Taranaki Regional Council

AGENDA
Executive, Audit & Risk

Monday 24 March 2025 10.00am

Executive Audit and Risk Committee

24 March 2025 10:00 AM

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Whakataka te hau

Karakia to open meetings

Whakataka te hau ki te uru	Cease the winds from the west
Whakataka te hau ki te tonga	Cease the winds from the south
Kia mākinakina ki uta	Let the breeze blow over the land
Kia mātaratara ki tai	Let the breeze blow over the ocean
Kia hī ake ana te atakura	Let the red-tipped dawn come with a sharpened air
He tio, he huka, he hauhu	A touch of frost, a promise of glorious day
Tūturu o whiti whakamaua kia tina.	Let there be certainty
Tina!	Secure it!
Hui ē! Tāiki ē!	Draw together! Affirm!

Taranaki Regional Council

MEMORANDUM

Executive, Audit & Risk

Health and Safety Message

Emergency Procedure

In the event of an emergency, please exit through the emergency door in the Committee Room by the kitchen.

If you require assistance to exit, please see a staff member.

Once you reach the bottom of the stairs make your way to the assembly point at 43 Cloten Road. Staff will guide you to an alternative route if necessary.

Earthquake

If there is an earthquake - drop, cover and hold where possible. Please remain where you are until further instruction is given.

Taranaki Regional Council

MEMORANDUM
Executive, Audit & Risk

Date: 24 March 2025

Subject: **Executive Audit and Risk Minutes – 10 February 2025**

Author: M Jones, Governance Administrator

Approved by: M J Nield, Director - Corporate Services

Document: TRCID-1492626864-381

Recommendations

That the Taranaki Regional Council:

a) takes as read and confirms the minutes of the Executive, Audit and Risk Committee meeting of the 10 February 2025

b) notes recommendations therein were adopted by the Taranaki Regional Council on Tuesday 18 February 2025.

Appendices/Attachments

TRCID-1492626864-304: Executive Audit and Risk Committee Minutes – 10 February 2025

Taranaki Regional Council

MINUTES
Executive, Audit & Risk

Date:	10 February 2025	
Venue:	Taranaki Regional Council Boardroom, 47 Cloten Road, Stratford	
Document:	TRCID-1492626864-304	
Present:	M J Cloke	Chairperson
	S W Hughes	
	C S Williamson	
	A Jamieson	
	D H McIntyre	
	C L Littlewood	ex officio (zoom)
	N W Walker	ex officio
Attending:	D M Cram	Councillor
	S J Ruru	Chief Executive
	M J Nield	Director – Corporate Services (zoom)
	B Muir	Senior Health, Safety and Wellness Adviser
	A De Faria	Finance Manager
	M Jones	Governance Administrator
	N Chadwick	Executive Assistant to Chief Executive and Chair

The meeting opened with a group Karakia at 10.00am.

Apologies: Were received and sustained from B Robertson.
Walker/Hughes

1. Confirmation of Minutes Executive Audit and Risk Committee Minutes – 2 December 2024

Resolved

That the Taranaki Regional Council:

a) took as read and confirmed the minutes of Executive Audit and Risk Committee of the Taranaki Regional Council held at 10.00am on Monday 2 December 2024 at Taranaki Regional Council 47 Cloten Road Stratford

b) noted the recommendations therein were adopted by the Taranaki Regional Council on Tuesday 10 December 2024.

McIntyre/Williamson

2. Financial and Operational Report

2.1 M Nield and Amy De Faria provided an update on the operational and financial performance.

Resolved

That the Taranaki Regional Council:

a) received the memorandum Financial and Operational Report and the October and November 2024 Monthly Financial Reports.

b) noted the digital media update

c) received the common seal transactions:

- 2024/02 – Renewal of lease – 125-139 Breakwater Road, New Plymouth
- 2024/03 – Renewal of lease – 143-145 Breakwater Road, New Plymouth.

Williamson/Jamieson

3. Quarterly Operational Report

3.1 M Nield provided an update of the progress through the delivery of the programme of activities agreed to in the Long-Term Plan.

Resolved

That the Taranaki Regional Council:

a) received the Quarterly Operational Report for the quarter ended 31 December 2024.

Cloke/Walker

4. Health and Safety Report

4.1 M Nield and B Muir provided an update on health and safety performance.

Resolved

That the Taranaki Regional Council:

a) received the January 2025 Health and Safety Report.

Cloke/Williamson

5. Yarrow Stadium Plus: Project Update

5.1 M Nield and J Patterson provided an update on the Yarrow Stadium Project.

Resolved

That the Taranaki Regional Council:

a) noted the progress to date and the next steps on the Yarrow Stadium Plus Redevelopment Project.

McIntyre/Walker

6. Public Excluded

In accordance with section 48(1) of the Local Government Official Information and Meetings Act 1987, resolved that the public is excluded from the following part of the proceedings of the Executive Audit and Risk Meeting on 10 February 2025 for the following reason/s:

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

Item 11 – Confirmation of Public Excluded Executive Audit and Risk Minutes – 2 December 2024

That the public conduct of the whole or the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information where the withholding of the information is necessary to protect information where the making available of the information would be likely unreasonably to prejudice the commercial position of the person who supplied or who is the subject of the information; and/or enable any local authority holding the information to carry out, without prejudice, commercial activities.

General subject of each matter to be considered	Reason for passing this resolution in relation to each matter	Ground(s) under section 48(1) for the passing of this resolution
Item 12: Yarrow Stadium Plus: Project Steering Group Report	The report contains information relating to performance of the contractor which is subject to ongoing monitoring and negotiation.	That the public conduct of the whole or the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information for which good reason for withholding would exist under section 7 (2) (h) of the Local Government Official Information and Meetings Act 1987

Cloke/Walker

There being no further business the Committee Chairperson, M J Cloke, declared the meeting of the Executive Audit and Risk Committee meeting closed at 10.44am.

Executive Audit and Risk

Committee Chairperson: _____

M J Cloke

Taranaki Regional Council

MEMORANDUM
Executive, Audit & Risk

Date:	24 March 2025
Subject:	**Financial and Operational Report**
Author:	A De Faria, Finance Manager
Approved by:	M J Nield, Director - Corporate Services
Document:	TRCID-1492626864-405

Purpose

1. The purpose of this memorandum is to receive information on operational and financial performance.

Recommendations

That the Taranaki Regional Council:

a) receives the memorandum Financial and Operational Report and the December 2024 Monthly Financial Report

b) notes the digital media update

c) receives the common seal transactions:
   - 2024/04 – Renewal of lease – 39 Port View Crescent, New Plymouth
   - 2024/05 – New of lease – 41-43 Port View Crescent, New Plymouth
   - 2024/06 – Surrender of Lease – 41-43 Port View Crescent, New Plymouth.

Background

2. We produce a Monthly Financial Report outlining the financial performance for the month and year to date. This memorandum supports the Monthly Financial Report by providing additional supporting operational and financial information. The Common Seal is operated under delegated authority. Part of that delegated authority is the reporting back of seal transactions.

Discussion

3. Attached is the Monthly Financial Report for December 2024.
4. In the "Financial Indicators Section", for revenue, expenditure and operating surplus/deficit, for the whole of the Council the actual year to date (YTD) performance is compared against the YTD budget. A green variance indicates that the variance is within plus or minus 5% and less than $50,000. A yellow variance indicates that the variance is greater than plus or minus 5% and between $50,000 and $100,000 but less than plus or minus 10% and more than $100,000. A red variance indicates that the variance is more than plus or minus 10% and more than $100,000. The arrow indicates the trend over time. A green up arrow indicates an improving trend and a red down arrow indicates a deteriorating trend.

5. The financial performance pie graphs for operating expenditure and income show the actual performance against budget and the forecast performance against budget, accumulated for all activities. The green slice indicates the number of activities where the variance is within plus or minus 5% and less than $50,000. The yellow slice indicates the number of activities where the variance is greater than plus or minus 5% and between $50,000 and $100,000 but less than plus or minus 10% and more than $100,000. The red slice indicates the number of activities where the variance is more than plus or minus 10% and more than $100,000.
6. For each Group of Activities (Resource management, Catchment management, Transport, Flood protection and hazard management, Regional facilities, and Regional leadership and governance), in the "Financial Indicators Section", for revenue and expenditure, for that group of activities, the actual year to date (YTD) performance is compared against the YTD budget. A green variance indicates that the variance is within plus or minus 5% and less than $50,000. A yellow variance indicates that the variance is greater than plus or minus 5% and between $50,000 and $100,000 but less than plus or minus 10% and more than $100,000. A red variance indicates that the variance is more than plus or minus 10% and more than $100,000. The arrow indicates the trend over time. A green up arrow indicates and improving trend and a red down arrow indicates a deteriorating trend.
7. In the "Operating Expenditure by Activity" section, there is a dial for each activity comparing YTD expenditure against budget and a forecast for the rest of the year. The colours are green – variance of less than plus or minus 5%, yellow – plus or minus variance of more than 5% but less than 10% and red – plus or minus variance of more than 10%. The key components of each dial are:
   - The outer ring is the forecast for the rest of the year - green OK, yellow performance at risk, red target will not be achieved.
   - The pointer indicates whether the variance is over or under budget and the colour indicates the scale of the variance - the actual variance figure sits at the bottom of the pointer.
   - The YTD and full year (FY) budgets are included in the grey section.
8. Financially, the overall financial result is ahead of budget to the estimates established for 2024/2025 in the 2024/2034 Long-Term Plan. This is despite the Port Taranaki Limited dividend received being $1,000,000 under budget there are savings in expenditure that have more than offset this. As at the end of December 2024, significant income and expenditure variances by activity (plus or minus $100,000) are:
   - *Resource management planning* - $279,313 under budget due to delayed expenditure on project costs in response to changes in work programme for the Regional Policy Statement and the Regional Freshwater Plan. Consultant costs expected to increase over coming months.
   - *Environmental science investigations* - $117,470 under budget due to reduced personnel and timing of external contracts.
   - *Resource management planning revenue* - $271,864 behind budget due to phasing of work programme.
   - *Sustainable land management* - $163,945 under budget due to less riparian plant purchases than planned.
   - *Catchment enhancement* - $505,195 under budget due to lower year to date expenditure on STRESS projects. This is expected to be fully spent by year end.
   - *Catchment management direct charges revenue* - $290,800 over budget due to higher and earlier Waitara river catchment investment returns than planned.
   - *Transport planning and services* - $484,444 under budget due to higher bus service contract costs expected later in the financial year.

Communications and Engagement

9. Communications and engagement activities are delivered across publications, media releases, advertising, digital media, events, through stakeholders and through education. Recent points of note are:

- The TRC website had 25,054 unique users in February – the highest number this financial year. This can be attributed to our bus promotions for Te Matatini. We worked with Te Matatini organisers and stakeholders to inform event attendees and the public about additional bus services (free for ticket holders). We also set up a special Te Matatini bus page on our website which had 3,600 views. Our bus pages overall got 33% more views In February than in January, with the Hawera to NP Connector timetable page up 62%.
- Social media reach and engagement grows month on month, as we continually refine our strategy. The data below covers 12 Facebook and Instagram pages, so there will be fluctuations. However the main Taranaki Regional Council Facebook page had its best month of the financial year with organic (non-paid) views of more than 530K and interactions with more than 6,000 people.
- Managing communications and media interest around the resignation of Charlotte Littlewood and subsequent election of Craig Williamson as Chair. Also, managing media interest around the code of conduct complaint and decision to hold an internal review into the events of December's Council meeting – including an op-ed from the Chair in the Taranaki Daily News.
- Preparation is under way for the reopening of Stadium Taranaki and the associated communications and engagement plan. We are also well into planning for the upcoming local body elections.
- Electronic direct mails (targeted emails) from the communications team in February/early March included an update on dry conditions (80 recipients), extra Connector bus trips (5,251 recipients), Trap Talk newsletter (863 recipients), Pest Bulletin newsletter (2,856 recipients) and the Biosecurity Taranaki newsletter (262).
- There were 41 media stories in February that mentioned Taranaki Regional Council. Of these 22 were written by The Post/Stuff, five RNZ and four Whakaata Māori.
- Educators worked with just under 1,300 students in February including preschool, primary, intermediate and high school aged children.

Social media (Facebook & Instagram)

	February 2025	**Financial YTD**
Total users reached (organic and paid)	337,744 (↓47% on Jan)	2,562,262
Total interactions or engagement (likes, comments, shares, saves)	10,072 (↓10% on Jan)	59,082

Note: This includes all TRC-run Facebook and Instagram accounts. As such there may be duplication – i.e. one person may have been reached by two different pages so will be counted twice.

Website (www.trc.govt.nz and www.haveyoursay.trc.govt.nz)

	February 2025	**Financial YTD**
Total users	25,054 (↑7% on Jan)	152,131

Note: Unique users i.e. individuals who visited the site four times in February will only be counted once. A user that visited in January and then again in February will only be counted once in the YTD figure.

