	-	-
	Income Tax Expense				
-	**Surplus/(Deficit) after Tax**		-	-	-

Public Transport Ticketing Programme - Statement of Financial Performance

For the 12 Months to 30 June 2026

	Notes	2025/26 SOI	2026/27 Indicative	2027/28 Indicative
Income				
PT Ticketing Programme		1,542,373	689,629	710,071
Central Government Funding		-	-	-
		1,542,373	689,629	710,071
Other Income				
Interest Received		-	-	-
Council Specific Software Funding		-	-	-
		-	-	-
Total Income		**1,542,373**	**689,629**	**710,071**
Expenditure				
Administration costs		-	-	-
Accounting & Technical Support		-	-	-
Audit Fees		-	-	-
Legal and HR Advice		*25,000*	10,000	10,000
Datacom Support Services (IRIS)		-	-	-
Technology Services		-	-	-
IT Hosting Charges		-	-	-
Loan Onpayment		-	-	-
Finance Costs		-	-	-
Training		-	-	-
Personnel Costs		*335,492*	345,000	345,000
Contractors		*920,000*	255,000	255,000
Promotional Costs		-	-	-
Independent Director's Fees		-	-	-
Travel & Meeting Costs		*40,000*	25,000	25,000
IT Support Services		-	-	-
Council Specific Software Purchases		-	-	-
Software Subscriptions		-	-	-
Consultants		*125,000*	20,000	20,000
Overhead Recovery - Expense		*96,881*	34,629	55,071
		1,542,373	***689,629***	***710,071***
Other Expenditure				
Amortization		-	-	-
Total Expenditure		*1,542,373*	*689,629*	*710,071*
Surplus/ (Deficit) before tax		-	-	-
Income Tax Expense				
Surplus/(Deficit) after Tax		-	-	-

RSHL Corporate Activity - Statement of Financial Performance

For the 12 Months to 30 June 2026

2024/25 Budget	Income	Notes	2025/26 SOI	2026/27 Indicative	2027/28 Indicative
	Other Income				
25,000	Interest Received		*25,000*	*25,000*	*25,000*
-	Council Specific Software Funding		-	-	-
-	Overhead Recovery - Income		-	-	-
-			25,000	25,000	25,000
-	**Total Income**		**25,000**	**25,000**	**25,000**
	Expenditure				
10,700	Administration costs		*10,162*	*12,573*	*12,687*
39,100	Accounting & Technical Support		*70,540*	*71,951*	*73,390*
70,000	Audit Fees		*72,131*	*73,574*	*75,045*
-	Legal and HR Advice		*32,510*	*32,860*	*33,217*
-	Datacom Support Services (IRIS)		-	-	-
16,000	Technology Services		-	-	-
-	IT Hosting Charges		-	-	-
	Loan Onpayment				
-	Finance Costs		-	-	-
-	Training		-	-	-
125,000	Personnel Costs		*400,653*	*397,634*	*405,587*
	Contractors		-	-	-
16,000	Promotional Costs		*3,000*	*3,000*	*3,000*
72,000	Independent Director's Fees		*122,055*	*151,526*	*154,557*
17,000	Travel & Meeting Costs		*20,000*	*21,000*	*21,300*
-	IT Support Services		*7,000*	*714*	*728*
-	Council Specific Software Purchases		-	-	-
1,000	Software Subscriptions		*27,442*	*4,735*	*4,830*
-	Consultants		-	-	-
366,800			*765,492*	*769,567*	*784,340*
	Other Expenditure				
-	Amortization		-	-	-
366,800	**Total Expenditure**		**765,492**	**769,567**	**784,340**
(341,800)	**Surplus/ (Deficit) before tax**		**(740,492)**	**(744,567)**	**(759,340)**
	Income Tax Expense				
(341,800)	**Surplus/(Deficit) after Tax**		**(740,492)**	**(744,567)**	**(759,340)**

12. Ngā Kaupapahere Kaute | Accounting Policies

Statement of Compliance

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

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

These financial statements comply with PBE Standards.

Reporting Entity

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

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

RSHL was incorporated on 17 October 2012.

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

Public Benefit Entity Simple Format Reporting

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

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

Basis of Preparation of the Financial Statements

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

Presentation Currency and Rounding

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

The functional currency of RSHL is New Zealand dollars.

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

Summary of Significant Accounting Policies

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

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

Interest revenue is recorded as it is earned.

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

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

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

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

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

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

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

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

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

Commitments and contingencies are disclosed exclusive of GST.

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

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

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

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

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

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

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

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

13. Note For Information: Requirements for Statement of Intent

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

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

Council
Collaboration
Into Action

RSHL

Council
Collaboration
Into Action

–

28 February 2025

Tēnā koutou

RE: DRAFT 2025-2026 Statement of Intent

The Board of Regional Software Holdings Limited (RSHL) is pleased to present its draft 2025-2026 Statement of Intent.

We invite feedback on this draft before 1 May 2025.

The Board has been working on the strategic direction of RSHL as it grows and evolves. Our purpose and objectives have been refined. We welcome feedback from shareholders on whether these are fit for purpose.

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

Our Purpose:

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

RSHL enables the regional sector and councils to act collaboratively and deliver solutions that would otherwise be unaffordable or unachievable.

Our objectives:

DRAFT

Primary objectives

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

Supporting objectives

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

RSHL has delivered significant operational benefits and financial savings to the regional sector over the last 3 years, and we believe that there is more that we can do to deliver on our purpose.

We have refocussed our company strategy around three pillars:

- Programme Delivery
- Service Management
- Customer Focus

Our goal is high quality delivery to councils and the regional sector, with a laser focus on delivering value.

To assist us in achieving these objectives we have proposed strengthening our governance arrangements, as well as increasing our capacity to manage services and programmes for customers.

Board Composition

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

In response to the increase in scale of the organisation, and the complexity of the operating environment we recommend a change to the composition of the Board. This will provide additional independence and strengthen the governance of the organisation.

- The Board recommends that the vacant position be filled with an additional Independent Director.
- The Chairperson role is currently filled by a council director. The board recommends that an independent Chair be appointed.

The Board invites feedback on this recommendation.

Budget Structure

The budget contained in the Statement of Intent is separated into five activities.

Activity	Description
IRIS Next Generation	The IRIS NextGeneration Programme is underpinned by the IRIS NextGen Partnership Agreement and funded by the ten participating Councils. Non-participating councils make no contribution to this programme and bear no delivery or residual risk in the project.
IRIS Classic	IRIS Classic is our longest running programme, underpinned by the IRIS Advisory Group Terms of Reference. The programme is funded by the seven councils that use IRIS. The draft budget was approved by the IRIS Advisory Group. Non-participating councils make no contribution to this programme and bear no delivery or residual risk in the project.
Te Uru Kahika Support Services	Te Uru Kahika Support Services is the arrangement under which RSHL supports the delivery of Te Uru Kahika work programmes. The activity is underpinned by a Memorandum of Understanding between RSHL and the Regional Chief Executive Officers (RCEOs) Group. The work programmes are funded by the sixteen participating councils, as well as government entities. The draft budget reflected in the Statement of Intent was developed by the Te Uru Kahika Virtual Office and endorsed by the RCEOs Group.

Activity	Description
Public Transport Ticketing Programme (PTTP)	The budget and work programme for PTTP is set by the Transport Ticketing Governance Group on behalf of the participating councils.
Corporate	Costs and income that cannot be directly attributed to a work programme are represented in the corporate activity. Costs in this activity are those generally associated with the governance, management, and operation of the company. A share of overhead costs is allocated to each of the other activities based on proportion of revenue.

Financially, RSHL remains in a sound position. All programmes operate on a cost-recovery basis with small annual surplus or deficit.

The draft budget shows a cash loss of $410K. This is not a cause for concern. This is occurring as we expend cash surpluses held on behalf of different programmes.

Thank you for your continued support of RSHL and our work. We look forward to receiving your feedback before 1 May 2025.

We extend an offer to present this draft Statement of Intent to a council meeting when appropriate. Please contact me if that would be beneficial.

Nāku noa nā

Mike Nield
Chairperson

Te Kaunihera o Te Tairāwhiti
GISBORNE
DISTRICT COUNCIL

Title:	**25-94 Local Government Funding Agency - Half year report and draft Statement of Intent**
Section:	Finance & Affordability
Prepared by:	Lucy Gibson - Principal Financial Advisor
Meeting Date:	Wednesday 9 April 2025

Legal: No	Financial: Yes	Significance: **Low**

Report to FINANCE & PERFORMANCE/WHAKAHAERE PŪTEA ME ŌNA HUA Committee for decision

PURPOSE - TE TAKE

The purpose of this report is to provide the committee with the Local Government Funding Agency's (LGFA) half yearly financial report for the period ending 31 December 2024 and their draft Statement of Intent (SOI) for the period 1 July 2025 to 30 June 2028.

SUMMARY - HE WHAKARĀPOPOTOTANGA

The LGFA is a Council Controlled Organisation (CCO) and was established to provide councils with long dated borrowing, certainty of access to markets and to reduce the borrowing costs for the local government sector. The LGFA is a financial institution regulated by the Reserve Bank.

The half yearly financial report provides information against the objectives and performance requirements set out in the Statement of Intent.

The Statement of Intent is the key accountability document between Gisborne District Council (Council) and the CCO. It sets out the company's strategic priorities and financial forecasts and must be consulted on and approved annually by the Directors. Schedule 8 Part 2 of the Local Government Act 2002 sets out the content of the document, which must cover the next three financial years.

LGFA 2024-25 Half-Year Report

The Local Government Funding Agency (LGFA) has delivered a strong financial and operational performance for the six months ending 31 December 2024, demonstrating continued support for council's and Council-Controlled Organisations (CCOs).

Key Highlights

1. Growth in Lending

- Total loans outstanding: $22.3 billion, with $2.1 billion in new lending.
- Membership expanded to 72 councils and 7 CCOs with two new CCOs added.

2. Strong Financial Performance

- Net Operating Profit: $8.6 million, a 65.4% increase, aligning with SOI forecasts.
- Financial position: $26.5 billion in assets and $120.7 million in shareholder equity.

3. Sustainability Initiatives

- Expanded the Sustainability Team and scheduled Sustainable Finance workshops for March 2025.
- Climate Action Loans (CALs): $3.2 billion across 7 councils/CCOs, offering lower margins for emissions reduction.
- Green, Social, and Sustainable (GSS) loans: $401.2 million across 6 councils for eligible projects.
- Published first Climate-Related Disclosure report in the 2024 Annual Report.

4. Stakeholder Engagement & Policy Updates

- Supporting water reform implementation with Central and Local Government.
- Extended the Crown Liquidity Facility and updated policies to support high-growth councils (November 2024 Annual Meeting).

Looking ahead LGFA remains focused on lowering borrowing costs, enhancing capital market access, strengthening financial sustainability and providing expert financial support to local government.

Draft Statement of Intent 2025-2028

The Local Government Funding Agency (LGFA) has released its draft Statement of Intent (SOI) for the financial years (FY) 2025-2028, outlining its strategic priorities and financial forecasts.

Strategic Priorities

- For borrowing councils – Optimize funding by reducing borrowing costs, extending loan terms, and ensuring market access.
- For shareholders – Maintain strong financial performance, monitor asset quality, and enhance risk management.
- For guarantors – Minimize guarantee risks through proactive management of operational, credit, liquidity, and funding risks.

Financial Outlook

- Net profit projections: $23.5 million (FY26), $19.7 million (FY27), $23.4 million (FY28). Uncertainty remains for FY27 and FY28 due to substantial bond and loan maturities.
- Council loan forecasts: Slightly lower than previous estimates, reaching $28.5 billion by June 2028.
- Gross bond issuance: $5.1 billion (FY26), $5.0 billion (FY27), $5.0 billion (FY28), aligned with council borrowing needs.
- Increased costs: Operating expenses, particularly the Approved Issuer Levy (AIL), are projected to rise due to increased foreign currency borrowing.

Key Considerations

- The Local Water Done Well Programme may see LGFA begin lending to water Council-Controlled Organisations (CCOs) from FY27, though timing and scale remain uncertain.
- The focus remains on financial sustainability, supporting councils, and maintaining credit quality.

The decisions or matters in this report are considered to be of **Low** significance in accordance with the Council's Significance and Engagement Policy.

RECOMMENDATIONS - NGĀ TŪTOHUNGA

That the Finance & Performance/Whakahaere Pūtea me Ōna Hua Committee:

1. **Approves the Draft Statement of Intent 2025-2028 (from 1 July 2025 to 30 June 2028; subject to Committees's feedback.**
2. **Instructs the Chief Executive to provide any feedback received from the Committee (as their role as a Shareholder) to the Local Government Funding Agency before 1 May 2025.**

Authorised by:

Pauline Foreman - Chief Financial Officer

Keywords: LGFA, Statement of Intent, SOI, Local Government Funding Agency, LGFA Half Year Report

BACKGROUND - HE WHAKAMĀRAMA

1. The Local Government Act 2022 (LGA) Schedule 8, Part 1 requires Council-Controlled Organisations (CCO) to deliver a draft Statement of Intent (SOI) to shareholders on or before 1 March in the year preceding the financial year to which the draft SOI relates.
2. The board must adopt and provide a final SOI to shareholders before the commencement of the financial year to which it relates.
3. The LGA Section 66 requires the board of a CCO to report on the half-yearly financials to its shareholders within 2 months after the end of the first half of each financial year.
4. The Local Government Funding Agency (LGFA) is a CCO. The LGFA is 11% owned by the New Zealand Government and 89% by 30 local authorities. Gisborne District Council holds 200,000 shares or 0.4% of the 45 million ordinary shares on issue and joined the scheme in November 2012.
5. On 28 February 2025, LGFA made available for shareholder review their draft Statement of Intent (SOI) and half-yearly financial statements for the period ending 31 December 2024.
6. Attached are:
    - **Attachment 1** – Half-yearly Financial Statements 31 December 2023.
    - **Attachment 2** – Draft Statement of Intent.

DISCUSSION and OPTIONS - WHAKAWHITINGA KŌRERO me ngā KŌWHIRINGA

7. The discussion below outlines the main points and highlights from the half-yearly report and draft SOI.

Half-yearly Report to 31 December 2024

8. LGFA continues to provide essential financial support to local government entities. As of 31 December 2024, total loans outstanding stood at $22.3 billion, with $2.1 billion in new lending over the six-month period. This reflects LGFA's ongoing commitment to ensuring councils and Council-Controlled Organisations (CCOs) have access to cost-effective funding. Membership has also grown, with two new CCOs joining, bringing the total number of members to 72 councils and 7 CCOs.
9. LGFA has maintained a strong financial position, in line with its Statement of Intent (SOI) forecasts. Net Operating Profit for the period was $8.6 million, representing a 65.4% increase compared to the same period last year. Total assets as of 31 December 2024 were $26.5 billion, while shareholder equity stood at $120.7 million. Given this strong performance, LGFA remains well-positioned to meet its full-year SOI forecast by June 2025.
10. LGFA's financial strength was reaffirmed in 2024, with Fitch maintaining its AA+ rating and S&P upgrading its Stand Alone Credit Profile (SACP) from AA- to AA+. LGFA's credit ratings remain aligned with the New Zealand Government's ratings.

11. Sustainability remains a core focus for LGFA, with ongoing initiatives to support councils in climate-related financing. The Sustainability Team has been expanded, and a series of Sustainable Finance workshops have been scheduled for March 2025 to engage with members on best practices. LGFA's Climate Action Loans (CALs) continue to gain traction, with $3.2 billion currently issued across 7 councils and CCOs. These loans offer financial incentives for borrowers that have approved greenhouse gas reduction plans and are meeting their targets.

12. In addition, Green, Social, and Sustainable (GSS) loans have been provided to six councils, totalling $401.2 million. These loans offer discounted borrowing rates for projects that align with environmental and social sustainability objectives. LGFA has also strengthened its commitment to transparency by publishing its first Climate-Related Disclosure report in the 2024 Annual Report, released in August 2024.

13. LGFA continues to work closely with central and local government to ensure effective funding access and governance. A key area of focus has been assisting with the implementation of water reform, supporting councils and emerging water service entities as they navigate financial and regulatory changes. In addition, LGFA has successfully negotiated an extension of the Crown Liquidity Facility, enhancing financial resilience in the sector.

14. At the November 2024 Annual Meeting, shareholders approved key updates to LGFA's Foundation Policies. These changes are designed to provide greater flexibility in lending criteria, particularly for high-growth councils that require additional financial support. This policy shift reflects LGFA's ongoing commitment to adapting its approach to meet the evolving needs of local government.

Draft Statement of Intent (SOI) for 2025-2028

15. The SOI outlines LGFA's commitment to supporting council borrowers, delivering strong financial performance for shareholders, and ensuring robust risk management for guarantors.

16. LGFA aims to optimise funding terms for council's by reducing borrowing costs, providing long-term funding options, and ensuring reliable access to financial markets. For shareholders, the focus remains on maintaining financial strength through prudent risk management, asset monitoring, and effective governance structures.

17. The financial forecasts in the SOI project strong profitability, with net profit expected to be $23.5 million in FY26, $19.7 million in FY27, and $23.4 million in FY28. However, there is significant uncertainty in FY27 and FY28, given that $7.9 billion of LGFA bonds and $11.9 billion of council and CCO loans will mature over this period. Market fluctuations, interest rate changes, and refinancing requirements could impact these projections. Additionally, operating expenses are expected to increase, primarily due to higher Approved Issuer Levy (AIL) payments on foreign currency borrowings.

18. The SOI assumes that LGFA will begin lending to new water Council-Controlled Organisations (CCOs) from FY27 as part of the Local Water Done Well Programme. However, given the uncertainty surrounding the establishment of these entities, the timing and scale of lending remain unclear. LGFA continues to monitor the situation and will adapt its approach as needed.

19. Overall, the SOI maintains a strong focus on financial stability, sustainability, and responsible risk management. It outlines measures to ensure robust treasury practices and credit oversight to minimise risks to stakeholders. The proposed performance targets remain consistent with previous years, with an emphasis on sustainability, stakeholder engagement, and supporting local government funding needs

ASSESSMENT of SIGNIFICANCE - AROTAKENGA o NGĀ HIRANGA

Consideration of consistency with and impact on the Regional Land Transport Plan and its implementation
Overall Process: **Low** Significance
This Report: **Low** Significance

Impacts on Council's delivery of its Financial Strategy and Long Term Plan
Overall Process: **Low** Significance
This Report: **Low** Significance

Inconsistency with Council's current strategy and policy
Overall Process: **Low** Significance
This Report: **Low** Significance

The effects on all or a large part of the Gisborne district
Overall Process: **Low** Significance
This Report: **Low** Significance

The effects on individuals or specific communities
Overall Process: **Low** Significance
This Report: **Low** Significance

The level or history of public interest in the matter or issue
Overall Process: **Low** Significance
This Report: **Low** Significance

20. The decisions or matters in this report are considered to be of **Low** significance in accordance with Council's Significance and Engagement Policy.

TANGATA WHENUA/MĀORI ENGAGEMENT - TŪTAKITANGA TANGATA WHENUA

21. There has been no Māori engagement relating to this report.

COMMUNITY ENGAGEMENT - TŪTAKITANGA HAPORI

22. There has been no community engagement relating to this report.

CLIMATE CHANGE – Impacts / Implications - NGĀ REREKĒTANGA ĀHUARANGI – ngā whakaaweawe / ngā ritenga

23. One of LGFAs strategic priorities is environmental and social responsibility. LGFA recognises the risks inherent in climate change for councils and supports New Zealand's shift to a low carbon economy.

24. LGFA is committed to assist borrowers financing of projects that promote environmental and social wellbeing in New Zealand, and to encourage a reduction in greenhouse gas emissions and increase climate-resilience amongst borrowers. To achieve this LGFA offers lending products such as Green, Social & Sustainability (GSS) loans and Climate Action Loans (CALs).

25. LGFA is committed to reducing their carbon emissions, increasing their resilience to climate change, and managing their climate-related risks and opportunities.

CONSIDERATIONS - HEI WHAKAARO

Financial/Budget

26. Membership for the LGFA allows Council to access optimal funding terms which assists in the efficient provision of services by Council for a prosperous Tairawhiti.

Legal

27. There are no legal implications.

POLICY and PLANNING IMPLICATIONS - KAUPAPA HERE me ngā RITENGA WHAKAMAHERE

28. There are no policy or planning implications.

RISKS - NGĀ TŪRARU

29. There are no risks associated with this report.

NEXT STEPS - NGĀ MAHI E WHAI AKE

Date	Action/Milestone	Comments
June 2025	Final SOI adopted and provided to shareholders.	

ATTACHMENTS - NGĀ TĀPIRITANGA

1. Attachment 1 - LGFA Half Year Report- 31 December 2024 [**25-94.1** - 30 pages]
2. Attachment 2 - LGFA Draft Statement of Intent 2025-2028 [**25-94.2** - 15 pages]
3. Attachment 3 - Cover Letter for Half Year Report to December 2024 [**25-94.3** - 2 pages]
4. Attachment 4 - Letter to Shareholders to accompany Draft SOI 2025-28 [**25-94.4** - 2 pages]

HALF YEAR REPORT 31 December 2024

Benefiting communities through delivering efficient financing for local government.

Ka whiwhi painga ngā hapori mā te whakarato pūtea tōtika ki ngā kaunihera.

LGFA New Zealand Local Government Funding Agency
Te Pūtea Kāwanatanga ā-rohe

Contents
Ngā Ihirangi

Message from the Chair and Chief Executive
He karere mai i te Toihau me te Tumuaki 3

Performance against objectives
Ko ngā whakatutukinga ki ngā whāinga 5

Financial statements
Nga taukī pūtea 11

Statement of comprehensive income 11
Statement of changes in equity 12
Statement of financial position 13
Statement of cash flows 14
Notes to the financial statements 15

Directory
Rārangi tauwaea 29

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Message from the Chair and Chief Executive
He karere mai i te Toihau me te Tumuaki

For the six-months ended 31 December 2024

The six-month period to 31 December 2024 was an important period for LGFA. We enjoyed a constructive relationship with Central Government and improved our credit quality through our Stand Alone Credit Profile (SACP) increasing two notches under the revised S&P Global Ratings methodology.

We also made significant progress assisting councils with Local Water Done Well, assisting high growth councils with future borrowing to invest in growth infrastructure, negotiating a term extension and volume upsize to the Crown Liquidity Facility and taking steps to broaden our sources of borrowing in offshore markets.

Domestic market conditions are more settled as the RBNZ has commenced its monetary policy easing cycle. However, the significant amount of current and projected borrowing by the New Zealand Government has made New Zealand dollar (NZD) issuance more challenging for us and is reflected in the widening in borrowing spreads for the sector.

Council and Council Controlled Organisation (CCO) borrowing from LGFA continues to increase and we remain focussed on delivering value to both our members and our investor base while meeting our financial targets.

On behalf of the directors and staff of LGFA, we are pleased to highlight the following developments over the past six month period.

Financial and Operational Performance

LGFA's total interest income for the six-month period to 31 December 2024 of $683.2 million was an 18.2% increase over the 2023 comparable period ($578.1 million), while net operating profit of $8.6 million for the six-month period was a 65.4% increase on the 2023 comparable period ($5.2 million).

The increase in net operating profit reflected the growth in the balance sheet and the positive impact from the increase in the base lending margin on 1 July 2024.

Net operating profit was $142k above budget with total operating income below budget by $14k, with total operating expenses $156k under the budget. We are confident we will meet budget by the end of the current financial year. As our borrowing requirement has increased, we are having to source a greater proportion of our borrowing requirement from offshore markets. As a result, our Approved Issuer Levy (AIL) payment to Central Government is now our single largest expense. The AIL payment was $2.54 million for the six month period compared to $0.54 million for the comparable period a year ago.

The financial strength of LGFA was affirmed by Fitch Ratings who maintained our domestic currency credit rating at AA+ in October 2024. S&P Global Ratings affirmed our AAA/AA+ ratings in September 2024 and under their revised methodology, our SACP improved from AA- to AA+. Our credit ratings from both rating agencies remain the same as the New Zealand Government.

We are on track to meet almost all of our twenty-one performance objectives, with the only objectives not currently on track being the number of new Green, Social and Sustainability (GSS) loans and the amount of council lending. We recognise that it is a busy time for the Local Government sector and have therefore increased our sustainability capability through the appointment of a Senior Manager Sustainable Finance. This will allow us to provide greater support to council and CCO members regarding sustainability and assist them with identifying eligible projects for GSS loans.

We continue to support the sector and promote best practice with our quarterly business updates, the annual shareholder borrower day, and economic updates for council and CCO members.

Lending to the sector

LGFA was established in 2011 to provide long-dated borrowing, certainty of access to markets and to reduce the borrowing costs for the local government sector. The original 31 shareholders including the Crown remain as shareholders. We now have 77 councils (all NZ councils but Chatham Islands) and seven CCOs as members. In the last six months Far North District Holdings Limited and Timaru District Holdings Limited joined as CCO members. There was no change to the 72 councils who are guarantors during the past six months.

Long-dated lending to council and CCO members over the six-month period was $2.1 billion provided to sixty-two council and CCO members. This was below our forecast lending for the period of approximately $2.5 billion. Our estimated market share of total council borrowing of 88% remains above the long-term average. The average tenor of long-dated borrowing by councils of 4.41 years over the six-month period was shorter than prior periods.

Short-dated lending for terms less than 12 months continues to be supported by councils. As at 31 December 2024, LGFA had $672 million of short-term loans outstanding to 39 council and CCO members.

LGFA has $22.155 billion of loans outstanding to 79 council and CCO borrowers as well as $742 million of standby facilities.

Our borrowing activity

LGFA issued NZ$1.63 billion of NZD bonds over the past six months and outstandings now total NZ$21.14 billion (including $1.4 billion of treasury stock) across eleven maturities ranging between 2025 to 2037. It is pleasing to note that the average term of our NZD bond issuance during the six month period at 6.8 years was significantly longer than the 2023-24 full year period of 5.93 years.

LGFA commenced issuing under our Australian Medium Term Note programme in August 2023 to diversify our funding sources. We have four bond maturities outstanding and during the six month period we successfully increased the amount on issue of the 2027 bond by A$500 million and the 2034 bond by A$350 million. Our A$ outstandings are now A$3.45 billion.

LGFA has the largest amount of New Zealand dollar (NZD) bonds on issue after the New Zealand Government and our individual bond tranches are amongst the largest and most liquid NZD debt instruments available for investors. Secondary market activity in our bonds continues to rise, assisting investors' access to our bonds throughout the year.

The performance of LGFA bonds over the past six months was heavily influenced by the significant amount of NZ Government Bond (NZGB) issuance. As would be expected with the large amount of NZGB issuance, LGFA spreads to NZGB have narrowed, but LGFA spreads to swap have widened. LGFA bond spreads to NZGB have narrowed on average by 5 bps but our spread to swap is wider on average by 25bps. The outright yields on LGFA bonds declined between 144 bps (2026s) and 27 bps (2037s) over the six-month period as the RBNZ eased monetary policy and short dated yields closed the six month period on their lows with the 2026 LGFA bond at 3.73% while the 2037 LGFA bond yield closed in the middle of the six month trading range at 5.09% on 31 December 2024.

Our role in assisting Local and Central Government

The local government sector continues to face a period of change and uncertainty having to deal with climate-related events, rising cost pressures and managing its waters assets during the reform process.

LGFA is assisting both Central Government and our council members with the Local Water Done Well Programme. In August 2024, we jointly announced with the Minister of Local Government that we would lend to water CCOs that are financially supported by their parent councils. In December 2024 we provided guidance on how we would lend to water CCOs.

LGFA shareholders approved changes to the Foundation Policies at the November 2024 Annual Meeting to allow the LGFA Board to grant a bespoke Net Debt/Total Revenue covenant up to 350%. This increase over the previous 280% level is intended to provide support to a small number of high growth councils if required.

LGFA continues to assist the local government sector-led initiative in developing a Ratepayer Assistance Scheme that may provide some financial relief to ratepayers.

We welcomed the announcement by the Minister of Local Government in November 2024 of the intention to extend and increase the Crown Liquidity Facility for LGFA.

New products and initiatives

We launched Green, Social and Sustainable (GSS) lending in October 2021 and Climate Action Loans (CALs) for councils and CCOs in December 2022. Both lending products offer discounted loan margins to councils and CCOs. As at 31 December 2024 we have undertaken $401.2 million of GSS Loans to six councils and $3.217 billion of CALs to seven councils and CCOs. We continue to work with council and CCO members to assist them with their eligibility for sustainable lending. Our sustainable loans now comprise 16.9% of our total long term loans to councils and CCOs.

In October 2024 we issued our second Sustainable Financing Bond (SFB) under our innovative SFB Framework. The $800 million May 2032 SFB was acknowledged at the 2024 KangaNews Awards for the NZD Rates Bond Deal and the NZ Sustainability Deal of the year.

We have been establishing a Euro Medium Term Notes (EMTN) Programme and intend to have this completed in early 2025. This will allow further diversification to our sources of foreign currency borrowing beyond the current Euro Commercial Paper (ECP) and Australian Dollar Medium Term Notes (AMTN) programmes.

Increasing focus on sustainability

Sustainability plays an important part within the local government sector and at LGFA. We have undertaken several initiatives over the past year, including maintenance of Net Carbon Zero certification from Toitū Envirocare, and actively marketing our GSS loan product. We published our second Annual Impact Review Report and our first report under the Climate Related Disclosure requirements for the Financial Year ending 30 June 2024.

Acknowledgments

The Agency's work cannot be implemented without the support of our Shareholders Council, board directors, staff, Central Government and LGNZ, all whose efforts are acknowledged.

We believe LGFA's future remains positive and look forward to working with our stakeholders to deliver value to our council and CCO members by providing ease of access to low cost, long dated financing.

Craig Stobo
Chair, LGFA Board

Mark Butcher
Chief Executive

Performance against objectives
Ko ngā whakatutukinga ki ngā whāinga

The statement of service performance provides a summary of LGFA's performance against the objectives and performance targets set out in the LGFA Statement of Intent 2024-27 (SOI)

2024-25 Objectives and performance targets

LGFA objectives and performance targets for 2024-25 fall within the following five strategic priorities which encompass our shareholders' foundation objectives and guide the LGFA Board and management in determining our strategy:

- Governance, capability and business practice
- Optimising financing services for local government
- Environmental and social responsibility
- Effective management of loans
- Industry leadership and engagement

Our quarterly reports to shareholders provide more detail on our performance against objectives and performance targets. The reports for the two quarters ended December 2024 are available on the LGFA website.

Governance, capability and business practice

LGFA is committed to best-practice corporate governance underpinned by sound business practice to ensure its long-term sustainability and success.

Objectives	Our performance to 31 December 2024
Demonstrate best-practice corporate governance.	LGFA is committed to best-practice corporate governance and we report annually on our compliance with the eight core principles underpinning the NZX Corporate Governance Best Practice Code. The 2024 Annual Report is the most recent report with commentary on our compliance with the NZX Code.
Set and model high standards of ethical behaviour.	LGFA has adopted a formal Code of Ethics, incorporating its Conflicts of Interest and Code of Conduct policies, which sets out the standards and values that directors and employees are expected to follow.
Achieve the shareholder-agreed objectives and performance targets specified in the Statement of Intent.	Our performance against shareholder-agreed objectives and performance targets, as specified in the Statement of Intent, is reported quarterly to shareholders and annually in this section of our Annual Report.
Ensure products and services offered to participating borrowers are delivered in a cost-effective manner.	LGFA prepares annual operating budgets and monitors progress against these. Our performance against our financial performance targets for the six months ended 31 December 2024 is summarised under each of the targets.
Be a good employer by providing safe working conditions, training and development and equal opportunities for staff.	LGFA is committed to being a good employer. We report our employment practices in our Annual Report. The 2024 Annual Report is our most recent report outlining our health and safety and wellbeing practices and policies, compliance with the Health and Safety at Work Act, diversity and inclusion and capability and development.

Performance targets	2024-2025 target	Our performance to 31 December 2024
Comply with the Shareholder Foundation Polices and the Board-approved Treasury Policy at all times.	No breaches.	Met.
Maintain LGFA's credit rating equal to the New Zealand Government sovereign rating where both entities are rated by the same Rating Agency.	LGFA credit ratings equivalent to NZ Sovereign.	Met.
A succession plan be put in place for the Board and staff and be reviewed annually.	Plan established. Staff plan shared with Board and Board Plan shared with Shareholders' Council.	On track.
LGFA's total operating income for the period to 30 June 2025.	>$31.4 million	On track. $16.4 million as at 31 December 2024.
LGFA's total operating expenses (excluding AIL) for the period to 30 June 2025.	<$11.5 million	On Track. $5.2 million as at 31 December 2024.

Waimea Community Dam in operation, August 2024. **Tasman District Council**

Optimising financing services for local government

LGFA's primary objective is to optimise the terms and conditions of the debt funding it provides to participating borrowers. Amongst other things, LGFA will achieve this by delivering operational best practice and efficiency across our lending products and services.

Objectives	How we measure our performance
Provide interest cost savings relative to alternative sources of financing.	LGFA's borrowing margins compare favourably to other high-grade issuers in the New Zealand capital markets.

Comparison to other high-grade NZD issuers – secondary market spread to swap (bps)

31 Dec 24	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2037
LGFA (AAA)	17	22	40	56	68	78	86	91	95	96	97	105
Kainga Ora (AAA)	19	24	31	48		63					88	
Asian Development Bank (AAA)	10	16	22	31			48					
IADB (AAA)	11	19	24	35		43						
International Finance Corp (AAA)	11	16	24	35	39							
KBN (AAA)	11	17	26			50						
Nordic Investment Bank (AAA)	10				35	40						
Rentenbank (AAA)	10		25		39							
World Bank (AAA)	11	15	23	27		42						
ASB (AA-)		29	51									
ANZ (AA-)				61								
BNZ (AA-)	23	32	51	72	89							
Westpac Bank (AA-)	25	30	52		88							
SSA Average	11	17	24	32	38	44	48					
Bank Average	24	30	51	67	89							

Offer flexible short and long-term lending products that meet the borrowing requirements for borrowers.	LGFA provides members with short term loans (less than one year), long term loans on either a floating or fixed rate basis (between one year and April 2037), Green Social and Sustainable Loans, Climate Access Loans and standby facilities. • Over the six months ended 31 December 2024, our members borrowed $2,186.7 billion in 184 long term loans with an average term of 4.2 years. • As at 31 December 2024 there was $663 million short-term loans outstanding to 39 members. • As at 31 December 2024, standby facilities totalled $742 million across 14 members.
Deliver operational best practice and efficiency for lending services.	Over the six months ended 31 December 2024, LGFA operations staff successfully: • settled 1,271 new trades with a gross value of $19 billion, • processed 8,842 cash flows with a gross value of $32 billion, and • rate set 6,630 existing trades.
Ensure certainty of access to debt markets, subject always to operating in accordance with sound business practice.	There was strong activity in LGFA bonds in both the primary market (tender or syndicated issuance) and secondary market (between banks and investors). Over the six months ended 31 December 2024, we issued NZD 1,535 million of NZD retail bonds across nine maturities, AUD 800 million of Medium-Term Notes and secondary market turnover in our NZD retail bonds totalled $8.78 billion.

Performance targets	2024-2025 target	Our performance to 31 December 2024
Share of aggregate long-term debt funding to the Local Government sector.	> 80%	Met. 87.7% as at 31 December 2024.
Total lending to Participating Borrowers.	> $23,957 million	Annual target. $22,342 million as at 31 December 2024.
Conduct an annual survey of Participating Borrowers who borrow from LGFA as to the value added by LGFA to the borrowing activities.	> 85% satisfaction score	Met. 94% score in December 2024 survey.
Successfully refinance existing loans to councils and LGFA bond maturities as they fall due.	100%	Met.
Meet all lending requests from Participating Borrowers, where those requests meet LGFA operational and covenant requirements.	100%	Met.

Environmental and social responsibility

LGFA recognises the risks inherent in climate change for councils and supports New Zealand's shift to a low-carbon economy. LGFA will exhibit a sense of social and environmental responsibility by having regard to the interests of the community in which it operates and by endeavouring to accommodate or encourage these when able to do so.

Objectives	Our performance to 31 December 2024
Assist the local government sector in achieving their sustainability and climate change objectives.	On 30 September 2024, LGFA published our second 'Annual Impact Report – Green, Social and Sustainability Loans and Climate Action Loans financed with Sustainable Financing Bonds'. This report provides information about the allocation of proceeds from LGFA's Sustainable Financing Bond issuance as at June 2024. Over the six months to December 2024, advances under existing GSS loans increased to $401.2 million out of an approved total value of $572.3 million. New Zealand's first Green Star rated swimming pool (Naenae Pool and Fitness Centre) was opened in December 2024, partly funded by a GSS loan. A further $471.2 million was advanced under the CAL lending programme. As at December 2024, we have approved CAL loans to seven councils, with CAL-qualifying loans totalling $3.218 billion.
Improve sustainability outcomes within LGFA.	In 2021, LGFA directors committed to reducing our carbon emissions over time, with our target of cutting per employee emissions by 30% by 2030, compared with a 2018/19 base year. We are on track to meet our reduction target for the 2024-25 year. In November 2024, a further highly experienced member was added to the Sustainability team.

Performance targets	2024-2025 target	Our performance to 31 December 2024
Comply with the Health and Safety at Work Act 2015.	No breaches.	Met.
Maintain Toitū Carbon Zero certification.	Carbon-zero certification maintained.	Met.
Meet reduction targets outlined in our carbon reduction management plan.	Reduction targets met.	Met.
Increase our GSS lending book and Climate Action Loans.	Two new GSS loans undertaken.	Not met. No new CAL borrowers or new GSS loan eligible projects approved.
Meet all mandatory climate reporting standards.	100%	Met.
Provide annual seminar for councils updating them on latest sustainability developments, climate change impact and LGFA reporting requirements.	One seminar for councils and CCOs.	On track. Seminar planning complete and dates confirmed with councils.

Effective management of loans

LGFA will ensure its loan book remains at a high standard by ensuring it understands each participating borrower's financial position and managing assets within an appropriate risk management framework to ensure shareholder value is not compromised.

Objectives	Our performance to 31 December 2024
Proactively monitor and review each Participating Borrower's financial position, including its financial headroom under LGFA policies. Analyse finances at the Council group level where appropriate and report to shareholders.	LGFA received compliance certificates in respect of the LGFA financial covenants from all council and CCO members with debt outstanding at June 2024. All councils and CCOs were compliant with their financial covenants. Seven certificates were provided from councils based upon unaudited financial statements. These will need to be verified once their annual reports are adopted. None of the 75 councils with debt as at 31 December 2024 has requested that its financial covenants be measured at group level.
Endeavour to meet each participating borrower annually, including meeting with elected officials as required, or if requested	LGFA conducted 50 meetings with council and CCO members in the six months ended December 2024.
Ensure a smooth transition of water-related loans if the Local Water Done Well Reforms progresses over forecast period.	LGFA provided guidance to councils on how LGFA can assist with the financing of different water models that are available to councils.

Performance targets	2024-2025 target	Our performance to 31 December 2024
Review each Participating Borrower's financial position.	100%	On Track.
Arrange to meet each Participating Borrower over a 15-month period, including meeting with elected officials as required, or if requested.	100%	Met.