Common Seal

10. The following transactions were executed under Common Seal:
    - 2024/04 – Renewal of lease – 39 Port View Crescent, New Plymouth
    - 2024/05 – New of lease – 41-43 Port View Crescent, New Plymouth
    - 2024/06 – Surrender of Lease – 41-43 Port View Crescent, New Plymouth.

Appendices/Attachments

Document TRCID-1492626864-493: Monthly Management Report – December 24

Taranaki Regional Council

PŪRONGO PŪTEA O TE MARAMA
MONTHLY FINANCIAL REPORT

Hakihea | December 2024/2025

Ngā rārangi take

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Executive Summary

Financial performance

Financial indicators					
Financial threshold key (for adverse variances): ≥5% and <10% ≥10%					
Total revenue		Operating expenditure		Operating surplus/deficit	
What we earn – rates, charges, grants and investment income		The costs to operate our activities		Total revenue less operating expenditure	
Actual YTD	Trend	Actual YTD	Trend	Actual YTD	Trend
$22.8M	$1143.5K behind budget	$25.8M	$1863.1K under budget	$-3.0M	$108.8K ahead of budget
Against a YTD budget of $23.9M and a full year budget of $50.3M.		Against a YTD budget of $27.0M and a full year budget of $54.4M.		Against a YTD budget of $-3.1M and a full year budget of $-4.2M.	

Financial performance			
Operating Expenditure		Income	
Actual	Forecast	Actual	Forecast
Financial Performance	Future Performance	Financial Performance	Future Performance

Commentary and variances

As at 31 December 2024, the overall financial result is ahead of budget.

Key

This section defines the symbols and colours used in the Executive Summary and the Groups of Activities.

Introduction

In the "Financial Indicators Section", for revenue, expenditure and operating surplus/deficit, for the whole of the Council the actual year to date (YTD) performance is compared against the YTD budget. A green variance indicates that the variance is within plus or minus 5% and less than $50,000. A yellow variance indicates that the variance is greater than plus or minus 5% and between $50,000 and $100,000 but less than plus or minus 10% and more than $100,000. A red variance indicates that the variance is more than plus or minus 10% and more than $100,000. The arrow indicates the trend over time. A green up arrow indicates and improving trend and a red down arrow indicates a deteriorating trend.

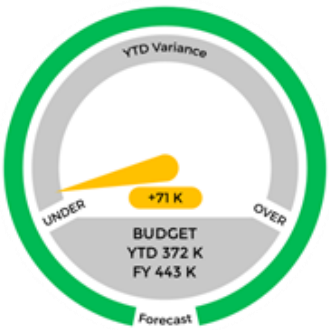
The financial performance pie graphs for operating expenditure and income show the actual performance against budget and the forecast performance against budget, accumulated for all activities. The green slice indicates the number of activities where the variance is within plus or minus 5% and less than $50,000. The yellow slice indicates the number of activities where the variance is greater than plus or minus 5% and between $50,000 and $100,000 but less than plus or minus 10% and more than $100,000. The red slice indicates the number of activities where the variance is more than plus or minus 10% and more than $100,000.

The operational performance pie graphs for levels of service and individual activities show the actual performance against budget and the forecast performance against budget, accumulated for all activities. The green slice indicates the number of levels of service/activities where the actual performance is on target. The yellow slice indicates the number of levels of service/activities where the actual performance is at risk of not being achieved. The red slice indicates the number of levels of service/activities where the actual performance is not meeting the target.

For each Group of Activities:

In the "Financial Indicators Section", for revenue and expenditure, for that group of activities, the actual year to date (YTD) performance is compared against the YTD budget. A green variance indicates that the variance is within plus or minus 5% and less than $50,000. A yellow variance indicates that the variance is greater than plus or minus 5% and between $50,000 and $100,000 but less than plus or minus 10% and more than $100,000. A red variance indicates that the variance is more than plus or minus 10% and more than $100,000. The arrow indicates the trend over time. A green up arrow indicates and improving trend and a red down arrow indicates a deteriorating trend.

In the "Operating expenditure by activity" section, there is a dial for each activity comparing YTD expenditure against budget and a forecast for the rest of the year. The colours are green – variance of less than plus or minus 5% and less than $50,000, yellow – plus or minus variance of more than 5% and between $50,000 and $100,000 but less than 10% and red – plus or minus variance of more than 10% and $100,000. The key components of each dial are:



- The outer ring is the forecast for the rest of the year – green OK, yellow performance at risk, red target will not be achieved
- The pointer indicates whether the variance is over or under budget and the colour indicates the scale of the variance – the actual variance figure sits at the bottom of the pointer
- The YTD and Full Year (FY) budgets are included in the grey section.

The operational performance pie graphs for levels of service and individual activities show the actual performance against budget and the forecast performance against budget, accumulated for all activities within that group of activities. The green slice indicates the number of levels of service/activities where the actual performance is on target. The yellow slice indicates the number of levels of service/activities where the actual performance is at risk of not being achieved. The red slice indicates the number of levels of service/activities where the actual performance is not meeting the target.

Statement of comprehensive revenue and expense

This statement summarises performance against budget for the month and for the year to date.

	Month			Year to date			2024/2025
	Actual $	Budget $	Variance $	Actual $	Budget $	Variance $	Budget $
Cost of services							
Resource management	1,482,329	1,469,552	(12,777)	8,846,172	9,209,726	363,554	18,477,101
Catchment management	1,168,267	1,019,014	(149,253)	6,915,555	7,537,618	622,063	15,027,004
Transport	600,196	719,951	119,755	3,788,471	4,290,988	502,517	8,577,005
Flood Protection and Hazard management	109,041	100,949	(8,092)	601,187	630,972	29,785	1,278,558
Regional Facilities	351,670	315,370	(36,300)	3,062,664	3,085,040	22,376	6,151,252
Regional Leadership and Governance	241,629	286,336	44,707	1,466,118	1,483,501	17,383	2,999,183
Total operating expenditure	**3,953,132**	**3,911,172**	**(41,960)**	**24,680,168**	**26,237,845**	**1,557,677**	**52,510,103**
Revenue from exchange transactions							
Direct charges revenue	255,717	440,446	(184,729)	2,567,194	2,742,676	(175,482)	6,572,764
Rent revenue	235,546	137,467	98,079	852,682	824,802	27,880	1,649,600
Dividends	-	-	-	3,000,000	4,000,000	(1,000,000)	8,000,000
Revenue from non-exchange transactions							
General rates revenue	-	-	-	8,142,922	8,142,922	-	16,285,842
Targeted rates revenue	-	-	-	2,801,209	2,836,478	(35,269)	5,672,956
Direct charges revenue	92,713	305,410	-212,697	1,520,597	1,961,460	(440,863)	4,079,421
Government grants	337,836	315,355	22,481	2,369,446	2,436,630	(67,184)	4,864,586
Vested assets	-	-	-	-	-	-	-
Total income	**921,813**	**1,198,678**	**(276,865)**	**21,254,050**	**22,944,968**	**(1,690,918)**	**47,125,169**
Operating surplus/(deficit) before finance income/expenses & taxation	**(3,031,320)**	**(2,712,494)**	**(318,826)**	**(3,426,117)**	**(3,292,877)**	**(133,240)**	**(5,384,934)**
Finance income	425,817	178,333	247,484	1,516,192	968,748	547,444	2,267,500
Finance expense	(353,623)	(150,000)	(203,623)	(1,096,644)	(791,250)	(305,394)	(1,935,000)
Net finance expense	**72,194**	**28,333**	**43,860**	**419,548**	**177,498**	**242,050**	**332,500**
Operating surplus before taxation	**(2,959,126)**	**(2,684,161)**	**(274,965)**	**(3,006,570)**	**(3,115,379)**	**108,809**	**(5,052,434)**
Other gains/losses							
Gains/(losses) on revaluation of properties	-	-	-	-	-	-	874,360
Operating surplus before taxation	**(2,959,126)**	**(2,684,161)**	**(274,965)**	**(3,006,570)**	**(3,115,379)**	**108,809**	**(4,178,074)**
Income tax expense	-	-	-	-	-	-	10,000
Surplus/(deficit) for the period	**(2,959,126)**	**(2,684,161)**	**(274,965)**	**(3,006,570)**	**(3,115,379)**	**108,809**	**(4,188,074)**
Other comprehensive income							
Revaluation of property, plant and equipment	-	-	-	-	-	-	-
Other comprehensive income, net of tax	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Operating surplus/(deficit)	**(2,959,126)**	**(2,684,161)**	**(274,965)**	**(3,006,570)**	**(3,115,379)**	**108,809**	**(4,188,074)**

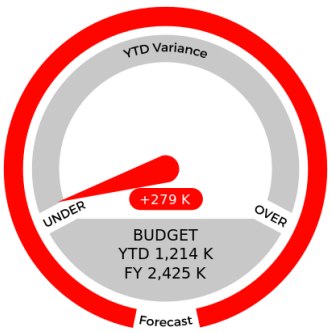
Ko ngā ture whakahaere rawa

Resource management

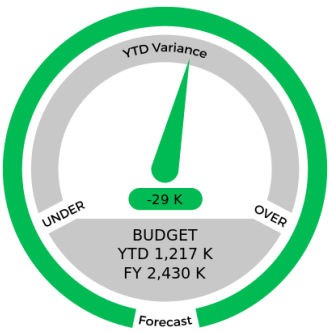
Financial performance

Financial indicators			
Financial threshold key (for adverse variances): ≥5% and <10% ≥10%			
Total revenue		Operating expenditure	
What we earn – rates, charges, grants and investment income		The costs to operate our activities	
Actual YTD	Trend	Actual YTD	Trend
$2.6M	$271.9K behind budget	$8.8M	$363.6K under budget
Against a YTD budget of 2.9M and a full year budget of 6.9M.		Against a YTD budget of 9.2M and a full year budget of 18.5M.	

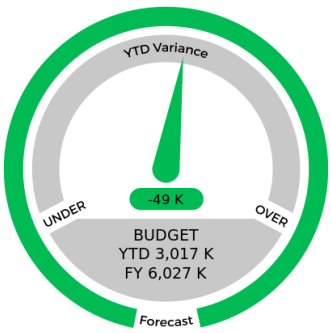
Operating expenditure by activity



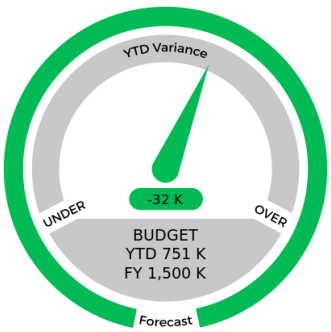
Resource management planning



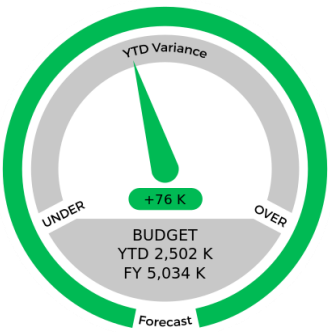
Resource consent processing



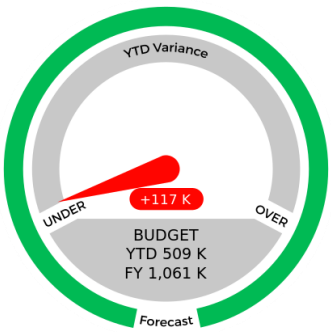
Compliance monitoring



Pollution incidence and response



State of the environment monitoring



Environmental science investigations

Key	YTD Variance
■	< 5% and less than $50,000
■	≥ 5% < 10% and between $50,000 and $100,000
■	≥ 10% and greater than $100,000

Commentary and variances

Overall resource management expenditure is under budget.

Material activity variances (> or < than $100,000) are:

Resource management planning - $279,313 under budget due to delayed expenditure on project costs in response to changes in work programme for the Regional Policy Statement and the Regional Freshwater Plan. Consultant support is expected to increase over the coming months and expend most of the remaining budget for the year.

Environmental science investigations - $117,470 under budget due to reduced personnel and timing of external contracts.

Direct charges revenue - $271,864 behind budget due to phasing of work programme.

Cost of services statement

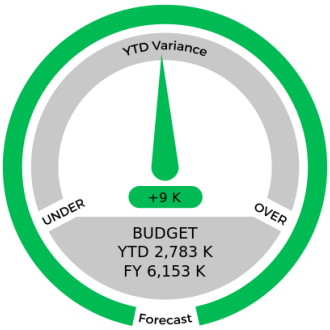
Resource Management							
	Month			Year to date			2024/2025
	Actual $	Budget $	Variance $	Actual $	Budget $	Variance $	Budget $
Expenditure							
Resource management planning	158,181	193,075	34,894	934,306	1,213,619	279,313	2,424,884
Resource consent processing	202,214	193,033	(9,181)	1,245,384	1,216,854	(28,530)	2,430,374
Compliance monitoring	514,381	475,442	(38,939)	3,066,353	3,017,148	(49,205)	6,026,810
Pollution incidents and response	127,196	118,135	(9,061)	782,709	750,944	(31,765)	1,500,028
State of the environment monitoring	416,778	401,682	(15,096)	2,425,803	2,502,074	76,271	5,034,088
Environmental science investigations	63,579	88,185	24,606	391,617	509,087	117,470	1,060,917
Total expenditure	**1,482,329**	**1,469,552**	**(12,777)**	**8,846,172**	**9,209,726**	**363,554**	**18,477,101**
Income							
General rates	512,101	512,101	-	3,274,855	3,274,855	-	5,969,459
Direct charges	269,377	475,978	(206,601)	2,584,004	2,855,868	(271,864)	6,895,161
Government grants	-	-	-	-	-	-	-
Transfer from reserves	-	-	-	-	-	-	-
Transfer to reserves	-	-	-	-	-	-	-
Investment funds	700,852	481,473	219,379	2,987,314	3,079,003	(91,689)	5,612,481
Total income	**1,482,329**	**1,469,552**	**12,777**	**8,846,172**	**9,209,726**	**(363,554)**	**18,477,101**
Operating surplus/(deficit)	-	-	-	-	-	-	-

Ko te mana whakahaere riu hopuwai

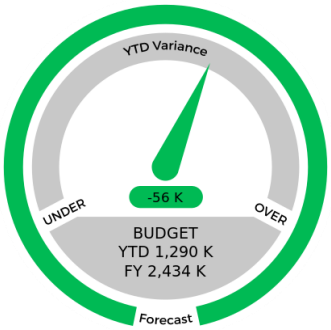
Catchment management

Financial performance

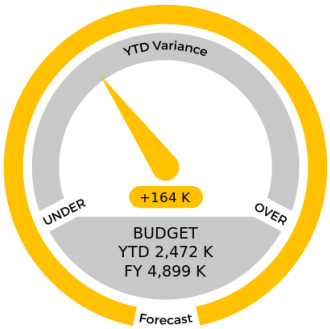
Financial indicators			
Financial threshold key (for adverse variances): ≥5% and <10% ≥10%			
Total revenue		Operating expenditure	
What we directly earn – charges and grants		The costs to operate our activities	
Actual YTD	Trend	Actual YTD	Trend
$1.6M	$210.3K ahead of budget	$6.9M	$622.1K under budget
Against a YTD budget of 1.4M and a full year budget of 3.3M.		Against a YTD budget of 7.5M and a full year budget of 15.0M.	
Operating expenditure by activity			



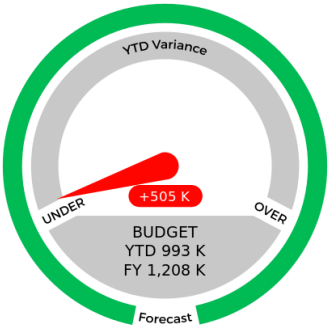
Biosecurity



Biodiversity



Sustainable land management



Catchment enhancement

Key	YTD Variance
■	< 5% and less than $50,000
■	≥ 5% < 10% and between $50,000 and $100,000
■	≥ 10% and greater than $100,000

Commentary and variances

Overall catchment management expenditure is under budget.

Material activity variances (> or < than $100,000) are:

Sustainable land management - $163,945 under budget due to less riparian plant purchases than planned.

Catchment enhancement - $505,195 under budget due to lower year to date expenditure on STRESS projects. This is expected to be fully spent by year end.

Direct charges revenue - $290,800 ahead of budget due to higher and earlier Waitara river catchment investment returns than planned.

Cost of services statement

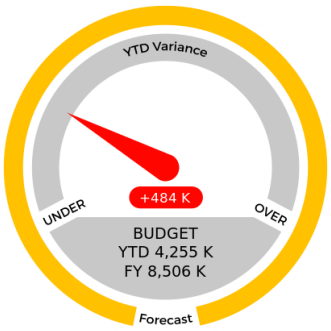
Catchment management							
	Month			Year to date			2024/2025
	Actual $	Budget $	Variance $	Actual $	Budget $	Variance $	Budget $
Expenditure							
Biosecurity	473,320	452,680	(20,640)	2,774,196	2,783,191	8,995	6,153,071
Biodiversity	188,740	182,551	(6,189)	1,345,658	1,289,620	(56,038)	2,433,661
Sustainable land management	388,517	352,218	(36,299)	2,307,887	2,471,832	163,945	4,898,534
Catchment Enhancement	117,681	31,565	(86,116)	487,780	992,975	505,195	1,208,218
Waitara river catchment	10	-	(10)	35	-	(35)	333,520
Total expenditure	**1,168,267**	**1,019,014**	**(149,253)**	**6,915,555**	**7,537,618**	**622,063**	**15,027,004**
Income							
General rates	439,523	439,523	-	3,178,340	3,178,340	-	6,250,896
Direct charges	(325,161)	(378,249)	53,088	1,117,306	826,506	290,800	2,404,273
Government grants	463,972	544,500	(80,528)	463,972	544,500	(80,528)	909,500
Transfer from reserves	-	-	-	-	-	-	450,000
Transfer to reserves	(110,552)	-	(110,552)	(668,162)	-	(668,162)	(600,000)
Investment funds	700,486	413,240	287,246	2,824,100	2,988,272	(164,172)	5,612,335
Total income	**1,168,267**	**1,019,014**	**149,253**	**6,915,555**	**7,537,618**	**(622,063)**	**15,027,004**
Operating surplus/(deficit)	-	-	-	-	-	-	-

Ko ngā kawenga waka

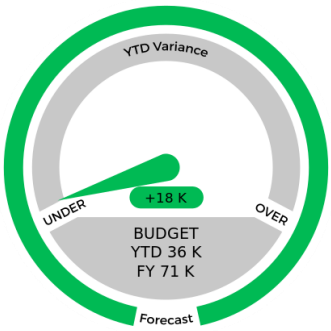
Transport

Financial performance

Financial indicators			
Financial threshold key (for adverse variances): ≥5% and <10% ≥10%			
Total revenue		Operating expenditure	
What we directly earn – charges and grants		The costs to operate our activities	
Actual YTD	Trend	Actual YTD	Trend
$2.5M	$77.7K ahead of budget	$3.8M	$502.5K under budget
Against a YTD budget of 2.4M and a full year budget of 5.1M.		Against a YTD budget of 4.3M and a full year budget of 8.6M.	
Operating expenditure by activity			



Transport Planning and Services



Navigation and Safety

Key	YTD Variance
■	< 5% and less than $50,000
■	≥ 5% < 10% and between $50,000 and $100,000
■	≥ 10% and greater than $100,000

Commentary and variances

Overall transport expenditure is under budget.

Material activity variances (> or < than $100,000) are:

Transport planning and services - $484,444 under budget due to higher bus service contract costs expected later in the financial year.

Cost of services statement

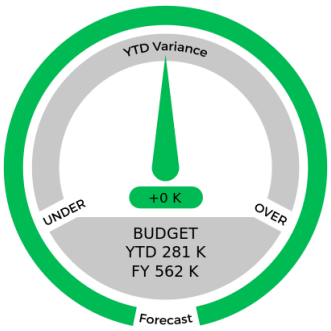
Transport							
	Month			Year to date			2024/2025
	Actual $	Budget $	Variance $	Actual $	Budget $	Variance $	Budget $
Expenditure							
Transport Planning and Services	599,894	703,201	103,307	3,771,044	4,255,488	484,444	8,506,005
Navigation and Safety	302	16,750	16,448	17,427	35,500	18,073	71,000
Total expenditure	**600,196**	**719,951**	**119,755**	**3,788,471**	**4,290,988**	**502,517**	**8,577,005**
Income							
General rates	160,677	160,677	-	256,553	256,553	-	422,508
Targeted rates	-	-	-	1,308,730	1,343,998	(35,268)	2,687,997
Direct charges	55,864	92,850	(36,986)	645,626	557,100	88,526	1,114,173
Government grants	320,960	315,355	5,605	1,881,274	1,892,130	(10,856)	3,955,086
Government grants for capital	-	-	-	-	-	-	-
Transfer from reserves	-	-	-	-	-	-	-
Transfer to reserves	-	-	-	-	-	-	-
Investment funds	62,696	151,069	(88,373)	(303,712)	241,207	(544,919)	397,241
Total income	**600,196**	**719,951**	**(119,755)**	**3,788,471**	**4,290,988**	**(502,517)**	**8,577,005**
Operating surplus/(deficit)	-	-	-	-	-	-	-

Ko te mana tiaki i te waipuke, i ngā pūmate

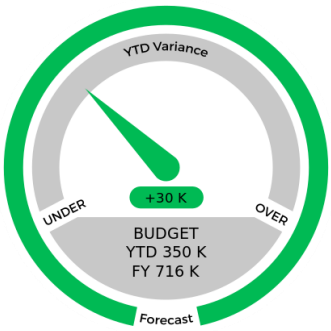
Flood protection and hazard management

Financial performance

Financial indicators			
Financial threshold key (for adverse variances): ≥5% and <10% ≥10%			
Total revenue		Operating expenditure	
What we directly earn – charges and grants		The costs to operate our activities	
Actual YTD	Trend	Actual YTD	Trend
$0.0M	$24.3K ahead of budget	$0.6M	$29.8K under budget
Against a YTD budget of 0.0M and a full year budget of 0.0M.		Against a YTD budget of 0.6M and a full year budget of 1.3M.	
Operating expenditure by activity			



Emergency management



River and Flood Risk Management

Key	YTD Variance
■	< 5% and less than $50,000
■	≥ 5% < 10% and between $50,000 and $100,000
■	≥ 10% and greater than $100,000

Commentary and variances

Overall flood protection and hazard management expenditure is on budget.

There are no material activity variances (> or < than $100,000).

Cost of services statement

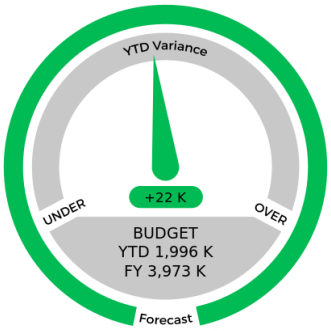
Flood protection and hazard management							
			Month			Year to date	2024/2025
	Actual $	Budget $	Variance $	Actual $	Budget $	Variance $	Budget $
Expenditure							
Emergency management	46,866	46,866	-	281,196	281,196	-	562,392
River and Flood Risk Management	62,175	54,083	(8,092)	319,991	349,776	29,785	716,166
Total expenditure	**109,041**	**100,949**	**(8,092)**	**601,187**	**630,972**	**29,785**	**1,278,558**
Income							
General rates	52,030	52,030	-	137,597	137,597	-	309,079
Targeted rates	-	-	-	403,145	403,146	(1)	806,290
Direct charges	-	-	-	78	-	78	-
Government grants	-	-	-	24,200	-	24,200	-
Transfer from reserves	-	-	-	-	-	-	-
Transfer to reserves	36,642	-	36,642	-159,220	-	-159,220	-49,132
Investment funds	57,011	48,919	8,092	174,594	129,367	45,227	290,593
Total income	**145,683**	**100,949**	**44,734**	**580,394**	**670,110**	**(89,716)**	**1,356,830**
Operating surplus/(deficit)	**36,642**	**-**	**(36,642)**	**(20,793)**	**39,138**	**59,931**	**78,272**

Ko ngā noninga ā-rohe

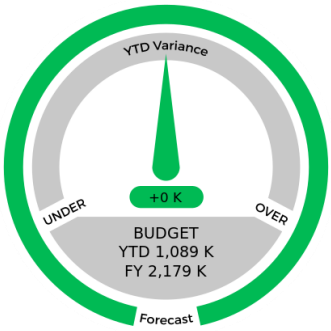
Regional facilities

Financial performance

Financial indicators			
Financial threshold key (for adverse variances): ≥5% and <10% ≥10%			
Total revenue		Operating expenditure	
What we directly earn – charges and grants		The costs to operate our activities	
Actual YTD	Trend	Actual YTD	Trend
$0.1M	$24.0K over budget	$3.1M	$22.4K under budget
Against a YTD budget of 0.1M and a full year budget of 0.1M.		Against a YTD budget of 3.1M and a full year budget of 6.2M.	
Operating expenditure by activity			



Regional gardens



Yarrow Stadium

Key	YTD Variance
■	< 5% and less than $50,000
■	≥ 5% < 10% and between $50,000 and $100,000
■	≥ 10% and greater than $100,000

Commentary and variances

Overall regional facilities expenditure is on budget.

There are no material activity variances (> or < than $100,000).