Industry leadership and engagement

LGFA will take a proactive role to enhance the financial strength and depth of the local government debt market and will work with key central government and local government stakeholders on sector issues.

Objectives	Our performance to 31 December 2024
Take a proactive role to enhance the financial strength and depth of the local government debt market and work with key central government and local government stakeholders on sector and individual council issues.	Over the six months, LGFA conducted quarterly updates webinars as well as our annual Borrower Day in November which was well attended by members. LGFA has continued to provide input into the proposed Ratepayers Assistance Scheme.
Assist the local government sector with significant matters such as the Local Water Done Well Reforms and Future for Local Government	LGFA provided councils with guidance on how it will be able to assist the sector with their proposed models for managing water assets.
Maintain productive relationships with central government representatives.	LGFA continues to work closely with the Minister of Local Government, Treasury, and the Department of Internal Affairs, and their advisers, regarding Water Reforms.
Support councils and CCOs in the development of reporting disclosures of the impacts of sector activity on climate change.	LGFA has assisted individual councils with advice on emissions inventory reporting and promoting Climate Action Loans. LGFA has also encouraged councils to consider their own impacts and risks relating to climate change. During March 2025, LGFA will host four educational sessions to highlight importance of developing emissions reduction plans and an increasing focus on the sustainability of their new projects.

Performance targets	2024-2025 target	Our performance to 31 December 2024
Provide input into Local Water Done Well Legislation.	Provide feedback to DIA and Treasury during legislation drafting.	Met.
Provide quarterly updates to shareholders and borrowers on sector developments that are impacting LGFA.	Four quarterly updates to councils and CCOs.	Met.
Meet annually with Infrastructure Commission, Local Government New Zealand, Taituara, Water New Zealand, Infrastructure New Zealand, Crown Infrastructure Partners, Department of Internal Affairs, Treasury and Minister's office to discuss sector issues from an LGFA perspective.	Nine meetings across stakeholders.	On track.

Mills Street Stop Bank, Te Wai Takamori o Te Awa Kairangi. **Greater Wellington Regional Council**

Financial statements
Nga tauki pūtea

Income statement	11
Statement of comprehensive income	11
Statement of changes in equity	12
Statement of financial position	13
Statement of cash flows	14
Notes to the financial statements	15

Income statement

For the six months ended 31 December 2024 in $000s	Note	Unaudited six months ended 31 December 2024	Unaudited six months ended 31 December 2023
Interest income		683,225	578,134
Interest expense		668,958	568,323
Net interest income	4	**14,267**	**9,811**
Other operating income	5	753	753
Gains / (losses) on financial instruments	6	1,380	-
Total operating income		**16,400**	**10,564**
Operating expenses	7	**7,782**	**5,355**
Net operating profit		**8,617**	**5,209**

Statement of comprehensive income

For the six months ended 31 December 2024 in $000s	Note	Unaudited six months ended 31 December 2024	Unaudited six months ended 31 December 2023
Net operating profit		**8,617**	**5,209**
Items that may be re-classified subsequently to the Income Statement			
Net change in cash flow hedge reserve	8	(7,327)	-
Cost of hedging	8	8,091	-
Total comprehensive income		**9,381**	**5,209**

These statements are to be read in conjunction with the notes to the financial statements.

Due to rounding, numbers presented in the financial statements and associated notes may not add up precisely to the reported totals.

The Board of Directors of the New Zealand Local Government Funding Agency Limited authorised these statements for issue on 28 February 2025.

Craig Stobo, Director
Board Chair

Linda Robertson, Director
Chair, Audit and Risk Committee

Statement of changes in equity

For the six months ended 31 December 2024 in $000s

	Note	Share capital	Cash flow hedge reserve	Cost of hedging reserve	Retained earnings	Total equity
Equity as at 1 July 2023		**25,000**	**-**	**-**	**80,847**	**105,847**
Net operating profit					10,050	10,050
Other comprehensive income/(expense)			5,536	(6,531)		(995)
Total comprehensive income for the year			**5,536**	**(6,531)**	**10,050**	**9,055**
Transactions with owners					-	-
Dividend paid on 1 September 2023					(1,713)	(1,713)
Equity as at 1 July 2024		**25,000**	**5,536**	**(6,531)**	**89,185**	**113,190**
Net operating profit					8,617	8,617
Other comprehensive income/(expense)			(7,327)	8,091		763
Total comprehensive income for the year			**(7,327)**	**8,091**	**8,617**	**9,381**
Transactions with owners					-	-
Dividend paid on 2 September 2024					(1,843)	(1,843)
Equity as at 31 December 2024	19	**25,000**	**(1,791)**	**1,560**	**95,959**	**120,728**

Statement of financial position

As at 31 December 2024 in $000s

	Note	Unaudited as at 31 December 2024	Audited as at 30 June 2024
Assets			
Financial assets			
Receivables	9	3,270	378
Cash and cash equivalents		361,403	473,609
Cash pledged as collateral		97,960	251,605
Marketable securities		2,440,896	1,397,045
Deposits		961,149	718,493
Derivatives in gain		314,797	116,090
Loans to members	10	22,342,273	20,549,350
Other financial assets		-	-
Non-financial assets			
Other assets	11	1,747	1,245
Total assets		**26,523,496**	**23,507,816**
Equity			
Share capital	18	25,000	25,000
Current earnings		8,617	-
Reserves	8	(231)	(995)
Retained earnings		87,342	89,185
Total equity		**120,728**	**113,190**
Liabilities			
Financial liabilities			
Payables and provisions	12	60,927	9,609
Bond repurchases	15	273,958	58,302
Derivatives in loss		1,121,498	1,526,526
Debt securities issued:			
At amortised cost	13	23,272,327	20,490,507
At fair value through income statement	14	1,068,972	815,175
Borrower notes	16	603,005	492,614
Non financial liabilities			
Other liabilities	17	2,081	1,891
Total liabilities		**26,402,767**	**23,394,625**
Total equity and liabilities		**26,523,496**	**23,507,816**

These statements are to be read in conjunction with the notes to the financial statements.

Statement of cash flows

For the six months ended 31 December 2024 in $000s

	Note	Unaudited six months ended 31 December 2024	Unaudited six months ended 31 December 2023
Cash flows from operating activities			
Cash applied to loans	10	(1,712,402)	(2,407,840)
Interest paid on bonds issued		(362,576)	(243,566)
Interest paid on bills issued		(60,011)	(26,733)
Interest paid on borrower notes		(1,359)	(558)
Interest paid on bond repurchases		(5,067)	(5,303)
Interest received from loans		595,193	475,616
Interest received from cash & cash equivalents		15,551	12,273
Interest received from marketable securities		31,048	19,511
Interest received from deposits		24,482	16,943
Net interest on derivatives		(235,073)	(247,902)
Cash proceeds from provision of standby facilities		753	753
Payments to suppliers and employees		(8,640)	(6,011)
Net cash flows from operating activities	20	**(1,718,101)**	**(2,412,818)**
Cash flows from investing activities			
Purchase of marketable securities		(1,004,550)	(458,717)
(Purchase)/maturity of deposits		(82,122)	(458,062)
Net cash flows from investing activities		**(1,086,672)**	**(916,778)**
Cash flows from financing activities			
Cash proceeds from bonds issued	13,14	2,359,930	1,485,329
Cash proceeds (outflows) from bills issued	13,14	(88,884)	74,264
Cash proceeds (outflows) from bond repurchases		215,420	(168)
Cash proceeds from borrower notes		95,352	59,984
Dividends paid		(1,843)	(1,712)
Cash applied to derivatives		112,589	1,845,365
Net cash flows from financing activities		**2,692,564**	**3,463,063**
Net increase/(decrease) in cash		**(112,209)**	**133,467**
Foreign exchange gains / (losses) on cash balances		3	-
Net cash flows from all activities		**(112,206)**	**133,467**
Cash, cash equivalents at beginning of year		473,609	226,222
Cash, cash equivalents at end of year		**361,403**	**359,688**

These statements are to be read in conjunction with the notes to the financial statements.

Notes to the financial statements

1. Reporting entity

The New Zealand Local Government Funding Agency Limited (LGFA) is a company registered under the Companies Act 1993 and is subject to the requirements of the Local Government Act 2002.

LGFA is controlled by participating local authorities and is a council-controlled organisation as defined under section 6 of the Local Government Act 2002. LGFA is a limited liability company incorporated and domiciled in New Zealand.

The primary objective of LGFA is to optimise the debt funding terms and conditions for participating borrowers.

The registered address of LGFA is Level 11, City Chambers, 142 Featherston Street, Wellington Central, Wellington 6011.

These financial statements were authorised for issue by the Directors on 28 February 2025.

2. Statement of compliance

The interim financial statements are for the six months ended 31 December 2024 and are to be read in conjunction with the annual report for the year ended 30 June 2024.

The financial statements have been prepared in accordance with New Zealand Generally Accepted Accounting Practice (NZ GAAP) and in compliance with NZ IAS 34 Interim Financial Reporting.

3. Basis of preparation

MEASUREMENT BASE

The financial statements have been prepared on a historical cost basis modified by the revaluation of certain assets and liabilities.

The financial statements are prepared on an accrual basis.

FUNCTIONAL AND PRESENTATION CURRENCY

The financial statements are presented in New Zealand dollars rounded to the nearest thousand, unless separately identified. The functional currency of LGFA is New Zealand dollars.

FOREIGN CURRENCY CONVERSIONS

Transactions denominated in foreign currency are translated into New Zealand dollars using exchange rates applied on the trade date of the transaction.

CHANGES IN ACCOUNTING POLICIES

There have no changes to accounting policies.

EARLY ADOPTION STANDARDS AND INTERPRETATIONS

LGFA has not early adopted any standards.

STANDARDS NOT YET ADOPTED

LGFA does not consider any standards or interpretations in issue but not yet effective to have a significant impact on its financial statements.

FINANCIAL INSTRUMENTS

Financial assets

Financial assets, other than derivatives, are recognised initially at fair value plus transaction costs and subsequently measured at amortised cost using the effective interest rate method.

Cash and cash equivalents include cash on hand, bank accounts and deposits with an original maturity of no more than three months.

Cash provided by LGFA as security for financial arrangements remains a financial asset of LGFA and is recognised as cash pledged as collateral in the Statement of Financial Position, separate from cash and cash equivalents.

Purchases and sales of all financial assets are accounted for at trade date.

At each balance date, an expected credit loss assessment is performed for all financial assets and is calculated as either:

- Credit losses that may arise from default events that are possible within the next 12 months, where no significant increase in credit risk has arisen since acquisition of the asset, or
- Credit losses that may arise from default events that are possible over the expected life of the financial asset, where a significant increase in credit risk has arisen since acquisition of the asset.

Impairment losses on financial assets will ordinarily be recognised on initial recognition as a 12-month expected loss allowance and move to a lifetime expected loss allowance if there is a significant deterioration in credit risk since acquisition.

Financial liabilities

Financial liabilities, other than derivatives, are recognised initially at fair value less transaction costs and subsequently measured at either:

- Amortised cost and subsequently measured at amortised cost using the effective interest rate method; or
- Fair value through income statement (FVTIS).

LGFA chooses to classify financial liabilities as FVTIS if the use of the classification removes or significantly reduces an accounting mismatch. This classification includes debt issues that are designated at FVTIS where LGFA has economically hedged the foreign exchange and interest rate risk using derivatives, but hedge accounting is not applied. Any such classification is made on the date of initial recognition and is irrevocable.

OTHER ASSETS

Property, plant and equipment

Items of property, plant and equipment are initially recorded at cost.

Depreciation is charged on a straight-line basis at rates calculated to allocate the cost or valuation of an item of property, plant and equipment, less any estimated residual value, over its remaining useful life.

Intangible assets

Intangible assets comprise software and project costs incurred for the implementation of the treasury management system. Capitalised computer software costs are amortised on a straight-line basis over the estimated useful life of the software (three to seven years). Costs associated with maintaining computer software are recognised as expenses.

OTHER LIABILITIES

Employee entitlements

Employee entitlements to salaries and wages, annual leave and other similar benefits are recognised in the profit and loss when they accrue to employees.

Approved issuer levy

Approved Issuer Levy is a function of securities held by offshore holders of certain LGFA bond maturities.

REVENUE

Interest income

Interest income is accrued using the effective interest rate method.

The effective interest rate exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount. The method applies this rate to the principal outstanding to determine interest income each period.

EXPENSES

Expenses are recognised in the period to which they relate.

Interest expense

Interest expense is accrued using the effective interest rate method.

The effective interest rate exactly discounts estimated future cash payments through the expected life of the financial liability to that liability's net carrying amount. The method applies this rate to the principal outstanding to determine interest expense each period.

Income tax

LGFA is exempt from income tax under Section 14 of the Local Government Borrowing Act 2011.

Goods and services tax

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

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

The net GST paid to, or received from the IRD, including the GST relating to investing and financing activities, is classified as a net operating cash flow in the statement of cash flows.

Commitments and contingencies are disclosed exclusive of GST.

SEGMENT REPORTING

LGFA operates in one segment being funding of participating borrowers in New Zealand.

JUDGEMENTS AND ESTIMATIONS

The preparation of these financial statements requires judgements, estimates and assumptions that affect the application of policies and reported amounts. For example, the fair value of financial instruments depends critically on judgements regarding future cash flows, including inflation assumptions and the risk-free discount rate.

The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances. Actual results may differ from these estimates and these estimates and underlying assumptions are reviewed on an ongoing basis. Where these judgements significantly affect the amounts recognised in the financial statements they are described in the following notes.

Revenue and expenditure

4. Net interest income

in $000s	Unaudited six months ended 31 December 2024	Unaudited six months ended 31 December 2023
Cash and cash equivalents	15,624	16,804
Cash pledged as collateral	3,033	-
Marketable securities	47,092	33,313
Deposits	28,338	20,237
Derivatives	-	-
Loans	589,138	507,780
Total interest income	**683,225**	**578,134**
Interest expense		
Bills	80,660	26,733
Bond repurchase transactions	5,303	5,415
Lease liability	73	17
Derivatives	147,176	227,217
Bonds	422,351	298,564
Borrower notes	13,396	10,377
Total interest expense	**668,958**	**568,323**
Net interest income	**14,267**	**9,811**

5. Other operating income

As at 31 December 2024, LGFA had provided standby facilities totalling $742 million (2023: $747 million) to selected councils. As at balance date, there were no drawdowns outstanding under the facilities.

in $000s	Unaudited six months ended 31 December 2024	Unaudited six months ended 31 December 2023
Standby facilities fee income	753	753
Total other operating income	**753**	**753**

6. Gains / (losses) on financial instruments

Gains and losses on financial instruments primarily represents any hedge ineffectiveness of derivatives, as well as any revaluation on instruments accounted for at fair value through the profit and loss.

7. Operating expenses

Issuance and on-lending expenses are those costs that are incurred as a necessary expense to facilitate the ongoing issuance of LGFA debt securities.

in $000s	Unaudited six months ended 31 December 2024	Unaudited six months ended 31 December 2023
Issuance & onlending expenses		
Approved issuer levy [1]	2,540	541
Rating agency fees	372	343
NZDM facility fee	542	750
Legal fees - issuance	306	502
NZX	442	402
Trustee fees	59	56
Regulatory, registry, other fees	213	184
	4,475	**2,779**
Other operating expenses		
Information technology	485	360
Consultants	150	131
Directors fees	263	249
Insurance	53	49
Legal fees	104	23
Other expenses	354	204
Auditors' remuneration		
Statutory audit	-	60
Advisory services	-	-
Personnel	1,899	1,500
	3,308	**2,577**
Total operating expenses	**7,782**	**5,355**

1. The amount of Approved Issuer Levy is a function of securities held by offshore holders of certain LGFA bond maturities.

8. Hedge accounting

LGFA uses derivatives to establish economic hedges to manage its interest rate and foreign exchange risk. LGFA's risk management strategy with respect to hedge accounting is to minimise income statement volatility.

Hedge accounting is implemented to manage the following risks:

- Interest rate risk due to a mismatch between fixed and floating interest rates on assets and liabilities; and
- Combined risk on assets or liabilities with interest rate risk that are denominated in currencies other than New Zealand dollars.

FAIR VALUE HEDGE

Under a fair value hedge, the hedged item is revalued at fair value in respect of the hedged risk. This revaluation is recognised in the Statement of comprehensive income to offset the mark-to-market revaluation of the hedging derivative, except for any adjustment on the hedging derivative relating to credit risk.

CASH FLOW HEDGE

Under a cash flow hedge, the effective portion of gains or losses from remeasuring the fair value of the hedging instrument is recognised in Other Comprehensive Income and accumulated in the cash flow hedge reserve. Accumulated gains or losses are subsequently transferred to the Consolidated Income Statement when the hedged item affects the Income statement, or when the hedged item is a forecast transaction that is no longer expected to occur.

Any future gains or losses will be processed through the hedge equity reserves as long as the existing cash flow hedge relationships remain effective.

A reconciliation of the cash flow reserve is shown in the following table:

	Unaudited as at 31 December 2024	Audited as at 30 June 2024
Opening balance at 1 July	(6,531)	-
Changes in cash flow hedges	8,091	(6,531)
Closing balance	1,560	(6,531)

COST OF HEDGING

The cost of hedging reserve captures changes in the fair value of the cost to convert foreign currency to NZD of LGFA's cross currency interest rate swaps on the AUD bonds.

A reconciliation of movements in the cost of hedging reserve is shown in the table below:

	Unaudited as at 31 December 2024	Audited as at 30 June 2024
Opening balance at 1 July	5,536	-
Change in currency basis spreads	(7,327)	5,536
Closing balance	(1,791)	5,536

HEDGING INSTRUMENTS

	Life to date values as at 31 December 2024		
	Carrying amount of the hedging instrument		
in $000s	Nominal amount of hedging instrument	Asset / (liability)	Change in value for hedge ineffectiveness
Fair value hedges			
Interest rate swaps – domestic bonds hedge	16,446,000	(441,216)	(441,216)
Interest rate swaps – loans hedge	1,083,000	(21,778)	(21,778)
Interest rate swaps – marketable securities hedge	1,101,850	(7,896)	(7,896)
Fair value and cash flow hedges			
Fair value hedges – foreign currency	AUD 3,450,000	32,731	32,731
Cash flow hedges – foreign currency	NZD 3,746,630	74,120	74,120

in $000s	Life to date values as at 30 June 2024 Carrying amount of the hedging instrument Nominal amount of hedging instrument	Asset / (liability)	Change in value for hedge ineffectiveness
Fair value hedges			
Interest rate swaps – domestic bonds hedge	15,228,000	(1,007,019)	(1,007,019)
Interest rate swaps – loans hedge	700,200	25,510	25,510
Interest rate swaps – marketable securities hedge	611,480	5,917	5,917
Fair value and cash flow hedges			
Fair value hedges – foreign currency	AUD 2,650,000	(6,381)	(6,381)
Cash flow hedges – foreign currency	NZD 2,861,000	35,271	35,271

in $000s	Year to date values recognised during the six months to 31 December 2024 Hedge effectiveness in reserves Cost of hedging reserve	Cash flow hedge (OCI)	Cash flow hedge reclassified to income statement	Hedge effectiveness Fair value hedge recognised in Income statement	Hedge effectiveness Recognised in Income Statement
Fair value hedges					
Interest rate swaps – domestic bonds hedge	-	-	-	561,300	-
Interest rate swaps – loans hedge	-	-	-	(33,406)	-
Interest rate swaps – marketable securities hedge	-	-	-	(23,191)	-
Fair value and cash flow hedges					
Fair value hedges – foreign currency				(42,783)	
Cash flow hedges – foreign currency	(8,091)	7,327	(26,365)	-	(777)

in $000s	Year to date values recognised during the year ended 30 June 2024 Hedge effectiveness in reserves Cost of hedging reserve	Cash flow hedge (OCI)	Cash flow hedge reclassified to income statement	Hedge effectiveness Fair value hedge recognised in Income statement	Hedge effectiveness Recognised in Income Statement
Fair value hedges					
Interest rate swaps – domestic bonds hedge	-	-	-	333,352	-
Interest rate swaps – loans hedge	-	-	-	(12,340)	-
Interest rate swaps – marketable securities hedge	-	-	-	(16,956)	-
Fair value and cash flow hedges					
Fair value hedges – foreign currency	-	-	-	6,381	-
Cash flow hedges – foreign currency	6,531	(5,536)	(34,497)	-	(859)

9. Receivables

in $000s	Unaudited as at 31 December 2024	Audited as at 30 June 2024
Borrower notes to be received	3,000	-
Trade debtors	270	378
Total receivables	**3,270**	**378**

10. Loans

in $000s	Unaudited as at 31 December 2024		Audited as at 30 June 2024	
	Short-term loans	Loans	Short-term loans	Loans
Ashburton District Council	7,023	119,633	12,062	119,743
Auckland Council	-	3,648,723	-	3,655,028
Bay of Plenty Regional Council	87,765	225,706	50,506	219,044
Buller District Council	-	20,025	-	20,037
Canterbury Regional Council	8,631	96,451	5,085	92,416
Carterton District Council	-	24,804	-	24,839
Central Hawkes Bay District Council	3,081	45,444	5,132	39,401
Central Otago District Council	5,016	35,549	5,019	30,450
Christchurch City Council	-	2,701,904	-	2,511,678
Clutha District Council	13,526	121,410	11,585	108,398
Dunedin City Treasury	-	322,711	-	293,104
Far North District Council	25,167	115,823	32,703	90,518
Far North Holdings Ltd	53,945	15,928	-	-
Gisborne District Council	9,909	164,853	-	174,991
Gore District Council	8,543	46,937	8,554	46,998
Greater Wellington Regional Council	-	1,048,847	-	941,217
Grey District Council	3,964	31,802	3,972	28,807
Hamilton City Council	-	1,009,763	-	950,852
Hastings District Council	-	476,033	-	397,160
Hauraki District Council	-	124,078	-	101,092
Hawkes Bay Regional Council	6,010	105,743	-	110,708
Horizons Regional Council	9,938	62,001	9,906	62,026
Horowhenua District Council	21,086	192,591	21,199	182,674
Hurunui District Council	10,018	67,679	10,067	57,666
Hutt City Council	-	598,065	-	515,520
Infrastructure Holdings Ltd	9,886	109,481	9,989	104,463
Invercargill City Council	29,569	116,398	47,502	104,262
Invercargill City Holdings Ltd	-	-	48,252	48,403
Kaikoura District Council	-	9,382	-	7,374

in $000s	Unaudited as at 31 December 2024		Audited as at 30 June 2024	
	Short-term loans	Loans	Short-term loans	Loans
Kaipara District Council	-	44,432	-	54,639
Kapiti Coast District Council	-	358,442	-	323,722
Kawerau District Council	-	6,075	-	4,051
Mackenzie District Council	4,017	19,298	4,040	16,257
Manawatu District Council	11,580	85,923	13,014	83,139
Marlborough District Council	14,613	231,633	14,694	190,067
Masterton District Council	-	62,254	-	63,357
Matamata-Piako District Council	-	72,173	-	66,201
Napier City Council	-	55,365	-	20,191
Nelson City Council	-	282,144	-	262,320
New Plymouth District Council	-	363,598	10,117	293,577
Northland Regional Council	-	24,743	-	24,741
Opotiki District Council	7,077	10,591	-	12,595
Otago Regional Council	44,337	104,048	35,739	104,122
Otorohanga District Council	10,119	2,019	9,110	-
Palmerston North City Council	-	311,476	-	273,466
Porirua City Council	-	334,754	-	269,807
Queenstown Lakes District Council	94,395	595,005	76,334	575,080
Rangitikei District Council	-	44,392	-	44,358
Rotorua District Council	-	468,875	1,889	448,948
Ruapehu District Council	10,044	54,198	8,050	50,214
Selwyn District Council	15,103	201,681	20,035	166,778
South Taranaki District Council	-	150,467	-	140,634
South Waikato District Council	-	44,408	-	44,469
Southland District Council	-	76,460	-	36,153
South Wairarapa District Council	11,161	19,115	8,190	27,166
Stratford District Council	-	38,931	-	36,908
Taranaki Regional Council	984	52,946	-	31,780
Tararua District Council	-	78,642	-	69,986
Tasman District Council	21,909	343,146	25,379	325,787
Taupo District Council	-	180,504	-	165,543
Tauranga City Council	-	1,278,181	-	1,050,800
Thames-Coromandel District Council	-	91,952	-	84,003
Timaru District Council	17,331	219,776	19,340	202,822
Timaru District Holdings Ltd	8,018	-	-	-
Upper Hutt City Council	-	204,904	-	180,900
Waikato District Council	-	242,171	-	207,254
Waikato Regional Council	-	39,384	-	32,384

in $000s	Unaudited as at 31 December 2024		Audited as at 30 June 2024	
	Short-term loans	Loans	Short-term loans	Loans
Waimakariri District Council	-	242,081	-	202,169
Waimate District Council	-	5,046	-	3,541
Waipa District Council	25,529	363,561	15,009	313,011
Wairoa District Council	-	11,134	-	11,100
Waitaki District Council	13,331	73,166	7,483	64,158
Waitomo District Council	6,025	27,208	6,103	27,246
Wellington City Council	-	1,655,158	-	1,595,914
West Coast Regional Council	2,989	14,715	2,986	14,715
Western Bay Of Plenty District Council	-	151,509	10,009	106,249
Westland District Council	4,508	32,628	4,713	32,666
Whakatane District Council	10,106	175,175	6,011	149,114
Whanganui District Council	7,569	198,853	7,560	176,878
Whangarei District Council	9,934	267,399	9,922	257,756
Fair value hedge adjustment		9,011	-	(25,510)
	663,756	**21,678,517**	**597,257**	**19,952,093**

Short-terms loans are loans that have a term to maturity of less than 12 months at origination. Loans have a term to maturity greater than 12 months at origination. As at 31 December 2024, all short term loans and $2,756 million of loans will mature within 12 months.

11. Other assets

in $000s	Unaudited as at 31 December 2024	Audited as at 30 June 2024
Prepayments	1,374	987
Right-of-use lease asset	374	258
Total other assets	**1,747**	**1,245**

12. Payables and provisions

in $000s	Unaudited as at 31 December 2024	Audited as at 30 June 2024
Loans/purchases to be advanced	60,000	8,190
Trade creditors	521	1,170
Credit provision	406	249
Total payables	**60,927**	**9,609**

13. Debt securities issued at amortised cost

Unaudited as at 31 December 2024 in $000s	Face Value	Unamortised premium	Accrued interest	Fair value hedge adjustment	Total
NZD Fixed interest bonds					
15 April 2025	2,719,000	(8,573)	16,023		2,726,450
15 April 2026	2,755,000	(53,508)	8,855		2,710,348
15 April 2027	2,321,000	37,448	22,381		2,380,829
15 May 2028	1,693,000	(66,347)	4,946		1,631,599
20 April 2029	1,992,000	(101,686)	5,992		1,896,306
15 May 2030	1,960,000	(42,677)	11,451		1,928,774
15 May 2031	2,195,000	(221,443)	6,412		1,979,969
14 May 2032	650,000	(4,083)	3,878		649,795
14 April 2033	1,735,000	(18,925)	13,179		1,729,254
15 May 2035	590,000	(32,513)	2,298		559,785
15 April 2037	1,130,000	(130,769)	4,843		1,004,074
Fair value hedge adjustment				(445,719)	(445,719)
	19,740,000	**(643,076)**	**100,260**	**(445,719)**	**18,751,464**
AUD Fixed interest bonds					
8 September 2027	1,103,666	(2,405)	15,427		1,116,688
1 August 2028	1,103,666	(2,228)	21,566		1,123,004
28 November 2030	717,383	(2,275)	3,436		718,544
8 March 2034	882,932	(6,710)	14,024		890,247
	3,807,646	**(13,619)**	**54,454**	**-**	**3,848,482**
Total Fixed interest bonds	**23,547,646**	**(656,695)**	**154,714**	**(445,719)**	**22,599,946**
NZD Bills					
15 January 2025	220,000	-	(398)		219,602
30 January 2025	20,000	-	(83)		19,917
5 February 2025	70,000	-	(307)		69,693
13 February 2025	80,000	-	(402)		79,598
18 February 2025	20,000	-	(116)		19,884
27 February 2025	20,000	-	(136)		19,864
7 March 2025	105,000	-	(785)		104,215
20 March 2025	58,000	-	(524)		57,476
24 March 2025	25,000	-	(237)		24,763
7 May 2025	25,000	-	(363)		24,637
Total NZD Bills	**643,000**	**-**	**(3,350)**		**639,650**
Total debt securities issued at amortised cost	**24,190,646**	**(656,695)**	**151,364**	**(445,719)**	**23,239,596**

Audited as at 30 June 2024 in $000s	Face Value	Unamortised premium	Accrued interest	Fair value hedge adjustment	Total
NZD Fixed interest bonds					
15 April 2025	2,719,000	(23,467)	15,731		2,711,264
15 April 2026	2,755,000	(73,596)	8,694		2,690,098
15 April 2027	2,261,000	46,176	21,405		2,328,581
15 May 2028	1,653,000	(72,604)	4,750		1,585,146
20 April 2029	1,932,000	(103,640)	5,701		1,834,061
15 May 2030	1,660,000	(45,881)	9,321		1,623,439
15 May 2031	2,095,000	(222,442)	6,020		1,878,578
14 April 2033	1,605,000	(6,347)	11,972		1,610,625
15 May 2035	550,000	(27,458)	2,107		524,649
15 April 2037	960,000	(84,540)	4,039		879,499
Fair value hedge adjustment				(1,013,400)	(1,013,400)
	18,190,000	**(613,800)**	**89,741**	**(1,013,400)**	**16,652,540**
AUD Fixed interest bonds					
8 September 2027	546,456	(1,140)	7,514		552,830
1 August 2028	1,092,912	(3,193)	21,309		1,111,028
28 November 2030	710,393	(1,560)	3,347		712,180
8 March 2034	546,456	(4,451)	8,538		550,543
	2,896,217	**(10,344)**	**40,708**	**-**	**2,926,581**
Total Fixed interest bonds	**21,086,217**	**(624,144)**	**130,449**	**(1,013,400)**	**19,579,121**
NZD Bills					
5 July 2024	25,000	-	(15)		24,985
12 July 2024	130,000	-	(171)		129,829
19 July 2024	190,000	-	(489)		189,511
1 August 2024	55,000	-	(252)		54,748
7 August 2024	40,000	-	(225)		39,775
16 August 2024	50,000	-	(338)		49,662
29 August 2024	20,000	-	(181)		19,819
6 September 2024	75,000	-	(749)		74,251
18 September 2024	55,000	-	(659)		54,341
26 September 2024	50,000	-	(666)		49,334
2 October 2024	25,000	-	(348)		24,652
7 October 2024	40,000	-	(587)		39,413
6 November 2024	25,000	-	(481)		24,519
4 December 2024	55,000	-	(1,292)		53,708
19 December 2024	85,000	-	(2,158)		82,842
Total NZD Bills	**920,000**	**-**	**(8,614)**		**911,386**
Total debt securities issued at amortised cost	**22,006,217**	**(624,144)**	**121,836**	**(1,013,400)**	**20,490,507**

14. Debt securities issued at fair value through income statement

Unaudited as at 31 December 2024 in $000s	Face Value	Unamortised premium	Accrued interest	Fair value hedge adjustment	Total
USD Euro Commercial Paper	1,075,880		(7,329)	422	**1,068,972**

As at 30 June 2024 in $000s	Face Value	Unamortised premium	Accrued interest	Fair value hedge adjustment	Total
USD Euro Commercial Paper	835,052	-	(14,303)	(5,574)	**815,175**

15. Treasury stock and bond repurchases

Periodically, LGFA subscribes for LGFA bonds as part of its tender process and holds these bonds as treasury stock. LGFA bonds held by LGFA as treasury stock are derecognised at the time of issue and no liability is recognised in the statement of financial position. As at 31 December 2024, $1,400 million of LGFA bonds had been subscribed as treasury stock.

LGFA makes these treasury stock bonds available to banks authorised as its tender counterparties to borrow under short-term repurchase transactions. The objective of the bond lending facility is to assist with improving secondary market liquidity in LGFA bonds. Bonds lent to counterparties are disclosed as a separate stock lending liability on the face of the statement of financial position.

in $000s	Unaudited as at 31 December 2024	Audited as at 30 June 2024
15 April 2026	4,877	-
15 May 2028	57,753	-
15 May 2030	72,641	58,302
15 May 2031	2,620	-
14 May 2032	41,614	-
14 April 2033	44,893	-
15 April 2037	49,560	-
	273,958	**58,302**

16. Borrower notes

Borrower notes are subordinated debt instruments which are required to be held by each local authority that borrows from LGFA in an amount equal to a fixed percentage of the aggregate borrowings by that local authority. The fixed percentage is 5% for loans issued from 1 July 2024. Prior to this date, the fixed percentage was 2.5% for loans issued from 1 July 2020, and 1.6% for all loans issued prior to this date.

LGFA may convert borrower notes into redeemable shares if it has made calls for all unpaid capital to be paid in full and the LGFA Board determines it is still at risk of imminent default.

17. Other liabilities

in $000s	Unaudited as at 31 December 2024	Audited as at 30 June 2024
Lease liability		258
Accruals	2,081	1,633
Total other liabilities	**2,081**	**1,891**

Capital and dividends

18. Share capital

As at 31 December 2024, LGFA had 45 million ordinary shares on issue, 20 million of which remain uncalled.

All ordinary shares rank equally with one vote attached to each ordinary share. Ordinary shares have a face value of $1 per share.

19. Shareholder information

Registered holders of equity securities	As at 31 December 2024		As at 30 June 2024	
Minister of Finance and Minister for Local Government	5,000,000	11.1%	5,000,000	11.1%
Auckland Council	3,731,960	8.3%	3,731,960	8.3%
Christchurch City Council	3,731,960	8.3%	3,731,960	8.3%
Hamilton City Council	3,731,960	8.3%	3,731,960	8.3%
Bay of Plenty Regional Council	3,731,958	8.3%	3,731,958	8.3%
Greater Wellington Regional Council	3,731,958	8.3%	3,731,958	8.3%
Tasman District Council	3,731,958	8.3%	3,731,958	8.3%
Tauranga City Council	3,731,958	8.3%	3,731,958	8.3%
Wellington City Council	3,731,958	8.3%	3,731,958	8.3%
Western Bay of Plenty District Council	3,731,958	8.3%	3,731,958	8.3%
Whangarei District Council	1,492,784	3.3%	1,492,784	3.3%
Hastings District Council	746,392	1.7%	746,392	1.7%
Marlborough District Council	400,000	0.9%	400,000	0.9%
Selwyn District Council	373,196	0.8%	373,196	0.8%
Gisborne District Council	200,000	0.4%	200,000	0.4%
Hauraki District Council	200,000	0.4%	200,000	0.4%
Horowhenua District Council	200,000	0.4%	200,000	0.4%
Hutt City Council	200,000	0.4%	200,000	0.4%
Kapiti Coast District Council	200,000	0.4%	200,000	0.4%
Manawatu District Council	200,000	0.4%	200,000	0.4%
Masterton District Council	200,000	0.4%	200,000	0.4%
New Plymouth District Council	200,000	0.4%	200,000	0.4%
Otorohanga District Council	200,000	0.4%	200,000	0.4%
Palmerston North District Council	200,000	0.4%	200,000	0.4%
South Taranaki District Council	200,000	0.4%	200,000	0.4%
Taupo District Council	200,000	0.4%	200,000	0.4%
Thames - Coromandel District Council	200,000	0.4%	200,000	0.4%
Waimakariri District Council	200,000	0.4%	200,000	0.4%
Waipa District Council	200,000	0.4%	200,000	0.4%
Whakatane District Council	200,000	0.4%	200,000	0.4%
Whanganui District Council	200,000	0.4%	200,000	0.4%
	45,000,000	**100%**	**45,000,000**	**100%**

20. Reconciliation of net profit to net cash flow from operating activities

in $000s	Unaudited six months ended 31 December 2024	Unaudited six months ended 31 December 2023
Net profit/(loss) for the period	8,617	5,209
Cash applied to loans	(1,712,402)	(2,407,840)
Non-cash adjustments		
Financial instrument amortisation	(13,387)	(15,692)
Working capital movements	(929)	172
Net Cash From Operating Activities	**(1,718,101)**	**(2,412,818)**

21. Related parties

IDENTITY OF RELATED PARTIES

LGFA is related to the local authorities set out in the Shareholder Information in note 19.

LGFA operates under an annual Statement of Intent that sets out the intentions and expectations for LGFA's operations and lending to participating borrowers.

Shareholding local authorities, and non-shareholder local authorities who borrow more than $20 million, are required to enter into a guarantee when they join or participate in LGFA. The guarantee is in respect of the payment obligations of other guaranteeing local authorities to the LGFA (cross guarantee) and of the LGFA itself.

RELATED PARTY TRANSACTIONS

LGFA was established for the purpose of raising funds from the market to lend to participating borrowers. The lending to individual councils is disclosed in note 10, and interest income recognised on this lending is shown in the statement of comprehensive income.

The purchase of LGFA borrower notes by participating borrowers. Refer note 16.

The Treasury (New Zealand Debt Management) provides LGFA with a committed credit facility and is a derivatives counterparty.

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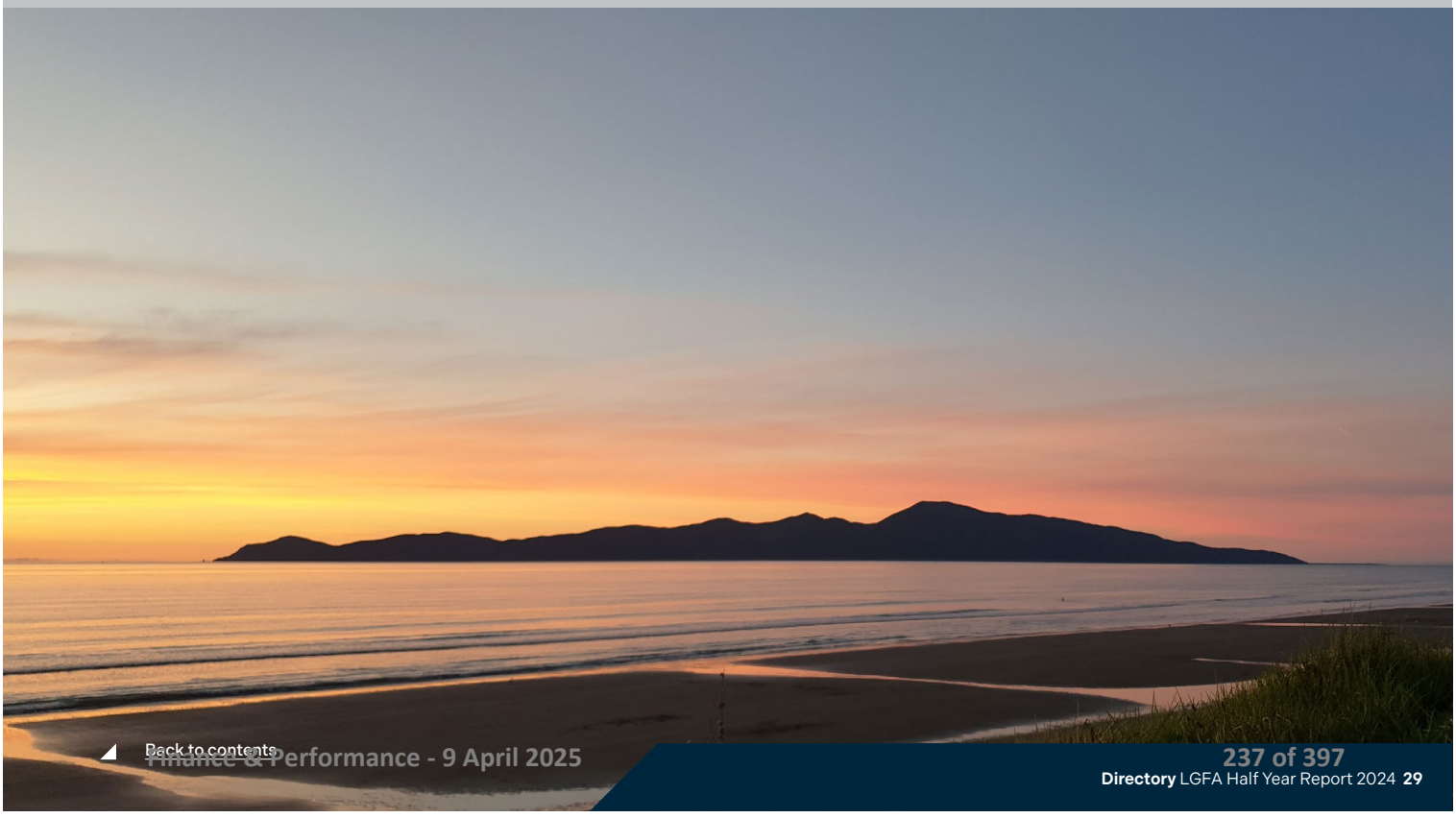

LGFA New Zealand Local Government Funding Agency Te Pūtea Kāwanatanga ā-rohe

2025-2028
Statement of Intent
DRAFT

New Zealand Local Government Funding Agency
Te Pūtea Kāwanatanga ā-rohe

1. Introduction

This Statement of Intent (SOI) sets out the nature and scope of the activities, objectives, and performance targets for the New Zealand Local Government Funding Agency Limited (LGFA) for the three-year period 1 July 2025 to 30 June 2028.

LGFA is enabled under the Local Government Borrowing Act 2011 and is a council-controlled organisation (CCO) for the purposes of the Local Government Act 2002.

The SOI is prepared in accordance with section 64(1) of the Local Government Act 2002.

2. Nature and scope of activities

LGFA raises debt funding for the purpose of providing debt financing to New Zealand local authorities and CCOs (members).

In August 2024, LGFA confirmed that it will provide financing to support water CCOs established under Local Water Done Well.

LGFA may raise debt funding either domestically and/or offshore in either NZ dollars or foreign currency.

LGFA only lends to members that have completed required relevant legal and operational arrangements and comply with the LGFA's lending policies.

In addition, LGFA may undertake any other activities considered by the LGFA Board to be reasonably related, incidentally to, or in connection with, that business.

3. Our purpose
Ta tatou kaupapa

Benefiting local communities through delivering efficient financing for local government.
Ka whiwhi painga ngā hapori mā te whakarato pūtea tōtika ki ngā kaunihera.

4. Our values
Ō mātau uara

We act with integrity E pono ana mātau	We are customer focused E arotahi ana mātau ki te kiritaki	We strive for excellence E whakapau kaha mātau kia hiranga te mahi	We provide leadership He kaiārahi mātau	We are innovative He auaha mātau
We are honest, transparent and are committed to doing what is best for our customers and our company.	Our customers are our borrowers, investors, and all other organisations that we deal with. We listen to them and act in their best interests to deliver results that make a positive difference	We strive to excel by delivering financial products and services that are highly valued at least cost while seeking continuous improvement in everything we do.	We are here for our stakeholders in being strategically minded, providing resilience and executing our strategy. We embrace a high-performance culture and can be relied upon to deliver results.	To meet our ever-changing customer requirements, we will encourage innovation and provide a diverse range of financial products and services.

5. Foundation objectives

The Shareholders' Agreement is a foundation document and states that, in accordance with the Local Government Act, in carrying on its business the objectives of the Company will be to:

(a) achieve the objectives of the Shareholders (both commercial and non-commercial) as specified in the Statement of Intent. The Shareholders agree that the Company shall carry on its business with a view to making a profit sufficient to pay a dividend in accordance with the Dividend Policy, but that the primary objective of the Shareholders with respect to the Company is that it optimises the terms and conditions of the debt funding it provides to Participating Local Authorities;

(b) be a good employer;

(c) exhibit a sense of social and environmental responsibility by having regard to the interests of the community in which it operates and by endeavouring to accommodate or encourage these when able to do so; and

(d) conduct its affairs in accordance with sound business practice.

This Statement of Intent sets out the company's strategic priorities, together with associated objectives and performance targets, which align with the foundation objectives and have been agreed with shareholders.

6. Strategic priorities

The following five strategic priorities encompass the foundation objectives and guide the LGFA Board and management in determining our strategy, objectives, and associated performance targets.

Governance, capability, and business practice

LGFA is committed to best-practice corporate governance underpinned by sound business practice to ensure its long-term sustainability and success.

Optimising financing services for local government

LGFA's primary objective is to optimise the terms and conditions of the debt funding it provides to its members. Amongst other things, LGFA will achieve this by delivering operational best practice and efficiency across our lending products and services.

Environmental and social responsibility

LGFA recognises the risks inherent in climate change for councils and supports New Zealand's shift to a low-carbon economy. LGFA will exhibit a sense of social and environmental responsibility by having regard to the interests of the community in which it operates and by endeavouring to accommodate or encourage these when able to do so.

Effective management of loans

LGFA will ensure its loan book remains at a high standard by ensuring it understands each member's financial position and managing assets within an appropriate risk management framework to ensure shareholder value is not compromised.

Industry leadership and engagement

LGFA will take a proactive role to enhance the financial strength and depth of the local government debt market and will work with key central government and local government stakeholders on sector issues.

7. Objectives and performance targets

This section sets out LGFA's objectives and performance targets for SOI 2025-2028.

The financial performance targets are focused on the 2025-2026 year and, as applicable, are based on the financial forecasts outlined in section 8.

Governance, capability, and business practice

Objectives	How we measure our performance
LGFA will:	
Demonstrate best-practice corporate governance.	The Annual Report outlines our compliance with the eight core principles underpinning the NZX Corporate Governance Best Practice Code.
Set and model high standards of ethical behaviour.	LGFA has adopted a formal Code of Ethics, incorporating its Conflicts of Interest and Code of Conduct policies, which sets out the standards and values that directors and employees are expected to follow.
Achieve the shareholder-agreed objectives and performance targets specified in this Statement of Intent.	LGFA reports performance against objectives quarterly to shareholders and in our Annual Report, Half Year Report and Climate-Related Disclosures.
Ensure products and services offered to participating borrowers are delivered in a cost-effective manner.	LGFA prepares annual operating budgets and monitors progress against these monthly. Financial performance is reported quarterly to shareholders and in our Annual and Half Year Reports.
Be a good employer by providing safe working conditions, training and development and equal opportunities for staff	The Annual Report reports on our health and safety and wellbeing practices and policies, compliance with the Health and Safety at Work Act, diversity and inclusion and capability and development.

Performance targets	2025-2026 target
Comply with the Shareholder Foundation Polices and the Board-approved Treasury Policy at all times.	No breaches
Maintain LGFA's credit rating equal to the New Zealand Government sovereign rating where both entities are rated by the same Rating Agency.	LGFA credit ratings equivalent to NZ Sovereign.
LGFA's total operating income, excluding unrealised gains / (losses) on financial instruments, for the period to 30 June 2026.	>$44.9 million
LGFA's total operating expenses (excluding Approved Issuer Levy) for the period to 30 June 2026.	<$11.9 million

Optimising financing services for local government

Objectives	How we measure our performance
LGFA will:	
Provide interest cost savings relative to alternative sources of financing.	Measure LGFA issuance spreads against other high-grade issuers in the New Zealand domestic capital markets.
Offer flexible short and long-term lending products that meet the borrowing requirements for borrowers.	Measure LGFA's share of overall council borrowing. Survey participating borrowers on an annual basis.
Deliver operational best practice and efficiency for lending services.	Monitor settlements errors for new trades and cashflows. Survey participating borrowers on an annual basis.
Ensure certainty of access to debt markets, subject always to operating in accordance with sound business practice.	Maintain a vibrant primary and secondary market in LGFA bonds. Monitor participation by investors at our tenders through bid-coverage ratios and successful issuance yield ranges.

Performance targets	2025-2026 target
Share of aggregate long-term debt funding to the Local Government sector.	> 80%
Conduct an annual survey of Participating Borrowers who borrow from LGFA as to the value added by LGFA to the borrowing activities.	> 85% satisfaction score
Successfully refinance existing loans to councils and LGFA bond maturities as they fall due.	100%

Meet all lending requests from Participating Borrowers, where those requests meet LGFA operational and covenant requirements.	100%

Environmental and social responsibility

Objectives	How we measure our performance
LGFA will:	
Assist the local government sector in achieving their sustainability and climate change objectives.	LGFA is committed to assist borrowers financing of projects that promote environmental and social wellbeing in New Zealand, and to encourage a reduction in greenhouse gas emissions and increase climate-resilience amongst borrowers. We do this through the development of lending products such as Green, Social & Sustainability (GSS) loans and Climate Action Loans (CALs). This objective will be measured by the number of new GSS loans and the number of new members eligible for CALs.
Improve sustainability outcomes within LGFA.	LGFA is committed to reducing our carbon emissions, increasing our resilience to climate change, and managing our climate-related risks and opportunities. To do this effectively, climate change considerations will be embedded into our governance, strategy and risk management functions.

Performance target	2025-2026 target
Health and Safety	No notifiable incidents.
Maintain Toitū Carbon Zero certification	Carbon-zero certification maintained.
Meet reduction targets outlined in our carbon reduction management plan.	< 8.7 tCO_2e annual per person GHG emissions.
Increase our GSS lending book and Climate Action Loans	Two new GSS loans undertaken. Two new borrowers enter into CALs.
Develop a sustainable financing option for the water sector	New sustainable financing option is available to water entities.
Understand LGFA's exposure to climate-related risks through council lending	Climate change is incorporated into LGFA's credit risk assessments.
Assess required governance skills for LGFA's climate-related risks and opportunities.	Develop directors skills matrix.

Effective management of loans

Objectives	How we measure our performance
LGFA will:	
Proactively monitor and review each Participating Borrower's financial position, including its financial headroom under LGFA policies.	LGFA reviews all participating councils and CCOs financial statements on an annual basis and the agendas and management reports on an ongoing basis for all councils on the LGFA borrower watch-list. Member councils are required to complete annual compliance certificates by the end of November each year.
Analyse finances at the Council group level where appropriate and report to shareholders.	
Endeavour to meet each participating borrower annually, including meeting with elected officials as required, or if requested	Number of members visited in a year
Ensure a smooth transition of water-related loans if the Local Water Done Well Reforms progresses over forecast period.	LGFA will be able to ensure the successful transition of existing council water-related loans to the Water CCOs (if requested by a council)

Performance targets	2025-2026 target
Review each Participating Borrower's financial position.	100%
Arrange to meet each Participating Borrower over a 15-month period, including meeting with elected officials as required, or if requested.	100%

Industry leadership and engagement

Objectives	How we measure our performance
LGFA will:	
Take a proactive role to enhance the financial strength and depth of the local government debt market and work with key central government and local government stakeholders on sector and individual council issues.	Report on actions undertaken and progress made on sector issues. Identifying any legislative or Central Government policy changes that may impact LGFA and undertake formal or informal submissions. Assist the local government sector with understanding any legislative or Central Government policy changes that may impact LGFA.
Support the local government sector with the transition to the Local Water Done Well Reforms by assisting with the development options for the Water Services Delivery Plans and communicating our requirements (lending, financial covenants, reporting), as well as loan pricing guidance, implementation considerations and views on best practice.	Report on our sector-wide engagement and initiatives with assisting members' transition to the Local Water Done Well Reforms.

Performance targets	2025-26 target
Provide quarterly updates to shareholders and borrowers on sector developments that are impacting LGFA	Four quarterly updates to councils and CCOs
Meet annually with Infrastructure Commission, Local Government New Zealand, Taituara, Water New Zealand, Infrastructure New Zealand, Crown Infrastructure Partners, Department of Internal Affairs, Treasury and Minister's office to discuss sector issues from an LGFA perspective	Nine meetings across stakeholders
Support councils with Local Water Done Well by providing timely and responsible advice for on-boarding water CCOs.	On-boarding process is underway for all water CCOs who have requested it.

8. Financial forecasts

LGFA's financial forecasts for the three years to 30 June 2028:

Summary comprehensive income $m	Jun-26	Jun-27	Jun-28
Net interest income	**43.0**	**43.8**	**49.6**
Other operating income	1.9	1.9	1.9
Total income	**44.9**	**45.7**	**51.5**
Operating expenses	21.4	25.9	28.0
Net profit	**23.5**	**19.7**	**23.4**

Financial position $m	Jun-26	Jun-27	Jun-28
Liquid assets portfolio	3,458	3,998	5,204
Loans	24,791	26,771	26,997
Water loans	-	500	1,500
Other assets	-	-	-
Total assets	**28,249**	**31,269**	**33,701**
Bonds on issue (ex Treasury stock)	25,171	27,900	30,207
Bills & ECP on issue	1,850	1,850	1,850
Borrower notes	818	999	1,095
Other liabilities	-	-	-
Total liabilities	**27,839**	**30,749**	**33,152**
Capital	25	25	25
Retained earnings	132	150	172
Dividend	(2)	(2)	(2)
Shareholder equity	**156**	**174**	**195**

Ratios	Jun-26	Jun-27	Jun-28
Liquid assets/funding liabilities	13.3%	13.8%	16.6%
Liquid assets / total assets	12.2%	12.8%	15.4%
Net interest margin	0.17%	0.16%	0.18%
Cost to income ratio	47.7%	56.8%	54.5%
Return on average assets	0.08%	0.06%	0.07%
Shareholder equity/total assets	0.6%	0.6%	0.6%
Shareholder equity + BN/total assets	3.4%	3.8%	3.8%
Asset growth	10.6%	10.7%	7.8%
Loan growth	9.5%	8.0%	0.8%
Return on equity	17.6%	12.7%	13.5%
Capital ratio	17.2%	18.8%	19.1%

The above forecasts assume a gross bond issuance programme of $5.1 billion (FY26), $5.0 billion (FY27) and $5.0 billion (FY28) based upon term gross lending to councils of $4.9 billion (FY26), $6.1 billion (FY27) and $6.0 billion (FY28).

Note: The forecasts include consideration that LGFA will provide financing to support water CCOs established under Local Water Done Well. However, there is a level of uncertainty regarding the financial forecasts for both council borrowing and LGFA bond issuance due to the uncertainty relating to the timing of the establishment of water CCOS and the impact on councils.

Our council lending and LGFA bond issuance forecasts include LGFA lending to the proposed water CCOs if they meet our qualifying criteria for membership. We have assumed we will not be lending to financially independent water CCOs such as Watercare as they are unlikely to meet the qualifying criteria. As at the date of release, there have been no final decisions regarding the transfer mechanism for assets, liabilities and revenue from councils to the proposed water CCOs.

9. Dividend policy

LGFA primary objective is to maximise benefits to participating borrowers rather than shareholders. Consequently, it is intended to pay a limited dividend to shareholders.

The Board's policy is to pay a dividend that provides an annual rate of return to shareholders equal to LGFA fixed rate bond cost of funds plus 2.00% over the medium term.

At all times payment of any dividend will be discretionary and subject to the Board's legal obligations and views on appropriate capital structure.

10. Governance

Board

The Board is responsible for the strategic direction and control of LGFA's activities. The Board guides and monitors the business and affairs of LGFA, in accordance with the Companies Act 1993, the Local Government Act 2002, the Local Government Borrowing Act 2011, the Company's Constitution, the Shareholders' Agreement for LGFA and this SOI.

The Board comprises seven directors with six being independent directors and one being a non-independent director.

The Board's approach to governance is to adopt best practice with respect to:

- The operation of the Board.
- The performance of the Board.
- Managing the relationship with the Company's Chief Executive.
- Being accountable to all Shareholders.

All directors are required to comply with a formal Charter.

The Board will meet on a regular basis and no fewer than six times each year.

Shareholders' Council

The Shareholders' Council is made up of between five and ten appointees of the Shareholders (including an appointee from the Crown). The role of the Shareholders' Council is to:

- Review the performance of LGFA and the Board, and report to Shareholders on that performance on a periodic basis.
- Make recommendations to Shareholders as to the appointment, removal, replacement, and remuneration of directors.
- Make recommendations to Shareholders as to any changes to policies, or the SOI, requiring their approval.
- Ensure all Shareholders are fully informed on LGFA matters and to coordinate Shareholders on governance decisions.

11. Information to be provided to Shareholders

The Board aims to ensure that Shareholders are informed of all major developments affecting LGFA's state of affairs, while at the same time recognising both LGFA's obligations under NZX Listing Rules and that commercial sensitivity may preclude certain information from being made public.

Annual Report

The LGFA's balance date is 30 June.

By 30 September each year, the Company will produce an Annual Report complying with Sections 67, 68 and 69 of the Local Government Act 2002, the Companies Act 1993 and Financial Reporting Act 2013. The Annual Report will contain the information necessary to enable an informed assessment of the operations of the company, and will include the following information:

- Directors' Report.
- Financial Statements incorporating a Statement of Financial Performance, Statement of Movements in Equity, Statement of Financial Position, Statement of Cashflows, Statement of Accounting Policies and Notes to the Accounts.
- Comparison of the LGFA's performance regarding the objectives and performance targets set out in the SOI, with an explanation of any material variances.
- Auditor's Report on the financial statements and the performance targets.
- Any other information that the directors consider appropriate.

Climate-Related Disclosures

By 30 September each year, the Company will produce Climate-Related Disclosures in accordance with the Aotearoa New Zealand Climate Standards issued by the External Reporting Board.

The Climate Standards require the Company to disclose climate-related information across the following four thematic areas:

- Governance
- Strategy
- Risk management
- Metrics and targets.

Half Yearly Report

By 28 February each year, the Company will produce a Half Yearly Report complying with Section 66 of the Local Government Act 2002. The Half Yearly Report will include the following information:

- Directors' commentary on operations for the relevant six-month period.
- Unaudited half-yearly Financial Statements incorporating a Statement of Financial Performance, Statement of Movements in Equity, Statement of Financial Position and Statement of Cashflows.

Quarterly Report

By 31 January, 30 April, 31 July, and 31 October each year, the Company will produce a Quarterly Report. The Quarterly Report will include the following information:

- Commentary on operations for the relevant quarter, including a summary of borrowing margins charged to Participating Borrowers (in credit rating bands).
- Comparison of LGFA's performance regarding the objectives and performance targets set out in the SOI, with an explanation of any material variances.
- Analysis of the weighted average maturity of LGFA bonds outstanding.
- In the December Quarterly Report only, commentary on the Net Debt/Total Revenue percentage for each Participating Local Authority that has borrowed from LGFA (as at the end of the preceding financial year).
- To the extent known by LGFA, details of all events of review in respect of any Participating Borrower that occurred during the relevant quarter (including steps taken, or proposed to be taken, by LGFA in relation thereto).
- Details of any lending to CCOs during the quarter and the amount of CCO loans outstanding.
- Commentary on sustainability initiatives.

Statement of Intent

By 1 March in each year the Company will deliver to the Shareholders its draft SOI for the following year in the form required by Clause 9(1) of Schedule 8 and Section 64(1) of the Local Government Act 2002.

Having considered any comments from the Shareholders received by 30 April, the Board will deliver the completed SOI to the Shareholders on or before 30 June each year.

Shareholder Meetings

The Board will hold an Annual General Meeting between 30 September and 30 November each year to present the Annual Report to all Shareholders.

The Company will hold a meeting with the Shareholders' Council approximately every six months – prior to the Annual General Meeting and after the Half Yearly Report has been submitted. Other meetings may be held by agreement between the Board and the Shareholders' Council.

12. Acquisition/divestment policy

LGFA will invest in securities in the ordinary course of business. It is expected that these securities will be debt securities. These investments will be governed by LGFA's lending and/or investment policies as approved by the Board and/or Shareholders.

Any subscription, purchase, or acquisition by LGFA of shares in a company or organisation will, if not within those investment policies, require Shareholder approval other than as concerns the formation of wholly-owned subsidiaries and the subscription of shares in such wholly-owned subsidiaries.

13. Activities for which compensation is sought from Shareholders

At the request of Shareholders, LGFA may (at its discretion) undertake activities that are not consistent with its normal commercial objectives. Specific financial arrangements will be entered into to meet the full cost of providing such activities.

Currently there are no activities for which compensation will be sought from Shareholders.

14. Commercial value of Shareholder's investment

LGFA will seek to maximise benefits to Participating Local Authorities as Borrowers rather than Shareholders.

Subject to the Board's views on the appropriate capital structure for LGFA, the Board's intention will be to pay a dividend that provides an annual rate of return to Principal Shareholders equal to LGFA fixed rate bond cost of funds plus 2.00% over the medium term.

As the Shareholders will have invested in the LGFA on the basis of this limited dividend, the Board considered that at establishment the commercial value of LGFA was equal to the face value of the Shareholders' paid up Principal Shares - $25 million.

In the absence of any subsequent share transfers to the observed share transfers on 30 November 2012, the Board considers the current commercial value of LGFA is at least equal to the face value of the Shareholders' paid up Principal Shares of $25 million. This equates to a value per share of $1.00.

15. Accounting policies

LGFA has adopted accounting policies that are in accordance with the New Zealand International Financial Reporting Standards and generally accepted accounting practice. A Statement of accounting policies is attached to this SOI.

[Not included in draft. To be included in final release version]

LGFA
New Zealand Local Government Funding Agency
Te Pūtea Kāwanatanga ā-rohe

28 February 2025

Dear LGFA Stakeholder

LGFA 2024-25 Half Year Report

Please find attached the following link to our Half Year Report for the six-month period to December 2024.

LGFA Half Year Report – 31 December 2024

We are pleased to highlight a positive six-month period for LGFA including the following:

1. **Increased lending to council and CCO borrowers**
   As at 31 December 2024, LGFA had loans outstanding to councils and CCO members of $22.3 billion with lending of $2.1 billion over the six-month period. We added two new CCOs as members, bringing the number of members to seventy-two councils and seven CCOs.

2. **A financial position tracking to forecast.**
   Net Operating Profit for the six-month period was a record $8.6 million, in line with our SOI forecast and an increase of 65.4% on the comparable prior period. We expect to meet the full year SOI forecast by June 2025. LGFA is in a strong financial position with assets of $26.5 billion and shareholder equity of $120.7 million as at 31 December 2024.

3. **A continued focus on sustainability.**
   We have added staff to the Sustainability Team and are scheduling a series of Sustainable Finance workshops for our members during March 2025.

   Our two sustainable lending products remain well supported by councils and CCOs. Our Climate Action Loan (CAL) product incentivise borrowers through a lower loan margin if they have an approved greenhouse gas (GHG) emission reduction plan in place and are meeting their reduction targets. As at 31 December 2024, we had CALs outstanding of $3.2 billion across seven councils and CCOs. Our Green, Social and Sustainable (GSS) loans provide a discounted borrowing margin to councils and CCOs for eligible projects. As at 31 December 2024, GSS loans totaled $401.2 million across six councils.

   We also reported under Climate Related Disclosure requirements for the first time in the 2024 Annual Report that was published in August 2024.

4. **Working with our stakeholders.**
   We have been assisting Central and Local Government with the implementation of the water reform programme and with councils and CCO members on promoting sustainability.

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lgfa.co.nz

We have negotiated an increase in the size and extension of the term to our Crown Liquidity Facility and shareholders approved changes to our Foundation Policies to assist high growth councils at the November 2024 Annual Meeting.

Our focus remains on adding value to the local government sector through:

- Providing cheaper loans.
- Enabling easier access to markets.
- Providing reliable financing.
- Underpinning confidence.
- Encouraging sustainability.
- Enhancing capital markets.
- Being a centre of expertise.

To achieve the above, we require the support of all our stakeholders and thank you for your contribution and assistance over the past six months.

Please do not hesitate to contact me if you have any comments or questions.

Kind regards

Mark Butcher
Chief Executive

LGFA
New Zealand Local Government Funding Agency
Te Pūtea Kāwanatanga ā-rohe

28 February 2025

Dear Shareholder

Draft Statement of Intent 2025-2028

Please find attached a copy of our draft Statement of Intent (SOI) for 2025-2028.

LGFA continues to focus on delivering strong results for both our council borrowers and shareholders.

For our borrowing councils we seek to optimize funding terms and conditions by

- Achieving savings in borrowing costs
- Providing longer dated funding and
- Providing certainty of access to markets

For our shareholders we are focused on

- Delivering a strong financial performance
- Monitoring asset quality
- Enhancing our approach to treasury and risk management, and
- Ensuring we have the correct governance framework and capital structure in place.

For our guarantors we are focused on

- Minimising the risk of a call upon the guarantee through actively monitoring and managing the business risks faced by LGFA including operational, credit, liquidity, interest rate, and funding risk.

The following points regarding the draft SOI 2025-28 are worth noting:

- This draft SOI, including financial forecasts covers the financial years 2025-26 ("FY26"), 2026-27 ("FY27") and 2027-8 ("FY28").
- The SOI forecasts assume that in the outer two years (FY27 and FY28), LGFA will commence lending to water CCOs as the Local Water Done Well Programme is implemented. There is a high level of uncertainty regarding the amount and timing of any lending as the water CCOs have yet to be established.
- Profitability is expected to be strong with projections for Net Profit of $23.5 million, $19.7 million, and $23.4 million for the next three years. However, we remain cautious in placing too much emphasis on the second year (FY27) and third year (FY28) forecasts given we have $7.9 billion of LGFA bonds and $11.9 billion of council and CCO loans maturing over the three-year SOI forecast period. This is because assumptions regarding the amount and timing of loan refinancing and interest rates have a material impact on financial projections.

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- Our forecasts for council loans (short and long term) outstanding are lower compared to last year's SOI with loans of $24.8 billion as at 30 June 2026 and $26.8 billion as at June 2027 (from $26.5 billion and $29 billion in the previous SOI) and $28.5 billion as at June 2028.
- We are assuming gross bond issuance of $5.1 billion (FY26), $5.00 billion (FY27) and $5.0 billion (FY28) based on council gross borrowing of $4.90 billion (FY26), $6.1 billion (FY27) and $6.0 billion (FY28).
- Issuance and operating expenses including Approved Issuer Levy ("AIL") are forecast to be approximately $1.9 million higher in FY26 and $4.2 million higher in FY27 compared to the previous SOI. This is due to increased AIL paid to the New Zealand Government on our increased foreign currency issuance. AIL is expected to be our largest expense as we borrow more in offshore markets over the 3 year forecast period.
- The proposed SOI performance targets are similar to the previous SOI. The focus remains on sustainability, assisting councils to implement Local Water Done Well, stakeholder engagement, meeting the financial targets, and monitoring the credit quality of the sector.

If you have any questions or wish to provide comments by 1 May 2025 then please feel free to contact myself or any member of the Shareholders Council. The LGFA board will consider any feedback received and provide a final version of the SOI to shareholders by 30 June 2025.

Yours sincerely

Mark Butcher
Chief Executive

Te Kaunihera o Te Tairāwhiti
GISBORNE
DISTRICT COUNCIL

25-15

Title:	**25-15 Tairāwhiti Museum Annual Report 2023- 2024**
Section:	Cultural Activities
Prepared by:	Pene Walsh - Cultural Activities Manager
Meeting Date:	Wednesday 9 April 2025

Legal: No	Financial: No	Significance: **Low**

Report to FINANCE & PERFORMANCE/WHAKAHAERE PŪTEA ME ŌNA HUA Committee for Information

PURPOSE - TE TAKE

The purpose of this report is to present the trading arm of Gisborne Museum of Art and History Trust: Tairāwhiti Museum's (the Museum) Annual Report and audited financial accounts (**Attachment 1 &2**)

SUMMARY - HE WHAKARĀPOPOTOTANGA

As identified in the Three-Year Plan 2024 – 2027, the Recovery Plan, Gisborne District Council (Council) now provides an annual operating grant of $775,000.00. This is an increase of $40,000 per annum.

The Museum's 2023/24 Annual Report includes key highlights:

- Engaging our community - 47,480 visitors.
- Delivering excellence in education - 8,855 students took part in museum education programmes.
- Celebrating Tairāwhiti arts, culture and history - 18 temporary exhibitions opened, 31 public programmes delivered.

The decisions or matters in this report are considered to be of **Low** significance in accordance with the Council's Significance and Engagement Policy.

RECOMMENDATIONS - NGĀ TŪTOHUNGA

That the Finance & Performance/Whakahaere Pūtea me Ōna Hua Committee:

1. Notes the contents of this report.

Authorised by:

Kerry Hudson - Acting Director Liveable Communities

Keywords: Tairāwhiti Museum Annual Report

ATTACHMENTS - NGĀ TĀPIRITANGA

1. Attachment 1 - Tairawhiti Museum Annual Report 2023- 2024 excluding accounts [**10.2.1.1** - 21 pages]
2. Attachment 2 - Tairawhiti Museum Performance Report 2023 - 2024 AUDITED [**10.2.1.2** - 20 pages]

Gisborne Museum of Art & History Trust

ANNUAL REPORT

2023 - 2024

Tairawhiti MUSEUM
Te Whare Taonga o te Tairawhiti

www.tairawhitimuseum.org.nz

Gisborne Museum of Art & History Trust
ANNUAL REPORT 2023-2024
CONTENTS

PART ONE

From the Chairman of the Board of Trustees and the Museum Director	2-3
Museum Trustees and Staff	4
Director's Review of the Year	5-19

PART TWO

Audited Performance Report	1
Independent Auditor's Report	2

Cover and content page image: Tūranga Health Kaumātua Programme visit, in *He Kākahu Rerehua* exhibition, March 2024.

FROM THE CHAIRMAN OF THE BOARD OF TRUSTEES AND THE MUSEUM DIRECTOR

Tairāwhiti Museum entrance way with waharoa model by Matthew Randell.

Tēnā koutou katoa

Tairāwhiti Museum is the leading arts and heritage institution in the region, serving as a key destination for tourism, education, and leisure for local, national, and international visitors. Its core functions involve developing and preserving the region's art and history collections, while offering a diverse range of exhibitions and programmes. The museum also provides a vibrant and innovative education programme for many school children in Tairāwhiti.

This year marked a transition in leadership at Tairāwhiti Museum. Eloise Wallace, who served as Director for nine years, completed her tenure in January 2024. In February 2024, we welcomed the new Director, Tapunga Nepe. We would like to express our deep appreciation for the significant contributions and dedication Eloise brought to the museum during her time here, leaving a lasting impact on the institution.

The museum had a total of 47,480 visitors this year, up from 35,825 in 2022/23. With an 87% approval rating in the 2022/23 Gisborne District Council residents' survey, the museum continues to be a highly rated community facility in the Tairāwhiti district.

The Ministry of Education-funded Enriched Local Curriculum (ELC) education service continued to offer outstanding and innovative programmes. A total of 8,855 students participated in the museum's educational programmes this year, up from 7,373 in 2022/23.

We have continued to make significant improvements to the standard of care we provide to our region's collections. A key achievement was the *He Toka Tū – The Standing Rock* project, which included the rehousing and care of the kākahu Māori collection and the development of

He Kākahu Rerehua exhibition. This initiative strengthened the museum's role in fostering lasting relationships between taonga (cultural treasures) and whānau, hapū, iwi, and the wider community. Through collaborative research, iwi-led storytelling, and best practices in taonga care, we also improved the storage, display, and documentation of these treasures, ensuring they remain accessible and well-preserved for future generations.

This year, the museum added 131 new items, either donated by the community or purchased by the Friends of the Museum. We also showcased works from local collections and hosted a major touring exhibition, *Toi Koru* by Dr Sandy Adsett. 18 new temporary exhibitions were launched, complementing our long-term displays and heritage buildings. In total, 102 contemporary artists, primarily from Tairāwhiti, were featured in solo and group shows. We also held 31 events, including school holiday programmes, talks, and other activities. A highlight was *Toitū Matariki*, a public event with Dr. Rangi Mātāmua, who shared insights on Matariki and living by the stars.

A key objective this year was to renew the museum's lease and negotiate a new Contract for Services with the Gisborne District Council (GDC). Although this has not yet been resolved, the trust has been working closely with the Council to ensure the continued delivery of museum services. This effort is being carried out in conjunction with the Joint Asset Management Plan developed with GDC.

The museum has continued to collaborate closely with local institutions, community groups, including whānau, hapū, marae, and iwi to preserve and celebrate the cultural heritage of Tairāwhiti. These partnerships have been vital in creating exhibitions and programmes that foster a deeper connection between our collections and the wider community, reinforcing the museum's role as a waharoa for the arts, culture and heritage of Te Tairāwhiti.

We are grateful for the ongoing support from the Gisborne District Council, as well as the generous contributions from benefactors, granting bodies, and the wider community. We look forward to continuing and strengthening these relationships in the years ahead.

Ngā whakamānawatanga

Michael Muir OBE
Chairman

Tapunga Nepe
Director

TRUSTEES & STAFF

He Kākahu Rerehua exhibition, kākahu display. 2023.

TRUSTEES

Michael Muir, OBE, Chair	Friends of the Museum
Hineiromia Whaanga, Deputy Chair	Rongowhakaata
Allan de Lautour, Treasurer	Gisborne District Council
Pene Brown	Te Aitanga-ā-Mahaki
Steve Gibbs	Ngai Tāmanuhiri
Cynthia Sidney	Te Aitanga-a-Hauiti
Paora Tibble	Ngāti Porou
Fleur Gardiner	Friends of the Museum
Kristine Walsh	Friends of the Museum
Jennie Harre Hindmarsh	Friends of the Museum
Appointment pending	Gisborne District Council

MUSEUM STAFF

Eloise Wallace	Previous Director (up until Jan 2024)
Tapunga Nepe	Director (from Feb 2024)
Jolene Douglas	Curator of Art & Exhibitions
Dudley Meadows	Curator of Photography
Jonty Hall	Exhibition & Maintenance Officer
Taharakau Stewart	Kaitieki Māori
Julia Hardie	Collections Manager
Christine Page	Archivist
Te Manuhuia Paenga	Education Team Leader
Joanna Barbarich	Educator
Ora Taukamo	Educator
Fiona Challies	Visitor Service Officer
Sue Lloyd	Weekend Reception Supervisor
Jill Hudson	Weekend Reception
Orselina Schouten	Weekend Reception – casual
Carol Greensmith	Weekend Reception – casual
Kataraina Hoko	Kaitaunaki Kaitieki Māori
Maia Keane	Kaitaunaki Kaitieki Māori

DIRECTOR'S REVIEW

Toi Koru exhibition by Dr Sandy Adsett, discussion panel, 2024.

This report reviews the Museum's progress for the 2023-24 financial year and evaluates performance against the KPI's set out in the Annual Plan 2023-24. The Museum has met many of its key performance targets for 2023-24.

Supporting significant collections

Target achieved
Most key priorities for 2023/24

Celebrating Tairāwhiti arts, culture and history

18 temporary exhibitions opened
31 public programmes delivered
Target achieved

Maintaining positive relationships

Achieved

Sustaining high visitor satisfaction

87% satisfied (85% in 2022/23)
Target 90% not achieved

*GDC residents survey results

Engaging our communities

47,480 visitors (35,825 in 2022/23)
Target 45,000 achieved

Delivering excellence in education

8,855 students took part in museum education programmes in 2023/24 (7,373 in 2022/23)
Target achieved

Maintaining revenue generation

Earned income $94,430 ($102,243 in 22/23) Grants and donations $227,969 ($184,476 in 22/23)
Contract for service funding from Gisborne District Council and Ministry of Education $899,380 ($899,380 in 2022/23)
Target achieved

Maintaining a high-quality facility

Most key priorities for 2023/24 achieved

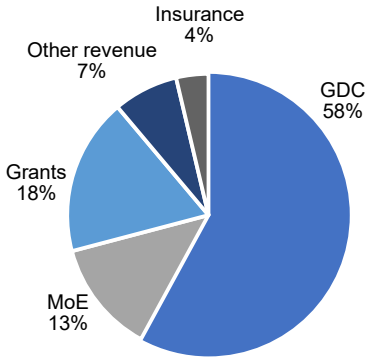
Tairāwhiti Museum focuses on providing museum services within a sustainable financial model with a particular focus on sustaining levels of earned income and actively seek grants, sponsorship and partnerships to undertake and support special activities.

Key success measures	Supports trust objectives	Achieved Y/N
Demonstrating a steady level of income generated through museum activities	H, I	Y
Delivering an Annual Report which demonstrates that museum services are being delivered sustainably		Y
Successfully receiving grant, sponsorship and partnership funding to enable special projects		Y

MUSEUM REVENUE SOURCE

A total of $227,969 in external **grants** and donations was received in 2023/24 and represented 18% of total revenue. ($184,476 / 15% in 2022/23)

The museum's **other sources of revenue** included shop sales, entrance fees, exhibition income, venue hire, photographic sales, cafe lease and interest received generated $94,430 and represented 8.3% of total revenue ($102,243/ 7% in 2022/23)



Insurance paid by GDC through the Lease Agreement was $46,793 represented 4% ($42,322/3.4% in 2022/23)

Gisborne District Council funding to the museum (excluding insurance) through the Agreement for the Provision of Museum Services for 2023- 24 was $735,000 and represented 58% of total museum revenue. ($735,000/59.8% in 2022/23)

Ministry of Education funding to the museum through the ELC Contract was $164,380 and represented 13% of total revenue (164,380 and 13.4% in 2022/23)

FUNDING - Acknowledgements

We would like to acknowledge the significant support provided this year by the following people and organisations:

- EASTERN INSTITUTE TECHNOLOGY in supporting of exhibition previews and museum events.
- MANATU TAONGA MINISTRY FOR CULTURE & HERITAGE for a Covid Regeneration fund grant in support of the project *He Toka Tū: The Standing Rock*.
- NATIONAL SERVICES TE PAERANGI for funding assistance through the Helping Hands Grant and Flood Relief Emergency Grant, including public programmes and events, including our *Toitū Matariki* event with Dr Rangi Mātāmua.
- TE PUNI KŌKIRI for supporting our *Toitū Matariki* event.
- TE RŪNANGANUI O NGĀTI POROU for supporting the *Toi Koru* exhibition.
- TE RŪNANGA O TŪRANGA NUI A KIWA for supporting the *Toi Koru* exhibition and *Toitū Matariki* event.
- Sponsorship from SUNSHINE BREWERY and SPADE OAK in support of exhibition previews and museum events.
- The FRIENDS OF TAIRĀWHITI MUSEUM for supporting museum events, collection acquisitions and publications.
- TŪRANGA ARARAU for supporting museum events and exhibitions.