Cost of services statement

Regional Facilities							
	Month			Year to date			2024/2025
	Actual $	Budget $	Variance $	Actual $	Budget $	Variance $	Budget $
Expenditure							
Regional gardens	351,670	315,370	(36,300)	1,973,330	1,995,706	22,376	3,972,583
Yarrow Stadium	-	-	-	1,089,334	1,089,334	-	2,178,669
Total expenditure	**351,670**	**315,370**	**(36,300)**	**3,062,664**	**3,085,040**	**22,376**	**6,151,252**
Income							
General rates	158,236	158,236	-	1,002,753	1,002,753	-	1,995,803
Targeted rates	-	-	-	1,089,334	1,089,334	-	2,178,669
Direct charges	5,145	8,361	(3,216)	74,177	50,166	24,011	100,331
Investment funds	188,289	148,773	39,516	896,399	942,787	(46,388)	1,876,449
Total income	**351,670**	**315,370**	**36,300**	**3,062,664**	**3,085,040**	**(22,376)**	**6,151,252**
Operating surplus/(deficit)	-	-	-	-	-	-	-

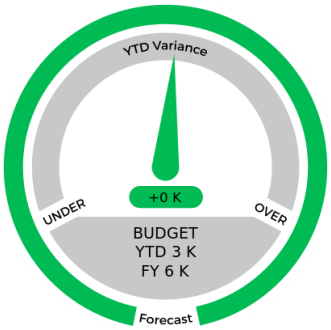
Ko te mana whakahaere rohe

Regional leadership and governance

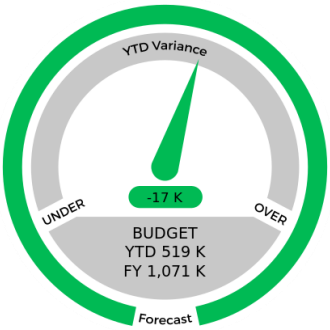
Financial performance

Financial indicators			
Financial threshold key (for adverse variances): ≥5% and <10% ≥10%			
Total revenue		Operating expenditure	
What we directly earn – charges and grants		The costs to operate our activities	
Actual YTD	Trend	Actual YTD	Trend
$0.3M	$81.0K under budget	$1.5M	$17.4K under budget
Against a YTD budget of 0.4M and a full year budget of 0.4M.		Against a YTD budget of 1.5M and a full year budget of 3.0M.	

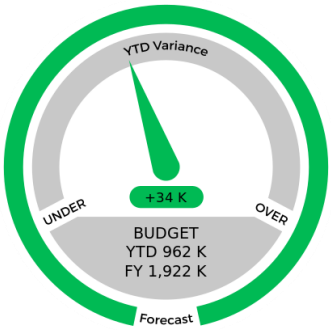
Operating expenditure by activity



Investment management



Community engagement



Governance

Key	YTD Variance
■	< 5% and less than $50,000
■	≥ 5% < 10% and between $50,000 and $100,000
■	≥ 10% and greater than $100,000

Commentary and variances

Overall regional leadership and governance expenditure is on budget.

There are no material activity variances (> or < than $100,000).

Cost of services statement

Regional leadership and governance							
	Month			Year to date			2024/2025
	Actual $	Budget $	Variance $	Actual $	Budget $	Variance $	Budget $
Expenditure							
Investment management	-	500	500	3,025	3,000	(25)	6,000
Community engagement	78,614	134,146	55,532	535,593	518,710	(16,883)	1,070,748
Governance	163,015	151,690	(11,325)	927,500	961,791	34,291	1,922,435
Total expenditure	**241,629**	**286,336**	**44,707**	**1,466,118**	**1,483,501**	**17,383**	**2,999,183**
Income							
General rates	147,452	147,452	-	557,677	557,677	-	1,338,100
Direct charges	(7,741)	-	(7,741)	320,225	401,250	(81,025)	403,000
Investment funds	101,918	138,884	(36,966)	588,216	524,574	63,642	1,258,083
Total income	**241,629**	**286,336**	**(44,707)**	**1,466,118**	**1,483,501**	**(17,383)**	**2,999,183**
Operating surplus/(deficit)	-	-	-	-	-	-	-

Ko te whāriki i te āhuatanga pūtea

Statement of financial position

This statement summarises our assets, liabilities and residual equity. The statement is split between current items (those expected to be realised within 12 months) and non-current items (expected to last longer than 12 months).

	Month End Actual $	2024/2025 Estimates $	2023/2024 Annual Report $
Current Assets			
Cash and cash equivalents	7,439,639	602,359	1,425,807
Current portion of investments	25,419,011	-	24,276,666
Trade and other receivables	2,840,377	4,160,000	8,527,049
Inventories	-	208,000	-
Treasury investments	112,500	-	112,500
Loan to Taranaki Stadium Trust	4,500,000	-	4,500,000
Prepayments	974,379	416,000	368,194
Work in progress	1,101,062	312,000	733,324
Total current assets	**42,386,968**	**5,698,359**	**39,943,540**
Non-current assets			
Treasury investments	1,725,000	27,083,000	675,000
Port Taranaki Ltd	26,000,000	26,000,000	26,000,000
Civic Assurance Ltd	1,000	1,000	1,000
Regional Software Holdings Ltd	798,118	798,118	798,118
Loan to Taranaki Stadium Trust	34,000,000	45,000,000	22,000,000
Investment properties	21,859,000	22,733,360	21,859,000
Intangible assets	1,094,964	1,550,000	1,268,232
Property plant and equipment	42,511,173	42,153,408	40,676,815
Deferred tax asset	166,401	160,000	166,401
Total non-current assets	**128,155,656**	**165,478,886**	**113,144,566**
Total assets	**170,542,624**	**171,177,245**	**153,388,106**
Current liabilities			
Trade and other payables	6,257,731	6,011,215	10,761,529
Work-in-progress	2,465,047	1,040,000	842,043
Employee entitlements current	2,416,066	1,664,000	1,374,184
Borrowings	5,500,000	2,000,000	4,500,000
Total current liabilities	**16,638,844**	**10,715,215**	**17,477,756**
Non-current liabilities			
Employee entitlements term	408.692	312,000	408,692
Borrowings	48,000,000	58,000,000	27,000,000
Total non-current liabilities	**48,408,692**	**58,312,000**	**27,408,692**
Total liabilities	**65,047,536**	**69,027,215**	**44,886,448**
Public equity			
Retained earnings	62,570,759	63,598,390	66,404,712
Reserves	32,921,556	31,395,885	32,094,173
Asset revaluation reserves	10,002,773	7,155,755	10,002,773
Total public equity	**105,495,088**	**102,150,030**	**108,501,658**
Total liabilities and equity	**170,542,624**	**171,177,245**	**153,388,106**

Capital expenditure and disposals

Capital expenditure in excess of $10,000 for the month was:

Description	Amount $
Mitsubishi Triton x 8	405,974
Surface Pro x 6	17,759

Fixed asset disposals in excess of $10,000 for the month were:

Description	Amount $
Ford Ranger x 8	200,817
MG Excite	13,407

Local Authorities (Members' Interests) Act 1968

Additions to the Creditors Detail List for the month were:

Code	Creditor name	Address	Date established
12685	Grant Best	35 Celia Street, Stratford 4332	Dec-24
12686	Little Liberty Creamery Ltd	42 Matai Street, Inglewood 4330	Dec-24
12688	The Unbaked Bakery Ltd	206 Devon Street West, New Plymouth 4310	Dec-24
12689	M & S Skilling Ltd T/A The Farmer'S Grill	322 Beaconsfield Road, Stratford 4332	Dec-24
12690	Powerco Limited	Private Bag 2061, New Plymouth 4340	Dec-24
12692	KDJ Catering Ltd	PO Box 8195, New Plymouth 4342	Dec-24
12698	Tawanui Farms	2308 Ohura Road, Stratford 4392	Dec-24

Notes:

The schedule of all previously listed creditors for the purpose of the Local Authorities (Members' Interests) Act 1968 is available for Members' perusal.

The schedule excludes any staff who may have become a creditor.

Under the terms of Section 6 and Section (1) of the Local Authorities (Members' Interests) Act 1968, members are required to declare if they hold directly or indirectly, a pecuniary interest other than an interest in common with the public.

Financial delegations

The following payments were made during the period to 31 December 2024 that exceeded the budgeted approved delegated authority levels:

Description	Amount $
Nil	-

Aged debtors analysis

The total debtors outstanding at 31 December 2024 were aged as follows:

Description	Amount $	Percent %
Current balance	1,013,816	53%
30 days balance	408,314	21%
60 days balance	314,081	16%
90 days and over balance	182,621	10%
Total debtors	**1,918,832**	**100%**

90 days and over balance includes $98,000 of debt that has been recovered in January 2025.

Reserves

As at 31 December 2024 the following reserve balances were held:

Description	Amount $
Contingency/Disaster Reserve	1,086,000
North Taranaki/Waitara River Control Scheme Reserve	1,372,259
South Taranaki Rivers Control Scheme Reserve	19,758
Dividend Equalisation Reserve	3,331,829
Egmont National Park Control Reserve	463,000
Endowment Land Sales Reserve	2,935,000
Waitara Lands Act 2018 Reserve	23,713,710
Total reserves	**32,921,556**

Borrowing

The total LGFA borrowing at 31 December 2024 was as follows:

Maturity date	Amount $	Interest rate %*
15/04/2025	4,500,000	4.94%
19/05/2025	1,000,000	4.07%
15/04/2026	8,000,000	4.06%
15/04/2027	12,000,000	4.54%
15/05/2028	11,000,000	4.91%
20/04/2029	12,000,000	4.99%
15/05/2030	5,000,000	4.77%
Total borrowings	**53,500,000**	**4.69***

All borrowings are in accordance with the Liability Management Policy. *Weighted average interest rate

Borrowing limits

Council borrowing against policy limits at 31 December 2024 was as follows:

Item	Required performance	Actual performance
Net Debt/Total Revenue	≤225%	42%
Net Interest/Total Revenue	≤15%	-1%
Net Interest/Annual Rates Income	<20%	-2%
Liquidity	>110%	162%
Debt Cap	$100 million	$53.5 million

Bank and investment balances

As at 31 December 2024 the following cash, bank and investment balances were held:

	% of Total	Council policy % limits	Invested $	Council policy $ limits	S&P Credit rating	Yield %	Maturity date
BNZ							
Call Account	1		15,409			0.0	On Call
Current Account	21		7,398,191			0.0	On Call
Waitara Lands Account	-		1,750			0.0	On Call
Waitara Lands Term Investment	2		604,087			5.0	20/11/2025
Waitara Lands Term Investment	4		1,557,266			6.1	5/05/2025
Waitara Lands Term Investment	2		570,427			6.1	26/05/2025
Waitara Lands Term Investment	1		487,198			6.1	21/04/2025
Waitara Lands Term Investment	1		311,741			5.0	19/11/2025
Total BNZ	**32**	**50**	**10,946,069**	**30,000,000**	**AA-**		
ASB							
Cheque Account	-		-10			0.0	On Call
Waitara Lands Term Investment	2		608,814			5.1	30/03/2025
Waitara Lands Term Investment	7		2,463,248			4.9	02/11/2025
Waitara Lands Term Investment	4		1,341,061			4.9	04/11/2025
Waitara Lands Term Investment	14		5,022,174			5.8	30/01/2025
Total ASB	**27**	**50**	**9,435,287**	**30,000,000**	**AA-**		
Westpac							
Waitara Lands Account	-		3,701			1.5	On Call
Term Investment	9		3,041,680			5.7	06/04/2025
Waitara Lands Term Investment	7		2,579,573			5.8	20/01/2025
Waitara Lands Term Investment	7		2,584,130			5.9	22/06/2025
Waitara Lands Term Investment	5		1,710,752			5.1	11/10/2025
Total Westpac	**28**	**50**	**9,919,836**	**30,000,000**	**AA-**		
TSB							
Cheque Accounts	1		15,148			0.0	On Call
Call Account	-		5,450			0.5	On Call
Waitara Lands Term Investment	7		2,536,860			5.8	31/01/2025
Total TSB	**8**	**25**	**2,557,458**	**15,000,000**	**A-**		
LGFA							
Borrower Notes x 27	5	Unlimited	1,837,500	Unlimited	N/A	4.7	Various
Total	**100**		**34,696,150**			**5.5***	

All investments are in accordance with the Investment Policy. * Weighted average interest rate.

Taranaki Regional Council

MEMORANDUM
Executive, Audit & Risk

Date:	24 March 2025
Subject:	**2024/2025 Annual Report Audit Engagement Letter**
Author:	A De Faria, Finance Manager - Corporate Services
Approved by:	M J Nield, Director - Corporate Services
Document:	TRCID-1492626864-324

Purpose

1. The purpose of this memorandum is to receive and consider the Audit Engagement Letter relating to the audit of the 2024/2025 Annual Report.

Recommendation

That Taranaki Regional Council:

a) receives the Audit Engagement Letter for the audit of the 2024/2025 Annual Report.

Background

2. The Council is commencing the process of preparing, auditing and adopting its 2024/2025 Annual Report. The Council's auditors (Deloitte) are similarly preparing for the audit of the Annual Report.

Discussion

3. Deloitte have prepared an Audit Engagement Letter. As it's name suggests, this letter outlines the basis under which the audit is to be undertaken, each parties' responsibilities and the reporting to be undertaken. This is a standard document.
4. Management have had the opportunity to review and comment on the Audit Engagement Letter. There are no issues of concern and, accordingly, it is recommended that the document be received.