Artists, curators, authors, researchers and exhibitors who received grants from Creative New Zealand and others in their own name within the financial year for the delivery of museum exhibition projects. Without this support, many projects would not have been possible.

The Tairāwhiti community for their ongoing generous support of the activities of the museum: gifting items to the museum collection; supporting the *Friends of the Museum*; and volunteering their time and expertise for collections projects, exhibitions and public programmes.

While this support is not always visible in the annual accounts it is vital in ensuring the museum is able to consistently and successfully deliver an extensive programme of museum services within our current budget.

The museum finished the 2023-24 year with a deficit of $176,814, and cash deficit of $57,445 after adding back depreciation.

COLLECTIONS

Supporting significant collections

New kākahu (cloak) drawers with Kaitaunaki Kaitieki Māori staff in taonga Māori store, 2024.

Tairāwhiti Museum has continued to develop, care for and make accessible the region's art and heritage collections in 2023/24.

Key success measures	Supports trust objectives	Achieved Y/N
Collection research enquiries responded within 10 working days	A, B, C, D, E, F, G, H	Y
Collections are cared for to museum standards (no preventable theft/loss or damage)		Y
Collection is developed according to policies		Y
Level of collection acquisition via gift, donation, and bequest at least 80%		Y

10 volunteers and interns worked **989** hours

11,273 collection items available to access on *Collections Online*

131 new acquisitions to the museum collection

Image (from left to right): Helen Wynyard, kaitieki ā-iwi (intern) doing conservation work on taonga from Matakaoa; Tairāwhiti Museum collections online; *Matariki Muva* art piece by Maia Keane, purchased by Friends of Tairāwhiti Museum for the collection.

COLLECTIONS – Collection development

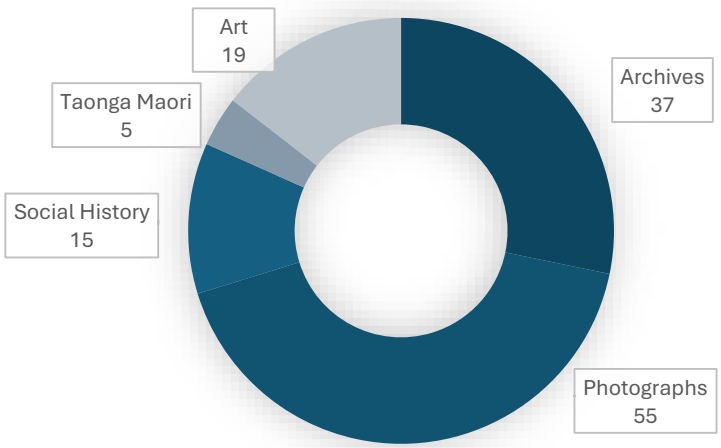
The museum collection continues to develop with a focus on the art and objects that tell the stories of the people and places of Tairāwhiti, past and present. A collection acquisition committee ensures the collection develops in accordance with museum policies.

131 items were added to the collection in 2023/24

Newly acquired artworks include a ceramic piece by Barry Ball and contemporary works by Tairāwhiti artists, including Maia Keane, Phyllis Underwood, Zoe Alford, Peter Williams, Taylor Delamere Robson, Norman Scott, Richard Rogers, Melanie Tahata, and Allan Barns-Graham.

15 social history, 55 photographic, 5 taonga Māori and 37 archival items and collections relating to families, businesses, clubs and societies from the Tairāwhiti region were acquired this year. Highlights from these acquisitions include scans of Lola and Gertrude Dodd, portrait examples by local greats such as Cox, Northwood, Carter, and Ellerbeck, as well as candid images of the construction of the Waingake Dam in the 1940s. The social history items feature a shipwreck relic from the *Agnes* schooner, accompanied by a handwritten note from Joseph Angus Mackay, the wheel from the *Star of Canada*, anti-apartheid badges from the 1985 protests in Gisborne, and two gowns by designer Susan Holmes. Additionally, Captain Thomas U'ren's medal and dress jacket were transferred from a loan to the permanent collection. Among the taonga Māori acquisitions is a 100-year-old piupiu, also transferred from a loan to the permanent collection. Archival additions include the Leo Fowler collection, featuring a rare manuscript of memoirs, the archive collection of Riwai Te Hiwinui Tawhiri, and the personal papers of John Hart, captain of the *Star of Canada*.

Collection acquisitions 2023/24



COLLECTIONS – Collection care

In addition to these collection acquisitions the museum continued to support the care of taonga tūturu, in-line with the museum's obligations under the Protected Objects Act; taonga Māori on long term loan; support access to taonga at the museum and across the district and support taonga conservation and repatriation initiatives in partnership with whānau, hapū and iwi.

A major achievement this year was the *He Toka Tū – The Standing Rock* project, along with the rehousing and care of the kākahu Māori collection. This initiative aimed to strengthen the museum's role in fostering deep, enduring relationships between taonga (cultural treasures) and whānau, hapū, iwi, and the wider community. While the work is ongoing, significant progress has been made through collaborative research, supporting iwi-led storytelling, and exploring best practices in taonga care. The project also focused on improving the storage, display, and digital access to taonga, as well as developing innovative models for their care, ensuring that taonga remain accessible and well-preserved for future generations.

In addition to exhibitions, items from the collection are regularly made available for education and public programmes; for whānau visits, researchers, artists and through behind-the-scenes tours.

The Museum does not have a budget for the purchase of items for the collection, its development is reliant on gifts (which made up 99% of acquisitions in 2023/24). Our special thanks to the 50 individuals, families and organisations that gifted items to the museum collection in 2023/24.

Collection project 2023/24

Progress was made with most collection care priority projects for 2023/24 although development and delivery timelines were impacted due to staff vacancies, Cyclone Gabrielle work, external funding requirements and unavailability of external contractors.

Project	Progress
Completion of *He Toka Tū*, kākahu (cloak) rehousing project	Achieved
Commencement of Sled House conservation project	Commenced

EDUCATION

Delivery excellence in education

Early Childhood Education group on the Star of Canada, Tairāwhiti Museum. 2024.

The mission of the Tairāwhiti Museum's education programmes is to provide rich learning opportunities for students. Through the exploration of taonga (treasures) and art, students will gain a better understanding of our diverse histories, communities and cultures. The museum offers a place-based education programme for Early Childhood Education (ECE), primary, and secondary schools, which is funded through the Ministry of Education's Enriched Local Curriculum (ELC) initiative.

Key success measures	Supports trust objectives	Achieved Y/N
8,855 students took part in programmes.	C, E, F, G, H, I, J	Y
Meet Ministry of Education targets regarding provision as per service contract: • programme promotion to all schools in district • regional outreach • teacher feedback and assessed quality assurance		Y

Tairāwhiti Museum offers 24 learning programmes, each tailored to specific age groups, and tailored around curriculum learning focuses. Delivery is available in both English and Māori. The programmes utilise the region's natural and cultural heritage resources. Emphasising a te ao Māori approach, students gain deeper insights into local history through museum taonga, archives, exhibitions, and visits to significant heritage sites.

8,855 students took part in programmes

73 schools & ECE centres participated in programmes

Images (from left to right): Gisborne Intermediate School on a museum tour of Wyllie Cottage, 2024; Matariki out-reach programme being delivered to Manutūkē School, 2024.

EDUCATION – Delivering excellence in education

Programme Highlights

A key focus for many kura and ECE this year has been learning more about our local history and taiao. We have been delivering more localised kōrero through programmes such as *Voyagers*, *Monuments Walk*, *Our Rivers*, *First Meetings*, *East Coast Land Wars*, *Sustainable Past*, *Tāne,* and *Tangaroa*.

Matariki has continued to be a hot topic this year. We were privileged to have Dr Rangi Mātāmua visit the museum where he shared valuable kōrero around Matariki and the taiao. Using these learnings, we designed a rich, meaningful and interactive Matariki programme that was well received by local kura and ECE's. We had a full calendar in Term 2 and spent four weeks delivering Matariki as an outreach programme to over 1200 tamariki. Spending time in the planetarium to learn local stories around Matariki and getting up-close to taonga from our handling collection, ensured a meaningful and engaging experience for all ākonga.

Taonga Pūoro has also been very popular this year. Ākonga have enjoyed seeing, hearing, and experiencing our collection of Māori musical instruments and exploring waiata Māori from Te Tairāwhiti. We've also had many visits to the C Company House where tamariki can make connections with their whānau that served our country during times of war. Kaiako also commented that they enjoyed the visit as it brought the subject matter to life for many ākonga.

We continue to work with local artists to provide tamariki an opportunity to engage with the museum's changing exhibitions throughout the year. This year we have worked with local artists Susan Holmes, Kataraina Poi and Maia Keane. Workshops are designed for students to explore the artist's motivation, techniques and art medium and support students to develop practical skills in different art mediums.

We were also hosted *Te Mana o Te Hā* exhibition by Tūhura Otago Museum throughout the first week of the Term 1 school holidays. The exhibition was a hands-on science showcase that casts new light on the reality and risks of smoking and vaping which is a huge issue for our rangatahi today. The exhibition was well received by the community.

Students exploring the social history collection during a behind the scenes experience.

We have continued to deliver programmes with our valued partner Ngā Taonga a Ngā Tama Toa Trust in the C Company Memorial House.

We also continue to offer programmes in collaboration with Eastwoodhill Arboretum.

Each year the museum provides a programme of temporary exhibitions by local artists, touring and museum collection-based exhibitions. The museum also maintains long-term exhibitions and facilitates outgoing loans to other museums and galleries.

Key success measures	Supports trust objectives	Achieved Y/N
Deliver a diverse range of temporary exhibitions annually	A, C, D, E, I, J	Y
Deliver exhibitions focusing on Tairāwhiti artists and Tairāwhiti History		Y
Deliver exhibitions utilising museum collections		Y
Public programmes delivered		Y

Image (Clockwise from top left): *Wyllie Cottage*, historic building; Susan Holmes costumes exhibition, 2023; *Watersheds* long-term exhibition; *Millard Studio* exhibition, Museum collection, 2023.

Art exhibitions

The museum seeks to provide a balanced programme of art exhibitions in the course of a year, covering historical and contemporary art, a range of artistic mediums, local and national/international artists, emerging and established artists, artists representing a cross-section of the Tairāwhiti community, a balance of solo and group exhibitions, and exhibitions which recognise ongoing relationships with art societies, clubs and arts education providers. Many of the works in these exhibitions are offered for sale, supporting local artists and the museum. Some exhibitions are curated by museum staff, others are led by the artists themselves.

This year's programme featured works by 102 local and national artists. Of these, four exhibitions were group shows, and 11 were solo shows, with all artists having strong connections to this region. Additionally, nine temporary art exhibitions had a strong Toi Māori focus, highlighting the museum's commitment to Māori art and culture.

Collection exhibitions

The museum creates exhibitions to showcase Tairāwhiti art and heritage collections, either in standalone temporary exhibitions or within other exhibitions. The museum often works with other organisations and individuals with specific research interests and knowledge to undertake these projects. Collection exhibitions are resource intensive and are often developed over 2 to 5 year time frames. The major collection-based temporary exhibitions opened in 2023-24 were, *He Kākahu Rerehua* and *Millard Studio*.

Long-term exhibitions

The museum has four ongoing exhibitions and display areas: *Watersheds*, *Te Moana*, *Star of Canada* and *Wyllie Cottage*. Staff maintain and develop these exhibitions over the course of the year, this can include changing objects on display. The museum also has two spaces which display exhibitions based on the museum's photography collection on medium-term (1 year+) cycles. The exhibitions in these spaces for 2023/24 were *Places and Faces* and *Up the Coast*.

Touring exhibitions

The museum occasionally hosts touring exhibitions developed by other museums and organisations. In 2023/24 the museum exhibited the *Toi Koru* by Dr Sandy Adsett, developed and toured by Pataka Art + Museum. The museum aims to hold at least one touring exhibition per annum.

Outgoing loans

Two works by Sandy Adsett are on loan to Pātaka Art + Museum for the retrospective exhibition *Toi Koru* and its national tour. Additionally, we have an artwork by Robyn Kahukiwa, titled *Power to Define* (2009), on loan to The New Zealand Portrait Gallery Te Pūkenga Whakaata for the national touring exhibition *Tohunga Mahi Toi*.

EXHIBITIONS
Changing exhibition programme 2023/24

Date 2023/24	Exhibition title	Subject
June – 20 August 2023	Gisborne Artists, Potters, Photographers Annual exhibition	Group exhibition – 57 artists. Mixed media. **Local contemporary art**
June – 30 July 2023	John Moetara *Ko tū te Rūnanga*	Solo exhibition. Mixed media paintings and objects/sculptures **Local contemporary art – toi Māori focus**
May – 6 July 2023	Heremaia Barlow *Ataata*	Solo exhibition reflections on the origins of whakairo.Mixed media objects/sculptures **Local contemporary art – toi Māori focus**
14 July – 24 Sept 2023	Maia Keene *Whakawhetū*	Solo exhibition. Paintings **Local contemporary art– toi Māori focus**
21 July – 17 Sept 2023	Clayton Gibson *What they didn't teach us in school*	Solo exhibition. Paintings **Contemporary art. Napier based artist**
4 Aug – 1 Oct 2023	Jolene Douglas and Louise Walsh *Dreamers*	Two exhibitors. One local and the other Wellington based. Paintings **National contemporary art**
25 Aug – 5 Nov 2023	Susan Holmes. *Wearable Arts – A Retrospective*	Solo exhibition. Textiles produced by artist for WOW. sculptural one-off showpiece garments **National contemporary art**
22 Sept – 10 Dec 2023	Mel Tahata *Rima Te Kau*	A solo exhibition of whānau archives and a selection mixed media works and prints. **Local contemporary art– toi Māori focus**
29 Sept 2023 – 4 Feb 2024	Michelle Kerr *Purapura Whetu*	Solo exhibition. Harakeke installation, sculpture. **Local contemporary art. – toi Māori focus**
1 Oct 2023 – ongoing	*He Kākahu Rerehua* Museum collection	Textiles and kākahu (cloaks) from the museum's collection. **Taonga Māori exhibition. Collection.**

6 Oct – 3 Dec 2023	Maiko Lewis Whaanga *Breathe*	Solo exhibition. Mixed media works, film, sculpture and origami installation. **Local contemporary art – Japanese focus**
10 Nov 2023 – 28 Jan 2024	*Millard Studio* Museum collection	Photography and paintings from the museum's collection. **Local social history and art. Collection**
8 Dec 2023 – 11 Feb 2024	Toihoukura - School of Māori Visual Art *Uruhau*	EIT Group exhibition **Local contemporary art– toi Māori focus**
15 Dec 2023 – 10 March 2024	*Tāhū* *A Legacy of People and Place*	Group exhibition - Florence Biennale Art and Design 2023. I AM YOU. **International, national and Local contemporary art– toi Māori focus**
2 Feb – 21 April 2024	Barry Ball *Moving Hands. A retrospective of paintings and ceramics*	Group exhibition - Florence Biennale Art and Design 2023. I AM YOU. **International, national and Local contemporary art– toi Māori focus**
9 Feb – 24 March 2024	Joanne Neilson *Fab Drag*	Solo exhibition. costumes from the artist/performer's collection marking 43 years as a performer **Local contemporary textiles**
16 Feb – 21 April 2024	Richard Rogers *The Deep End*	Solo exhibition. Paintings **Local contemporary art**
10 May – 4 Aug 2024	Sandy Adsett – Toi Koru 60 years of painting	Solo exhibition. 60 years of painting. Developed and toured by Pataka Art + Museum **National Touring exhibition– toi Māori focus**

Toitū Matariki event with Dr Rangi Mātāmua, at Te Poho o Rāwiri Marae, 2024.

Each year the museum provides a programme of events and activities for the community to engage with the arts, culture and heritage of Tairāwhiti. Most of these programmes are free or low cost and delivered in collaboration with other organisations or community groups. The Friends of the Museum provide vital support to many of these activities

Highlights for the 2022/23 year included:

- Exhibition openings and floor-talks
- Susan Holmes *Wearable Arts – A Retrospective* exhibition floor-talks
- *Millard Studio* exhibition floor-talk
- School holiday art workshops
- *Te Mana o Te Hā* roadshow by Tūhura Otago Museum
- *Toi Koru* exhibition by Sandy Adsett, panel discussion
- *Toitū Matariki* events with Dr Rangi Mātāmua

Susan Homes *Wearable Arts – A Retrospective,* exhibition opening, 2023.

School holiday programme clay workshop with Fiona Bryant, 2024.

Toi Koru exhibition by Dr Sandy Adsett, discussion panel, 2024.

Progress has been made on the ongoing facilities maintenance priority projects for 2023/24. A major objective currently in progress is the Joint Asset Management Plan, along with the museum lease agreement with the Gisborne District Council.

Key success measures	Supports trust objectives	Achieved Y/N
Meet obligations of Lease Agreement with Gisborne District Council	A, G	Y
Deliver against the Facilities Development Maintenance Plan		Y
Progress toward meeting international museum facilities standards		Y

Facilities projects 2023/24

Project	Progress
Development of an Asset Management Plan to sit alongside the museum lease with GDC	Commenced
Develop a Disaster management Plan to ensure the museum can respond to significant disaster events	Commenced

Toi Koru exhibition by Dr Sandy Adsett. 2024.

GISBORNE DISTRICT COUNCIL: Building and grounds maintenance as per lease agreement; sustaining positive communications; supporting council activities; collaborating with library and archives; reporting as per Agreement for Delivery of Museum Services.

MINISTRY OF EDUCATION: Continued relationships as per ELC agreement.

FRIENDS OF TAIRĀWHITI MUSEUM: The Friends continue to be an active membership organisation that supports and enhances the activities of the museum. The committee meet regularly, with the Director and Curator of Art in attendance.

IWI ORGANISATIONS: Five Tairāwhiti iwi appoint a trustee to the museum board. Museum staff and iwi-employees also maintain active relationships related to exhibitions, programmes and collections.

EXHIBIT CAFE: The museum manages a license for the operation of Exhibit Cafe.

EASTERN INSTITUTE TECHNOLOGY: Exhibitions - Toihoukura annual exhibitions; student visits to the museum for a variety of programmes

NGA TAONGA A NGA TAMA TOA TRUST: Staff work on exhibitions and displays, care for and provide access to collections, deliver education programmes, support promotion and visitor services.

LYSNAR HOUSE ARTS GROUPS: The museum continues to support the Gisborne Artists' Society; Gisborne Pottery Group; Gisborne Camera Club through the Lease of Lysnar House with Gisborne District Council. The museum and these community arts groups collaborate on a variety of activities including an annual exhibition.

OTHER PARTNERSHIPS: The museum also worked with the following organisations in 2023/24: East Coast Museum of Transport and Technology; Wairoa Museum; Whakatāne Museum Collections & Research Centre; Museum of New Zealand Te Papa Tongarewa; The Gisborne Herald; Historic Places Tairāwhiti; Eastwoodhill Arboretum; Tairāwhiti Arts Festival; Te Rūnanga o Tūranga-nui-a-Kiwa; Tūranga FM; Tūranga Ararau; Te Rūnanganui o Ngāti Porou; Te Aitanga a Hauiti Centre of Excellence; Te Puni Kokiri; Manatū Taonga; Trust Tairāwhiti.

CHRISP & DAVIDSON
Chartered Accountants

Performance Report

Gisborne Museum of Art and History Trust - trading as Tairawhiti Museum
For the year ended 30 June 2024

CHRISP & DAVIDSON
Chartered Accountants

Contents

3 Approval of Financial Report

4 Entity Information

6 Statement of Service Performance

7 Statement of Financial Performance

8 Statement of Financial Position

9 Statement of Cash Flows

10 Statement of Accounting Policies

12 Notes to the Performance Report

18 Independent Auditor's Report

CHRISP & DAVIDSON
Chartered Accountants

Approval of Financial Report

Gisborne Museum of Art and History Trust - trading as Tairawhiti Museum
For the year ended 30 June 2024

The Trustees are pleased to present the approved financial report including the historical financial statements of Gisborne Museum of Art and History Trust - trading as Tairawhiti Museum for year ended 30 June 2024.

APPROVED

Michael Muir

Chairman

Date 12/2/25

Allan de Lautour

Trustee

Date 12/2/25

CHRISP & DAVIDSON
Chartered Accountants

Entity Information

Gisborne Museum of Art and History Trust - trading as Tairawhiti Museum
For the year ended 30 June 2024

Legal Name of Entity

Gisborne Museum of Art and History Trust

Other Name of Entity

Tairawhiti Museum

Entity Type and Legal Basis

Charitable Trust

Registration Number

CC 30686

Entity's Purpose or Mission

Gisborne Museum of Art and History Trust's mission is to operate Tairāwhiti Museum as a gateway/waharoa and resource for the art, culture and heritage of our communities.

Our aims are:

1. To foster the recognition and interpretation of Tairāwhiti's heritage landscape and develop the Museum as a key point from which this landscape is interpreted;

2. To educate individual children and adults and the broader community to appreciate, enjoy, and learn more about the Tairāwhiti region and its history, art and culture;

3. To refine our approach to collections to enable sustainable storage, care and respect for, and access to, collection items;

4. To build our collection of locally significant art and strengthen the public awareness of our art gallery role;

5. To strengthen our business infrastructure and capability and relationships within the communities of the region.

Entity Structure

The Board consists of not fewer than six members and not more than twelve members of whom
a) Five may be appointed one each from the following iwi
- Te Aitanga-a-Mahaki
- Ngai Tamanuhiri
- Rongowhakaata
- Te Aitanga-a-Hauiti
- Ngati Porou

b) Four may be appointed by Gisborne Museum and Arts Centre
c) Two may be appointed by the Gisborne District Council

Every board member is appointed for a term of three years

The Chairperson and Deputy Chairperson are elected annually

Main Sources of Entity's Cash and Resources

Gisborne District Council; Ministry of Education; museum generated income including: admissions, retail operation, lease income, grants and donations.

Main Methods Used by Entity to Raise Funds

Retail operation, admissions charging, venue hire, private donations, photographic sales, exhibition, contracts for services, grants, donations and sponsorship in cash and in kind.

Entity's Reliance on Volunteers and Donated Goods or Services

The trust has a number of active volunteers who work in a variety of activities across the organisation. The museum also has a number of one-off and ongoing sponsorship in cash and in kind arrangements. The growth of the museum's collection is primarily reliant on gifts and bequests.

Physical Address

10 Stout Street
Gisborne
New Zealand 4010

Postal Address

P O Box 716
Gisborne
New Zealand 4040

CHRISP & DAVIDSON
Chartered Accountants

Statement of Service Performance

Gisborne Museum of Art and History Trust - trading as Tairawhiti Museum
For the year ended 30 June 2024

Description of Entity's Outcomes

Tairāwhiti Museum is the leading arts and heritage institution in Tairāwhiti, providing a major tourism and leisure-time destination for local, national and international visitors. Core museum functions include the development and care of art, taonga Māori, general history, photography and archival collections, and the provision of a varied programme of art and heritage exhibitions drawing on the museum's collection and bringing cultural treasures from other parts of Aotearoa New Zealand and overseas.

Description and Quantification of the Entity's Outputs

A total of 47,480 (2023: 35,825) visitors used the museum in 2023/24. Of those 8,855 (2023: 7,373) were students attending museum education programmes.

Please note that the impact of Covid-19 and Cyclone Gabrielle had an impact on attendance and participation numbers in the 2022/23 financial years.

Additional Information

The Enriched Local Curriculum (ELC) education service, funded by the Ministry of Education, has continued to provide high quality programmes with a well-deserved national reputation for innovation to the many schools and children in Tairāwhiti. The museum continues to showcase material from within the collection and from around the country and opened 18 (2023: 19) temporary art and social history exhibitions in 2023/24. The museum also delivered 31 (2023: 32) events including school holiday programmes, exhibition openings and talks.

CHRISP & DAVIDSON
Chartered Accountants

Statement of Financial Performance

Gisborne Museum of Art and History Trust - trading as Tairawhiti Museum
For the year ended 30 June 2024

	NOTES	2024	2023
Revenue			
Donations, fundraising and other similar revenue	1	292,581	226,798
Revenue from providing goods or services	1	985,538	995,510
Interest, dividends and other investment revenue	1	8,272	6,113
Other revenue	1	1,531	-
Total Revenue		**1,287,921**	**1,228,421**
Expenses			
Volunteer and employee related costs	2	915,478	790,023
Costs related to providing goods or service	2	397,201	341,634
Other expenses	2	134,238	144,008
Total Expenses		**1,446,916**	**1,275,665**
Surplus/(Deficit) for the Year		**(158,995)**	**(47,244)**

This statement should be read in conjunction with the Notes to the Performance Report.

CHRISP & DAVIDSON
Chartered Accountants

Statement of Financial Position

Gisborne Museum of Art and History Trust - trading as Tairawhiti Museum
As at 30 June 2024

	NOTES	30 JUN 2024	30 JUN 2023
Assets			
Current Assets			
Bank accounts and cash	3	162,019	264,945
Debtors and prepayments	3	21,423	27,455
Inventory	3	9,561	13,963
Other Current Assets	3	84,477	81,664
Total Current Assets		**277,481**	**388,028**
Non-Current Assets			
Property, Plant and Equipment	5	3,222,860	3,288,052
Other non-current assets	3	35,248	35,248
Total Non-Current Assets		**3,258,108**	**3,323,300**
Total Assets		**3,535,589**	**3,711,328**
Liabilities			
Current Liabilities			
Creditors and accrued expenses	4	67,040	33,546
Employee costs payable	4	69,048	90,574
GST	4	21,158	30,089
Unused Donations and Grants with Conditions	4	91,359	111,139
Total Current Liabilities		**248,604**	**265,348**
Total Liabilities		**248,604**	**265,348**
Total Assets less Total Liabilities (Net Assets)		**3,286,985**	**3,445,980**
Accumulated Funds			
Accumulated surpluses or (deficits)	7	1,319,759	1,478,754
Reserves	7	1,967,226	1,967,226
Total Accumulated Funds		**3,286,985**	**3,445,980**

This statement should be read in conjunction with the Notes to the Performance Report.

CHRISP & DAVIDSON
Chartered Accountants

Statement of Cash Flows

Gisborne Museum of Art and History Trust - trading as Tairawhiti Museum
For the year ended 30 June 2024

	2024	2023
Cash Flows from Operating Activities		
Donations, fundraising and other similar receipts	273,225	275,619
Receipts from providing goods or services	982,504	1,007,945
Interest, dividends and other investment receipts	8,272	6,113
GST	(5,754)	7,044
Payments to suppliers and employees	(1,305,714)	(1,093,338)
Total Cash Flows from Operating Activities	**(47,466)**	**203,383**
Cash Flows from Investing and Financing Activities		
Receipts from sale of property, plant and equipment	2,609	-
Receipts from sale of investments	(2,813)	(3,514)
Payments to acquire property, plant and equipment	(55,255)	(97,605)
Total Cash Flows from Investing and Financing Activities	**(55,460)**	**(101,119)**
Net Increase/(Decrease) in Cash	**(102,926)**	**102,264**
Cash Balances		
Cash and cash equivalents at beginning of period	264,945	162,681
Cash and cash equivalents at end of period	162,019	264,945
Net change in cash for period	**(102,926)**	**102,264**

This statement should be read in conjunction with the Notes to the Performance Report.

CHRISP & DAVIDSON
Chartered Accountants

Statement of Accounting Policies

Gisborne Museum of Art and History Trust - trading as Tairawhiti Museum
For the year ended 30 June 2024

Basis of Preparation

The entity has elected to apply PBE SFR-A (NFP) Public Benefit Entity Simple Format Reporting - Accrual (Not-For-Profit) on the basis that it does not have public accountability and has total annual expenses equal to or less than $5,000,000. All transactions in the Performance Report are reported using the accrual basis of accounting. The Performance Report is prepared under the assumption that the entity will continue to operate in the foreseeable future.

Goods and Services Tax (GST)

The entity is registered for GST. All amounts are stated exclusive of goods and services tax (GST) except for accounts payable and accounts receivable which are stated inclusive of GST.

Income Tax

Gisborne Museum of Art and History Trust is wholly exempt from New Zealand income tax having fully complied with all statutory conditions for these exemptions.

Donations

Donations are recognised as revenue upon receipt.

Grants

Grants received are recognised as revenue, unless there are unfulfilled conditions attached to the grant. In these cases, the grant is treated as a liability until the conditions are fulfilled.

Bank Accounts and Cash

Bank accounts and cash in the Statement of Cash Flows comprise cash balances and bank balances (including short term deposits) with original maturities of 90 days or less.

Changes in Accounting Policies

There have been no changes in accounting policies. Policies have been applied on a consistent basis with those of the previous reporting period.

Accounts Receivable

Receivables are stated at their estimated realisable value. Bad debts are written off in the year in which they are identified.

Property, Plant and Equipment

(a) Valuation of Assets

(i) Buildings:

The museum building situated on Kelvin Park (excluding C Company House) are owned by the Trust and vested in the GIsborne District Council. The other buildings on the site (Star of Canada, Lysnar House, Wyllie Cottage and The Stables) are owned by the Gisborne District Council. The Trust has a right of occupation under the terms of a 21 year lease. The building complex is valued at actual expenditure less accumulated depreciation to date. Depreciation has been written off using the straight line method, based on their estimated economic life.

(ii) Vehicles, Furniture, Fittings & Equipment:

These are valued at cost price less accumulated depreciation to date. Depreciation has been written off using the straight line and diminishing value method, based on economic life.

(iii) Pictures & Artefacts

Pictures and Artefacts purchased from Trust funds are valued at their cost price without charging any depreciation. The countless items donated or bequeathed to the Trust are not recorded in the accounts.

(b) Depreciation

Depreciation has been charged at the applicable rates as outlined below:

Buildings - 1% of Cost

Furniture & Fittings - 10% Straight Line and 10-50% Diminishing Value

Vehicles - 18% Diminishing Value

Office Equipment - 50% Diminishing Value

Other Fixed Assets - 0%

From 2014 new assets are depreciated from the date of purchase.

Inventories

Inventories are recorded at the lower of cost and net realisable value, using a first in, first out basis, after due consideration for obsolete stock.

Investments

Investments are recorded at cost.

Employee Entitlements

Liabilities are recognised for wages, salaries, and annual leave earned but not yet paid as at balance date.

Notes to the Performance Report

Gisborne Museum of Art and History Trust - trading as Tairawhiti Museum
For the year ended 30 June 2024

1. Analysis of Revenue

	2024	2023
Donations, fundraising and other similar revenue		
Grants Specific	244,563	183,373
GDC Insurance	46,793	42,322
Koha/Donations	1,224	1,103
Total Donations, fundraising and other similar revenue	**292,581**	**226,798**
Revenue from providing goods or services		
Entry/Admissions	18,800	17,357
Exhibit Café Rental	7,200	7,200
Exhibition Previews	500	2,491
GDC Monthly Operating	735,000	735,000
MOE Income	164,380	164,380
Photocopying Charges	71	87
Photographic Sales	579	695
Retail	54,916	66,548
Sundry Income	809	174
Venue Hire	3,283	1,579
Total Revenue from providing goods or services	**985,538**	**995,510**
Interest, dividends and other investment revenue		
Interest Received	8,272	6,113
Total Interest, dividends and other investment revenue	**8,272**	**6,113**
Other revenue		
Depreciation Recovered	1,531	-
Total Other revenue	**1,531**	**-**

2. Analysis of Expenses

	2024	2023
Volunteer and employee related costs		
ACC Levies	1,936	1,882
Professional Development	6,035	8,118
Salaries & Wages - Education	168,450	158,235
Salaries & Wages - General	630,789	609,029
Salaries & Wages - Collections	104,318	10,649
Staff Expenses	3,950	2,110
Total Volunteer and employee related costs	**915,478**	**790,023**
Costs related to providing goods or services		
Collection	38,044	13,087
Education	18,899	7,143
Exhibitions	36,945	46,127

	2024	2023
Finance	2,554	2,840
Insurance	67,004	60,670
Maintenance	41,240	35,610
Operations	132,553	123,517
Power & Heating	32,132	24,313
Retail	27,829	28,327
Total Costs related to providing goods or services	**397,201**	**341,634**
Other expenses		
Accountancy Fees	9,000	9,000
Audit Fee	5,822	5,322
Depreciation	119,369	129,653
Interest	47	34
Total Other expenses	**134,238**	**144,008**

	2024	2023
3. Analysis of Assets		
Bank accounts and cash		
Petty Cash	34	114
Shop Till Float	200	200
Westpac - Cheque Account	71,360	176,619
Westpac - Project Account	13,780	13,412
Westpac - Savings Account	76,645	74,600
Total Bank accounts and cash	**162,019**	**264,945**
Debtors and prepayments		
Accounts Receivable	3,778	13,800
Prepayments	17,645	13,655
Total Debtors and prepayments	**21,423**	**27,455**
Inventory		
Stock on Hand	9,561	13,963
Total Inventory	**9,561**	**13,963**
Other current assets		
ANZ Bank Term Investment	84,477	81,664
Total Other current assets	**84,477**	**81,664**
Other non-current assets		
Sunrise Endowment Fund	35,248	35,248
Total Other non-current assets	**35,248**	**35,248**

	2024	2023

4. Analysis of Liabilities

Creditors and accrued expenses		
Accounts Payable	67,040	33,546
Total Creditors and accrued expenses	**67,040**	**33,546**
Employee costs payable		
Provision for Holiday Pay	40,749	38,087
Wages Payable	28,299	52,487
Total Employee costs payable	**69,048**	**90,574**
Unused donations and grants with conditions		
GDC	-	8,000
J N & H B Williams Foundation Trust	3,958	22,857
Ministry of Culture and Heritage Grant	87,124	80,006
National Services Te Paerangi Grant	276	276
Total Unused donations and grants with conditions	**91,359**	**111,139**

	2024	2023

5. Property, Plant and Equipment

Buildings		
Buildings at cost	3,552,676	3,552,676
Accumulated depreciation - buildings	(699,681)	(664,154)
Total Buildings	**2,852,995**	**2,888,522**
Motor Vehicles		
Vehicles owned	70,554	55,934
Accumulated depreciation - vehicles owned	(34,668)	(53,403)
Total Motor Vehicles	**35,886**	**2,531**
Furniture and Fittings		
Furniture and fittings owned	993,319	975,958
Accumulated depreciation - furniture and fittings owned	(835,301)	(764,540)
Total Furniture and Fittings	**158,018**	**211,418**
Office Equipment		
Owned fixed assets	68,370	66,243
Accumulated depreciation - fixed assets owned	(52,089)	(40,342)
Total Office Equipment	**16,281**	**25,901**
Other Fixed Assets		
Collections & Displays	128,751	128,751
Stable & Sledhouse	1,324	1,324
Star of Canada	27,448	27,448
Wylie Cottage	2,157	2,157
Total Other Fixed Assets	**159,680**	**159,680**
Total Property, Plant and Equipment	**3,222,860**	**3,288,052**

	2024	2023

6. Accumulated Funds

Accumulated Funds		
Opening Balance	3,445,980	3,493,224
Accumulated surpluses or (deficits)	(158,995)	(47,244)
Total Accumulated Funds	**3,286,985**	**3,445,980**
Total Accumulated Funds	**3,286,985**	**3,445,980**

	2024	2023

7. Breakdown of Reserves

Reserves		
Donations Specific - Equity	348,482	348,482
Grant Received	38,590	38,590
Grants - Park Extension	1,580,154	1,580,154
Total Reserves	**1,967,226**	**1,967,226**

8. Commitments

There are no commitments as at 30 June 2024 (Last year - nil).

9. Contingent Liabilities and Guarantees

Sunrise Endowment Fund: The balance of the Sunrise Endowment Fund at 31 March 2024 was $50,382 (Last year - $45,732).

10. Assets Held on Behalf of Others

The Museum holds a portion of the collection through short term loan agreements for both ongoing care, research and exhibition purposes. This includes a large collection of material owned by the Nga Taonga a Nga Tama Toa Trust who own and operate the neighbouring C Company Memorial House.

11. Related Parties

Description of Related Party Relationship Expenses (ex GST)	Description of the Transaction	2024 Value of Transactions	2023 Value of Transactions	2024 Amount Outstanding	2023 Amount Outstanding
Te Rau Print (publications) - A Trustee is a Director and Shareholder of this company	Purchases	3,763	10,570	867	0
The Gisborne Herald (newspaper subscriptions and advertising) - A Trustee is a Director and Shareholder of this company	Purchases	5,797	7,415	161	134

Gisborne Office Products Depot (office materials) - A Trustee is a Director and Shareholder of this company	Purchases	2,049	1,952	18	0
Chrisp & Davidson Ltd (accountancy services) - A Trustee is a Director and Shareholder of this company	Purchases	9,000	9,000	0	0
Historic Places Tairawhiti (membership subscription) - The Former Director was an Officer of the Charitabel Entity	Purchases	0	87	0	0
Gisborne District Council (insurance, water rates, building WOF,book purchases, exhibition expense) - Two Trustees are appointed by the Council as Council Representatives	Purchases	47,162	42,403	26	0
Graeme Nicoll (exhibition conribution) - his former Trustee is an exhibiting artist	Purchases	0	4,839	0	0
National Services Te Paerangi (grant) - A former Trustee is an employee of this organisation	Purchases	0	11,304	0	0
Toihoukura Exhibition - (shop commission) - A Trustee is an employee of this organisation	Purchases	0	391	0	0
Museum Aoteroa (membership, leaership summit) - The former Director is Co-Chair of this organisation	Purchases	0	3,064	0	0
Total Purchases		**62,975**	**91,025**	**909**	**134**
Revenue (ex GST)					
Gisborne District Council (insurance & operating grants, revenue, received in advance)	Sales	781,793	758,322	0	9,000

- Two Trustees are appointed by the Council as Council Representatives					
Gisborne Artists' Society Incorporated exhibition previews) - A former Trustee is an Officer of this Charitable Trust	Sales	0	80	0	0
Friends of Tairawhiti Museum (newsletters & painting sale) - Four Trustees are appointed by Friends of Tairawhiti Museum as Incorporation Representatives	Sales	10,058	5,772	3,648	0
Historic Places Tairawhiti (venue hire) - The former Director is an officer of the charitable entity	Sales	0	174	0	0
Graeme Nicoll (exhibit and sales commission) - This former Trustee is an exhibiting artist	Sales	0	217	0	0
Clark Charitable Trust (grant) - A Trustee is a Trustee of this entity	Sales	0	10,000	0	0
Total Revenue		**791,851**	**774,565**	**8,585**	**9,000**

12. Events After the Balance Date

There were no events that have occurred after the balance date that would have a material impact on the Performance Report (Last year - nil).

13. Ability to Continue Operating

Gisborne Museum of Art and History Trust T/A Tairawhiti Museum is still in final negotiations for operational and capex funding for the 2025 financial year. The adoption of the going concern assumption is based on Gisborne District Council's published documentation in which it intends to continue funding at current levels.

Independent Auditor's Report
To the Board of Trustees of Gisborne Museum of Art & History Trust Trading as Tairawhiti Museum

Opinion
We have audited the performance report of Gisborne Museum of Art & History Trust on pages 4 to 17, which comprises the Entity Information, Statement of Service Performance, Statement of Financial Performance and Statement of Cash Flows for the year ended 30 June 2024, the Statement of Financial Position as at 30 June 2024, and the Statement of Accounting Policies and other explanatory information.

In our opinion:

a) the reported outcomes and outputs, and quantification of the outputs to the extent practicable, in the statement of service performance are suitable;

b) the performance report on pages 4 to 17 presents fairly, in all material respects:

- the entity information for the year ended 30 June 2024;
- the service performance for the year then ended; and
- the financial position of Gisborne Museum of Art & History Trust as at 30 June 2024, and its financial performance, and cash flows for the year then ended in accordance with the requirements of the Public Benefit Entity Simple Format Reporting – Accrual (Not-For-Profit) issued in New Zealand by the New Zealand Accounting Standards Board (PBE SFR-A (NFP)).

Basis for Opinion
We conducted our audit of the statement of financial performance, statement of financial position, statement of cash flows, statement of accounting policies and notes to the performance report in accordance with International Standards on Auditing (New Zealand) (ISAs (NZ)), and the audit of the service performance information in accordance with the ISAs and New Zealand Auditing Standard (NZ AS1) "The Audit of Service Performance Information". Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Performance Report section of our report. We are independent of Gisborne Museum of Art & History Trust in accordance with Professional and Ethical Standard 1 'International Code of Ethics for Assurance Practitioners (including International Independence Standards) (New Zealand), and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other than in our capacity as auditor we have no relationship with, or interests in, the Gisborne Museum of Art & History Trust.

Information other than the performance report and auditor's report thereon
The Board of Trustees are responsible for the other information. The other information comprises Part 1 of the Annual Report; From the Chairman of the Board of Trustees, Board Members, Museum Staff and Director's Review of the Year but does not include the performance report and our auditor's report thereon.

Our opinion on the performance report 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, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the performance report or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, 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.

Board of Trustees Responsibility for the Performance Report
The Board of Trustees are responsible on behalf of the entity for:

(a) service performance criteria that are suitable in order to prepare service performance information in accordance with the Public Benefit Entity Simple Format Reporting – Accrual (Not-For-Profit) standard issued in New Zealand by the New Zealand Accounting Standards Board (PBE SFR-A (NFP));

(b) the preparation and fair presentation of the performance report which comprises:
- the entity information;
- the statement of service performance; and
- the statement of financial performance, statement of financial position, statement of cash flows, statement of accounting policies and notes to the performance report in accordance with PBE SFR-A (NFP), and

(c) such internal control as Board of Trustees determine is necessary to enable the preparation of a performance report that is free from material misstatement, whether due to fraud or error.

In preparing the performance report, the Board of Trustees are responsible on behalf of Gisborne Museum of Art & History Trust for assessing the Trust's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless Board of Trustees either intend to liquidate Gisborne Museum of Art & History Trust or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Performance Report
Our objectives are to obtain reasonable assurance about whether the performance report is 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 conducted in accordance with ISAs (NZ) and NZ AS1 will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decisions of users taken on the basis of this performance report.

As part of an audit in accordance with ISAs (NZ), we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the performance report, 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.

- 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 entity's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Obtain an understanding of the process applied by the entity to select what and how to report its service performance.

- Evaluate whether the service performance criteria are suitable so as to result in service performance information that is in accordance with the PBE SFR-A (NFP) framework.

- Conclude on the appropriateness of the use of the going concern basis of accounting by Board of Trustees and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Trust'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 performance report 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 Trust to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the performance report, including the disclosures, and whether the performance report represents the underlying transactions and events in a manner that achieves fair presentation.

- Perform procedures to obtain evidence about and evaluate whether the reported outcomes and outputs, and quantification of the outputs to the extent practicable, are relevant, reliable, comparable and understandable.

We communicate with the Board of Trustees 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.

Graham & Dobson Ltd

12 February 2025
Graham & Dobson Ltd
Chartered Accountants
Gisborne

Te Kaunihera o Te Tairāwhiti
GISBORNE
DISTRICT COUNCIL

25-91

Title: **25-91 Financial Report 28 February 2025**

Section: Finance & Affordability

Prepared by: Melanie Hartung - Finance Manager

Meeting Date: Wednesday 9 April 2025

Legal: No	Financial: Yes	Significance: **Low**

Report to FINANCE & PERFORMANCE/WHAKAHAERE PŪTEA ME ŌNA HUA Committee for information

PURPOSE - TE TAKE

The purpose of this report is to provide a high-level overview of Gisborne District Council's (Council) financial results for the period ended 28 February 2025.

SUMMARY - HE WHAKARĀPOPOTOTANGA

This report covers the Council's financial performance for the first eight months of the 2024/25 financial year, for the period ended 28 February 2025. It includes commentary against a year to date (YTD) Annual Plan on the Statements of Comprehensive Revenue and Expenses and Capital Expenditure.

Council's net surplus is $20m, lower than what was expected in the YTD Annual Plan of $34.8m. The main drivers of the lower than expected surplus, are due to accounting loss on fair value swaps of $1.5m and the timing of capital grants. The accounting loss is based on movements in fair value of interest rate swaps. This loss may or may not eventuate when the swaps are finally realised in the future.

The receiving of capital grants is dependent on when projects are completed. Initially, at the time of the 2024-2027 Three Year Plan many of the severely impacted roads, were still closed and inaccessible. As such in the absence of engineers final assessments and delivery timelines, the recovery and capital reinstatement of roading emergency works were estimated to a very high level, where $65m capital works was estimated to be completed per each year of the plan (i.e. $35m for emergency capital reinstatement, and $30m recovery funded works).

Year to date recovery works total approximately $22m with estimated variance on budgeted YTD provision of around $10-15m. While this creates a lower-than-expected surplus to the 2024/25 Annual Plan, the roading recovery and reinstatement works are still on track to be completed within the overall 3-4 years of the recovery programme.

Both the grants and capital expenditure will transfer to the following financial years, with no adverse cash flow or financial impacts to Council.

A Summary of the key financial indicators for February year to date:

- **YTD total revenue:** $150m, with approximately $40m from subsidies relating to roading reinstatement works and large woody debris and silt removal.
- **YTD total expenditure:** $130m, including approximately $37m for emergency reinstatement costs and large woody debris and silt removal.
- **YTD capital expenditure:** $53m, representing 67% of the YTD Annual Plan. Most of the expenditure to date relates to roading network for reinstatement works and bridge repairs; Category 3 FOSAL voluntary property buyouts and the Waiapoa Flood Control Resilience project.

Last year for the same period (2023/24 YTD) total capital expenditure was $46.1m.

The decisions or matters in this report are considered to be of **Low** significance in accordance with the Council's Significance and Engagement Policy.

RECOMMENDATIONS - NGĀ TŪTOHUNGA

That the Finance & Performance/Whakahaere Pūtea me Ōna Hua Committee:

1. Notes the contents of this report.

Authorised by:

Pauline Foreman - Chief Financial Officer

Keywords: 2024/25 financial year, financial results

ASSESSMENT of SIGNIFICANCE - AROTAKENGA o NGĀ HIRANGA

Consideration of consistency with and impact on the Regional Land Transport Plan and its implementation
Overall Process: **Low** Significance
This Report: **Low** Significance

Impacts on Council's delivery of its Financial Strategy and Long Term Plan
Overall Process: **Low** Significance
This Report: **Low** Significance

Inconsistency with Council's current strategy and policy
Overall Process: **Low** Significance
This Report: **Low** Significance

The effects on all or a large part of the Gisborne district
Overall Process: **Low** Significance
This Report: **Low** Significance

The effects on individuals or specific communities
Overall Process: **Low** Significance
This Report: **Low** Significance

The level or history of public interest in the matter or issue
Overall Process: **Low** Significance
This Report: **Low** Significance

1. The decisions or matters in this report are considered to be of **Low** significance in accordance with Council's Significance and Engagement Policy.

ATTACHMENTS - NGĀ TĀPIRITANGA

1. Attachment 1 08 February 2025 cover summary financials (1) [**10.2.2.1** - 10 pages]

GISBORNE
DISTRICT COUNCIL

Index	Page
Statement of Comprehensive Revenue & Expenses	1
Notes on Statement of Comprehensive Revenue & Expenses	2
Statement of Financial Position	3
Notes on Statement of Financial Position	4
Capital Expenditure by Activity	5 - 9

Statement of Comprehensive Revenue and Expenses
For the Period Ended 28 February 2025

	Feb-25 Actual $000s	Year to date Budget $000s	Variance $000s	Full Year Budget $000s
REVENUE FROM NON-EXCHANGE TRANSACTIONS				
Grants and Subsidies - Operational	42,020	37,433	4,587	47,818
Grants, Donations, Subsidies and Contributions - Capital	31,984	45,358	(13,374)	106,846
Other Non Exchange Revenue	975	817	159	1,898
General Rates And Uniform Annual General Charge	22,879	22,637	242	30,183
Targeted Rates	40,605	40,605	(0)	54,141
REVENUE FROM EXCHANGE TRANSACTIONS	0	0		0
Development and Financial Contributions	638	1,242	(604)	1,863
Other Revenue	8,694	10,084	(1,389)	14,573
Targeted Water Rates	1,772	2,434	(662)	3,651
Dividends	7	0	7	0
Interest Received	1,729	0	1,729	0
Other Gains/(Losses)	(1,472)	183	(1,656)	350
Total Revenue	**149,833**	**160,794**	**(10,961)**	**261,322**
EXPENSES				
Employee Benefit Expenses	22,747	24,031	1,284	37,139
Expenditure on Operating Activities	80,622	76,604	(4,018)	103,671
Depreciation and Amortisation	20,933	20,883	(50)	31,324
Financing Costs	5,652	4,524	(1,128)	6,786
Total Expenses	**129,954**	**126,041**	**(3,913)**	**178,919**
Net Surplus/(Deficit) Before Taxation	**19,878**	**34,752**	**(14,874)**	**82,403**
Subvention payment	(71)	0	(71)	350
Net Surplus/(Deficit)	**19,808**	**34,752**	**(14,945)**	**82,753**
Gains/(Losses) on Property Revaluation	0	0	0	48,350
TOTAL COMPREHENSIVE REVENUE AND EXPENSES	**19,808**	**34,752**	**(14,945)**	**131,103**
CAPITAL EXPENDITURE	**53,215**	**79,944**	**26,729**	**160,032**

Notes to the Statement of Comprehensive Revenue and Expense

01 Grants and Subsidies – Operational

Most of this revenue comes from roading subsidies through Waka Kotahi and other grants. $32m relates to reinstatement of roading emergency works and $18m from central government grants for silt and woody debris removal and FOSAL Category 3 relocation grants.

02 Grants, Donations, Subsidies and Contributions – Capital

The capital grants revenue is mostly from Waka Kotahi for roading renewals.

03 Other Non-Exchange Revenue (Includes penalties, infringement fees, court enforcement fees, and other fees)

This includes court enforced fees, penalties received and infringements.

04 Other Revenue (Rent income, lease income, and all other fees and charges)

Other revenue includes fees and charges such as dog registration fees, rents, parking fees and trade waste charges.

05 Other Gains/(Losses)

Other Gains/losses includes financial accounting recognitions (such as interest rate swaps). For the period there is $1.5m recognition of the accounting loss based on the movements in fair value of interest rate swaps. This gain may or may not eventuate when the swaps are finally realised in the future.

06 Employee Benefit Expenses

Employee Benefit expenses are under budget due in part to vacancies and offset by higher professional services costs.

07 Expenditure on Operating Activities

Expenditure is higher than Annual Plan due to FOSAL category 3 voluntary property buyouts.

08 Depreciation and Amortisation

The depreciation is on track.

09 Financing Costs

Financing costs are $5.7m, higher that the Annual Plan. This is due to a combination of higher interest rates and from prefunding debt. Prefunding debt allowed for lock in favourable interest rates. By depositing the funds into an interest-bearing account before the debt was due, overall finance costs were reduced. Net interest costs (i.e. interest costs less interest earned of $1.7m) is $3.9m against the YTD $4.5m Annual Plan.

10 Capital Expenditure

Capital expenditure for the period is $53 million (67%) against the year-to-date Annual Plan. More information regarding capital projects can be found under "Notes to Capital Expenditure" below.

Statement of Financial Position
For the Period Ended 28 February 2025

	Notes	YTD Actual $000s	Full Year Budget $000s
CURRENT ASSETS			
Cash & Bank	**01**	22,784	28,728
Non Exchange Trade and Other Receivables	**02**	13,046	24,671
Exchange Trade and Other Receivables	**03**	19,917	24,373
Inventories	**04**	104	45
Current Investments	**15**	711	81
Derivative Financial Instruments	**11**	97	770
Non Current Assets Held for Resale	**05**	80	80
Total Current Assets		**56,738**	**78,748**
CURRENT LIABILITIES			
Deposits Held	**06**	448	573
Trade and Other Payables	**07**	39,945	73,580
Employee Benefits and Suspense	**08**	4,106	3,556
Borrowings	**09**	30,000	15,000
Provisions for Other Liabilities	**10**	560	468
Total Current Liabilities		**75,059**	**93,177**
Total Net Working Capital		**(18,321)**	**(14,429)**
NON CURRENT ASSETS			
Derivative Financial Instruments	**11**	(504)	958
Property Plant and Equipment	**12**	2,871,324	2,908,858
Intangible Assets	**13**	6,033	6,462
Biological Assets	**14**	924	1,263
Investments	**15**	36,411	35,294
Total Non Current Assets		**2,914,188**	**2,952,835**
NON CURRENT LIABILITIES			
Borrowings	**9**	157,800	180,374
Employee Benefit Liabilities	**8**	89	111
Provisions for Other Liabilities	**16**	1,926	2,117
Emission Trading Scheme Liabilities	**17**	812	795
Total Non Current Liabilities		**160,626**	**183,398**
Total Net Funds Employed		**2,735,241**	**2,755,008**
EQUITY			
Accumulated Surplus		567,246	651,455
Special Funds	**18**	54,815	35,631
Revaluation Reserves	**19**	2,113,180	2,067,922
Total Equity		**2,735,241**	**2,755,008**

Notes to the Statement of Financial Position

01 Cash at Bank
Westpac current account balance and overnight ANZ money market.

02 Non-Exchange Trade and Other Receivables
Includes rates receivable and other current receivables such as Waka Kotahi receivables.

03 Exchange Trade and Other Receivables
Includes sundry debtors, prepayments, and GST where receivable.

04 Inventories
Includes product and or stock on hand.

05 Non-Current Assets Held for Resale
Includes any identifiable assets that have been held for disposals. Decisions relating to disposals must be approved by Council.

06 Deposits Held
Includes footpath deposits, bond deposits and theatre ticket sale deposits.

07 Trade and Other Payables
Includes accounts payable, sundry creditors, audit fee accruals, GST where payable and other IRD payables, Waerenga o Kuri Liability.

08 Employee Benefits Liabilities and Suspense
Includes holiday pay and other current and non-current employee benefit liabilities.

09 Borrowings
Includes long term and short-term borrowings from LGFA and Money market loan obtained from other banks.

10 Provisions for Other Liabilities - Current
Includes provision for various legal matters and other liabilities.

11 Derivatives Financial Instruments
Interest rate swaps.

12 Property Plant and Equipment
Council's fixed assets.

13 Intangible Assets
Includes computer software.

14 Biological Assets
Includes the value of livestock and forestry.

15 Investments – Current/Non-Current
Includes investments in GHL, LGFA and BOPLASS.

16 Provisions for Other Liabilities – Non-Current
Includes non-current provisions such as Paokahu landfill and Waiapu landfill aftercare provisions.

17 Emissions Trading Scheme
Provision for Emission Trading Scheme Liability.

18 Special Funds
Includes various reserves such as depreciation reserve.

19 Revaluation Reserves
Gain on asset revaluation.

Gisborne District Council

Statement of Capital Expenditure for the period ended 28 February 2025

Activity	Notes	Feb-25 Actuals YTD $000s	Feb-25 YTD $000s	% Spent YTD Actuals of YTD Budget %	2024 / 2025 Full Year Budget $000s
Including Major Projects					
Community Lifelines		**37,866**	**61,677**	**61%**	**126,102**
Roading	**1**	27,549	44,432	62%	84,737
Wastewater	**2**	2,023	2,781	73%	5,360
Stormwater	**3**	717	2,138	34%	3,758
Water Supply	**4**	2,265	3,015	75%	7,523
Solid Waste	**5**	94	1,760	5%	12,650
Land, Rivers, Coastal	**6**	5,219	7,550	69%	12,075
Liveable Communities	**7**	**3,251**	**4,283**	**76%**	**8,632**
Land Soil and Resources		1,060	1,203	88%	2,070
Conveniences		142	281	50%	490
Reserves & Community Property		576	1,005	57%	3,111
Cemeteries		57	159	36%	477
Community Property Mgmt		295	263	112%	670
Art & Public Places		1,018	1,171	87%	1,512
District Library Ops		103	201	51%	302
Regional Leadership & Support	**8**	**11,965**	**13,795**	**87%**	**24,887**
Information Services		1,180	1,597	74%	2,760
Townships		269	596	45%	1,392
Recovery Centre		9	-	0%	-
Fosal		9,683	10,383	93%	17,917
Water and Coastal Resources		190	275	69%	991
Civil Defence		16	121	13%	243
Environmental Monitoring		218	436	50%	1,002
Facilities & Plant Management		399	388	103%	582
Environmental Services & Protection	**9**	**25**	**-**	**0%**	**-**
Environmental Health		7	-	0%	-
Commercial Operations	**9**	**108**	**189**	**57%**	**411**
Community Housing		108	189	57%	411
		53,215	**79,944**	**67%**	**160,032**

Notes to the Draft Statement of Capital Expenditure 28 February 2025

1 Roading

Full Year Program

The Roading full year budget is $84.7m. This is made up of renewals ($16.2m), PGF ($1.5m), Emergency reinstatement projects related to bridges, dropouts and Tiniroto road ($65m) and also includes walking and cycling and subsidised Township projects.

Costs to February

Capital spend to February is at $27.5m, tracking under YTD budget. Renewals through February account for about half of the capital spend and are on track to be within budget by year end. Recovery and emergency reinstatement of bridges and roads is $14m, against the YTD budget of $30m. These recovery projects are 100% externally funded by CIP and Waka Kotahi.

The East Cape Provincial Growth Fund (PGF) works with spend to February of $662k are finished.

2 Wastewater

Full Year Program

The Wastewater full year budget is $5.4m. This full year budget consists mainly of renewals ($4.1m), Tolaga bay Septage site($775k) and Wastewater Treatment Plant further treatment ($500k).

Costs to February

Actuals YTD are $2m. Renewals are $1.9m of the total spend, expected to come slightly below the budget at the year-end. More renewals works are expected mainly over March and April 2025, with some projects being extended into the next financial year.

Design for Tolaga Bay Septage Site is complete, the project is in the consultation stage and construction is expected to start in the next financial year.

3 Stormwater

Full Year Program

The Stormwater full year budget is $3.8m. This includes Graham/De Latour Road upgrade of stormwater infrastructure ($1.7m), public drains on private property ($750k) and Whataupoko ($436k).

Costs to February

Total actual costs YTD are $717k, $200k is spent on renewals programme. Construction started and is expected to carry on until June 2025 with budget being fully utilized.

Graham/De Latour upgrade and Whataupoko are scheduled for next financial year, these works need to happen in spring. Unused budget will be carried over into FY 2026.

Public drains on private property on Wainui Road are nearing its completion and Gladstone Road works are underway, anticipated to be completed by June 2025.

4 Water Supply

Full Year Program

The Water Supply full year capital budget of $7.5m includes Renewals ($3.6m) and Upgrades ($3.9m). Included is the infiltration gallery refurbishment ($1.3m).

Costs to February
Actual costs YTD are $2.3m, $0.7m behind budget overall. $1.6m of the costs was spent on water supply renewals and $500k on final reinstatement works.

Water Treatment plant infiltration gallery is in the design phase and carry over will be required for a build that is expected in the next financial year.

5 Solid Waste

Full Year Program
There are 10 projects in the Solid Waste $12.7m budget. The largest are the Resource Recovery centre ($5m) 95% funded by external grants, and the Wheelie bins project ($2.5m) which is fully funded by Better Off Funding Grant. Other projects include Heritage Landfill remediation ($1.9); relocation of the Tokomaru Bay transfer station ($1.6m) - including remediation costs; and the Waiapu Landfill project (443k).

The remaining projects are provisions for renewal of capex, as and when they are needed. It includes provisions for transfer stations, litter bins, and Paokahu closed landfill.

Costs to February
$94k of costs incurred for the first half, majority related to Tokomaru Bay Site Remediation. Relocation of transfer station is to follow upon completion of remediation which is expected in the next financial year and carry over will be required.

Other projects are planned to start in the last quarter of the 2024-2025 year with unused funds carried into 2026 to allow for completion.

6 Land, Rivers and Coastal

Full Year Program
The total budget for Land, Rivers and Coastal is $12.1m. The main project is the Waipaoa River Flood Control Scheme ($3.3m), Flood resilience projects ($8.7m) which are largely funded by Crown Infrastructure (CIP).

Costs to February
YTD actuals are $5.2m, with majority cost related to Waipaoa flood control ($4.1m). The Waipaoa River Flood Control Scheme is progressing well with about 8km of stopbank works left.

Other flood resilience projects are in the investigation stage, construction is not expected in this FY.

7 Liveable Communities

Full Year Program
The budget of $8.6m, includes major project of Waingake Transformation ($2.1m) and the 1000-year Walkway Bridge ($850k).

Reserves projects are $3.1m of the budget, Land & Soil Resources $2.1m and Art and Public Places $1.5m. Included is the Hawaiki Turanga remediation $560k.

Costs to February
YTD costs are $3.3m. Waingake Transformation Project costs are on par with budget at $1m, partially matched with income of $220k.

The 1000 Year Walkway Bridge spend is $893k, this amount is externally grant funded. The structure is now complete, but some further adjustments are to be made prior to it being officially opened.

Remediation works at Hawaiki Turanga are complete, the pou is left to be installed which is expected by the end of April 2025.

8 Regional Leadership & Support Services

Full Year Program
The Regional Leadership & Support Services full year capital budget of $24.9m includes FOSAL category 3 voluntary property buyouts ($17.9m). Information Services ($2.8m), Townships ($1.4m) of which $492k is externally funded and Environmental Monitoring ($1m).

Costs to February
Actual YTD costs for this group are $12m. FOSAL Category 3 Voluntary Residential Property Buyouts are tracking as planned ($9.7m) with a 50/50 share arrangement with central government for the residential buyouts.

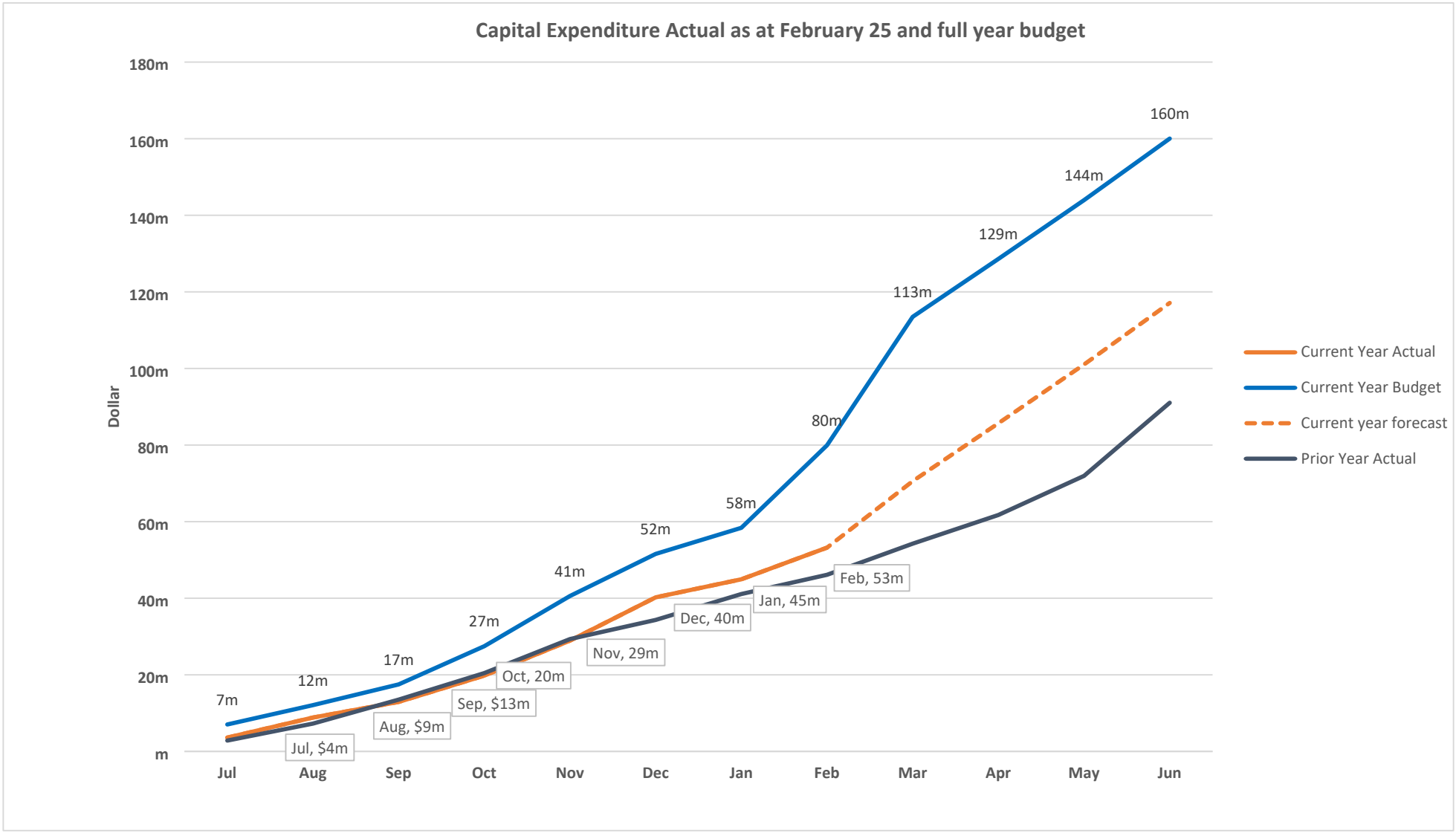
9 Environmental Services & Protection

There are some minor costs YTD, relating to minor plant replacements.

10 Commercial Operations

Full Year Program
This budget of $411k is for Staff and Community Housing upgrades, where GHL manages and oversees this work. Funds are earmarked to be spent on double glazing of windows. The project was put on hold in 2023/2024 due to cold winter weather. Works are expected to resume this financial year.

Costs to February
Total actual costs YTD are $108k. Works on double glazing of some properties are under way, this is expected to carry through into next FY with a likely carry over of funds.


Capital Expenditure Actual as at February 25 and full year budget
180m
160m
140m
120m
100m
80m
60m
40m
20m
m
Dollar
Jul
Aug
Sep
Oct
Nov
Dec
Jan
Feb
Mar
Apr
May
Jun
7m
12m
17m
27m
41m
52m
58m
80m
113m
129m
144m
160m
Jul, $4m
Aug, $9m
Sep, $13m
Oct, 20m
Nov, 29m
Dec, 40m
Jan, 45m
Feb, 53m
Current Year Actual
Current Year Budget
Current year forecast
Prior Year Actual

Te Kaunihera o Te Tairāwhiti
GISBORNE
DISTRICT COUNCIL

25-48

Title:	**25-48 Six Month Activity Report - Q1/Q2 - 2024/25**
Section:	Risk & Performance
Prepared by:	Tim Muir - Senior Planning & Performance Advisor
Meeting Date:	Wednesday 9 April 2025

Legal: No	Financial: No	Significance: **Low**

Report to FINANCE & PERFORMANCE/WHAKAHAERE PŪTEA ME ŌNA HUA Committee for information

PURPOSE - TE TAKE

The purpose of this report is to update the Committee on progress and performance for Gisborne District Council (Council) activities during the first half (six months) of the 2024/2025 financial year.

SUMMARY - HE WHAKARĀPOPOTOTANGA

This report outlines the performance and progress of Council activities for the first six months of the financial year 2024–2025, from **1 July to 31 December 2024**. It evaluates these activities against the objectives set in the 2024–2027 Three-Year Plan

Activity reporting is structured at a "group" level, aligning with the Three-Year Plan and reflecting the organisation's financial structure.

Note: Reporting was temporarily changed from quarterly to six-monthly following Cyclone Gabrielle. From Q3 2024/2025, quarterly reporting will resume.

Activity Reporting Structure

Mandatory Activities

In compliance with the Local Government Act 2002 (LGA), the Three-Year Plan includes the following mandatory activities:

- Roads and Footpaths.
- Land, Rivers, and Coastal.
- Water Supply, Wastewater, and Stormwater Services.

Additional Council-Recognised Activity Groups:

Council has also identified the following five additional activity groups for inclusion in the Three-Year Plan:

- Solid Waste.
- Environmental Services and Protection.
- Liveable Communities.
- Regional Leadership and Support Services.
- Commercial Operations.

Reports at a glance

The table below summarises the performance outcomes for Council activity groups based on second-quarter results for the 2024/2025 financial year.

Activities	Performance measures	Target met	Slightly under target	Not achieved	Not measured
Environmental Services and Protection	**9**	**9**			
Roads and Footpaths	**4**	**4**			
Land, Rivers, and Coastal	**2**	**1**	**1**		
Solid Waste	**5**	**2**		**1**	**2**
Wastewater	**6**	**6**			
Water Supply	**19**	**17**		**2**	
Urban Stormwater	**4**	**4**			
Liveable Communities	**9**	**7**		**1**	**1**
Regional Leadership and Support Services	**5**	**5**			
Commercial Operations	**1**	**1**			
Total	**64**	**56**	**1**	**4**	**3**
		88%	**2%**	**6%**	**5%**

The decisions or matters in this report are considered to be of **Low** significance in accordance with the Council's Significance and Engagement Policy.

RECOMMENDATIONS - NGĀ TŪTOHUNGA

That the Finance & Performance/Whakahaere Pūtea me Ōna Hua Committee:

1. Notes the contents of this report.

Authorised by:

Pauline Foreman - Chief Financial Officer

Keywords: Six Month Report

ATTACHMENTS - NGĀ TĀPIRITANGA

1. Attachment 1 - Environmental Services and Protection [**10.3.1.1** - 9 pages]
2. Attachment 2 - Roads and Footpaths [**10.3.1.2** - 7 pages]
3. Attachment 3 - Land Rivers and Coastal [**10.3.1.3** - 6 pages]
4. Attachment 4 - Solid Waste [**10.3.1.4** - 6 pages]
5. Attachment 5 - Wastewater [**10.3.1.5** - 7 pages]
6. Attachment 6 - Water Supply [**10.3.1.6** - 7 pages]
7. Attachment 7 - Urban Stormwater [**10.3.1.7** - 5 pages]
8. Attachment 8 - Liveable Communities [**10.3.1.8** - 11 pages]
9. Attachment 9 - Regional Leadership and Support Services [**10.3.1.9** - 18 pages]
10. Attachment 10 - Commercial Operations [**10.3.1.10** - 4 pages]

Te Rōpū Ratonga Taiao me te Haumaru

Environmental Services and Protection

Six Month Activity Report - Financial Year 2024/25

About this report

This report summarises the key performance outcomes of the Environmental Services and Protection Group for the first half of the 2024/25 financial year, compared with the objectives set out in the 2024-2027 Three Year Plan (3YP).

The report contains the following sections:

1. Activity Assessments.
2. Group finances.
3. Progress against the 3YP.
4. Levels of service and performance measures.

What we do

This activity group consists of the overall monitoring and compliance of district and regional resource consents, animal control, parking and city watch, food, health and liquor regulations, bylaws, environmental risk services, port and harbour safety.

We maintain a consistent approach to ensuring compliance with a variety of acts, regulations, bylaws, and the Tairāwhiti Resource Management Plan (TRMP). We do this by using a range of enforcement options which are determined by a guideline toolkit and include examples of best practice.

These guidelines are also intended to help the community and interested parties understand how enforcement and compliance is carried out.

Activities in this group

- Building Consents
- Enforcement and Compliance
- Resource Consents
- Harbourmaster

Te Rōpū Ratonga Taiao me te Haumaru

Environmental Services and Protection

1. Activity Assessments - 1 July 2024 to 31 December 2024

Performance Indicators		
On track	Monitoring	Off track

Building Consents	
Progressing our **3YP commitments** and focus projects	Performance in terms of delivering our **Levels of Service**
On track	On track
The team is on track to meet 3YP commitments. The transition to fully digital inspections is progressing, with further improvements expected in 2025.	**Compliance** with statutory timeframes remains above 95%, supported by increased staffing levels.

Resource Consents	
Progressing our **3YP commitments** and focus projects	Performance in terms of delivering our **Levels of Service**
On track	On track
Significant progress has been made in cost recovery, water take renewals and digitising historical data. Engagement with Iwi and Hapū continues to strengthen.	**Processing** timeframes exceeded the 70% target, with overall compliance above 80%. Where appropriate, agreed extensions under Section 37 were applied.

Enforcement & Compliance	
Progressing our **3YP commitments** and focus projects	Performance in terms of delivering our **Levels of Service**
On track	On track
Despite challenges in staff recruitment, **the** team remains on track to meet 3YP commitments. Operational excellence and stakeholder engagement remain a priority, with a strong focus on public safety.	**Compliance** and enforcement services continue to be delivered effectively, ensuring regulatory requirements are met and public safety is maintained.

Te Rōpū Ratonga Taiao me te Haumaru

Environmental Services and Protection

2. Group Finances

Year to date results as at end of 31 December 2024

OTHER OPERATING REVENUE

What we earn - fees, charges and grants etc (excluding rates and water by meter rates)

Full Year Outlook

Year to Date

$4.1m

$177k over $3.9m budget

Forecasted year end of $8.0m against budget of $7.8m

RATES REVENUE

What rates revenue we have invoiced (including water by meter rates, excluding capital rates)

Full Year Outlook

Year to Date

$3.5m

$0k under $3.5m budget

Forecasted year end of $7.0m against budget of $7.0m

CAPITAL REVENUE

Grants, subsidies and donations to fund our capital projects (excluding capital rates revenue)

Full Year Outlook

Year to Date

$0k

$0k under $0k budget

Forecasted year end of $0k against budget of $0k

CAPITAL RATES REVENUE

What capital rates revenue we have invoiced

Full Year Outlook

Year to Date

$0k

$0k under $0k budget

Forecasted year end of $0k against budget of $0k

TOTAL OPERATING EXPENDITURE

The costs to operate Council's activities

Full Year Outlook

Year to Date

$6.7m

$919k over $5.8m budget

Forecasted year end of $11.9m against budget of $11.0m

CONTROLLABLE OPERATING EXPENDITURE

Controllable expenditure on operating activities from the Financial Performance Statement

Full Year Outlook

Year to Date

$3.0m

$1.2m over $1.9m budget

Forecasted year end of $4.4m against budget of $3.3m

CAPITAL EXPENDITURE

Costs for our capital projects

Full Year Outlook

Year to Date

$7k

$7k over $0k budget

Forecasted year end of $7k against budget of $0k

NET SURPLUS/(DEFICIT)

Council's total income less total operating expenditure from the Financial Performance Statement (including rates and allocations/overheads)

Full Year Outlook

Year to Date

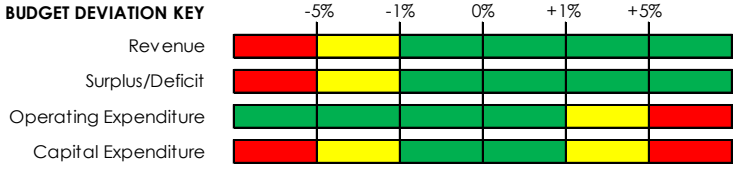
($1.0m)

$729k unfavourable to ($290k) budget

Forecasted year end of ($787k) against budget of ($57k)

Traffic light colour illustrates the % deviation from budget.

("0%" is "no deviation from planned budget")



Te Rōpū Ratonga Taiao me te Haumaru

Environmental Services and Protection

Total Operating Income
Year to date (YTD) income stands at $177k over budget, primarily driven by increased revenue from court-enforced infringements. A total of 382 building consents and 299 resource consents have been issued.
Total Operating Expenses
Year to date (YTD) expenses are $919k over budget, primarily due to increased monitoring and enforcement costs for forestry, as well as recoverable consultancy fees for building and resource consents.
Total Capital Expenditure
Year to date YTD capital expenditure is mostly on par with budget.

3. Progress on Three Year Plan

Building Consents

Project	Initiative	How we are going
Digital inspection records	Move to fully digital inspection records to remove the current requirement for a two-step process. Select mobile devices that have both handwriting and voice recognition to smooth the input pathways.	On track for full transition by the end of 2025. Work is ongoing to resolve software issues with tablets and refine inspection checklists to prevent duplicate entries.
Earthquake prone building strengthening	Complete the earthquake prone building strengthening project so that there are no buildings that are earthquake prone as defined by the Building Act 2004 in the city area. Use the provisions of the Building Act 2004 to enforce strengthening where the building owner has not met their legal requirements.	Progressing well despite government timeframes being extended by 4–6 years. 24 buildings still require strengthening.
Elevating Tairāwhiti	Assist with raising houses to directly mitigate flood-related risks, thereby reducing the risk to life and potential future damage to property.	Proceeding at a satisfactory rate. Building consents are being issued, and the government has extended the grant funding period by six months.

Te Rōpū Ratonga Taiao me te Haumaru

Environmental Services and Protection

Resource Consents

Project	Initiative	How we are going
Cost recovery	Implement a structured cost recovery process providing transparency across fee structures to consent applicants through regular updates on cost tracking.	Significant improvements continue, with a 70% agreed recovery rate for planners and technical advisors. New processes, templates, and time-tracking systems have been introduced.
Executive summary process: Iwi/Hapū	Continue to work closely with our Te Tiriti Partners to develop and implement processes that empower Iwi and Hapū to play an active and meaningful role in the consenting process.	The Executive Summary process is in place with Te Aitanga a Māhaki and has recently been introduced to Nga Uri a Te Kooti Rikirangi Trust. Iwi/Hapū engagement and understanding of the process are increasing.
	Continue to provide support and ongoing mentoring around the executive summary process with ongoing evaluation measures to ensure requirements continue to be met and that the process is fit- for-purpose.	Monthly check-ins provide support, training (e.g., forestry, water takes), and iterative improvements based on feedback.
Māori engagement	Enhance Council's engagement strategy with Iwi and Hapū with a key focus on strengthening and maintaining effective relationships.	Regular engagement continues, with planning underway to involve Iwi/Hapū in developing operational plans that align with their aspirations.
	Continue to provide guidance, training and best practice tools to support and empower staff to engage purposefully and meaningfully with Iwi and Hapū, while continuing to codevelop initiatives and provide outreach training to support Iwi and Hapū in exercising their right as Kaitiaki.	The Māori Engagement Advisor is building staff capability through training on treaty settlements, statutory acknowledgements, and Council's role as a Treaty partner.