Appendices/Attachments

Document TRCID-1492626864-323: Audit Engagement Letter – Taranaki Regional Council 2025

Deloitte.

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Phone: +64 7 838 4800
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7 February 2025

The Chairperson and Councillors
Taranaki Regional Council
Private Bag 713
STRATFORD 2392

Dear Councillors,

AUDIT ENGAGEMENT LETTER

This audit engagement letter is sent to you on behalf of the Auditor-General who is the auditor of all "public entities", including Taranaki Regional Council, under section 14 of the Public Audit Act 2001 (the Act). The Auditor-General has appointed me, Bruno Dente, using the staff and resources of Deloitte Limited, under section 32 and 33 of the Act, to carry out the annual audits of the Taranaki Regional Council's and its Group's financial statements and performance information. We will be carrying out these annual audits on the Auditor-General's behalf, for the year ending 30 June 2025.

In the delivery of services we may engage other Deloitte Network Firms to assist with certain aspects of this engagement. We will at all times remain responsible for the work undertaken in the delivery of those services to you.

This letter outlines:
- the terms of the audit engagement and the nature, and limitations, of the annual audit; and
- the respective responsibilities of the Chairperson and Councillors ("Council") and me, as the Appointed Auditor, for the financial statements and performance information.

The objectives of the annual audit are:
- to provide an independent opinion on the Taranaki Regional Council and its Group financial statements and performance information; and
- to report on other matters that come to our attention as part of the annual audit. Typically those matters will relate to issues of financial management and accountability.

We will carry out the audit in accordance with the Auditor-General's Auditing Standards, which incorporate the Professional and Ethical Standards and the International Standards on Auditing (New Zealand) issued by the New Zealand Auditing and Assurance Standards Board (collectively the Auditing Standards). The Auditing Standards require that we comply with ethical requirements, and plan and perform the annual audit to obtain reasonable assurance about whether the Taranaki Regional Council's and Group's financial statements and performance information are free from material misstatement. The Auditing Standards also require that we remain alert to issues of concern to the Auditor-General. Such issues tend to relate to matters of financial management and accountability.

Deloitte refers to one or more of Deloitte Touche Tohmatsu Limited ("DTTL"), its global network of member firms, and their related entities (collectively, the "Deloitte organisation"). DTTL (also referred to as "Deloitte Global") and each of its member firms and related entities are legally separate and independent entities, which cannot obligate or bind each other in respect of third parties. DTTL and each DTTL member firm and related entity is liable only for its own acts and omissions, and not those of each other. DTTL does not provide services to clients. Please see www.deloitte.com/about to learn more.

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Your responsibilities

Our audit will be carried out on the basis that the Council acknowledges that it has responsibility for:

- preparing the financial statements and performance information in accordance with any applicable legal requirements and financial reporting standards;
- having such internal control as determined necessary to enable the preparation of financial statements and performance information that are free from material misstatement, whether due to fraud or error; and
- providing us with:
    - access to all information relevant to preparing the financial statements and performance information such as records, documentation, and other information;
    - all other information, in addition to the financial statements and performance information, to be included in the annual report;
    - additional information that we may request from the Taranaki Regional Council for the purpose of the audit;
    - unrestricted access to Council members and employees that we consider necessary; and
    - written confirmation concerning representations made to us in connection with the audit.

The Council's responsibilities extend to all resources, activities, and entities under its control. We expect that the Council will ensure:

- the resources, activities, and entities under its control have been operating effectively and efficiently;
- it has complied with its statutory obligations including laws, regulations, and contractual requirements;
- it has carried out its decisions and actions with due regard to minimising waste;
- it has met Parliament's and the public's expectations of appropriate standards of behaviour in the public sector in that it has carried out its decisions and actions with due regard to probity; and
- its decisions and actions have been taken with due regard to financial prudence.

We expect the Council and/or the individuals within the Taranaki Regional Council with delegated authority, to immediately inform us of any suspected fraud, where there is a reasonable basis that suspected fraud has occurred - regardless of the amount involved. Suspected fraud also includes instances of bribery and/or corruption.

The Council has certain responsibilities relating to the preparation of the financial statements and performance information and in respect of financial management and accountability matters. These specific responsibilities are set out in Annex 1. The Auditor-General and Deloitte Limited take seriously their responsibilities under the Health and Safety at Work Act 2015, and we expect you to provide a safe and healthy working environment for our audit staff when they are working at your premises. Specific health and safety responsibilities are set out in Annex 1. We expect members of the Council to be familiar with all of the responsibilities set out in Annex 1 and, where necessary, have obtained advice about them.

The Council should have documented policies and procedures to support its responsibilities. It should also regularly monitor performance against its objectives.

Our responsibilities

Carrying out the audit

We are responsible for forming an independent opinion on whether the financial statements of Taranaki Regional Council and Group:

- present fairly, in all material respects:
  - its financial position as at 30 June 2025; and
  - the results of the operations and cash flows for the year ended on that date; and
  - comply with generally accepted accounting practice in New Zealand in accordance with Public Benefit Entity Reporting Standards;
- the funding impact statement, presents fairly, in all material aspects, the amount of funds produced from each source of finding and how the funds were applied as compared to the information included in the Council's Long-term plan.

We are also responsible for forming an independent opinion on whether the performance information of Taranaki Regional Council:

- presents fairly, in all material respects, the performance for the year ended 30 June 2025, including:
  - the levels of service achieved compared with the intended levels of service and whether any intended changes to levels of service were achieved;
  - the reasons for any significant variation between the levels of service achieved and the intended levels of service;
  - complies with generally accepted accounting practice in New Zealand; and
- the statement about capital expenditure for each group of activities, presents fairly, in all material respects, actual capital expenditure as compared to the budgeted capital expenditure included in the Council's Long-term plan; and
- the funding impact statement for each group of activities, presents fairly, in all material aspects, the amount of funds produced from each source of funding and how the funds were applies as compared to the information included in the Council's Long-term plan.

An audit involves obtaining evidence about the amounts and disclosures in the financial statements and performance information. How we obtain this information depends on our judgement, including our assessment of the risks of material misstatement of the financial statements and performance information, whether due to fraud or error. An audit also includes evaluating the appropriateness of accounting policies and the reasonableness of accounting estimates, as well as evaluating the overall presentation of the financial statements and performance information.

We do not examine every transaction, nor do we guarantee complete accuracy of the financial statements and performance information. Because of the inherent limitations of an audit, together with the inherent limitations of internal control, there is an unavoidable risk that some material misstatements may not be detected, even though the audit is properly planned and performed in accordance with the Auditing Standards.

During the audit, we obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Council's internal controls. However, we will communicate to you in writing about any significant deficiencies in internal control relevant to the audit of the financial statements and performance information that we identify during the audit.

During the audit, the audit team will:

- be alert for issues of effectiveness and efficiency – in particular, how the Council and the Taranaki Regional Council (the Regional Council) have carried out their activities;
- consider laws and regulations relevant to the audit;
- be alert for issues of waste – in particular, whether the Council obtained and applied the resources of the Regional Council in an economical manner, and whether any resources are being wasted;
- be alert for issues of a lack of probity – in particular, whether the Council and the Regional Council have met Parliament's and the public's expectations of appropriate standards of behaviour in the public sector; and
- be alert for issues of a lack of financial prudence.

Our independence

It is essential that the audit team and Deloitte Limited remain both economically and attitudinally independent of Taranaki Regional Council; including being independent of management personnel and members of the management personnel and members of the Council. This involves being, and appearing to be, free of any interest that might be regarded, whatever its actual effect, as being incompatible with the objectivity of the audit team and the Deloitte Limited.

To protect our independence, specific limitations are placed on us in accepting engagements with the Council other than the annual audit. We may accept certain types of other engagements, subject to the requirements of the Auditing Standards. Any other engagements must be the subject of a separate written arrangement between the Council and myself or Deloitte Limited.

Reporting

We will issue an independent audit report that will be attached to the financial statements and performance information. This report contains our opinion on the fair presentation of the financial statements and performance information and whether they comply with the applicable reporting requirements. The audit report may also include comment on other financial management and accountability matters that we consider may be of interest to the addressee of the audit report.

We will also issue a management letter that will be sent to the Council. This letter communicates any matters that come to our attention during the audit that, in our opinion, are relevant to the Council. Typically those matters will relate to issues of financial management and accountability. We may also provide other management letters to the Taranaki Regional Council from time to time. We will inform the Council of any other management letters we have issued.

Please note that the Auditor-General may publicly report matters that are identified in the annual audit, in keeping with section 21 of the Public Audit Act 2001.

Deloitte.

Audit tools

You agree that, for the purpose of providing the services covered by this letter, we may use third parties, wherever located, to store and process information received from you or your agents; provided that such third parties are bound by confidentiality obligations similar to those contained in the Terms. For example, Deloitte uses a cloud services platform (currently Microsoft Azure), to host an integrated suite of audit tools which may be used as part of our engagement with you.

Next steps

Please acknowledge receipt of this letter and the terms of the audit engagement by signing the enclosed copy of the letter in the space provided and returning it to me. The terms will remain effective until a new Audit Engagement Letter is issued.

If you have any questions about the audit generally, or have any concerns about the quality of the audit, you should contact me as soon as possible. If after contacting me you still have concerns, you should contact the Director of Auditor Appointments at the Office of the Auditor-General on (04) 917 1500.

If you require any further information, or wish to discuss the terms of the audit engagement further before replying, please do not hesitate to contact me.

Yours faithfully

Bruno Dente
Partner
For Deloitte Limited
On behalf of the Auditor-General

Client Acceptance

Taranaki Regional Council confirms and accepts the engagement of Deloitte Limited to provide the Services on the terms and conditions set out in this engagement letter dated 7 February 2025 and the Master Terms of Business.

_____

(Signature)

_____

(Name)

_____

(Position)

_____

(Date Signed)

Annex 1 – Respective specific responsibilities of the Council and the Appointed Auditor

Responsibilities for the financial statements and performance information	
Responsibilities of the Council	*Responsibilities of the Appointed Auditor*
You are required by legislation to prepare financial statements and performance information in accordance with legal requirements and financial reporting standards. You must also ensure that any accompanying information in the annual report is consistent with that reported in the audited financial statements and performance information. You are required by legislation to prepare the financial statements and performance and provide that information to us before the statutory reporting deadline. It is normal practice for you to set your own timetable to comply with statutory reporting deadlines. To meet the reporting deadlines, we are dependent on receiving the financial statements and performance information ready for audit and in enough time to enable the audit to be completed. "Ready for audit" means that the financial statements and performance information have been prepared in accordance with legal requirements and financial reporting standards, and are supported by proper accounting records and complete evidential documentation.	We are responsible for carrying out an annual audit, on behalf of the Auditor-General. We are responsible for forming an independent opinion on whether the financial statements: • present fairly, in all material respects: - its financial position as at 30 June 2025; and - the results of the operations and cash flows for the year ended on that date; and - comply with generally accepted accounting practice in New Zealand in accordance with Public Benefit Entity Reporting Standards; - the funding impact statement, presents fairly, in all material aspects, the amount of funds produced from each source of finding and how the funds were applied as compared to the information included in the Council's Long-term plan. We are also responsible for forming an independent opinion on whether the performance information: • presents fairly, in all material respects, the performance for the year ended 30 June 2025, including: - the levels of service achieved compared with the intended levels of service and whether any intended changes to levels of service were achieved; - the reasons for any significant variation between the levels of service achieved and the intended levels of service; - complies with generally accepted accounting practice in New Zealand; and • the statement about capital expenditure for each group of activities, presents fairly, in all material respects, actual capital expenditure as compared to the budgeted capital expenditure included in the Council's Long-term plan; and • the funding impact statement for each group of activities, presents fairly, in all material aspects, the

	amount of funds produced from each source of funding and how the funds were applies as compared to the information included in the Council's Long-term plan. We will also read the other information accompanying the financial statements and performance information and consider whether there are material inconsistencies with the audited financial statements and performance information. Materiality is one of the main factors affecting our judgement on the areas to be tested and on the timing, nature, and extent of the tests and procedures performed during the audit. In planning and performing the annual audit, we aim to obtain reasonable assurance that the financial statements and performance information do not have material misstatements caused by either fraud or error. Material misstatements are differences or omissions of amounts and disclosures that, in our judgement, are likely to influence the audit report addressee's overall understanding of the financial statements and performance information. If we find material misstatements that are not corrected, they will be referred to in the audit opinion. The Auditor-General's preference is for you to correct any material misstatements and avoid the need for them to be referred to in the audit opinion. An audit also involves evaluating: • the appropriateness of accounting policies used and whether they have been consistently applied; • the reasonableness of the significant accounting estimates and judgements made by those charged with governance; • the appropriateness of the content and measures in any performance information; • the adequacy of the disclosures in the financial statements and performance information; and • the overall presentation of the financial statements and performance information. We will ask you for written confirmation of representations made about the financial statements and performance information. In particular, we will seek confirmation that: • the adoption of the going concern basis of accounting is appropriate; • all material transactions have been recorded and are reflected in the financial statements and performance information;

	• all instances of non-compliance or suspected non-compliance with laws and regulations have been disclosed to us; and • uncorrected misstatements noted during the audit are immaterial to the financial statements and performance information. Any representation made does not in any way reduce our responsibility to perform appropriate audit procedures and enquiries. We will ensure that the annual audit is completed by the reporting deadline or, if that is not practicable because of the non-receipt or condition of the financial statements and performance information, or for some other reason beyond our control, as soon as possible after that. The work papers that we produce in carrying out the audit are the property of the Auditor-General. Work papers are confidential to the Auditor-General and subject to the disclosure provisions in section 30 of the Public Audit Act 2001.