Te Rōpū Ratonga Taiao me te Haumaru

Environmental Services and Protection

Enforcement and Compliance

Area	Project	Initiative	How we are going
Environmental Health	Compulsive hoarding in Tairāwhiti	Establish a network of early detection.	Informal discussions with relevant agencies are ongoing. The establishment of a formal network will progress following the resolution of the first hoarding case, subject to legal timeframes.
		Create a memorandum of understanding in partnership with pertinent stakeholders (Te Whatu Ora, Social Services etc).	Progress is dependent on the establishment of an early detection network. The memorandum will be developed as part of that process.
		Create a feasible recovery costs plan for the Council.	The first charge on land was issued in Q3 to recover costs incurred by Council for hoarding-related nuisance abatement.
	Alcohol related harm reduction	Continue and improve collaboration with reporting Agencies, licensees and members of the public to reduce alcohol related harm.	Local Alcohol Regulatory Agencies (LARA) meetings now take place in different formats to support key discussions, organise initiatives, and review applications. Council will host the next Host Responsibility Workshop on 8 and 11 April, with further initiatives planned.
		Collate and provide statistical analysis to support bylaws and local policies review process.	Data from agencies such as Police and Te Whatu Ora has been used to inform the Local Alcohol Policy and Alcohol Bylaw reviews. Continued effort is required to develop a more comprehensive understanding of alcohol-related harm in Tairāwhiti.
	Food/health monitoring and compliance	Improve our interaction and compliance processes with operators that trade under the legislative frameworks of the Food Act 2014 and Health Act 1956.	Work is underway to develop an updated live database. Next steps include streamlining email communications and support processes.
		Establish a consistent monitoring process for traders operating under the Mobile Shops and Other Traders Bylaw 2014.	Progress is dependent on the completion of the bylaw review. Once enacted, monitoring processes will be implemented.
Monitoring and Compliance	Working groups	Establish working groups with the community around the environmental compliance sector.	The forestry team is actively engaged in sector working groups to promote best practices and reduce environmental non-compliance.
Harbourmaster	Port and Harbour Safety Code (PHSC)	Continue to ensure PHSC compliance through active participation with Eastland Port and Maritime New Zealand.	Conducted the annual self-assessment and a combined risk assessment with Eastland Port, followed by an external review. Completed the audit review.

Te Rōpū Ratonga Taiao me te Haumaru

Environmental Services and Protection

Area	Project	Initiative	How we are going
	Emergency Response	Respond to maritime emergencies including oil spills as required.	No maritime emergencies or oil spills were reported during this period.
	Navigation safety	Ensure Maritime Transport Act harbourmaster requirements are met for navigational safety of all commercial vessels and pleasure craft.	Requirements are consistently met on a daily basis, ensuring the safety of both commercial and recreational vessels.

4. Levels of service and performance measures

Performance measure indicators			
Target met	Slightly under target (≤5%)	Target not met	Not measured

Notes:

1. Performance measures based on the Resident Satisfaction Survey are reported annually after all four survey waves are complete.
2. Annual measures with progressive/cumulative results will be used to derive an end of year (EOY) result.

Building Consents

Level of Service: We will deliver a customer-focused building consents and compliance monitoring service that meets statutory requirements.

Measure	Target	Quarter	Results		Commentary
The percentage of building consents issued within 20 business days.	95%	**Q1**	95%		Target met
		Q2	99%		

Resource Consents

Level of Service: We meet regulatory timeframes and apply best practice when processing applications.

Measure	Target	Quarter	Results		Commentary
The percentage of resources consents processed within 20 business days.					
Territorial Consents	70%	**Q1**	90%		Target met
		Q2	81%		
Regional Consents	70%	**Q1**	90%		Target met

Te Rōpū Ratonga Taiao me te Haumaru

Environmental Services and Protection

Measure	Target	Quarter	Results		Commentary
		Q2	86%		
Overall Consents	70%	**Q1**	90%		Target met
		Q2	83 %		

Enforcement & Compliance

Animal Control

Level of Service: We provide animal control services that protect our community from threats to their safety by monitoring and enforcing compliance with legislation and through dog registration.

Measure	Target	Quarter	Results		Commentary
The percentage of routine requests for dog or stock control issues responded to within two days.	85%	Q1	97%		Target met.
		Q2	97%		
The percentage of urgent requests for dog or stock control responded to within 30 minutes.	90%	Q1	90%		Target met.
		Q2	90%		

Environmental Health

Food & Liquor

Level of Service: We regulate and monitor the safe operation of premises selling food and/or alcohol.

Measure	Target	Quarter	Results		Commentary
The percentage of applications for alcohol licences processed within target time frames.	65%	Q1	86%		Target met, consistent with previous performances
		Q2	79%		
The percentage of registered and licensed premises that undergo an environmental health compliance inspection annually.	65%	Q1	146%		Results are ahead of annual target, due to all annual hairdresser inspections being completed in Q1, meaning they will not impact later quarters. Q2 results were influenced by additional inspections for temporary campgrounds and alcohol licences related to R&V and other seasonal events. These events occur regularly but are not guaranteed, so related inspections are not factored into annual targets.
		Q2	368%		

Te Rōpū Ratonga Taiao me te Haumaru

Environmental Services and Protection

Noise Response

Level of Service: We help reduce community annoyance from excessive or unwanted noise and respond efficiently.

Measure	Target	Quarter	Result		Commentary
Noise control response within one hour.	70%	Q1	87%		Target met.
		Q2	88%		

Port and Harbour Safety

Level of Service: We maintain the Port and Harbour Safety, Code Safety, Management System (SMS) and respond to maritime emergencies.

Measure	Target	Quarter	Results		Commentary
Our Port and Harbour Safety Code (SMS) has been self-assessed with the port within the last 12 months	Compliant	Q1	Pass		Self-assessment completed June 24. MOU also renewed June 24
		Q2	Pass		
We initiated our response to all maritime emergencies within 30 minutes of notification.	≤30 mins	Q1	Pass		None reported.
		Q2	Pass		

Ngā Rori me ngā Ara Hīkoi

Roads and Footpaths

Six Month Activity Report - Financial Year 2024/25

About this report

This report summarises the key performance outcomes of the **Roads and Footpaths activity** the first half of the 2024/25 financial year, compared with the objectives set out in the 2024-2027 Three Year Plan (3YP).

The report contains the following sections:

1. Activity Assessments
2. Group finances
3. Progress against the 3YP
4. Levels of service and performance measures.

What we do

This activity is responsible for the extensive land transport network in our region, all operational elements of road maintenance and renewals, capital projects, walkways, and cycleways. Council also manages the two public bus services, nine school bus services and road safety education initiatives, including campaigns for wearing seat belts and against drunk driving and speeding.

The local road network forms 85% (1899km) of Te Tairāwhiti roads and equals the same distance as driving from Kaitaia to Invercargill. 87% of the roads are rural and 54% are unsealed. Other assets include 413 bridges, culverts and drains, 263km of footpaths, footbridges, 3703 streetlights, 20 roundabouts, 18.5km of cycleway shared paths, street signs, railings, retaining walls, one set of traffic lights and bus shelters. NZTA Waka Kotahi provides two-thirds of the funding for these assets from the National Land Transport Plan (NLTP), except for some non-assisted assets such as carparks and wharves.

The Land Transport Management Act 2003 requires Council as a regional authority to have a Regional Land Transport Plan and a Regional Public Transport Plan. These plans are reviewed every three years at the same time as the Long Term Plan and is our bid to the NLTP funding.

1. Activity Assessments - 1 July 2024 to 31 December 2024

Performance Indicators		
On track	Monitoring	Off track

Ngā Rori me ngā Ara Hīkoi

Roads and Footpaths

Roads and Footpaths	
Progressing our **3YP commitments** and focus projects	Performance in terms of delivering our **Levels of Service**
On track	Monitoring
Key workstreams are progressing, including renewals and recovery. Some delays from weather and procurement, with activity expected to increase in the second half of the year.	Most service levels are being met. Roading and footpath work is on track, with some uncertainty around future safety and public transport funding.

Ngā Rori me ngā Ara Hīkoi

Roads and Footpaths

2. Finances

Year to date results as at end of 31 December 2024

OTHER OPERATING REVENUE

What we earn - fees, charges and grants etc (excluding rates and water by meter rates)

Full Year Outlook

Year to Date

$15.0m

$2.8m over $12.2m budget

Forecasted year end of $27.2m against budget of $24.4m

RATES REVENUE

What rates revenue we have invoiced (including water by meter rates, excluding capital rates)

Full Year Outlook

Year to Date

$7.4m

$0k under $7.4m budget

Forecasted year end of $14.8m against budget of $14.8m

CAPITAL REVENUE

Grants, subsidies and donations to fund our capital projects (excluding capital rates revenue)

Full Year Outlook

Year to Date

$13.8m

$19.9m under $33.7m budget

Forecasted year end of $54.5m against budget of $74.4m

CAPITAL RATES REVENUE

What capital rates revenue we have invoiced

Full Year Outlook

Year to Date

$272k

$0k over $272k budget

Forecasted year end of $544k against budget of $544k

TOTAL OPERATING EXPENDITURE

The costs to operate Council's activities

Full Year Outlook

Year to Date

$26.1m

$3.2m over $22.9m budget

Forecasted year end of $48.9m against budget of $45.7m

CONTROLLABLE OPERATING EXPENDITURE

Controllable expenditure on operating activities from the Financial Performance Statement

Full Year Outlook

Year to Date

$18.1m

$3.7m over $14.4m budget

Forecasted year end of $32.5m against budget of $28.8m

CAPITAL EXPENDITURE

Costs for our capital projects

Full Year Outlook

Year to Date

$18.5m

$19.1m under $37.7m budget

Forecasted year end of $65.6m against budget of $84.7m

NET SURPLUS/(DEFICIT)

Council's total income less total operating expenditure from the Financial Performance Statement (including rates and allocations/overheads)

Full Year Outlook

Year to Date

$8.6m

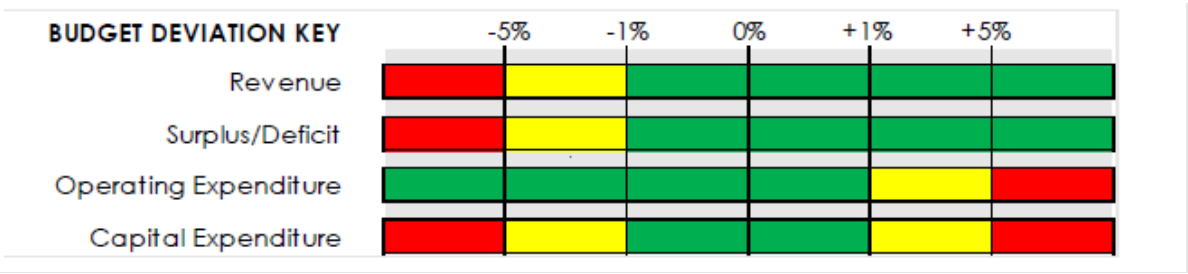
$20.1m unfavourable to $28.7m budget

Forecasted year end of $44.4m against budget of $64.5m

Ngā Rori me ngā Ara Hīkoi

Roads and Footpaths

Traffic light colour illustrates the % deviation from budget.
("0%" is "no deviation from planned budget")



Total Operating Income

Operating income is $2.8m over the year-to-date (YTD) budget. This is mainly due to additional revenue for emergency response work following severe weather events. Funding for Cyclone Gabrielle-related work has increased from 88% to 97.5%, providing a significant boost to income.

Total Operating Expenses

Operating expenditure is $3.2m over the year-to-date (YTD) budget. This increase is primarily due to higher costs for emergency works. These costs are largely related to Cyclone Gabrielle. Depreciation is tracking below budget and is expected to be about $1 million under by year-end.

Capital Revenue

Capital revenue is $19.9m under the year-to-date (YTD) budget, primarily due to budget phasing and timing. As we enter the warmer summer months, we anticipate an increase in activity; however, a year-end underspend is still expected. Revenue budgets will be carried forward into the financial next year, to align with when the expenditure is expected to occur.

Total Capital Expenditure

Capital expenditure is $19.1m under budget, primarily due to the phasing of roading recovery projects. Activity is expected to increase in the summer months, resulting in higher expenditure as the financial year concludes. However, an overall underspend is still anticipated by year-end. Any unspent capital budgets will be rolled over into the next financial year.

Ngā Rori me ngā Ara Hīkoi

Roads and Footpaths

3. Progress on Three Year Plan

Project	Initiative	How we are going
Strategic network resilience and investment plans	Planning for longer term resilience after recovery, inter-regional connectivity with Hawke's Bay, the heavy vehicle route and better city centre junctions with State Highway for all transport modes.	The strategic network resilience business case is about one-third complete. The Transport Model and Interregional Connectivity business cases are currently in the scoping phase.
Resilience improvements	Implementation of any early adoption resilience improvement items identified in the strategic network resilience and investment plans.	Three years of Crown funding is supporting targeted resilience upgrades across priority sites. Early works are underway and are aligned with our long-term resilience planning.
Emergency works/recovery	Ensure Council's ongoing emergency works and recovery programme is delivered.	Recovery efforts are well advanced, with the majority of cyclone-damaged bridges now repaired or in progress. Priority work continues on more complex sites, including large dropouts and route realignments. A contractor panel is being set up to streamline delivery.
Road and footpath infrastructure renewals	Road and footpath renewals, resurfacing, rehabilitation including drainage, structures, services and environmental renewals within maintenance contracts and consistent with active transport and network strategies.	Renewal programmes are tracking to plan, with a focus on network resilience and safety. PGF funding is being redirected to support essential repairs to high-use corridors impacted by heavy traffic.
Minor improvements	Safe systems infrastructure improvements for crossings, intersections, schools, traffic calming, delineation, new footpaths and cycleways, LED streetlights and township upgrades etc.	Improvements to township infrastructure and pedestrian safety are underway, with secured funding focused on high-priority areas. Additional projects remain subject to future funding decisions.
Road safety	Working with partners on activities consistent with the regions Road Safety Action Plan to reduce harm on our roads and support safe systems.	Work is continuing in line with the regional Road Safety Action Plan. Recruitment is underway to strengthen delivery, though reduced national funding will impact the scale of activity this year.
Taruheru River path	Progress the Taruheru River Walking and Cycling Project to achieve the goals set in the Tairāwhiti 2050 Spatial Plan.	Now classified as a major project under the Liveable Communities Hub. No longer receiving funding from the National Land Transport Fund for walking and cycling improvements.

Ngā Rori me ngā Ara Hīkoi

Roads and Footpaths

Project	Initiative	How we are going
Public transport	Implementation of improvement actions identified through the public transport review and Regional Public Transport Plan, including bus shelter replacements, service improvements and the National Ticketing System.	The process of awarding the new bus contracts is underway.

4. Levels of service and performance measures

Performance measure indicators			
Target met	Slightly under target (≤5%)	Target not met	Not measured

Notes:

1. Performance measures based on the Resident Satisfaction Survey are reported annually after all four survey waves are complete.
2. Annual measures with progressive/cumulative results will be used to derive an end of year (EOY) result.

Road Safety

Level of Service: We ensure the roading network is designed and managed for safe use with low crash and injury rates.

Measure	Target	Results (year to date)		Commentary
Road Safety - The change from the previous financial year in the number of fatalities and serious injury crashes on the local road network, expressed as a number. **(Mandatory measure)**	Decrease from previous year	2 fatal 2 serious		On track. Previous year had 13 serious and 0 fatal injury crashes.

Network Reliability

Level of Service: We operate and maintain a reliable roading network that is in good condition and fit for purpose.

Measure	Target	Quarter	Results		Commentary
Number of unplanned local road closures where traffic was unable to pass in at least one direction.	Less than 40 by 2027	Q1	18		On target.
		Q2	18		
Response to service requests - The percentage of customer service requests relating to roads and footpaths to which Council responds within the time frame specified.	80%	Q1	87%		On target.
		Q2	87%		

Ngā Rori me ngā Ara Hīkoi

Roads and Footpaths

Measure	Target	Quarter	Results	Commentary
Mandatory measure				
Road maintenance - The percentage of the sealed local road network that is resurfaced. **Mandatory measure**	5%	N/A	N/A	End of year target.
Regionwide CO2 emissions caused by transport.	<72 kt CO2e by 2030	N/A	N/A	End of year target.

Public transport

Level of Service: We provide and maintain affordable and accessible transportation services that balance the needs of all users.

Measure	Target	Quarter	Results		Commentary
The number of bus passengers per annum.	≥135,500	Q1	38,507		On target 47% of annual target
		Q2	25,474		
Active travel mode share among students commuting to school.	>25% by 2027	Q1	N/A	N/A	End of year target.
		Q2	N/A	N/A	
Percentage of residents using the shared walking and cycling network as found in the annual survey.	Less than 40 by 2027	Q1	N/A	N/A	End of year target.
		Q2	N/A	N/A	

Te Whenua, ngā Awa, me te Takutai

Land, Rivers and Coastal

Six Month Activity Report - Financial Year 2024/25

About this report

This report summarises the key performance outcomes of the **Land, Rivers, and Coastal activity** for the first half of the 2024/25 financial year, compared with the objectives set out in the 2024-2027 Three Year Plan (3YP).

1. Activity assessment
2. Activity finances
3. Progress against the 3YP
4. Levels of service and performance measures
5. Construction progress update.

What we do

Our Land, Rivers and Coastal activities minimise and prevent damage to Te Tairāwhiti from floods and erosion. We do this by providing advice on preventative works, maintenance to open drains across the Poverty Bay Flats, monitoring changes to river / stream channels and the coast, providing essential river and stream maintenance, and maintaining coastal protection structures in alignment with the Wainui Beach Erosion Management Strategy.

1. Activity Assessment - 1 July 2024 to 31 December 2024

Performance Indicators		
On track	Monitoring	Off track

Land, Rivers and Coastal	
Progressing our **3YP commitments** and focus projects	Performance in terms of delivering our **Levels of Service**
On track	On track
Projects are on track.	Projects are progressing as planned. The ANZAC Park Revetment Replacement Project is designed to provide a higher level of service, incorporating climate change scenarios into the new designs.

Te Whenua, ngā Awa, me te Takutai

Land, Rivers and Coastal

2. Group Finances

Year to date results as at end of December 31

OTHER OPERATING REVENUE

What we earn - fees, charges and grants etc (excluding rates and water by meter rates)

Full Year Outlook

Year to Date

$115k

$486k under $602k budget

Forecasted year end of $717k against budget of $1.2m

RATES REVENUE

What rates revenue we have invoiced (including water by meter rates, excluding capital rates)

Full Year Outlook

Year to Date

$1.9m

$0k under $1.9m budget

Forecasted year end of $3.9m against budget of $3.9m

CAPITAL REVENUE

Grants, subsidies and donations to fund our capital projects (excluding capital rates revenue)

Full Year Outlook

Year to Date

$3.0m

$956k under $3.9m budget

Forecasted year end of $6.9m against budget of $7.9m

CAPITAL RATES REVENUE

What capital rates revenue we have invoiced

Full Year Outlook

Year to Date

$0k

$0k under $0k budget

Forecasted year end of $0k against budget of $0k

TOTAL OPERATING EXPENDITURE

The costs to operate Council's activities

Full Year Outlook

Year to Date

$1.8m

$796k under $2.6m budget

Forecasted year end of $4.4m against budget of $5.2m

CONTROLLABLE OPERATING EXPENDITURE

Controllable expenditure on operating activities from the Financial Performance Statement

Full Year Outlook

Year to Date

$1.6m

$831k under $2.4m budget

Forecasted year end of $3.9m against budget of $4.7m

CAPITAL EXPENDITURE

Costs for our capital projects

Full Year Outlook

Year to Date

$3.5m

$2.6m under $6.0m budget

Forecasted year end of $9.5m against budget of $12.1m

NET SURPLUS/(DEFICIT)

Council's total income less total operating expenditure from the Financial Performance Statement (including rates and allocations/overheads)

Full Year Outlook

Year to Date

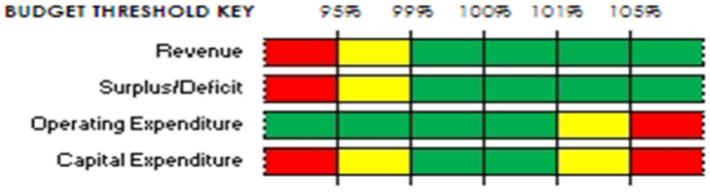
$3.2m

$668k unfavourable to $3.9m budget

Forecasted year end of $7.2m against budget of $7.8m

Traffic light colour illustrates the % deviation from budget.

("0%" is "no deviation from planned budget")



Te Whenua, ngā Awa, me te Takutai

Land, Rivers and Coastal

Total Operating Income
Revenue is currently $486k below budget, primarily due to lower costs incurred to date on Category Flood Resilience projects, funded through CIP grants.
Total Operating Expenses
Expenditure is currently $796k below the year-to-date (YTD) budget. Category 2 Flood Resilience projects are $473k under budget.
Total Capital Expenditure
Capital expenditure is currently $2.6m below the year-to-date (YTD) budget, primarily due to the budget phasing for Waipaoa Flood Control project. This project is 90% funded by external CIP grants. Other Flood resilience projects are still in the investigation stage, with construction not expected to commence in this financial year.

3. Progress on Three Year Plan

Project	Initiative	How we are going
Waipaoa River Flood Resilience Improvement Project	Complete the upgrade (raising / widening) of all the remaining 21km of Waipaoa stopbanks on the western side of the Waipaoa River, including related infrastructure and renewal of all pipes under the stopbank.	Construction progress continues on schedule, with over 5km of stopbanks upgraded this season. Works in the Patutahi and Waituhi areas have already delivered improved protection for nearby communities. Further upgrades are planned for delivery by mid-2025, supported by ongoing land acquisition and detailed design work.
	Continue civil construction works, planning, investigations, geotechnical assessments, and detailed design for future stages on the western side of the Waipaoa River.	Planning and design for future stages on the western side of the Waipaoa River are advancing. Land acquisition is nearing completion, and geotechnical assessments will inform the next phase of construction. Progress is aligned with long-term flood protection goals.
Te Karaka Flood Resilience Project	Complete hydraulic modelling, optioneering, effects assessment, pre-consultation, and selection of the upgrade design. Secure resource consents, finalise detailed design, acquire necessary land, and deliver flood resilience improvements.	Hydraulic modelling continues, assessing flood level changes across potential improvement options. Tonkin & Taylor have been engaged to refine options and provide cost estimates. - Meetings have been held with landowners potentially affected by a stopbank retreat option to allow more floodwater to bypass the township. The community working group will meet again in mid to late Feb 2025 to review modelling results and discuss potential flood scheme improvements.
Coastal Hazard Management	Removal of Council coastal infrastructure / assets once they become a health and safety risk and making areas safe, to protect the community and coastal users.	The community has expressed a preference to retain these structures for protection. Council has decided that removal is not cost-effective at this stage.

Te Whenua, ngā Awa, me te Takutai

Land, Rivers and Coastal

Project	Initiative	How we are going
Tairāwhiti Flood Resilience Investigation Programme	Central Government has committed to providing Council with a pre-allocation of $64m for category 2 risk mitigation investments. Resilience projects are a three-stage process: **Stage 1:** Investigations, Optioneering and Stakeholder engagement/consultation, cost-benefit analysis. Confirm preferred option/s. **Stage 2:** Resource consent and concept design. **Stage 3:** Final design and construction.	Stage 1 investigations are progressing, with a strong focus on data gathering and hydraulic modelling to inform future flood mitigation investment. Central Government funding has been pre-allocated, and planning is underway to support resource consent and design phases for priority locations.

4. Levels of service and performance measures

Performance measure indicators			
Target met	Slightly under target (≤5%)	Target not met	Not measured

Notes:
1. Performance measures based on the Resident Satisfaction Survey are reported annually after all four survey waves are complete.
2. Annual measures with progressive/cumulative results will be used to derive an end of year (EOY) result.

Level of Service: Ensuring the community is safe and prepared, we'll actively monitor andmanage the drainage of rivers and streams to minimise flood risk and coastal erosion.

Measure	Target	Quarter	Results		Commentary
System and adequacy - Flood control stopbank length is inspected annually and maintained to a 1-in-100-year protection standard. (Total stopbank length 77km) **(Mandatory measure)**	25%	Q1	1.08%		LRC has completed 1906m. Delivery is planned to meet the annual target and will be monitored through to year-end.
		Q2	1.44%		
Response to service requests - The percentage of customer	80%	Q1	97.2%		Target met.

Te Whenua, ngā Awa, me te Takutai

Land, Rivers and Coastal

Measure	Target	Quarter	Results		Commentary
service requests relating to Land, Rivers and Coastal to which Council resolved within the timeframe specified.		Q2	93.3%		

Te Whenua, ngā Awa, me te Takutai

Land, Rivers and Coastal

3. Construction progress update

Land, Rivers & Coastal

		Budget	Comments	July	August	Sept	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	June	Resource	Comment
	630015	Coastal hazard management	60,000														JR
	640013	Waipaoa River FCS Resilience Improvements	3,273,000														JR
	640024	Restore flood Protection - ANZAC Park	0	Compltleted													MW
	640026	Waipaoa River Flood Ctl - Cat 2	5,619,243			Construction											JR
	640027	Flood Res East Coast - Cat 2	1,188,930														JR
	640028	Flood Resilience City - Cat 2	500,000														JR
	640029	Rural Flood Resilience - Cat 2	100,000														JR
	640203	Te Karaka Flood Control Scheme - Cat 2	1,334,321	Hydraulic Modelling, Consultation, Optioneering													JR
	660028	Mangahauini River Erosion Protection	0	Completed													MW
	660033	Restore Rivers & Drains	0	Compltleted													MW

Waipaoa Expenditure CIP/NIFF Govt Funding

PROJECT FINANCIALS			
BUDGET	COST TO DATE	FORECAST TO COMPLETE	FORECAST FINAL COST
$20,455,555	$ 8,610,000	$ 11,845,555	$20,455,555

Para Mārō

Solid Waste

Six Month Activity Report - Financial Year 2024/25

About this report

This report summarises the key performance outcomes of the **Solid Waste activity** for the first half of the 2024/25 financial year, compared with the objectives set out in the 2024-2027 Three Year Plan (3YP).

The report contains the following sections:

1. Activity Assessments.
2. Group finances.
3. Progress against the 3YP.
4. Levels of service and performance measures.

What we do

Solid waste manages waste and promotes effective and efficient waste management and provides minimisation services and activities within the district, to minimise the effects on our health and the environment.

We do this through:

- Rural and urban kerbside collections.
- Rural transfer operations.
- Recycling initiatives.
- Cleaning of public places.
- Landfill operations and aftercare.
- Embed circular economy thinking into systems.
- Support local community groups and non-governmental organisations with waste reduction initiatives.
- Continue to work with MfE, other councils and government organisations on national waste reduction initiatives.

The provision of solid waste activities is a requirement for every district or city within New Zealand under the Local Government Activity and Public Health Act 1956. We're using our adopted 2018–2024 Waste Management and Minimisation Plan to guide us in making sure we manage our waste as best we can for the benefit of our community's health, our local economy, and our environment.

1. Activity Assessment - 1 July 2024 to 31 December 2024

Performance Indicators		
On track	Monitoring	Off track

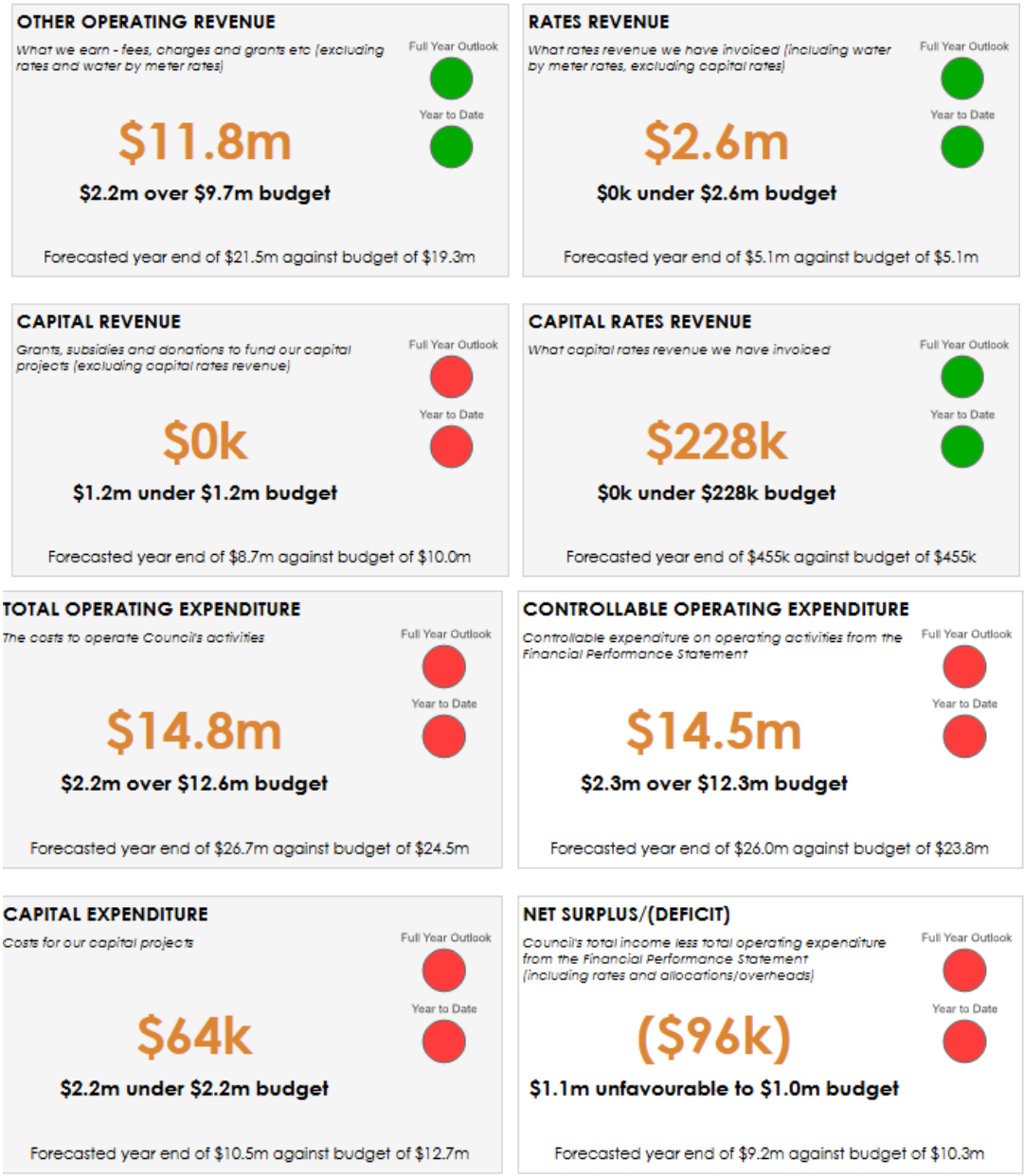
Para Mārō

Solid Waste

Solid Waste	
Progressing our **3YP commitments** and focus projects	Performance in terms of delivering our **Levels of Service**
Monitoring	Monitoring
Currently in the planning phase for Three-Year Plan commitments, with progress being monitored to ensure delivery.	Performance monitoring continues, with a focus on improving response times to Requests for Service related to waste activities.

2. Solid Waste Finances

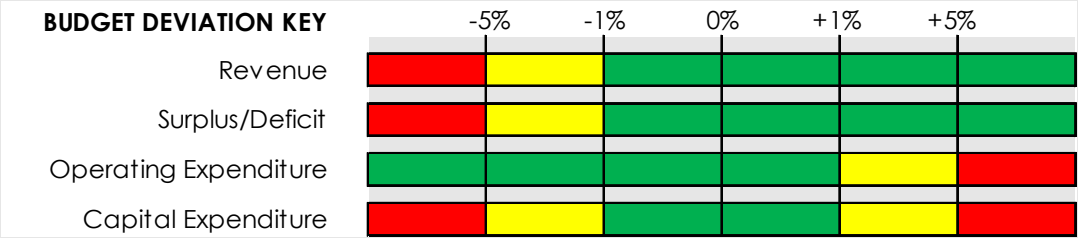
Year to date results as at end of December 2024



Traffic light colour illustrates the % deviation from budget.
("0%" is "no deviation from planned budget")

Para Mārō

Solid Waste



Total Operating Revenue
Operating revenue is $2.2m above budget, primarily due to the budget phasing of the externally funded woody debris project. The income budget was phased evenly over the year, but revenue is recognised as spending occurs. Faster progress on woody debris clearance has led to an earlier release of funds.
Total Capital Revenue
Certain capital project budgets are contingent on securing external funding. As no costs have been incurred and grants are still in the process of being secured, income recognition will occur once funding is confirmed.
Total Operating Expenses
Operating expenses is $2.2m above budget, fully offset by the excess revenue recognised.
Total Capital Expenditure
Some capital works are scheduled to being later in the year, with certain budgets set aside as provisions for renewal when needed. The Tokomaru Bay Remediation project which is partially externally funded is currently in the planning phase, with completion expected in the next financial year. Following this, the Tokomaru transfer station relocation will proceed. Unused budgets will need to be rolled into the next financial year.

3. Progress on Three Year Plan

Performance Indicators		
On track	Monitoring	Off track

Project	Initiative	How we are going
Develop and implement the new 2025 - 2031 Waste Management and Minimisation Plan (WMMP)	Develop the 2025 - 2031 WMMP.	Development of the new regional waste plan is well underway, with early engagement across iwi, hapū, business and community groups. Work is progressing to incorporate local insights and align with national waste strategies.

Para Mārō

Solid Waste

Project	Initiative	How we are going
Litter bins	Litter bin consolidation / rationalisation for Gisborne city and rural communities. Working with contractors and community to establish bin requirements and placement across the rohe eg. placement, use and potential removal of litter bins.	A region-wide review of litter bin placement is underway, with rationalisation focused on improving efficiency and better matching services to community needs. Ongoing monitoring will inform future adjustments.
Heritage landfill remediation and investigations	Complete risk assessment review of known legacy landfill sites across the rohe. This will involve investigating remedial options for sites at high risk and site investigations where required. Any new sites will be added and accounted for. Complete remediation of Tokomaru Bay legacy landfill and planning for additional sites for remediation.	Risk assessments for legacy landfill sites have been completed, with the Tokomaru Bay remediation project now in progress. Resource consent planning is underway, alongside community engagement and relocation of the local transfer station.
Resource Recovery Centre (RRC)	Phase 2 of the RRC study: design and build aspects. Finalising sites, costs, structures, and operational opportunities.	Investigation into potential sites and delivery models for a future Resource Recovery Centre is continuing, with design and cost analysis informing next steps.
Actively engage community with education and behaviour change	Implement programmes for continuous improvement, education, and promotion of waste.	Waste minimisation education continues in partnership with local organisations, with programmes under review to strengthen impact and increase community participation.
Implement new contracts for waste management services in Tairāwhiti	Kerbside collection, transfer station operational, transport and cartage site operations, disposal, and processing contracts.	Planning is underway for changes to kerbside collection and broader waste services. Any adjustments will align with the 2024–2027 three-year plan, with implementation expected in Year 3.
Waste disposal and processing	Investigate local options for disposal and processing. Continue to work with the Ministry for the Environment (MfE), other local authorities and our community to develop a road map for waste minimisation and waste management across the region and adjoining regions.	The Ministry for the Environment's national roadmap for waste has been released. Recommendations are being considered as part of the current review of the regional waste plan.

Para Mārō

Solid Waste

4. Levels of service and performance measures

Performance measure indicators			
Target met	Slightly under target (≤5%)	Target not met	Not measured

Notes:
1. Performance measures based on the Resident Satisfaction Survey are reported annually after all four survey waves are complete.
2. Annual measures with progressive/cumulative results will be used to derive an end of year (EOY) result.

Waste services

Level of Service: Solid waste facilities are adequate and available to the community, including regular kerbside collection services and transfer stations.

Measure	Target	Quarter	Results		Commentary
Response to service requests - The percentage of customer service requests relating to Solid Waste to which Council responds within the timeframe specified.	80%	Q1	67%		Working through to ensure RFS are responded to in a timely manner.
		Q2	55%		

Community programmes

Level of Service: Public information and programmes promote waste minimisation.

Measure	Target	Quarter	Results		Commentary
Support information and education programmes or workshops that raise awareness and promote waste minimisation.	≥10	Q1	1		Compost workshops run through Tairāwhiti Environment Centre. Working with providers to incorporate additional Workshop topics
		Q2	2		

Waste minimisation

Level of Service: Waste is diverted from landfill via waste minimisation method.

Measure	Target	Quarter	Results		Commentary
Total solid waste to landfill in kg per head of population.	285kg	Q1	N/A		Internal changes at Waste Management have impacted data collection, affecting both landfill and recycling ratio reporting. We are working with them to resolve this issue and ensure accurate reporting moving forward.
		Q2	N/A		
Ratio of recycling to landfill waste (tonnes).	30:70	Q1	N/A		
		Q2	N/A		

Landfill management

Level of Service: No adverse effects on the environment or human health from the Paokahu, Waiapu and other legacy landfills.

Measure	Target	Quarter	Results		Commentary
	≤5	Q1	1		

Para Mārō

Solid Waste

Measure	Target	Quarter	Results		Commentary
Number of resource consent breaches for Paokahu, Waiapu, and other legacy landfills.		Q2	1		Current abatement on the Paokahu Landfill, working through a review of the site management plan to lift this notice. Have presented the Draft Site Management Plan to the Paokahu Trust and awaiting feedback.

Waikino
Wastewater

Six Month Activity Report - Financial Year 2024/25

About this report

This report summarises the key performance outcomes of the wastewater activity the first half of the 2024/25 financial year, compared with the objectives set out in the 2024-2027 Three Year Plan (3YP).

The report contains the following sections:

1. Activity assessment
2. Activity finances
3. Progress against the 3YP
4. Levels of service and performance measures
5. Construction progress update.

What we do

We provide Te Tairāwhiti with reliable and sustainable wastewater services to protect both the health of our people and our waterways. We want to continue to provide a service to collect, treat, and dispose of wastewater in a safe, healthy and sustainable way.

1. Activity Assessment - 1 July 2024 to 31 December 2024

Performance Indicators		
On track	Monitoring	Off track

Wastewater	
Progressing our **3YP commitments** and focus projects	Performance in terms of delivering our **Levels of Service**
On track	On track
Wastewater network and plant operational performance is meeting requirements. Capital renewals programme remains on track.	Response to service requests is within target.

Waikino
Wastewater

2. Finances

Year to date results as at end of 31 December 2024

OTHER OPERATING REVENUE

What we earn - fees, charges and grants etc (excluding rates and water by meter rates)

Full Year Outlook

Year to Date

$197k

$72k under $268k budget

Forecasted year end of $465k against budget of $536k

RATES REVENUE

What rates revenue we have invoiced (including water by meter rates, excluding capital rates)

Full Year Outlook

Year to Date

$5.8m

$0k under $5.8m budget

Forecasted year end of $11.5m against budget of $11.5m

CAPITAL REVENUE

Grants, subsidies and donations to fund our capital projects (excluding capital rates revenue)

Full Year Outlook

Year to Date

$0k

$0k under $0k budget

Forecasted year end of $0k against budget of $0k

CAPITAL RATES REVENUE

What capital rates revenue we have invoiced

Full Year Outlook

Year to Date

$225k

$0k under $225k budget

Forecasted year end of $450k against budget of $450k

TOTAL OPERATING EXPENDITURE

The costs to operate Council's activities

Full Year Outlook

Year to Date

$7.4m

$987k over $6.4m budget

Forecasted year end of $13.5m against budget of $12.5m

CONTROLLABLE OPERATING EXPENDITURE

Controllable expenditure on operating activities from the Financial Performance Statement

Full Year Outlook

Year to Date

$4.2m

$192k over $4.0m budget

Forecasted year end of $7.9m against budget of $7.7m

CAPITAL EXPENDITURE

Costs for our capital projects

Full Year Outlook

Year to Date

$1.7m

$890k under $2.6m budget

Forecasted year end of $4.5m against budget of $5.4m

NET SURPLUS/(DEFICIT)

Council's total income less total operating expenditure from the Financial Performance Statement (including rates and allocations/overheads)

Full Year Outlook

Year to Date

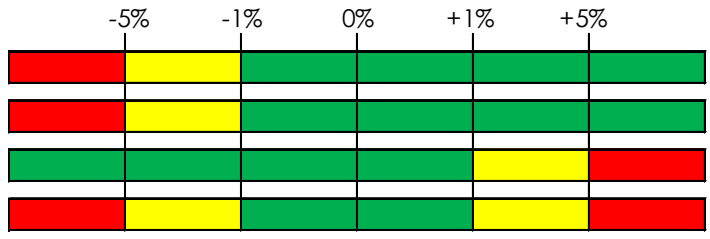
($1.4m)

$1.0m unfavourable to ($380k) budget

Forecasted year end of ($1.5m) against budget of ($475k)

Traffic light colour illustrates the % deviation from budget.
("0%" is "no deviation from planned budget")

BUDGET DEVIATION KEY



Waikino
Wastewater

Total Operating Revenue
Operating revenue is mostly on par with budget.
Total Operating Expenses
Operating expenses is $987k over budget, mainly driven by $945k in depreciation costs associated with the capitalisation of the wastewater treatment plant stage 2. Depreciation is expected to be approximately $400k over budget by year-end. Operational expenses are slightly above budget, primarily due to increased network maintenance costs.
Total Capital Expenditure
Capital expenditure is $890k under budget. The renewal programmes for the pipeline, pump station, and wastewater treatment plant (WWTP) are $255k behind budget, but they are still on track to fully utilise the available funds by the end of the financial year. Projects such as the Tolaga Bay septage site, Te Karaka wastewater land treatment, and Mortuary waste mound are progressing. Although they are behind budget, any unused funds from these projects will be rolled over into the next financial year.

3. Progress on Three Year Plan

Project	Initiative	How we are going
Te Karaka wastewater land disposal	Disposal of wastewater oxidation pond effluent to land.	Engagement with iwi, hapu and the local community is planned for Q3 to discuss land-based wastewater disposal options and gather input on preferred solutions.
Wastewater sensor network	Installation of sensors to monitor wastewater flows for better network understanding.	Work is underway to assess technology options for improved flow monitoring across the network. Procurement and installation are expected in Q3 and Q4 of this financial year.
Alternative use and disposal programme	Planning and implementation of wastewater clarification and UV treatment, with effluent directed to a wastewater wetland.	Final treatment upgrades at the Wastewater Treatment Plant, including clarification and UV treatment, are nearing completion. Council is working with KIWA Group to explore future wetland-based disposal options.
Wastewater infrastructure upgrades	2024/25 Capital Works Programme – including pipeline and pump station renewals, treatment plant upgrades, and future planning for growth areas.	Capital works across the wastewater network are progressing as planned. This includes pipe and pump station renewals, upgrades at the Wastewater Treatment Plant, and planning for future growth areas such as Campion Road and Kaiti. Design work, network modelling, and site investigations continue across multiple projects, with delivery phased across current and future years.

Waikino
Wastewater

4. Levels of service and performance measures

Performance measure indicators			
Target met	Slightly under target (≤5%)	Target not met	Not measured

Notes:
1. Performance measures based on the Resident Satisfaction Survey are reported annually after all four survey waves are complete.
2. Annual measures with progressive/cumulative results will be used to derive an end of year (EOY) result.

Wastewater

Level of Service: We provide a well-managed wastewater reticulation and treatment system which protects public health and the physical environment.

Measure	Target	Quarter	Results		Commentary
System and adequacy - The number of dry weather sewage overflows from the territorial authority's sewerage system, expressed per 1000 sewerage connections to that sewerage system. **Mandatory measure**	≤1	**Q1**	0.08		Q1: One overflow - Grey St Information Centre Q2: Five overflows. Three related to pipe flushing/jetting, two related to blockages.
		Q2	0.41		
Discharge compliance - Compliance with resource consents for discharge from the wastewater system: a) measured by the number of abatement notices b) infringement notices c) enforcement order d) convictions **Mandatory measure**	a) 0 b) 0 c) 0 d) 0	**Q1**	a) 0 b) 1 c) 0 d) 0		Infringement issued 19 July 2024 for s15 discharge (allowing scour to remain open when closure had been advised). Consent number 2020-109732*/109733*
		Q2	a) 0 b) 0 c) 0 d) 0		
Fault response times - Council responds to wastewater overflows resulting from a blockage or other fault in wastewater system: a) **Median attendance time** from the notification of the fault to the time that service personnel reach the site (hours).	≤1hour	**Q1**	1.15		On target.
		Q2	0.4		

Waikino

Wastewater

Measure	Target	Quarter	Results		Commentary
b) **Median resolution time** measured from the notification of the fault to the time that service personnel confirm resolution (hours). **Mandatory measure**	≤24 hours	**Q1**	2.81		On target.
		Q2	1.55		
Customer satisfaction - Complaints about odour, system faults, blockages and Council's response to issues with its wastewater system. The total number of complaints per 1000 connections received. **Mandatory measure**	<15	**Q1**	0.91		On target.
		Q2	0.99		
Discharge to rivers - The annual number of events where sewage is discharged from Council's reticulation into rivers or streams (in a less than a 1-in-10-year rain event).	≤4	**Q1**	0		On target. One wet weather event necessitated scours being opened on 26 December.
		Q2	1		

Waikino
Wastewater

5. Construction progress update

2024/2025 CAPITAL WORKS PROGRAMME

	Project/Task	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
WASTEWATER													
510003	Localised Urban Upgrades							Procurement		Design			
510004	Wastewater Pump Station Renewals			Procurement		Construction						Procurement	
510008	Wastewater Pipeline Renewals	Procurement			Construction							Design FY26	
510078	Wastewater Treatment Plant Further Treat	Construction											
510083	Tologa Bay Septage Site	Design							Consultation			Procurement	
510096	WWTP Upgrades and Renewals							Procurement		Construction			
510098	Wastewater Equipment Renewals	Design				Procurement					Construction		
510100	Te Karaka Wastewater Land Disposal	Design								Consultation			
510105	Mortuary Waste Drain Field						Design				Procurement		
510112	Wastewater Sensor Network							Design				Construction	

Waikino

Wastewater

Wastewater Treatment Plant – Tertiary Filter

Dunstan Road Pump Station – Pumps Renewed

Whakaranea Wai

Water Supply

Six Month Activity Report - Financial Year 2024/25

About this report

This report summarises the key performance outcomes of the **Water Supply activity** for the first half of the 2024/25 financial year, compared with the objectives set out in the 2024-2027 Three Year Plan (3YP).

The report contains the following sections:

1. Activity Assessments
2. Group finances
3. Progress against the 3YP
4. Levels of service and performance measures
5. Construction progress update.

What we do

Council manages the supply of drinking water services to Gisborne city, Te Karaka, Whatatūtū, Mākaraka, Manutuke and a water collection point at Muriwai and Patutahi. We are responsible for the Te Arai Intake and the Mangapoike dams which are the main source of water that supplies the Gisborne area; and the drinking water treatment plants located at Waingake, Bushmere (on the Waipaoa River), Te Karaka and Whatatūtū.

Water Safety Assurance

The safety of the Council's drinking water supplies is assured by ongoing treatment process control, and monitoring of water quality to demonstrate compliance with our Water Safety Plans, the Water Quality Assurance Rules and the Drinking Water Standards.

In addition, comprehensive risk assessment of water sources and ongoing monitoring for both the source waters and treated water is done to identify and manage emerging risks and potential changes in the water supply systems.

1. Activity Assessments - 1 July 2024 to 31 December 2024

Performance Indicators		
On track	Monitoring	Off track

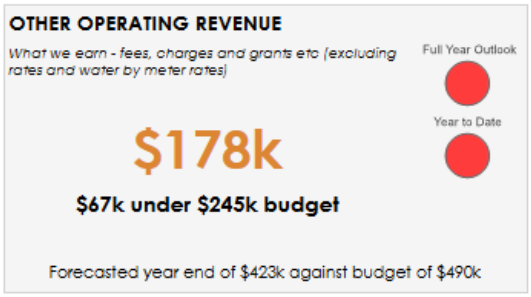
Whakaranea Wai

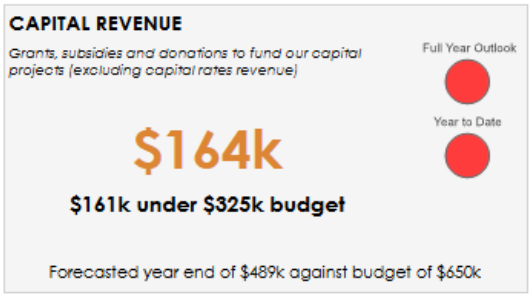
Water Supply

Water Supply	
Progressing our **3YP commitments** and focus projects	Performance in terms of delivering our **Levels of Service**
On track	On track
The water safety plan implementation, audits, and reviews are ongoing, water treatment and monitoring processes meet requirements, capital projects are progressing at various stages and mostly on track for year-end completion within budget.	Response times for service requests are meeting target, and treated water quality mostly meets rules and standards, with any exceptions managed through process improvements and additional monitoring.

2. Water Supply Finances

Year to date results as at end of December 31





Whakaranea Wai

Water Supply

TOTAL OPERATING EXPENDITURE

The costs to operate Council's activities

Full Year Outlook

Year to Date

$4.7m

$208k over $4.5m budget

Forecasted year end of $8.7m against budget of $8.5m

CONTROLLABLE OPERATING EXPENDITURE

Controllable expenditure on operating activities from the Financial Performance Statement

Full Year Outlook

Year to Date

$2.5m

$206k over $2.3m budget

Forecasted year end of $4.4m against budget of $4.2m

CAPITAL EXPENDITURE

Costs for our capital projects

Full Year Outlook

Year to Date

$1.5m

$2.2m under $3.8m budget

Forecasted year end of $5.3m against budget of $7.5m

NET SURPLUS/(DEFICIT)

Council's total income less total operating expenditure from the Financial Performance Statement (including rates and allocations/overheads)

Full Year Outlook

Year to Date

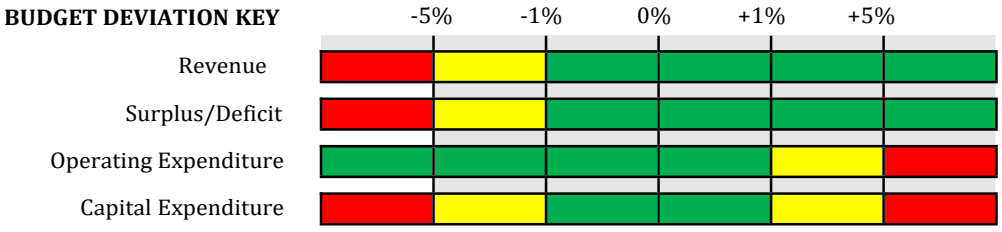
($713k)

$385k unfavourable to ($329k) budget

Forecasted year end of ($660k) against budget of ($276k)

Traffic light colour illustrates the % deviation from budget.

("0%" is "no deviation from planned budget")



Whakaranea Wai

Water Supply

Total Operating Revenue
Operating revenue is $67k under budget, water use is lower than previous years across industry connections. Metered residential use is consistent with previous years.
Total Operating Expenses
Operating expenses is $208k above budget. This is partially driven by overruns in expenses like depreciation and interest as well as catchment access repairs.
Total Capital Revenue
Capital revenue is currently $161k under budget, primarily due to a timing difference between the budgeted recognition of revenue and the actual timing of expenditure. With the commencement of the IAF-funded Water Upgrades project in the second half of the year, we anticipate that revenue will align with the budget as the project progresses
Total Capital Expenditure
Capital Expenditure is currently $2.2m below budget, primarily due to the timing of the budgeted expenditures. Several capital projects are scheduled to begin in Q3 and Q4, and we expect costs to be incurred as these projects progress. The Waipaoa Treatment and Infiltration Gallery and Resilience projects are currently in the design phase and are not expected to be completed by year-end. A carryover of unused funds will be requested for these projects The following projects are in the construction phase and are on track to fully utilise their allocated budgets by year-end: • Te Karaka water main renewals • Residential backflow prevention • Cyber firewalls at treatment facilities • Pipeline recoating • Meter renewals

3. Progress on Three Year Plan

Project	Initiative	How we are going
Water source resilience	Resilience projects related to water source supply and security.	New intake site for Te Karaka scheme identified, with preliminary design completed in Q2.
2024/25 Water Supply Capital Works	Renewals, upgrades, resilience, and growth-related investment across the water supply network.	Capital works across the water supply network are progressing as planned. This includes pipeline renewals, backflow prevention, treatment plant upgrades, corrosion protection, and resilience improvements. Construction activities are largely scheduled across Q3 and Q4, with ongoing design, procurement and investigation to support future delivery.

Whakaranea Wai

Water Supply

4. Levels of service and performance measures

Performance measure indicators			
Target met	Slightly under target (≤5%)	Target not met	Not measured

Notes:
1. Performance measures based on the Resident Satisfaction Survey are reported annually after all four survey waves are complete.
2. Annual measures with progressive/cumulative results will be used to derive an end of year (EOY) result.

Water Supply

Level of Service: We provide water supply infrastructure that meets the needs of our community now and into the future by delivering safe, clean water in a sustainable manner.

Measure	Target	Supply	Component	Rule	Result
Safety of drinking water (Mandatory measure – DIA) The extent to which the drinking water supply complies with the following parts of the drinking water quality assurance rules; (c) 4.7.1 T2 Treatment Monitoring Rules; (d) 4.7.2 T2 Filtration Rules; (e) 4.7.3 T2 UV Rules; (f) 4.7.4 T2 Chlorine Rules; (g) 4.8 D2.1 Distribution System Rules; (h) 4.10.1 T3 Bacterial Rules; (i) 4.10.2 T3 Protozoal Rules; and (j) 4.11.5 D3.29 Microbiological Monitoring Rule.	**Treatment Plants** T2 Treatment - Met T3 Bacterial - Met T3 Protozoal - Met **Distribution Zones** D3 Microbial-Met D3 Residual Chlorine-Met	**Gisborne Water Supply**	Treatment Plants	T3 Bacterial	Met
				T3 Protozoal	Met
			Distribution Zones	D3 Microbiological	Met
				D3 Continuous Monitoring/ Residual Disinfection	Met – Gisborne & Rural Not Met – Muriwai & Patutahi*
		Te Karaka Water Supply	Treatment Plants	T3 Bacterial	Met
				T3 Protozoal	Met
			Distribution Zones	D3 Microbiological	Met
				D3 Residual Chlorine	Met
		Whatatutu Water Supply	Treatment Plants	T2 Treatment	Met
				T3 Bacterial	Met
				T3 Protozoal	Met
			Distribution Zones	D2 Residual	Met

Whakaranea Wai

Water Supply

Measure	Target	Supply	Component	Rule	Result
*The "Not met" results for D3 continuous monitoring/residual disinfection in Muriwai and Pātūtahi are due to free available chlorine (FAC) levels falling below required thresholds. In Muriwai, FAC was below 0.1 mg/L for 11 days in December 2024, not meeting the DWQAR requirement of ≥0.2 mg/L in 85% of samples. Pātūtahi recorded one result below 0.1 mg/L in December. Both zones operate as community filling stations.					

Measure	Target	Quarter	Results		Commentary
Maintenance of the reticulation network - The percentage of real water loss from Council's networked reticulation system. **Mandatory measure**	<15%	Q1	19.4%	✗	Annual metric measured over 12 months. Calculation is using 19.4% water loss factor from 2024 Water Balance assessment. More accurate water loss calculation requires more metering
		Q2	19.4%	✗	
Fault response times - Where Council attends a call-out in response to a fault or unplanned interruption to its networked reticulation system, the following median response times are measured: a) attendance for urgent callouts: from the time that Council receives notification to the time that service personnel reach the site. **Mandatory measure**	≤4 hours	Q1	0.37	✓	Target met.
		Q2	0.2	✓	
b) resolution of urgent callouts: from the time that Council receives notification to the that service personnel confirm resolution of the fault or interruption. **Mandatory measure**	≤6 hours	Q1	1.16	✓	Target met.
		Q2	0.99	✓	
c) attendance for non-urgent callouts: from the time that Council receives notification to the time that service personnel reach the site. **Mandatory measure**	≤4 hours	Q1	2.09	✓	Target met.
		Q2	2.02	✓	
d) resolution of non-urgent callouts: from the time that Council receives notification to the time that service personnel confirm resolution of the fault or interruption.	≤48 hours	Q1	18.49	✓	Target met.
		Q2	19.65	✓	

Whakaranea Wai

Water Supply

Measure	Target	Quarter	Results		Commentary
Mandatory measure					

Measure	Target	Quarter	Results		Commentary
Customer satisfaction - The total number of complaints received about any of the following: a) drinking water clarity b) drinking water taste c) drinking water odour d) drinking water pressure or flow e) continuity of supply, and f) Council's response to any of these issues. Expressed per 1000 connections to the local authority's networked reticulation system. Mandatory measure	≤10 hours	Q1	1.29		Target met.
		Q2	1.06		
Demand management - The average consumption of drinking water per day per resident within the district. Mandatory measure	≤308L	Q1	145		Target met.
		Q2	220		

Waiāwhā Taone
Urban Stormwater

Six Month Activity Report - Financial Year 2024/25

About this report

This report summarises the key performance outcomes of the **Urban Stormwater activity** the first half of the 2024/25 financial year, compared with the objectives set out in the 2024-2027 Three Year Plan (3YP).

The report contains the following sections:
1. Activity assessment
2. Activity finances
3. Progress on 3YP
4. Levels of service and performance measures
5. Construction progress update.

What we do

Urban stormwater is about providing our city with services that protect people and properties from flooding and manage the quality of our stormwater. We want to continue to maintain and develop stormwater services that improve, promote, and protect public health and the mauri of the waters.

1. Activity Assessment - 1 July 2024 to 31 December 2024

Performance Indicators		
On track	Monitoring	Off track

Urban Stormwater	
Progressing our **3YP commitments** and focus projects	Performance in terms of delivering our **Levels of Service**
On track	On track
The stormwater network maintenance programme is on track, the capital works programme is progressing.	Response to service requests is within target.

Waiāwhā Taone
Urban Stormwater

2. Urban Stormwater Finances

Year to date results as at end of December 31

OTHER OPERATING REVENUE
What we earn - fees, charges and grants etc (excluding rates and water by meter rates)
Full Year Outlook
Year to Date
$42k
$42k over $0k budget
Forecasted year end of $42k against budget of $0k

RATES REVENUE
What rates revenue we have invoiced (including water by meter rates, excluding capital rates)
Full Year Outlook
Year to Date
$1.8m
$0k under $1.8m budget
Forecasted year end of $3.5m against budget of $3.5m

CAPITAL REVENUE
Grants, subsidies and donations to fund our capital projects (excluding capital rates revenue)
Full Year Outlook
Year to Date
$0k
$0k under $0k budget
Forecasted year end of $0k against budget of $0k

CAPITAL RATES REVENUE
What capital rates revenue we have invoiced
Full Year Outlook
Year to Date
$0k
$0k under $0k budget
Forecasted year end of $0k against budget of $0k

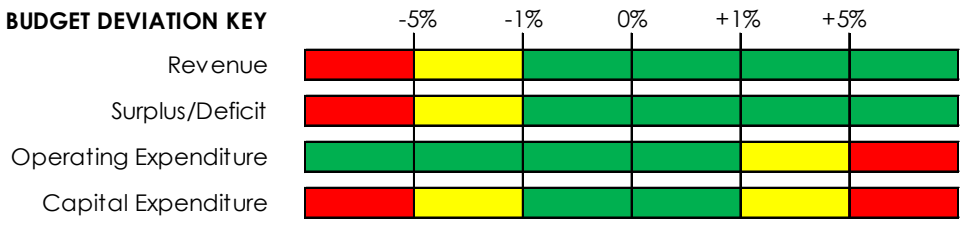
TOTAL OPERATING EXPENDITURE
The costs to operate Council's activities
Full Year Outlook
Year to Date
$1.8m
$326k under $2.2m budget
Forecasted year end of $3.9m against budget of $4.2m

CONTROLLABLE OPERATING EXPENDITURE
Controllable expenditure on operating activities from the Financial Performance Statement
Full Year Outlook
Year to Date
$927k
$340k under $1.3m budget
Forecasted year end of $2.1m against budget of $2.4m

CAPITAL EXPENDITURE
Costs for our capital projects
Full Year Outlook
Year to Date
$514k
$918k under $1.4m budget
Forecasted year end of $2.8m against budget of $3.8m

NET SURPLUS/(DEFICIT)
Council's total income less total operating expenditure from the Financial Performance Statement (including rates and allocations/overheads)
Full Year Outlook
Year to Date
($327k)
$245k favourable to ($572k) budget
Forecasted year end of ($805k) against budget of ($1.1m)

Traffic light colour illustrates the % deviation from budget.
("0%" is "no deviation from planned budget")



Waiāwhā Taone
Urban Stormwater

Total Operating Income
Operating income is $42k above budget. This is National Emergency Management Agency (NEMA) contribution received towards some final post-cyclone recovery works. This income offsets 60% of incurred costs towards recovery efforts.
Total Operating Expenses
Operating expenses is $326k below budget. primarily due to lower-than-expected costs for the Stormwater Integrated Catchment Management Plan (ICMP) and Network Discharge Consent (NDC) project. Expenses are anticipated to increase in the second half of the year and are expected to align with the budget by year-end.
Total Capital Expenditure
Capital expenditure is $918k below budget, primarily due to timing. Most projects are on track to meet their budget allocations by year-end. However, the timing of construction for the Graham Road Stormwater and Whataupoko projects will impact their delivery within this financial year. Construction is scheduled for spring, and any unused funds will be rolled into the next financial year to support these projects.

3. Progress on Three Year Plan

Project	Initiative	How we are going
Stormwater in drain structures	Renewal of non-pipe structures past their useful life or in poor condition.	Massey Rd drain structure renewal, on track to be completed early 2025.
Stormwater localised urban upgrades	Council share of cost of requiring developers to upgrade infrastructure for future proofing network.	Shelley Road stormwater project, on track to be completed in FY25.
Stormwater pipeline renewals	Renewal of stormwater pipes in poor condition or past their useful lives.	MacDonald Street stormwater upgrade, on track to be completed early 2025.
Integrated Catchment Management Plans (ICMP)	Develop ICMPs to ensure water, wastewater and stormwater planning supports growth while managing impacts on infrastructure networks and natural water resources.	On track to be spent by FY25 year end.
Stormwater resilience	A programme of work to build resilience to large natural events into stormwater networks and operation.	Committed to resilience project in Stout Street, project on track for completion FY25.
Whataupoko upgrade	Upgrade of stormwater infrastructure to ensure appropriate levels of service in Whataupoko.	Investigation of stormwater improvement options is complete, with options under review by Council.
Drainwise programme	A programme of work to prevent stormwater from entering the wastewater network	FY25 programme is tracking to budget. To date, 1,726 properties have been inspected, 507 gully traps repaired, 37 downpipes removed, and two public drains on private properties are under construction.

Waiāwhā Taone
Urban Stormwater

4. Levels of service and performance measures

Performance measure indicators			
Target met	Slightly under target (≤5%)	Target not met	Not measured

Notes:
1. Performance measures based on the Resident Satisfaction Survey are reported annually after all four survey waves are complete.
2. Annual measures with progressive/cumulative results will be used to derive an end of year (EOY) result.

Urban stormwater

Level of Service: We protect people, dwellings, private property and public areas from flooding by managing the collection and disposal of stormwater in a way that protects the environment and public health.

Measure	Target	Quarter	Results		Commentary
System and adequacy a) The number of flooding events that occur in a territorial authority district. **Mandatory measure**	<2	Q1	0		On target.
		Q2	0		
b) For each flooding event, the number of habitable floors affected (Expressed per 1000 properties connected to the territorial authority's stormwater system). **Mandatory measure**	<2	Q1	0		On target.
		Q2	0		
Discharge compliance - Management of environmental impacts compliance with the territorial authority's resource consents for discharge from its stormwater system, measured by the number of: a) abatement notices b) infringement notices c) enforcement orders d) successful prosecutions received by the territorial authority in relation to those resource consents. **Mandatory measure**	Zero	Q1	0		On target.
		Q2	0		
Response time - The median response time to attend a flooding	<30 min	Q1	0		On target.

Waiāwhā Taone
Urban Stormwater

Measure	Target	Quarter	Results		Commentary
event, measured from the time that the territorial authority receives notification to the time that service personnel reach the site. Mandatory measure		Q2	0		
Customer satisfaction - The number of complaints received by a territorial authority about the performance of its stormwater system, expressed per 1000 properties connected to the territorial authority's stormwater system. Mandatory measure	<15	Q1	3.41		On target.
		Q2	3.34		

Te Rōpū Nohoanga Hapori

Liveable Communities

Six Month Activity Report - Financial Year 2024/25

About this report

This report summarises the key performance outcomes of the **Liveable Communities Group** for the first half of the 2024/25 financial year, compared with the objectives set out in the 2024-2027 Three Year Plan (3YP).

The report contains the following sections:

1. Activity assessment
2. Activity finances
3. Progress on 3YP
4. Levels of service and performance measures.

What we do

We contribute to the ongoing transformation of Council into a customer-focused organisation. We provide the strategic direction for our essential Liveable Community assets to meet the future needs of our community. We are responsible for a wide portfolio which incorporates several important community and environmental functions – including biodiversity and biosecurity, reserves, aquatics, solid waste, catchments and sustainable open spaces and the effective management and provision of all associated services. By providing professional and integrated activity planning, we ensure the effective delivery of our community facilities, while meeting the community's needs through managing safe, fun and engaging places and spaces.

The activities in this group include:

- Biodiversity
- Catchments and Biosecurity
- Cultural Activities
- Aquatics
- Recreation and Amenity (including cemeteries and crematoria)
- Solid Waste (discussed separately).

1. Activity Assessments - 1 July 2024 to 31 December 2024

Performance Indicators		
On track	Monitoring	Off track

Te Rōpū Nohoanga Hapori

Liveable Communities

Biodiversity	
Progressing our **3YP commitments** and focus projects	Performance in terms of delivering our **Levels of Service**
On track	Monitoring
Major projects, education, and advocacy activities are progressing as planned.	PMA monitoring will be paused this year while a pilot project tests new monitoring methods on a smaller subset of PMAs. All other levels of service remain on track.

Catchments and Biosecurity	
Progressing our **3YP commitments** and focus projects	Performance in terms of delivering our **Levels of Service**
On track	Monitoring
Significant progress has been made across pest control, land management, and catchment support initiatives.	Eradication pests will be monitored in Q3 and Q4 to ensure service levels are met. PMA monitoring is paused while a pilot project tests new monitoring methods on a smaller subset of PMAs.

Cultural Activities	
Progressing our **3YP commitments** and focus projects	Performance in terms of delivering our **Levels of Service**
Monitoring	On track
Some project work has been paused due to adverse weather and budget reviews.	Visitor numbers and bookings are exceeding expectations at the six-month mark.

Recreation and Amenity	
Progressing our **3YP commitments** and focus projects	Performance in terms of delivering our **Levels of Service**
On track	On track
Recovery projects across Liveable Spaces activities are progressing as planned.	Operational services are being delivered as expected, including during the busy December period and periods of changeable weather.

Te Rōpū Nohoanga Hapori

Liveable Communities

2. Group Finances

Year to date results as at end of December 31

OTHER OPERATING REVENUE

What we earn - fees, charges and grants etc (excluding rates and water by meter rates)

Full Year Outlook

Year to Date

$2.4m

$272k over $2.2m budget

Forecasted year end of $4.6m against budget of $4.3m

RATES REVENUE

What rates revenue we have invoiced (including water by meter rates, excluding capital rates)

Full Year Outlook

Year to Date

$9.4m

$0k under $9.4m budget

Forecasted year end of $18.8m against budget of $18.8m

CAPITAL REVENUE

Grants, subsidies and donations to fund our capital projects (excluding capital rates revenue)

Full Year Outlook

Year to Date

$1.2m

$795k under $2.0m budget

Forecasted year end of $2.0m against budget of $2.8m

CAPITAL RATES REVENUE

What capital rates revenue we have invoiced

Full Year Outlook

Year to Date

$0k

$0k under $0k budget

Forecasted year end of $0k against budget of $0k

TOTAL OPERATING EXPENDITURE

The costs to operate Council's activities

Full Year Outlook

Year to Date

$10.3m

$103k over $10.2m budget

Forecasted year end of $20.8m against budget of $20.8m

CONTROLLABLE OPERATING EXPENDITURE

Controllable expenditure on operating activities from the Financial Performance Statement

Full Year Outlook

Year to Date

$5.6m

$327k over $5.3m budget

Forecasted year end of $11.3m against budget of $10.9m

CAPITAL EXPENDITURE

Costs for our capital projects

Full Year Outlook

Year to Date

$3.0m

$1.2m under $4.2m budget

Forecasted year end of $6.9m against budget of $8.6m

NET SURPLUS/(DEFICIT)

Council's total income less total operating expenditure from the Financial Performance Statement (including rates and allocations/overheads)

Full Year Outlook

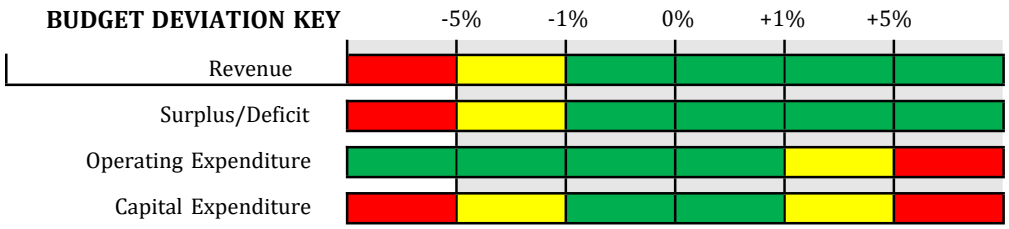
Year to Date

$880k

$487k unfavourable to $1.4m budget

Forecasted year end of $479k against budget of $1.0m

Traffic light colour illustrates the % deviation from budget.
("0%" is "no deviation from planned budget")



Te Rōpū Nohoanga Hapori

Liveable Communities

Total Operating Income
Revenue is $272k above budget, driven by $626k for the Land Management project due to budget phasing partially offset by lower than expected revenue from Kiwa Pools.
Total Operating Expenses
Total operating expenditure is largely in line with budget.
Capital Revenue
Capital revenue is below budget due to budget phasing, as grant income is recognised when capital spending occurs.
Total Capital Expenditure
Year to date (YTD) capital expenditure is $3m, falling below budget expectations. This is primarily due to timing, with planned works for reserves and cemeteries scheduled for the second half of the financial year.

3. Progress on Three Year Plan

Biodiversity

Project	Initiative	How we are going
Monitor condition of Protection Management Areas (PMAs)	Visit 25 PMAs annually to assess native flora and fauna present. Record animal and plant pests and impacts as well as other threats.	PMA monitoring will be reduced in 2024/25 while the programme is reviewed. A pilot project is being developed to test new monitoring methods in line with the National Policy Statement for Indigenous Biodiversity.
Waingake Transformation Programme	Continue the transition of commercial pine forest to indigenous vegetation through active and passive regeneration. Deliver pest plant and animal control in key project sites to improve biodiversity outcomes.	A programme review has been completed, with a case study drafted to share insights from large-scale pine-to-native transition. Pest control efforts continue, with strong survival rates for restoration plantings.
Natural Heritage Fund	Manage and distribute the Natural Heritage Fund to support community groups and landowners to improve biodiversity on their land.	Applications for the 2025 funding round opened on 1 July 2024. Seventeen projects have received funding for wetland and bush fencing, restoration planting, trapping, and weed control.

Te Rōpū Nohoanga Hapori

Liveable Communities

Catchments and Biosecurity

Project	Initiative	How we are going
Pest control and biosecurity	Deliver targeted pest management programmes in line with the Regional Pest Management Plan, in collaboration with neighbouring councils and the community.	Priority pest control work continues across the region, including rook, possum and goat control. Surveillance and coordination with neighbouring regions are ongoing. Community awareness programmes and advocacy remain active, with strong engagement from landowners and schools. Some work is impacted by national regulatory changes.
Marine biosecurity	Dive surveillance and early detection of marine pests in the port marina area.	Surveillance work continues with no detections of fanworm or other marine pests this season.
Land Use Capability (LUC) mapping and Erosion Control Plans (ECPs)	Support landowners by identifying erosion-prone areas and preparing management plans.	Mapping and planning targets are on track. This work also supports Freshwater Farm Plan development.
Ongoing land management support for tangata whenua initiatives	Support tangata whenua with erosion control funding, planting programmes and project development.	Continued support is being provided for reversion, planting, and funding access. Engagement is aligned with catchment and community priorities.
Freshwater Farm Plans (FWFPs)	Support rollout and implementation of FWFPs, including mapping and advisory services.	Council and landowners continue to receive support as national regulations evolve. Mapping and planning assistance is being delivered alongside catchment facilitation.
Catchment support	Strengthening relationships between Council and rural catchments, with a focus on whenua Māori.	The team is actively supporting catchment coordination and group formation, acting as a key link between landowners and Council.
Coastal Nursery Project – HCE Programme	Establishment of community nurseries and erosion planting in coastal hill country.	The programme is on track, with strong engagement and work underway to support local nursery development and erosion control planting.
Maunga to Moana – Embracing the Waimata Awa	Explore nature-based solutions to support flood resilience along the Waimata Awa.	This MfE-funded project is progressing with continued support from land management staff and strong community engagement.

Te Rōpū Nohoanga Hapori

Liveable Communities

Cultural Activities

Project	Initiative	How we are going
Library stock	Provide current and historical interest materials for library purposes. Improve library services to townships.	Core library services continue, including long-term support for research collections. Planning for township service improvements is still to begin.
Navigate Tairāwhiti projects	1000-year bridge and Te Maro viewing platform installation in partnership with Ngāti OneOne. Hawaiki Tūranga soil remediation and installation in partnership with TROTAK.	Bridge construction is complete. Design and budget planning continues for the Te Maro viewing platform. Soil remediation at the Hawaiki Tūranga site is finished.
Art in public places	Review of art in public places and facilities strategies. Connect with local artists to create murals on rural and urban Council facilities. Te Tauihu Tūranga Whakamana / Canoe Prow.	Some work is on hold due to weather conditions. Repairs for Te Tauihu Tūranga Whakamana are being planned.
Facilities upgrades	Ensure Pātūtahi Hall is fit for purpose. Complete renewals for Star of Canada and Lysnar House. Install bilingual signage at the library, theatre, and hall venues.	Maintenance work has started at priority sites. A precinct maintenance plan is guiding work across Star of Canada and Lysnar House. Bilingual signage content has been reviewed.
People together on site	More people make on-site visits to the library, theatres, and museum through the provision of services and programmes alongside partners. High stretch level of service targets.	Positive outcomes include higher visitor numbers, stronger community partnerships, and broader participation in programmes.

Te Rōpū Nohoanga Hapori

Liveable Communities

Recreation and Amenity

Liveable Spaces

Project	Initiative	How we are going
Public conveniences	Carry out critical maintenance and upgrades to aging facilities across the region, including at Mātāwai, Te Puia and Ūawa township. This will include managing the environmental risk of some sites and ensuring financial sustainability of the network.	Upgrades are progressing, with refurbishment underway at several rural and urban sites. Completion of the Peel Street toilets reflects the start of the wider renewal programme.
Reserve land	Remediate unstable land sites and landfill sites which are compromised or at risk, to ensure future public access to and enjoyment of these sites. This will include remediation at Tūranga Gardens and track rehabilitation at Tītīrangi, Makorori Headlands and Whataūpoko Reserve.	Safety works are complete at Makorori Headland. Remediation planning and design are progressing at Tītīrangi, Whataūpoko, and Tūranga Gardens as part of a contaminated sites approach.
Street tree planting	Continue our street tree planting programme with a view to increasing urban canopy cover and mitigating urban flood risk.	Recent planting completed with additional supply secured for the upcoming season.
Play spaces	Ensure that our existing play spaces are safe, compliant, and the appropriate quality through targeted renewals, including play spaces such as Te Karaka, Lytton West, Atkinson Street and Waihirere Domain. Additionally, we will pilot further cost-effective play interventions through temporary installations and collaborative projects with key partners.	New installations and accessible upgrades have been delivered at key sites, with further enhancements being piloted through collaborative projects.
Cemetery remediation	Re-level cemetery berm rows which have slumped as a result of high groundwater levels throughout 2023 and are affecting our ability to maintain the site.	A successful re-levelling trial has informed a wider programme set to begin over winter.
Future urban cemetery provision	Assess options for the future provision of urban cemetery services, and ready this site for development. This will include investigating expansion of the Taruheru site and may consider other locations if necessary.	A feasibility study has been completed for a future site, with capacity assessments underway for current cemeteries.
Indoor multipurpose stadium	Undertake feasibility, design, and planning work to progress the Indoor Multipurpose Stadium Project to an investment ready point.	Feasibility, design, and cost planning work are complete. A business case is in final development to support investment decisions.

Te Rōpū Nohoanga Hapori

Liveable Communities

Project	Initiative	How we are going
Community property	Future proofing our community property assets while continuing to explore ways to build resilience and future proof assets.	Asset condition assessments are underway and will shape future work programmes.
Revitalisation of the Central Business District (CBD)	Refresh and invigorate our CBD through a mixture of temporary and permanent initiatives such as streetscaping and planting.	Early streetscape improvements and community initiatives are underway. Strategic planning is advancing through the TRMP and Master Plan processes.
Waihīrere Domain development	"E kō e te kōmako raro i a Ahitītī". Complete the redevelopment of the Domain in partnership with Waihīrere Hapū, as part of implementing the Waihīrere Domain co-management plan.	Early works have started in partnership, including the removal of disused facilities. Planning continues for the wider redevelopment.
Dune care	Improve the health and function of dune systems in critical sites, including access management, planting, pest control, and maintenance.	Planting is complete at priority sites and further planning is underway, including hosting a national event in Ūawa in 2025.

Aquatic Services

Project	Initiative	How we are going
Outdoor complex resilience	Change the pipe work within the old complex to minimise water wastage.	Completed. New and old pipework plans have been supplied.

Te Rōpū Nohoanga Hapori

Liveable Communities

4. Levels of service and performance measures

Performance measure indicators			
Target met	Slightly under target (≤5%)	Target not met	Not measured

Notes:

1. Performance measures based on the Resident Satisfaction Survey are reported annually after all four survey waves are complete.
2. Annual measures with progressive/cumulative results will be used to derive an end of year (EOY) result.