Responsibilities for the accounting records	
Responsibilities of the Council	*Responsibilities of the Appointed Auditor*
You are responsible for maintaining accounting and other records that: • correctly record and explain the transactions of the public entity; • enable you to monitor the resources, activities, and entities under your control; • enable the public entity's financial position to be determined with reasonable accuracy at any time; • enable you to prepare financial statements and performance information that comply with legislation (and that allow the financial statements and performance information to be readily and properly audited); and • are in keeping with the requirements of the Commissioner of Inland Revenue.	We will perform sufficient tests to obtain reasonable assurance as to whether the underlying records are reliable and adequate as a basis for preparing the financial statements and performance information. If, in our opinion, the records are not reliable or accurate enough to enable the preparation of the financial statements and performance information and the necessary evidence cannot be obtained by other means, we will need to consider the effect on the audit opinion.

Responsibilities for accounting and internal control systems	
Responsibilities of the Council	*Responsibilities of the Appointed Auditor*
You are responsible for establishing and maintaining accounting and internal control systems (appropriate to the size of the public entity), supported by written policies and procedures, designed to provide reasonable assurance as to the integrity and reliability of financial and - where applicable - performance information reporting.	The annual audit is not designed to identify all significant weaknesses in your accounting and internal control systems. We will review the accounting and internal control systems only to the extent required to express an opinion on the financial statements and performance information.

	We will report to you separately, on any significant weaknesses in the accounting and internal control systems that come to our notice and that we consider may be relevant to you. Any such report will provide constructive recommendations to assist you to address those weaknesses.

Responsibilities for preventing and detecting fraud and error	
Responsibilities of the Council	*Responsibilities of the Appointed Auditor*
The responsibility for the prevention and detection of fraud and error rests with you, through the implementation and continued operation of adequate internal control systems (appropriate to the size of the public entity) supported by written policies and procedures. We expect you to formally address the matter of fraud, and formulate an appropriate policy on how to minimise it and (if it occurs) how it will be dealt with. Fraud also includes bribery and corruption. We expect you to consider reporting all instances of actual, suspected, or alleged fraud to the appropriate law enforcement agency, which will decide whether proceedings for a criminal offence should be instituted. We expect you to immediately inform us of any suspected fraud where you, and/or any individuals within the Taranaki Regional Council with delegated authority have a reasonable basis that suspected fraud has occurred - regardless of the amount involved.	We design our audit to obtain reasonable, but not absolute, assurance of detecting fraud or error that would have a material effect on the financial statements and performance information. We will review the accounting and internal control systems only to the extent required for them to express an opinion on the financial statements and performance information, but we will: • obtain an understanding of internal control and assess its ability for preventing and detecting material fraud and error; and • report to you any significant weaknesses in internal control that come to our notice. We are required to immediately advise the Office of the Auditor-General of all instances of actual, suspected, or alleged fraud. As part of the audit, you will be asked for written confirmation that you have disclosed all known instances of actual, suspected, or alleged fraud to us. If we become aware of the possible existence of fraud, whether through applying audit procedures, advice from you, or management, or by any other means, we will communicate this to you with the expectation that you will consider whether it is appropriate to report the fraud to the appropriate law enforcement agency. In the event that you do not report the fraud to the appropriate law enforcement agency, the Auditor-General will consider doing so, if it is appropriate for the purposes of protecting the interests of the public.

Responsibilities for compliance with laws and regulations	
Responsibilities of the Council	*Responsibilities of the Appointed Auditor*
You are responsible for ensuring that the public entity has systems, policies, and procedures (appropriate to the size of the public entity) to ensure that all applicable legislative, regulatory, and contractual requirements that apply to the activities and functions of the public entity are complied with. Such systems, policies, and procedures should be documented.	We will obtain an understanding of the systems, policies, and procedures put in place for the purpose of ensuring compliance with those legislative and regulatory requirements that are relevant to the audit. Our consideration of specific laws and regulations will depend on a number of factors, including: • the relevance of the law or regulation to the audit;

	• our assessment of the risk of non-compliance; • the impact of non-compliance for the addressee of the audit report The way in which we will report instances of non-compliance that come to our attention will depend on considerations of materiality or significance. We will report to you and to the Auditor-General all material and significant instances of non-compliance. We will also report to you any significant weaknesses that we observe in internal control systems, policies, and procedures for monitoring compliance with laws and regulations.

Responsibilities to establish and maintain appropriate standards of conduct and personal integrity	
Responsibilities of the Council	*Responsibilities of the Appointed Auditor*
You should at all times take all practicable steps to ensure that your members and employees maintain high standards of conduct and personal integrity. You should document your expected standards of conduct and personal integrity in a "Code of Conduct" and, where applicable, support the “Code of Conduct” with policies and procedures. The expected standards of conduct and personal integrity should be determined by reference to accepted "Codes of Conduct" that apply to the public sector.	We will have regard to whether you maintain high standards of conduct and personal integrity – particularly in matters relating to financial management and accountability. Specifically, we will be alert for significant instances where members and employees of the public entity may not have acted in accordance with the standards of conduct and personal integrity expected of them. The way in which we will report instances that come to our attention will depend on significance. We will report to you and to the Auditor-General all significant departures from expected standards of conduct and personal integrity that come to our attention during the audit. The Auditor-General, on receiving a report from us, may, at his discretion and with consideration of its significance, decide to conduct a performance audit of, or an inquiry into, the matters raised. The performance audit or inquiry will be subject to specific terms of reference, in consultation with you. Alternatively, the Auditor-General may decide to publicly report the matter without carrying out a performance audit or inquiry.

Responsibilities for conflicts of interest and related parties	
Responsibilities of the Council	*Responsibilities of the Appointed Auditor*
You should have policies and procedures to ensure that your members and employees carry out their duties free from bias. You should maintain a full and complete record of related parties and their interests. It is your responsibility to record and disclose related-party transactions in the financial statements and	To help determine whether your members and employees have carried out their duties free from bias, we will review information provided by you that identifies related parties, and will be alert for other material related-party transactions. Depending on the circumstances, we may enquire whether you have complied with any statutory requirements for conflicts of interest and whether these transactions have been

performance information in accordance with generally accepted accounting practice.	properly recorded and disclosed in the financial statements and performance information.

Responsibilities for publishing the audited financial statements on a website	
Responsibilities of the Council	*Responsibilities of the Appointed Auditor*
You are responsible for the electronic presentation of the financial statements and performance information on the public entity's website. This includes ensuring that there are enough security and controls over information on the website to maintain the integrity of the data presented. If the audit report is reproduced in any medium, you should present the complete financial statements, including notes, accounting policies, and any other accountability statements.	Examining the controls over the electronic presentation of audited financial statements and performance information, and the associated audit report, on your website is beyond the scope of the annual audit.

Responsibilities under the Health and Safety at Work Act 2015	
Responsibilities of the Council	*Responsibilities of the Appointed Auditor*
We expect you to work with us to ensure the health and safety of our audit staff. You must ensure, so far as is reasonably practicable, the health and safety of our audit staff while they are on your premises, or otherwise engaging with you on their audit work. We expect you to provide a safe and healthy work environment, which includes, but is not limited to, providing: • information, training, instruction, and supervision to protect them from work related health and safety risks, including inductions on workplace emergency evacuation procedures; • suitably designed workstations that support and maintain an ergonomically correct body posture, including adequate lighting and ventilation; • adequate welfare facilities, such as appropriate bathroom and washing amenities, suitable drinking water, and rest facilities; • appropriately labelled and equipped first-aid kits; • personal protective equipment (PPE) when all other control measures can't adequately eliminate or minimise risks to a worker's health and safety; and • protection from offensive conduct such as aggressive slurs and/or behaviours, physical assaults or threats, intimidation, ridicule or mockery, insults, or put-downs. We expect you to work with us to resolve any health and safety concerns related to our audit staff.	The Auditor-General and Deloitte Limited take seriously their responsibility to provide a safe working environment for audit staff. Under the Health and Safety at Work Act 2015, as a person conducting a business or undertaking (PCBU) we will make arrangements with you to keep our audit staff safe while they are working at your premises or otherwise engaging with you on their audit work. We will obtain an understanding of health & safety systems, policies, and procedures put in place for the purpose of ensuring compliance with legislative and regulatory requirements. We will take reasonable care of our own health and safety, and we will take reasonable care that what we do or don't do does not adversely affect the health and safety of other people. We will cooperate with the workplace health and safety policies and procedures of the Taranaki Regional Council and comply with any reasonable instructions given. We will monitor the health and safety of our audit staff (in particular, to ensure you are providing the things listed under your responsibilities to ensure a safe and healthy work environment for our audit staff when they are on your premises), and we may advise someone at your premises (such as a Chief Financial Officer and/or a health and safety representative) if we have a health and safety concern related to our audit staff. We will work with you to resolve any health and safety concerns related to our audit staff.

Taranaki Regional Council

MEMORANDUM
Executive, Audit & Risk

Date:	24 March 2025
Subject:	**Port Taranaki Limited: Half Year Report to 31 December 2024**
Author:	M J Nield, Director - Corporate Services
Approved by:	S J Ruru, Chief Executive
Document:	TRCID-1492626864-377

Purpose

1. The purpose of this memorandum is to receive and consider Port Taranaki Limited's report on the operations and activities of the company for the six months ending 31 December 2024.

Recommendations

That the Taranaki Regional Council:

a) receives Port Taranaki Limited's report for the six months ending 31 December 2024 including the unaudited financial report.

b) notes the 2024/2025 Port Taranaki Ltd dividends of $3,000,000 in October 2024 and $4,000,000 in March 2025.

Background

2. We are the 100% owner of Port Taranaki Ltd (PTL) on behalf of the regional community. The Port Companies Act 1988 and Port Taranaki Limited's statement of corporate intent require a six-month set of financial statements (unaudited) to be prepared and presented to the shareholder.

Discussion

3. Attached are the half-year report and financial statements for the six months ended 31 December 2024. The attached financial statements are unaudited. The key highlights for the six months are:

4. Trade Performance

- Total Trade: 1.48 million freight tonnes, a 28% decrease from the same period last year.
- Liquid Bulk Volumes: Down by 42% due to the idling of Methanex's Motunui plant.
- Log Trade: Decreased by 11% due to subdued demand in China.
- Dry Bulk Trade: Increased marginally by 7,000 freight tonnes.
- Vessel Visits: Decreased by 11, with two cruise vessels visiting in the first six months.

5. Financial Performance

- Total Revenue: $25.91m, down from $27.43m in the same period last year.
- Operating Expenditure: $19.57m, down from $20.81m.
- EBITDA: $10.72m, down from $11.08m.
- After-Tax Profit: $3.87m, down from $4.26m.

6. Dividend
   - Final Dividend: $3m for the 2024 financial year, paid in October 2024.
   - Interim Dividend: $4m approved for the 2025 financial year.
   - Dividend budget for 2024/2025 is $8m. The deficit will be funded from the Dividend Equalisation Reserve.
7. Relationships and Community Engagement
   - Health and Safety: Maritime New Zealand took over monitoring and enforcing health and safety legislation at ports on 1 July. Positive engagement with Maritime New Zealand and WorkSafe continues.
   - Ngāti Te Whiti Hapū Engagement: Continued through the Kaitiaki Forum, focusing on maintenance dredging consents.
   - Support for Energy Partners: Ongoing discussions with OMV and Beach Energy for further support.
   - Community Support: Continued support for community groups and water safety education.
8. People and Workforce
   - Restructuring: Landside operations restructured, reducing the operational workforce by about 6%.
   - Leadership Development: Investment in frontline leaders and senior leaders through formal development programs.
   - Safety Workshops: Completed Switch On/Safety Leadership workshops and ongoing engagement.
   - Internship Program: Welcomed a summer engineering intern from the University of Canterbury.
9. Skills and Knowledge
   - Cruise Season: Scenic Eclipse II marked the start of the six-visit cruise season. The Taranaki Cruise Strategy aims for 28 cruise ship visits by 2028.
   - Training: Marine team training and upskilling, including pilot and tug master training programs.
10. Environmental Initiatives
    - Stormwater Consent: Planning to install autosamplers for further analysis.
    - Maintenance Dredging Consents: Preparation for renewal, involving community liaison.
11. Future Positioning
    - New Revenue Streams: Engaging with stakeholders for opportunities in solar renewable energy, offshore wind, and LNG imports.
    - Decommissioning Opportunities: Potential for receiving and disposing of offshore oil and gas infrastructure.
12. Outlook

- Second Half Forecast: Higher trading expected due to Methanex recommencing production. Full-year revenue forecast at about $53m, with EBITDA between $20m and $22m, and NPAT between $7m and $8m.