Biodiversity

Level of Service: We will work with Iwi, landowners, and the community to improve knowledge and awareness of Te Taiao and ensure the protection and enhancement of biodiversity values.

Measure	Target	Quarter	Results		Commentary
Number of reports on Condition and Recommendations for PMAs per year.	25	Q1	N/A		This programme is paused for PMA monitoring during this annual plan period. A pilot project is being developed to test new monitoring methods on a smaller subset of PMAs.
		Q2	N/A		

Biosecurity

Level of Service: We actively manage pest animals and plants to prevent their establishment and spread, ensuring the protection of biodiversity, agricultural productivity, amenities, and cultural values.

Measure	Target	Quarter	Results		Commentary
Eradication pests Initiate direct control of targeted pests to prevent wider establishment and spread.	100% control of targeted pests	Q1	84%		Q1 - Direct control at 15 targeted pest locations, control not required at 76 other locations. Q2 - Direct control at 6 targeted pest locations, control not required at 48 other locations. Additional control work is scheduled for Q3 to ensure annual targets are met.
		Q2	89%		
Exclusion pests Respond and investigate within 24 hours any reports or sightings of exclusion pests and where required implement controls as defined in the RPMP	100% responded and investigated within 24 hours	Q1	100%		No Exclusion pests reported/investigated.
		Q2	100%		

Te Rōpū Nohoanga Hapori

Liveable Communities

Land and Soil

Level of Service: We will work with Iwi, landowners, and the community to reduce soil erosion risk and remediate severe erosion within the district.

Measure	Target	Quarter	Results		Commentary
Number of Land Use Capability Property Maps produced per year.	≥5	Q1	3	✓	On target.
		Q2	4	✓	
Number of Erosion Control Plans produced per year.	≥5	Q1	3	✓	On target.
		Q2	4	✓	
Respond to and document requests from catchment entities.	>5 requests	Q1	2	✓	On target.
		Q2	3	✓	

Cultural Activities

Accessibility

Level of Service: Cultural facilities are accessible to Tairāwhiti residents and visitors.

Measure	Target	Quarter	Results		Commentary
Number of visitors to HB Williams Memorial library per year. a) online b) onsite	a) 180,000 b) 90,000	Q1	a) 188,157 b) 29,874	✓	On target.
		Q2	a) 174,099 b) 25,271	✓	

Patronage and bookings

Level of Service: Regular and varied programmes, events, and exhibitions to support community wellbeing are provided at cultural facilities.

Measure	Target	Quarter	Results		Commentary
Number of visitors to Te Tair āwhiti Museum per year.	45,000	Q1	14,248	✓	On target.
		Q2	11,958	✓	
Number of booking days per year: a) Lawson Theatre b) War Memorial Theatre	a) 100 b) 100	Q1	a) 43 b) 39	✓	On target.
		Q2	a) 49 b) 54	✓	

Te Rōpū Nohoanga Hapori

Liveable Communities

Recreation and Amenity

Level of Service: Open space, recreation, and amenity areas are accessible, valued and enjoyed by Te Tairāwhiti residents and visitors.

Measure	Target	Results	Commentary
Council aquatics facilities are safe and operate in accordance with PoolSafe NZS guidelines.	100%	N/A	End of year target.
Percentage of time Council aquatic facilities pool water quality meets NZS 5826:2010 when pool is open to the public.	100%	N/A	End of year target.

Te Arataki me ngā Ratonga Tauawhi ā-rohe

Regional Leadership & Support Services

Six Month Activity Report - Financial Year 2024/25

About this report

This report summarises the key performance outcomes of the **Regional Leadership and Support Services Group** for the first half of the 2024/25 financial year, compared with the objectives set out in the 2024-2027 Three Year Plan (3YP).

The report contains the following sections:

1. Activity Assessment
2. Group finances
3. Progress against the 3YP
4. Levels of service and performance measures.

What we do

This group drives the positive culture of Council and contributes to the ongoing emphasis of a customer-focused organisation that supports its unique community. These teams focus on building individual and organisational capability and knowledge to meet current and strategic requirements and promoting a learning culture to embed high performance across the organisation.

The activities in this group include:

- Emergency Management
- Engagement
- Māori Partnerships
- Governance and Democracy
- Science
- Strategic Policy and Planning
- Support Services.

Te Arataki me ngā Ratonga Tauawhi ā-rohe

Regional Leadership & Support Services

1. Activity Assessments - 1 July 2024 to 31 December 2024

Performance Indicators		
On track	Monitoring	Off track

Emergency Management	
Progressing our **3YP commitments** and focus projects	Performance in terms of delivering our **Levels of Service**
On track	On track
Emergency communications and resilience projects are progressing as planned, with backup systems being integrated. Community training and engagement efforts continue, ensuring readiness across key groups.	Public education and training initiatives remain on track. Community resilience work is ongoing, with continued support for iwi and local groups.

Engagement	
Progressing our **3YP commitments** and focus projects	Performance in terms of delivering our **Levels of Service**
On track	Monitoring
Website improvements and engagement processes are being reviewed to ensure a more consistent and effective approach.	While engagement efforts are strong, ongoing monitoring is needed to assess effectiveness and improve accessibility. A review of the communications strategy is underway.

Maōri Partnerships	
Progressing our **3YP commitments** and focus projects	Performance in terms of delivering our **Levels of Service**
On track	On track
Te Tiriti Compass is being integrated into Council's decision-making. Strong engagement continues through the LLB forum.	Demand for operational support has increased, impacting strategic work. Options to manage this are being explored.

Te Arataki me ngā Ratonga Tauawhi ā-rohe

Regional Leadership & Support Services

Governance and Democracy	
Progressing our **3YP commitments** and focus projects	Performance in terms of delivering our **Levels of Service**
On track	On track
Planning for the 2025 local elections is progressing well, and the replacement of Te Rūma Kaunihera furniture is scheduled for mid-2025.	Meetings and reporting are meeting statutory requirements, ensuring transparent and accessible decision-making.

Science	
Progressing our **3YP commitments** and focus projects	Performance in terms of delivering our **Levels of Service**
On track	On track
Environmental research and monitoring projects are progressing, with upgrades to groundwater monitoring and air quality assessments on track.	Commentary: Working across the organisation at current capacity.

Strategic Policy and Planning	
Progressing our **3YP commitments** and focus projects	Performance in terms of delivering our **Levels of Service**
On track	Monitoring
The TRMP review is progressing well. Climate change planning and emissions reduction work continue. National policy changes in 2025 may require adjustments.	The new resource management framework announced in March 2025 will require further consideration to understand implications for the plan review. New legislation is expected to be introduced toward the end of 2025.

Support Services	
Progressing our **3YP commitments** and focus projects	Performance in terms of delivering our **Levels of Service**
On track	On track
Finance, procurement, and risk management are operating effectively. Recruitment and induction processes are under review.	Business continuity and risk management processes are in place, with work continuing to embed risk management into daily operations.

Te Arataki me ngā Ratonga Tauawhi ā-rohe

Regional Leadership & Support Services

2. Group Finances

Year to date results as at end of December 31

OTHER OPERATING REVENUE

What we earn - fees, charges and grants etc (excluding rates and water by meter rates)

Full Year Outlook

Year to Date

$7.4m

$5.4m over $2.0m budget

Forecasted year end of $10.1m against budget of $4.7m

RATES REVENUE

What rates revenue we have invoiced (including water by meter rates, excluding capital rates)

Full Year Outlook

Year to Date

$6.1m

$174k over $5.9m budget

Forecasted year end of $12.0m against budget of $11.8m

CAPITAL REVENUE

Grants, subsidies and donations to fund our capital projects (excluding capital rates revenue)

Full Year Outlook

Year to Date

$5.6m

$473k under $6.1m budget

Forecasted year end of $12.6m against budget of $13.0m

CAPITAL RATES REVENUE

What capital rates revenue we have invoiced

Full Year Outlook

Year to Date

$1.1m

$0k under $1.1m budget

Forecasted year end of $2.1m against budget of $2.1m

TOTAL OPERATING EXPENDITURE

The costs to operate Councils activities

Full Year Outlook

Year to Date

$28.0m

$6.2m over $21.8m budget

Forecasted year end of $50.9m against budget of $44.7m

CONTROLLABLE OPERATING EXPENDITURE

Controllable expenditure on operating activities from the Financial Performance Statement

Full Year Outlook

Year to Date

$12.6m

$4.9m over $7.8m budget

Forecasted year end of $21.7m against budget of $16.9m

CAPITAL EXPENDITURE

Costs for our capital projects

Full Year Outlook

Year to Date

$11.3m

$117k under $11.5m budget

Forecasted year end of $24.8m against budget of $24.9m

NET SURPLUS/(DEFICIT)

Council's total income less total operating expenditure from the Financial Performance Statement (including rates and allocations/overheads)

Full Year Outlook

Year to Date

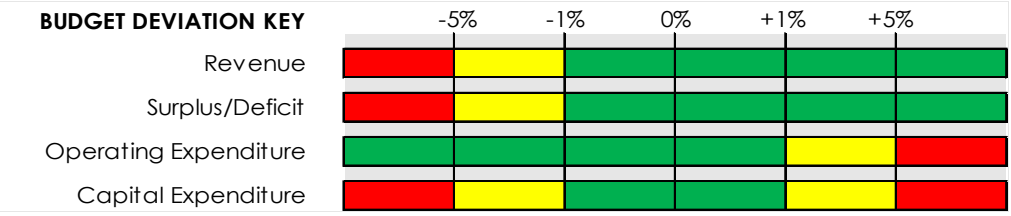
($1.9m)

$2.2m unfavourable to $283k budget

Forecasted year end of ($1.2m) against budget of $1.0m

Traffic light colour illustrates the % deviation from budget.

("0%" is "no deviation from planned budget")



Te Arataki me ngā Ratonga Tauawhi ā-rohe

Regional Leadership & Support Services

Total Operating Revenue

Operation Revenue is favourably $5.4m over the year-to-date budget due to grants from Ministry for the Environment ($279k), Better Off Funding ($488k), and Future of Severely Affected Land funding ($3.1m). An additional $1.3m interest income was also received.

Total Operating Expenses

The YTD budget runs $6.2m over budget, partly due to FOSAL buyout costs, relocations and house lifting. This is offset by higher revenue observed. In addition, there is an accounting loss on fair value swaps of $1.6m. This accounting loss may or may not eventuate when swaps are finally recognised in the future.

Total Capital Revenue

Total Capital revenue is mostly lower-than-expected, due to timing of Development Contributions.

Total Capital Expenditure

The capital expenditure is close to the budgeted figure.

- FOSAL Category 3 buyouts: noting that 46 of 54 properties settled. Year to date it is slightly ahead of budget, but will but is forecast to be within budget by Year end.
- Township upgrades: $273k under the YTD budget. Tenders will be issued, with work starting in February 2025.
- Freshwater Improvement Fund: $110k under the YTD budget, mostly to do with the weather causing delays in preventing spartina work. Focus was on maintenance in the first half of the year, with preparation and planting scheduled for Q4.
- Information Services: $256k under YTD budget, mostly due to timing, and some supply issues affecting equipment procurement.

Te Arataki me ngā Ratonga Tauawhi ā-rohe

Regional Leadership & Support Services

3. Progress on Three Year Plan

Emergency Management

Project	Initiative	How we are going
Emergency communications resilience	Develop resilience and fail-over redundancy into the emergency communications networks to ensure communications function and remain connected during an emergency. This will see the integration of communication nodes (digital radio networks, analogue radio networks, High Frequency (HF) and satellite systems). The project scope will include in-region communications with communities and out of region communications to the national emergency network.	Regional upgrades and backup systems are progressing. The national strategy is yet to be confirmed. Primary systems are satellite and HF, with Tairāwhiti AREC supporting local capacity with emergency services.
Monitoring and evaluation	Develop an assurance process to assess and evaluate the performance of the Tairāwhiti Emergency Management Group.	NEMA appointed a national Assurance Manager in Feb 2025. National standards and audit guidelines are in development. Milestones are pending, with 2025 focused on outputs and frameworks.
Tairāwhiti Emergency Management website	Build a standalone website that will provide an interactive portal to aggregate various data feeds and disseminate it into digestible content accessible to the public.	Vendor appointed 16 Feb 2025. Base site due 30 April, with training and customisation complete by 31 May 2025.
Tsunami risk reduction programme	Define new tsunami evacuation zones and colour identification, supported by community engagement and education on tsunami preparedness, including the national annual 'Shake Out' campaign. Reducing tsunami risk is a long-term project that aims to decrease exposure to tsunami consequences and increase our community's resilience to one of our most significant and dangerous risks.	NEMA issued a Director's Statement on 28 April 2024 signalling a move to a single blue zone. New guideline is pending; current zones remain in place. Project planning will follow. Tairāwhiti led the ShakeOut for the fourth year running.
Ongoing Civil Defence Emergency Management training and development	Training for staff in the Tairāwhiti Emergency Management Office (TEMO), ECC, Council staff, community link volunteers, and our iwi partners as part of national, regional, and local training and exercises.	Training remains a priority to maintain readiness across all levels. Community Links continues to strengthen networks between agencies, stakeholders and local groups.
Continue to develop Community resilience in the region	Strengthen emergency networks and build the capacity of community groups to respond to emergency events through regional training exercises. Continue to develop, build, and maintain partnerships with iwi and communities through engagement and	Emergency site resourcing continues across the region, including Gisborne. Annual training and engagement plan will support practical learning and readiness.

Te Arataki me ngā Ratonga Tauawhi ā-rohe

Regional Leadership & Support Services

Project	Initiative	How we are going
	education activities to improve readiness for emergencies.	

Communications and Engagement

Project	Initiative	How we are going
Improving website functionality	Explore options to improve the functionality of our official Council website and make continuous improvements	Underway. Online forms being improved, with further upgrades planned as part of ongoing review.
Ensuring effective public engagement	Monitoring public engagement and regularly reviewing and evaluating the outcomes of our engagements. Regularly checking in with the community about our engagement activities to ensure we are getting things right and meeting their needs and/or providing enough opportunities for them to engage with us. Ensuring that our communications and engagements reach deeper into our community and are inclusive.	Engagement improved through in-person and digital methods. Focused on formal consultation, direct work with hapū and groups, and digital outreach. Monitoring continues, and strategy refinement is underway to improve reach and inclusion.

Culture and Development

Project	Initiative	How we are going
Anti-racism policy audit	Undertake an anti-racism policy audit.	Phase one of review completed with work being undertaken on three key internal Council policies.
'Ask Your Team' surveys	Annual staff surveys for internal feedback.	Survey results are being reviewed to shape areas of focus for 2025.
Celebrating Wins Programme	Reward & recognition programme to celebrate and acknowledge outstanding staff contributions.	A monthly recognition programme is in place, enabling staff to acknowledge colleagues for their contributions.
Organisational Competencies	Create a framework aligned with our values and leadership to support recruitment, performance reviews, and management processes.	Framework complete. Implementation planned early 2025.

Customer Services

Project	Initiative	How we are going
Customer Service Promise	Embed the Customer Services Promise (CSP) through the organisation.	Quality Improvement Circle to be reestablished in Q3 to support embedding CSP and improve service.

Te Arataki me ngā Ratonga Tauawhi ā-rohe

Regional Leadership & Support Services

Rural Townships Kaitiaki

Project	Initiative	How we are going
Rural township upgrades – BOF	This project has a particular focus on constructing new footpaths within Matawai, Ruatōria, Te Karaka and Wharekahika as well as installing safety crossings in Ruatōria, Tikitiki, Te Araroa, Wharekahika and Matawai.	Works have been rescheduled to 2025/26 due to reduced NZTA funding. The Te Karaka footpath is expected to be delivered by June 2025.
Rural township upgrades	Over the next 3 years, Council aims to work in partnership with two rural communities annually. The purpose of this project is to support communities to realise and implement their aspirations for their township upgrade through contracted engagement and the development and completion of township plans. This project aims to support infrastructure upgrades within each community as deemed as priorities by the community for the community.	Ruatōria and Ūawa projects are progressing well. Engagement is underway with Tokomaru Bay and Manutuke for next year's programme. Te Aitanga a Māhaki is leading local input with youth shaping the final plan.

Recovery

Project	Initiative	How we are going
Community recovery	Coordination of the regional recovery for Tairāwhiti, facilitating planning and prioritisation through engagement with our community and partnering with Iwi, community leaders, Central Government and agencies and community groups to provide support to delivery of recovery efforts.	Recovery initiatives allocated to relevant agencies across the region. Work underway to integrate into business-as-usual.

Māori Partnerships

Project	Initiative	How we are going
Te Matapihi – Te Tiriti evaluation	Develop, implement and evaluate.	Evaluation integrated into Te Matapihi. Mid- and end-point surveys to check cultural fit.
Māori Engagement Framework for the organisation	Develop and implement an organisation-wide approach.	Engagement in Te Matapihi projects is being monitored to ensure tāngata whenua preferences are respected.
Māori capability development	Develop and implement intercultural capability across the organisation.	Monitoring intercultural capability and delivery methods for shared outcomes.
Partnership support – operational and governance	Strengthen relationships and shared approaches with tāngata whenua.	Work is ongoing to strengthen partnership arrangements in both operational and governance settings.

Te Arataki me ngā Ratonga Tauawhi ā-rohe

Regional Leadership & Support Services

Project	Initiative	How we are going
Collaboration on priority programmes	Support delivery of key programmes involving Māori partners.	Actively working across teams to ensure meaningful collaboration with partners on key programmes.
Identifying shared priorities with tangatawhenua	Work with tāngata whenua to identify and progress priority areas.	Regular engagement with tāngata whenua to identify shared priorities and coordinate Council support where needed.

Te Arataki me ngā Ratonga Tauawhi ā-rohe

Regional Leadership & Support Services

Governance and Democracy

Project	Initiative	How we are going
2025 Local Elections	Manage and deliver the 2025 Local Elections.	Planning is well advanced, with governance structures in place and early engagement completed. Focus remains on a smooth and inclusive election in October 2025.
Our meeting and reporting processes ensure our community is informed and enabled to participate in Council decision-making	Agendas are publicly available within legislated timeframes. Reports are easily read and understood, and the decision-making process is transparent.	Agendas published on time. Report processes being improved for more accessible decision-making.
Council and Committee reports consider climate change and the changing needs of our communities	Decision making considers climate change, elected members are better informed regarding the impacts of climate change and our organisation is more able to respond to its effects.	Climate change considerations now standard in reports, supporting informed decision-making.
Council and Committee decisions are reflective of our Iwi and Hapū aspirations and include mātauranga Māori and a te ao Māori lens	Council and committee decisions incorporate te ao Māori, mātauranga Māori and te reo Māori.	Treaty Compass framework introduced to embed Treaty principles in Council decisions and reporting.

Te Arataki me ngā Ratonga Tauawhi ā-rohe

Regional Leadership & Support Services

Science

Project	Initiative	How we are going
Bore drilling and renewals	Complete bore drilling in the Poverty Bay flats area and renewals to existing bore monitoring sites.	Bore drilling in the Poverty Bay Flats area is complete, with reporting finalised to inform future monitoring.
Groundwater Monitoring Devices	Install/update measuring devices into new/existing bores to monitor groundwater quality and levels.	All installations completed for new bores.
Telemetry and Hydrological equipment	Update/replace telemetry and hydrology equipment.	Equipment upgrades are carried out throughout the year and are on track.
Air quality and noise Monitoring equipment	Install monitoring equipment to measure air quality and noise.	New air quality instrument installed. Co-location underway for data comparison before setting up a new site.
State of Environmental (SOE) reporting	Continue State of Environment (SOE) monitoring programme and prepare and complete the 5-yearly SOE report (2025/26)	The SOE project team is in place and initial planning for the 2025/26 report has been completed.
Tairāwhiti Resource Management Plan (TRMP) evidence base	Provide scientific research and evidence to support planning for and management of freshwater coastal-marine area, land and soils, natural hazards, historic and cultural heritage, outstanding natural landscapes, features and seascapes, natural character of the coastal environment, coastal environment line, and indigenous biodiversity.	Research needs have been identified across coastal and hazard topics. Engagement and data collection planning are underway, with biodiversity work set to begin in early 2025.
Improve groundwater knowledge base and monitoring.	Review state of existing groundwater monitoring infrastructure and monitoring frequency of groundwater bores and review existing trends or gaps in data.	A regional groundwater trends review has been completed in partnership with GNS. New analysis is supporting drought status assessments.
Deliver the annual projects described in the Science Programme/Plan	A series of research projects to improve our knowledge and understanding of water, soil, freshwater and coastal environments.	Programme is on track, excluding soil quality monitoring.

Te Arataki me ngā Ratonga Tauawhi ā-rohe

Regional Leadership & Support Services

Strategic Policy and Planning

Project	Initiative	How we are going
Tairāwhiti Resource Management Plan (TRMP) (including freshwater planning)	Finalising work under Phase 1 of the review work programme - notifying plan changes for freshwater, regional policy statement, forestry, and urban development. Starting work on Phase 2 plan review.	The programme was reset in September to align with shifting national timeframes. Phase 1 has progressed well, focusing on regional policy, freshwater and urban development, with forestry work brought forward due to storm impacts.
Climate change response	Progressing evidence base, organisational Emissions Reduction Plan (ERP) actions and adaptation planning processes.	Work is progressing to support both mitigation and adaptation planning, aligned with organisational priorities.
Development Contributions review	In depth review of the policy and growth projects needed - aligned with development of our 2027-2037 Long Term Plan.	Timing is under review pending further detail on proposed changes to national growth infrastructure funding settings.
Future of Severely Affected Land (FOSAL)	Completion of the FOSAL programme while providing support to affected communities. Categorisation, buy-out negotiations, demolition and providing support to property owners that need to take action to reduce the risks associated with flooding and land instability.	Category 2P programme extended to 31 Dec 2025 by central government to allow more time for mitigation and support.

Finance and Performance

Project	Initiative	How we are going
Provide financial support across Council hubs and activities	Support day-to-day financial operations and identify opportunities for process improvements.	Ongoing work to ensure financial processes are efficient and support Council operations. Opportunities for business improvements are being identified and assessed.
Statutory corporate planning and reporting documents	Deliver corporate planning and reporting requirements under the Local Government Act 2002.	Currently in year one of the Three Year Plan. Draft Annual Plan 2025/26 has been prepared and approved. Early work on the 2027-2037 Long Term Plan is underway.
Carry out internal audit and risk management activities	Provide independent assurance that Council's risk management, governance and internal control processes are operating effectively.	Internal audit activities are progressing, with a focus on key risk areas. Risk management processes continue to be embedded across Council.
Manage the local government funding support package of $204m for recovery related works	Manage the funds received and optimise the best use of external funds, particularly as they relate to recovery.	Funding is being tracked and allocated to support recovery projects, ensuring financial oversight and alignment with planned recovery efforts.

Te Arataki me ngā Ratonga Tauawhi ā-rohe

Regional Leadership & Support Services

Funding and Procurement

Project	Initiative	How we are going
Source and apply for additional funding	Seek additional funding to support Council activities and projects from a variety of sources, including Philanthropic Trusts, Central Government, Gaming Trusts, Companies, Individuals / Groups.	Continuing to advance external funding strategy to support major projects, including infrastructure upgrades and developments and environmental restoration initiatives.
Shared Service arrangement audits	Continue to audit Shared Services and Better Buying arrangements to identify opportunities and benefits for Council.	On track with the focus on cost saving as well as identifying any new shared opportunities that will benefit Council, in line with other councils.

Risk and Business Continuity

Project	Initiative	How we are going
Business continuity	Continuous review and improvement of Council's Crisis Management Plan and Business Continuity Planning in accordance with Council's Business Continuity Management Policy.	Current Business Continuity Plans are published internally on Council's intranet for ease of accessibility to all staff.
Strategic Risk Management	Monitor and manage Council's strategic and operational risks within an agreed framework and appetite.	Strategic and operational risks are being regularly reviewed. Key risk tools and settings reflect Council's current environment, and the risk management framework is being embedded across the organisation.

Health and Safety

Project	Initiative	How we are going
Health, safety, and wellbeing – recovery support	Ensure contractor engagement and management processes remain effective and verification and assurance processes are robust.	On track, with more site assessments. SHE Assure and Totika Contractor pre- qualification process effective.
Staff wellbeing	Support Council workers health and wellbeing with the introduction of initiatives and formulation of a wellbeing group.	Wellbeing Strategy developed. Wellbeing group formed across all hubs.
Culture	Develop a health and safety culture and accountability across Council teams, while ensuring compliance under health and safety legislation.	Positive results in 'Ask Your Team' survey. Ongoing focus on leadership, training and support.

Te Arataki me ngā Ratonga Tauawhi ā-rohe

Regional Leadership & Support Services

Information Services

Project	Initiative	How we are going
Existing core hardware renewal	Continually supply new staff with Information and Communication Technology (ICT) hardware and replace Council's ICT hardware as components reach end of life.	Core network updated. Staff hardware updates ongoing.
Software renewals and upgrades	Where software is partly or wholly a Council asset, this project ensures that software is renewed or upgraded to ensure it is fit-for-purpose.	Ongoing where needed.
New IS supported software	Where software is partly or wholly a Council asset, this project ensures that new software is implemented.	No new software currently being implemented.
Digitisation of records	Continue to create high quality digital versions of paper records.	Significant progress made, ongoing.
Enterprise Solutions	Continue to implement the upgrade of Council's core software.	Upgrade well underway. Finance module to go live early 2025.
Tairāwhiti Resource Management Plan (TRMP) review	Provide Information and Communication Technology (ICT) and Geographic Information System (GIS) support to the TRMP review efforts.	Support ongoing at TRMP team's direction.
Power resilience (Starlink/generators)	Support the selection and installation of internet and Information and Communication Technology (ICT) power sources.	Starlink and mobile units installed at key sites. Generators in place.
Recovery	Provide Information and Communication Technology (ICT) and Geographic Information System (GIS) support to the Recovery team.	Support ongoing at Recovery team's direction.
Regional aerial imagery and Light Detection and Ranging (LIDAR) capture	Every other year effort to receive, analyse and make available the latest aerial imagery of the district. LIDAR capture is complete.	This cycle is complete.
District-wide property revaluation	Every three years support from Council's Land Information team to update Council's system valuation data.	Support ongoing with Rates team.
Waingake Transformation / Restoration Programme	Provide Information and Communication Technology (ICT) and Geographic Information System (GIS) support to the Waingake team.	Support ongoing.
Business analytics	Develop and enhance information solutions applied to Council's data to support operational and strategic decision making.	Ongoing work to enhance data use and reporting.

Te Arataki me ngā Ratonga Tauawhi ā-rohe

Regional Leadership & Support Services

Legal Services

Project	Initiative	How we are going
Legal request system	Develop and implement a new legal request system to increase efficiency and enable legal support to be managed with greater alignment to the organisation's strategic values.	On track as part of wider IT service request rollout in 2025.
Legislative compliance framework	Develop and implement a legislative compliance framework to provide assurance as to the organisation's legislative compliance.	On track for 2025/26 implementation.

People and Capability

Project	Initiative	How we are going
Recruitment and retention	Develop and implement a comprehensive recruitment and retention strategy and policy.	Strategy completed and integrated into People & Capability plan.
Induction	Conduct a thorough review of the current induction process.	Review done, improvements underway.

Te Arataki me ngā Ratonga Tauawhi ā-rohe

Regional Leadership & Support Services

4. Levels of service and performance measures

Performance measure indicators			
Target met	Slightly under target (≤5%)	Target not met	Not measured

Notes:

1. Performance measures based on the Resident Satisfaction Survey are reported annually after all four survey waves are complete.
2. Annual measures with progressive/cumulative results will be used to derive an end of year (EOY) result.

Emergency Management

Level of Service: We help to build a more resilient district where communities understand and manage their hazards and risks.

Measure	Target	Quarter	Results		Commentary
Number of educational initiatives conducted by CDEM to prepare the community for survivability in the event of a natural disaster.	≥10	Q1	18		Target met.
		Q2	22		

Engagement

Level of Service: Council engagement efforts are of high quality and customised to meet community needs. Public engagement campaigns are designed to be impactful and achieve their specific objectives.

Measure	Target	Quarter	Results	Commentary
Percentage of Council's engagement initiatives that meet or exceed targets.	At least 80% of engagement initiatives achieve or exceed targets.	Q1	N/A	Annual target.
		Q2	N/A	

Māori Partnerships

Level of Service: We are committed to fostering meaningful and effective partnerships with tangata whenua, aiming for their sustained engagement and influence in shaping the future and decisions of the region.

Measure	Target	Quarter	Results	Commentary
Review the implementation of the Te Tiriti Compass across the organisation.	Year 1: Implement	Q1	N/A	Annual target.
		Q2	N/A	
Support the annual review of relationship agreements with Treaty Partners.	Full review annually	Q1	N/A	Annual target.
		Q2	N/A	

Te Arataki me ngā Ratonga Tauawhi ā-rohe

Regional Leadership & Support Services

Governance

Level of Service: We manage the LGOIMA requirements for meetings, agendas and official information requests and complaints to the Ombudsman.

Measure	Target	Quarter	Results		Commentary
Agendas for meetings (other than extraordinary meetings) of Council and committees are publicly available at least two working days before advertised meetings.	100%	Q1	100%	✓	Targets met
		Q2	100%	✓	
Number of complaints upheld by the Ombudsman.	0	Q1	0	✓	Targets met
		Q2	0	✓	

Science

Environmental data

Level of Service: We will collect and manage environmental data to support good resource management decisions and enable a clear understanding of the state of our environment.

Measure	Target	Quarter	Results		Commentary
The number of hits received on environmental data pages on the Council and Tairāwhiti section of Land, Air, Water Aotearoa (LAWA) websites.	30,000	Q1	10,644	✓	Stable weather in Q1 resulted in lower engagement, while Q2 saw increased hits due to late December rainfall breaking the dry spell and public interest in wastewater overflows over summer.
		Q2	21,244	✓	

Environmental Monitoring and Science

Level of Service: We will collect, analyse, and report environmental information under the requirements of the RMA (1991).

Measure	Target	Quarter	Results	Commentary
Undertake and report weekly monitoring of freshwater and coastal bathing water sites throughout the bathing water season.	95%	Q1	N/A	Annual target.
		Q2	N/A	
For highly productive land, undertake soil surveys for the five land use types in Te Tairāwhiti. To ensure the scientific evidence is robust, thirty surveys per land use type will be required.	150	Q1	N/A	Annual target.
		Q2	N/A	
The percentage of freshwater attributes monitored as required by the National Policy Statement for Freshwater Management (2020) in locations determined by Council and the community.	90%	Q1	N/A	Annual target.
		Q2	N/A	

Te Arataki me ngā Ratonga Tauawhi ā-rohe

Regional Leadership & Support Services

Measure	Target	Quarter	Results	Commentary
The percentage of attributes monitored as required by the New Zealand Coastal Policy Statement (2010).	15%	Q1	N/A	Annual target.
		Q2	N/A	

Strategic Policy and Planning

Statutory requirements

Level of Service: Council has a clear, rigorous, and current suite of strategies, plans and policies across the range of Council activities including resource management, infrastructure, and social and economic development.

Measure	Target	Quarter	Results		Commentary
All plans under development and review meet national directions and statutory timeframes for notification (where applicable).	Achieved	Q1	Achieved		Changing national direction coming in early 2025 that will require some further consideration and work to meet any new or changed requirements as part of plan development
		Q2	Achieved		

Reporting quality

Level of Service: Our decision-makers are provided with credible and robust advice on which to make decisions.

Measure	Target	Quarter	Results	Commentary
Percentage of Strategic Planning sample reports meet a threshold of good to high quality (e.g. marked between 7-10 out of 10) when independently assessed annually.	80%	Q1	N/A	Annual target.
		Q2	N/A	

Ngā Mahinga Arumoni
Commercial Operations

Six Month Activity Report - Financial Year 2024/25

About this report

This report summarises key **Commercial Operations** performance outcomes the first half of the 2024/25 financial year, compared with the objectives set out in the 2024-2027 Three Year Plan (3YP).

The report contains the following sections:

1. Activity Assessments
2. Group finances
3. Progress against the 3YP
4. Levels of service and performance measures

What we do

Council's commercial operations are made up of commercial and semi-commercial investments. Some are run on a commercial basis for the benefit of Council's operations, while others supplement Council's income.

Council's semi-commercial operations include:

- Community housing – 120 rental units within the Gisborne City and Te Karaka for tenants who are 55 years and over.
- Gisborne Airport.
- Small holdings of property.

Council also maintains a number of investments, the largest being GHL, made up of a number of business units, including:

- Property Holdings, which manages a large and diverse portfolio of property including commercial, tenant occupied rentals, and farm land. It also takes project management responsibility for GHL developments.
- Waikanae Beach TOP 10 Holiday Park, which is the region's largest accommodation provider, covering the spectrum from tent sites to 4 1/2 star Qualmark apartments.
- Tauwharepārae Farms Ltd, which runs the Puketawa, Tamatea, and Tauwharepārae stations as a single unit, covering 11,500 hectares of land inland from Tolaga Bay.

1. Activity Assessments - 1 July 2024 to 31 December 2024

Performance Indicators		
On track	Monitoring	Off track

Commercial Operations	
Progressing our **3YP commitments** and focus projects	Performance in terms of delivering our **Levels of Service**
On track	On track
Work is progressing as planned across investment strategy, climate change alignment, and asset review processes.	Levels of service remain consistent.

Ngā Mahinga Arumoni
Commercial Operations

2. Group Finances

Year to date results as at end of December 31

OTHER OPERATING REVENUE

What we earn - fees, charges and grants etc (excluding rates and water by meter rates)

Full Year Outlook

Year to Date

$902k

$6k over $896k budget

Forecasted year end of $1.8m against budget of $1.8m

RATES REVENUE

What rates revenue we have invoiced (including water by meter rates, excluding capital rates)

Full Year Outlook

Year to Date

($28k)

$0k under ($28k) budget

Forecasted year end of ($56k) against budget of ($56k)

CAPITAL REVENUE

Grants, subsidies and donations to fund our capital projects (excluding capital rates revenue)

Full Year Outlook

Year to Date

$0k

$0k under $0k budget

Forecasted year end of $0k against budget of $0k

CAPITAL RATES REVENUE

What capital rates revenue we have invoiced

Full Year Outlook

Year to Date

$0k

$0k under $0k budget

Forecasted year end of $0k against budget of $0k

TOTAL OPERATING EXPENDITURE

The costs to operate Council's activities

Full Year Outlook

Year to Date

$1.1m

$92k over $994k budget

Forecasted year end of $1.9m against budget of $1.8m

CONTROLLABLE OPERATING EXPENDITURE

Controllable expenditure on operating activities from the Financial Performance Statement

Full Year Outlook

Year to Date

$689k

$88k over $600k budget

Forecasted year end of $1.1m against budget of $999k

CAPITAL EXPENDITURE

Costs for our capital projects

Full Year Outlook

Year to Date

$101k

$104k under $205k budget

Forecasted year end of $307k against budget of $411k

NET SURPLUS/(DEFICIT)

Council's total income less total operating expenditure from the Financial Performance Statement (including rates and allocations/overheads)

Full Year Outlook

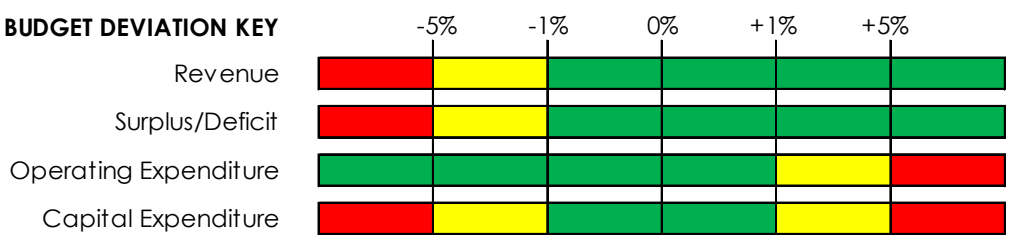
Year to Date

($266k)

$43k favourable to ($309k) budget

Forecasted year end of ($373k) against budget of ($416k)

Traffic light colour illustrates the % deviation from budget.
("0%" is "no deviation from planned budget")



Ngā Mahinga Arumoni
Commercial Operations

Total Operating Revenue
Operating Revenue is on tack.
Total Operating Expenses
Operational expenses are over budget $92k. This is partly due to housing maintenance costs which are of operational nature as maintenance rather than capital upgrades.
Total Capital Expenditure
Double glazing of housing has been scheduled to get under way in upcoming months. Works are likely to carry through into next financial year.

3. Progress on Three Year Plan

Project	Initiative	How we are going
Review of Council's group investments	Review Council's group investments and alignment for a best-for-region approach.	Investment strategy for CCTO has been approved by Council, and execution is underway.
Climate change adaptation plans	Formulate climate change adaptation plans for Council's investment assets.	In 2024, GHL began aligning its operations with Council's climate change roadmap, starting with measuring its greenhouse gas emissions.

Ngā Mahinga Arumoni
Commercial Operations

4. Levels of service and performance measures

Performance measure indicators			
Target met	Slightly under target (≤5%)	Target not met	Not measured

Notes:
1. Performance measures based on the Resident Satisfaction Survey are reported annually after all four survey waves are complete.
2. Annual measures with progressive/cumulative results will be used to derive an end of year (EOY) result.

COMMERCIAL OPERATIONS

Level of Service: Council's main investment vehicle is its Council Controlled Trading Organisation (CCTO), Gisborne Holdings Limited (GHL). GHL is 100% owned by Council. GHL manages Council's commercial operations and distributions flow directly to Council to help provide for capital works and minimise demands on ratepayers.

Measure	Target	Quarter	Results		Commentary
Improve the investment return level in order to grow the return from 2% of Council revenue to 4%.	2% to 4%	**Q1**	N/A		Investment return is measured annually at end of the financial year once assets have been revalued.
		Q2	N/A		
Percentage of customers satisfied with the standard of accommodation and services as found in our annual inspection survey.	95%	**Q1**	N/A		Annual survey
		Q2	N/A		
Rent as a percentage of market-rate (lower quartile) not to exceed 90%.	Achieved	**Q1**	Achieved		Community housing rentals have been held at current rental rates through the first half of 2025.
		Q2	Achieved		

11. Public Excluded Business

RESOLUTION TO EXCLUDE THE PUBLIC

Section 48, LOCAL GOVERNMENT OFFICIAL INFORMATION and MEETINGS ACT 1987

That:

1. **The public be excluded from the following part of the proceedings of this meeting, namely:**

   Confirmation of PUBLIC EXCLUDED Minutes

   Item 4.1 Confirmation of Confidential Minutes 19 February 2025

   Public Excluded Business

   Item 11.1 25-79 GHL Update

2. **This resolution is made in reliance on section 48(1)(a) of the Local Government Official Information & Meetings Act 1987 and the particular interest or interests protected by section 6 or section 7 of that Act which would be prejudiced by the holding of the whole of the relevant part of the proceedings of the meeting in public are as follows:**

Item 4.1 & Item 11.1	7(2)(h)	Enable any Council holding the information to carry out, without prejudice or disadvantage, commercial activities.