Appendices/Attachments

Document TRCID-1458305483-20: Port Taranaki Ltd 2024/2025 Half-Year Report

PortTaranaki
the west gate

2024-25 HALF-YEAR REPORT

This interim report

Half-year ended 31 December 2024

The Directors of Port Taranaki Limited (Port Taranaki, also referred to as the Parent Company) have pleasure in presenting this interim report on the operations and activities of the Group (comprising the Parent Company and its subsidiary) for the six months ending 31 December 2024. The financial statements have been prepared in accordance with Generally Accepted Accounting Practice in New Zealand (NZ GAAP) and they comply with NZ IAS 34 Interim Financial Reporting.

The financial statements do not include all the information required for full annual financial statements and should be read in conjunction with the annual financial statements and notes included in the 2024 Annual Report.

Trade performance

Total trade for the six-month period was 1.48 million freight tonnes, a decrease of 28% on the same period last year. Liquid bulk volumes were significantly lower (down by 42%) than the six months to 31 December 2023 following the idling of Methanex's Motunui plant because of the sale of gas to Genesis and Contact.

The maturity of New Zealand's key oil and gas fields coupled with the under-delivery of the development work at these fields has impacted production and consequently Port Taranaki's liquid bulk trade.

First-half log trade was impacted by subdued demand in China with construction having slowed given an oversupply of housing and infrastructure (such as roads) being well developed. Log trade in the first half year was 49 thousand JAS lower (11%) than the prior corresponding period. Dry bulk trade was marginally up by 7 thousand freight tonnes.

In line with trade performance, the number of vessels visiting the port was also lower, down 11. Two cruise vessels visited in the first six months, and we expect to receive six cruise visits during the 2024-25 cruise season.

Financial performance

Total revenue for the period was $25.91 million. This was down on the $27.43 million recorded in the same period last year. A continued focus on yield across key service sectors saw revenue hold up well vis-à-vis the fall in trade (a 6% fall in revenue against a 28% fall in trade). Nevertheless, the third consecutive first-half decline in revenue was disappointing.

Total operating expenditure (including depreciation and maintenance dredging) for the first half of the 2025 financial year was $19.57 million compared with $20.81 million in the prior corresponding period.

Personnel costs were marginally up on the prior half year and this was offset by lower insurance and repairs and maintenance costs.

EBITDA for the six months was $10.72 million, lower than the $11.08 million recorded in the first half of FY24. The lower EBITDA versus the prior year was driven by lower revenue, given the lower trading performance compared with the prior period.

The unaudited after-tax profit of $3.87 million was down on the $4.26 million recorded in the six months to 31 December 2023.

Port Taranaki's Key Financial Metrics ($000)

Dividend

A final dividend of $3.00 million in respect of the 2024 financial year was paid to the Shareholder in October 2024. An interim dividend of $4.00 million has been approved for the 2025 financial year.

Relationships

Developing long-term mutually beneficial partnerships with our community, port users, customers, regulators, iwi and hapū is a key to building long-term value. Sharing information and consulting with our community helps us plan in a way that best meets all stakeholders' needs.

At the start of the half-year, a significant change took place to the way health and safety is regulated at New Zealand's commercial ports. On 1 July, Maritime New Zealand took over monitoring and enforcing health and safety legislation on land at ports as well as on ships. We have been engaging positively with Maritime New Zealand since the designation change and have had two visits by the Maritime New Zealand HSWA team in the first half of the financial year. As we have two major hazard facilities on port, WorkSafe is still responsible for these.

Health and safety is paramount at Port Taranaki, and we work hard with our staff, customers, and port users to ensure it is front of mind in all our actions on-site so that everyone goes home safe, every day.

Also, during the first six months of FY25, we built on the strong foundations laid down in prior years and continued to engage with Ngāti Te Whiti Hapū through the Kaitiaki Forum. This forum enables Ngāti Te Whiti and Port Taranaki to share information on current and future activities relating to the Company's operations. During the six months we continued our preparation for the renewal of our maintenance dredging consents and engaged with Ngāti Te Whiti and other stakeholders on this. We are aiming to lodge our consent application towards the end of FY25.

We continued to work with our traditional energy partners and during the first six months we supported OMV and Beach Energy at their offshore platforms. Discussions are ongoing with both OMV and Beach Energy on the possibility of providing further support.

We maintained our support of community groups during the first half of 2025. As Port Taranaki has a significant recreational component within its boundary, including Ngāmotu Beach, we worked hard through all forms of media to educate the community on water safety.

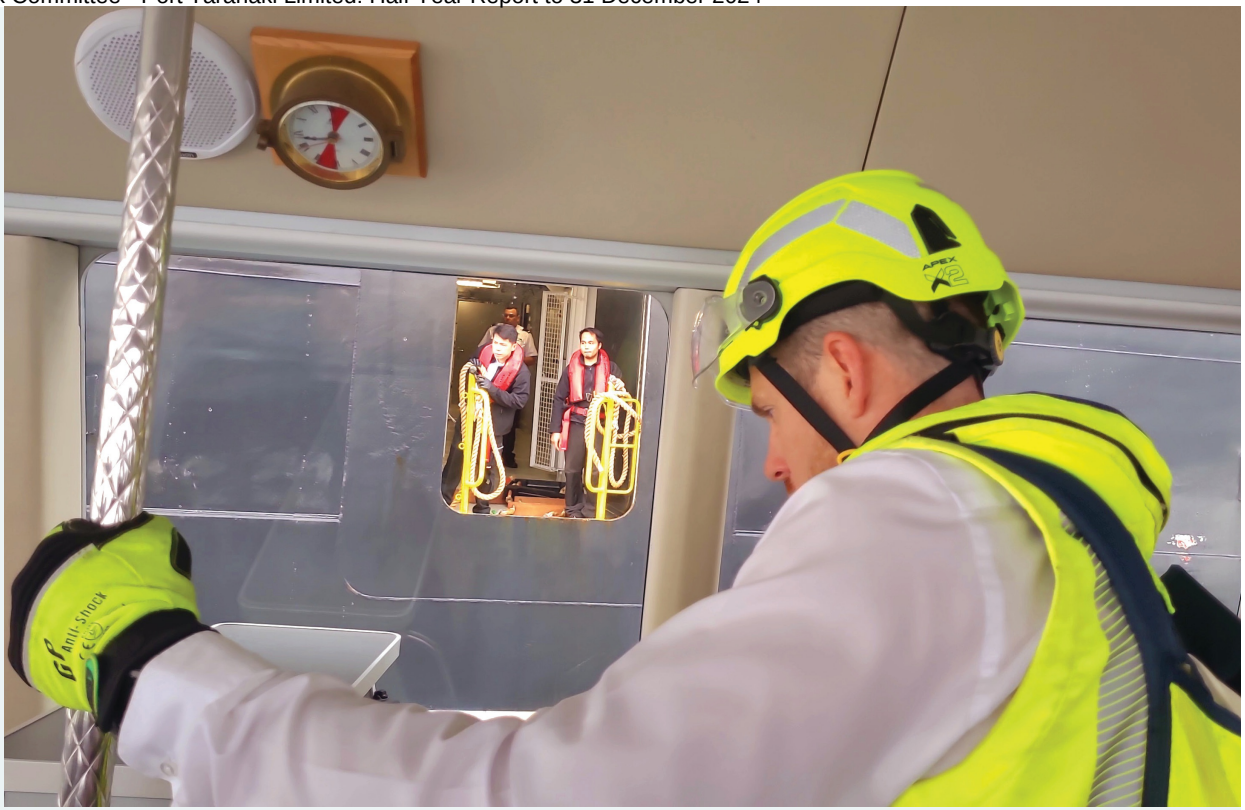
People

We take pride in supporting our people, they are our greatest asset and their knowledge, experience, skills, dedication, desire to learn and grow, and work as a team is what makes our business a success. We strive to provide a safe and healthy workplace for our employees, port users, contractors, and the public and seek to:

- Promote a positive health, safety and wellbeing culture.
- Prevent incidents and proactively manage the wellbeing of our employees.
- Work collaboratively and proactively with all users and contractors on our port.

During the first six months of FY25, we commenced an exercise to restructure our landside operations and position ourselves for the future. We did this through proactive engagement with unions, union delegates, leaders and staff using an interest-based problem-solving framework. We are currently implementing the new structure where our operational workforce will be reduced by about 6%.

We have also maintained investment in our frontline leaders who began a formal leadership development programme in quarter two. Attendees focused their learnings on leading self, leading others and leading culture elements, and bringing it together with assistance from their cohorts. In addition, five senior leaders and executives attended a three-day 'Dare to Lead' programme in collaboration with other large New Plymouth organisations. This programme was facilitated by renowned TEDx speaker, Kaila Colbin.



In August, we completed our programme of Switch On / Safety Leadership workshops for staff and have been actively working through an ongoing engagement programme since then to ensure successful embedding of the language and tools acquired.

We also kicked off the next phase of our critical risk programme, with bowtie workshops completed for these risks ahead of year end.

We are now finalising our critical controls and working on a robust assurance plan for these.

In November, we welcomed first year University of Canterbury student Marco Kraayenhof on a 10-week summer engineering internship. By helping the next generation of aspiring engineers gain experience and understanding of the industry, we not only support the community, but we also benefit as students bring fresh perspectives, new ideas, and a curiosity that can challenge us to think differently about our own practices.

Skills and knowledge

State-of-the-art cruise ship Scenic Eclipse II arrived in port in late November and provided a dazzling start to the region's six-visit cruise season.

The 2024-25 cruise season marks the second year of the five-year Taranaki Cruise Strategy, which aims to sustainably increase cruise visits with the aim of having 28 cruise ship visits in 2028.

To ensure the 2024-25 season got off successfully, a Taranaki-wide cruise operational team (bringing together representatives from Te Puna Umanga Venture Taranaki, Port Taranaki, New Plymouth District Council, iwi and hapū, retail and hospitality, and tourism operators) ensured the region was 'cruise ready' to provide visitors with an exceptional experience.

Being community owned and a key contributor to the community, Port Taranaki is pleased to be able to contribute its skills and knowledge to the 'Team Taranaki' approach to ensure we showcase our region's attributes and maximise our ongoing tourism potential.

We continue to utilise internal and regional resources when planning and executing maintenance and projects. This collaboration uses the skills of the region and maintains economic benefit locally. Up to 87 projects are expected to be delivered by year end.

The marine team has been dedicated to training and upskilling our members with new qualifications and skills. This has included rotating our pilot team through offshore operations to ensure that every pilot has completed the required simulator and onboard training under fully qualified pilots and instructors. This process is now complete, and all pilots are offshore capable, with some progressing from Grade 2 to Grade 1 pilot licences for port operations.

Our marine fleet team, including tugs and launches, has also been actively training. We have appointed new tug masters following both internal and external training programmes. Promoting these tug master positions internally has allowed us to further promote from within and begin training our deckhands to become future tug masters. The training process involves understudying current tug masters, steering the vessel under the supervision of a qualified master and trainer, and completing the necessary studies and qualifications to achieve certification as a tug master.

Similarly, in our marine engineering department, we have successfully transitioned a long-standing tug engineer into the land-based role of marine technical manager and hired trainee marine engineers, resulting in the issuance of marine engineering certificates.

This training ensures we retain the necessary skills to lead Port Taranaki into the future. This would not be possible without support from marine training establishments and guidance from Maritime New Zealand's training and certification department. We are thankful for our positive relationship with them.

Environment

Work continued progressing several environmental activities – activities aimed at enhancing our social licence and positioning us for the future.

Following the granting of a new stormwater consent, we commenced planning to install and operate autosamplers that will allow further analysis of the outfalls.

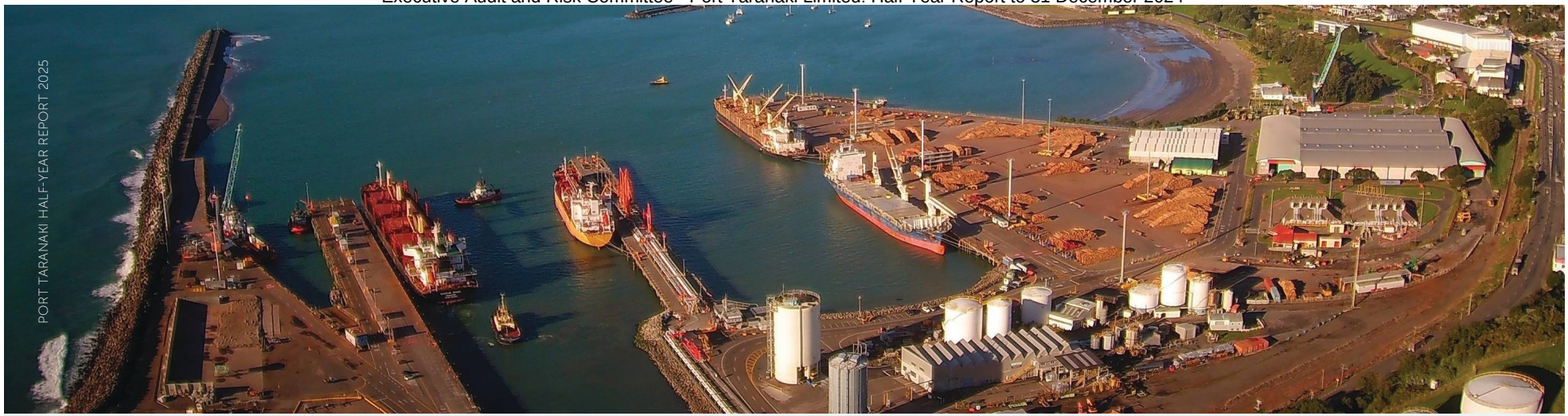
We continued to progress work on the preparation of our consent application to renew our maintenance dredging consents, which expire in 2029. The work to date has primarily involved desk top studies determining future sand movement into the harbour and the most suitable disposal grounds. A community liaison group of stakeholders has been used to share information and receive feedback on ideas.

Assets and infrastructure

Ports are essential infrastructure. Port Taranaki plays an integral part in the movement of freight and is a key contributor to the Taranaki economy. We continue to develop our asset management capability to improve the longevity of our assets and the cost-effectiveness of our maintenance programmes. During the half year we:

- Continued a programme of work to repair structural defects on our wharves to enable the existing level of service to continue.
- Strengthened and reinstated the wave wall that was partially damaged in a cyclone. This allows customers to fully utilise that area of wharf without restrictions.
- Continued stormwater works with the installation of another vortex separator to improve log yard area discharges.

Capital investment in the six months to December 2024 (at $2.11 million) was below that of the prior year, given the major project of renewing the firewater system had been completed and the phasing of projects with significant spend scheduled for the second half of the year.



Positioning for the future

We continue to engage with stakeholders regarding a range of opportunities that could secure new revenue streams across existing customers and emerging sectors. The Taranaki region is witnessing increasing solar renewable energy development, and we are engaging with developers to see how we can optimise their supply chain with project cargo deliveries into New Plymouth.

The Government has now developed offshore wind regulations which are making their way through the legislative process in parliament. This could provide pathways for offshore wind developers to move projects forward. Initially, Port Taranaki could be involved with offshore support vessels completing studies in the waters around Taranaki.

Trans-Tasman Resources anticipates that its offshore sand mining project will move through the fast-track consenting process in 2025. Should Trans-Tasman Resources secure the necessary consents, this will potentially create additional demand on Port Taranaki services in support of this offshore project.

With New Zealand's oil and gas production volumes in decline, the future decommissioning of offshore oil and gas infrastructure represents a significant opportunity for Port Taranaki to receive and dispose of offshore infrastructure.

New Zealand is reviewing the feasibility of importing LNG, with Port Taranaki in a unique position to support these imports, should they go ahead. Port Taranaki is located very close to existing gas pipeline infrastructure that can aid getting LNG to market at scale with minimum capital expenditure. Additionally, Port Taranaki has decades of experience moving hydrocarbon products across the Newton King Tanker Terminal.

Ultimately, Port Taranaki will not drive the decision process that will see these opportunities invest into the New Zealand market. By engaging early with project developers and undertaking some limited capital investment, we will be prepared for the substantial investment required to reconfigure the port to support one, or more of these activities. We can unlock the option to be the critical port infrastructure that supports these projects when the developers are ready to invest.

While we are excited about the possibility of these opportunities, we realise that with the reduction in New Zealand's oil and gas reserves during the past 12 to 24 months and the idling of one of the two methanol plants at Motunui, we are likely to have a lower liquid bulk business in the future. This will necessitate looking closely at all expenditure and our operational footprint, and how we configure our business.

Governance

At the commencement of the financial year, the Board determined that all directors would sit on the Health, Safety and Environmental Governance subcommittee.

Outlook

Trading in the second six-month period is forecast to be higher than that recorded in the first half following Methanex recommencing methanol production at its Motunui plant in November 2024. Economic conditions are mixed with some sectors showing signs of recovery. Global uncertainty is elevated and there are concerns over the proposed new US tariffs. Log demand remains subdued, and although log returns have improved slightly, the outlook is unclear. An increase in the supply of logs during summer could push prices down again unless demand improves.

As a result, annual trade to 30 June 2025 is projected to be significantly below 5 million freight tonnes and is likely to be lower than that recorded in FY24.

Given the projected lower trade compared with FY24, full-year revenue is forecast to be about $53 million, which is marginally below that recorded last year. During the next six months we have a firm focus on expenditure, prioritising spend on risk reduction, and positioning the Company to support our customers for the longer term.

Forecast FY25 EBITDA is in the $20.00 million to $22.00 million range and forecast NPAT is projected to be between $7.00 million and $8.00 million.

Jeff Kendrew
CHAIR

Simon Craddock
CHIEF EXECUTIVE

KEY

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FOR THE SIX MONTHS ENDED 31 DECEMBER 2024

Financial statements

FOR THE SIX MONTHS ENDED 31 DECEMBER 2024

Statement of profit or loss

Audited For the twelve months ended 30 June			Unaudited For the six months ended 31 December	
2024 $000		Note	2024 $000	2023 $000
54,011	Total operating revenue	A1	25,909	27,431
32,408	Total operating expenses	A2	15,191	16,352
21,603	**Earnings before interest, tax, depreciation, amortisation, maintenance dredging, changes in fair value of hedges, impairments, and gains or losses on sale of property, plant and equipment (EBITDAF)**	**A3**	**10,718**	**11,079**
8,808	Depreciation, amortisation, and maintenance dredging	A3	4,269	4,473
-	Impairment of property, plant and equipment	A3	-	-
7	Net (gain) / loss on sale of property, plant and equipment	A3	107	(14)
12,788	**Earnings before interest and tax**		**6,342**	**6,620**
1,545	Net finance expense		974	697
11,243	**Profit before tax**		**5,368**	**5,923**
4,368	Tax expense		1,503	1,658
6,875	**Profit after tax**		**3,865**	**4,265**

Statement of profit or loss continued

Audited For the twelve months ended 30 June			Unaudited For the six months ended 31 December	
2024 $000		Note	2024 $000	2023 $000
	Earnings per share from operations attributable to the shareholder			
6,875	Profit after tax		3,865	4,265
52,000	Number of ordinary shares ('000's)		52,000	52,000
13.22	**Basic and diluted earnings per share (cents)**		7.43	8.20

Statement of comprehensive income

Audited For the twelve months ended 30 June			Unaudited For the six months ended 31 December	
2024 $000		Note	2024 $000	2023 $000
6,875	**Profit after tax**		**3,865**	**4,265**
	Other comprehensive income			
	Items that will not be reclassified to profit or loss			
-	Revaluation of property, plant and equipment (net of tax)	C4	-	-
(799)	Change in cash flow hedge reserve (net of tax)	C4	(996)	(915)
(799)	**Total other comprehensive income**		**(996)**	**(915)**
6,076	**Total comprehensive income**		**2,869**	**3,350**

Financial statements

FOR THE SIX MONTHS ENDED 31 DECEMBER 2024

Statement of financial position

Audited For the twelve months ended 30 June			Unaudited For the six months ended 31 December	
2024 $000		Note	2024 $000	2023 $000
1,567	Cash and cash equivalents		1,436	1,664
7,497	Trade and other receivables		8,117	6,736
530	Non-current assets held for sale	B3	530	-
985	Inventories		944	927
1,124	Pre-paid taxation		1,942	-
11,703	**Total current assets**		**12,969**	**9,327**
205,034	Property, plant and equipment	B1	202,906	202,021
626	Right of use assets		587	527
260	Intangible assets	B2	192	343
1,266	Derivative financial instruments		214	1,453
207,186	**Total non-current assets**		**203,899**	**204,344**
218,889	**Total assets**		**216,868**	**213,671**

Audited For the twelve months ended 30 June			Unaudited For the six months ended 31 December	
2024 $000		Note	2024 $000	2023 $000
6,744	Trade and other payables		2,672	3,144
1,796	Employee benefit provisions		1,798	1,736
72	Lease liability		72	41
133	Borrowings	C5	112	160
-	Taxation payable		618	607
8,745	**Total current liabilities**		**5,272**	**5,688**
42,111	Borrowings	C5	42,225	41,528
443	Employee benefit provisions		443	405
631	Lease liability		595	555
3,842	Deferred tax liability		3,842	1,604
47,027	**Total non-current liabilities**		**47,105**	**44,092**
55,772	**Total liabilities**		**52,377**	**49,780**
26,000	Share capital	C2	26,000	26,000
68,292	Reserves	C4	67,297	68,176
68,825	Retained earnings		71,194	69,715
163,117	**Shareholder's equity**		**164,491**	**163,891**
218,889	**Total liabilities and shareholder's equity**		**216,868**	**213,671**

For and on behalf of the Board of Directors who authorised the issue of these interim financial statements on 13 February 2025.

Jeff Kendrew
CHAIR

Kathy Meads
CHAIR OF THE AUDIT AND RISK COMMITTEE

Financial statements

FOR THE SIX MONTHS ENDED 31 DECEMBER 2024

Statement of changes in equity

	Note	Issued capital $000	Retained earnings $000	Revaluation reserve $000	Cash flow hedge reserve $000	Total equity $000
As at 1 July 2023		**26,000**	**69,950**	**67,510**	**1,581**	**165,041**
Changes in shareholder's equity for six months to 31 December 2023						
Comprehensive income		-	4,265	-	-	4,265
Other comprehensive income		-	-	-	(915)	(915)
Dividends	C3	-	(4,500)	-	-	(4,500)
As at 31 December 2023 (Unaudited)		**26,000**	**69,715**	**67,510**	**666**	**163,891**
Changes in shareholder's equity for six months to 30 June 2024						
Comprehensive income		-	2,610	-	-	2,610
Other comprehensive income		-	-	-	116	116
Dividends	C3	-	(3,500)	-	-	(3,500)
As at 30 June 2024 (Audited)		**26,000**	**68,825**	**67,510**	**782**	**163,117**
Changes in shareholder's equity for six months to 31 December 2024						
Comprehensive income		-	5,369	-	-	5,369
Other comprehensive income		-	-	-	(996)	(996)
Dividends	C3	-	(3,000)	-	-	(3,000)
As at 31 December 2024 (Unaudited)		**26,000**	**71,194**	**67,510**	**(214)**	**164,490**

Financial statements

FOR THE SIX MONTHS ENDED 31 DECEMBER 2024

Statement of cash flows

Audited For the twelve months ended 30 June		Unaudited For the six months ended 31 December	
2024 $000		2024 $000	2023 $000
	Cash flows from operating activities		
62,139	Receipts from customers	27,612	30,935
1,296	Gross interest received	455	714
(38,617)	Payments to suppliers and employees	(21,519)	(20,495)
(2,784)	Gross interest paid	(1,535)	(1,410)
(5,944)	Income tax paid	(200)	(4,196)
16,090	Net cash flows from operating activities	4,813	5,548
	Cash flows from investing activities		
(33)	Sale of property, plant and equipment (net of disposal costs)	-	1,059
(10,809)	Purchase of property, plant and equipment and software	(3,217)	(4,596)
(491)	Capitalised interest on purchase of property, plant and equipment	1,109	(205)
(11,333)	Net cash flows from investing activities	(2,108)	(3,742)
	Cash flows from financing activities		
37,290	Borrowings drawn	9,600	25,400
(33,090)	Borrowings repaid	(9,400)	(21,700)
(8,000)	Dividends paid	(3,000)	(4,500)
(68)	Lease payments	(36)	(20)
(3,868)	Net cash flows from financing activities	(2,836)	(820)
889	Net increase/(decrease) in cash and cash equivalents	(131)	986
678	Cash and cash equivalents at the beginning of the period	1,567	678
1,567	Cash and cash equivalents at the end of the period	1,436	1,664

Audited For the twelve months ended 30 June		Unaudited For the six months ended 31 December	
2024 $000		2024 $000	2023 $000
	Reconciliation of net profit after tax to net cash flows from operating activities		
6,875	Profit after tax	3,865	4,265
	Plus: Movements in non-cash items:		
8,808	Depreciation, amortisation, and maintenance dredging	4,269	4,473
2,514	Deferred tax balances	-	277
	Plus: Movements in operating assets and liabilities		
(257)	Trade and other receivables	504	1,801
(15)	Inventories	41	43
166	Provisions	2	68
2,026	Trade and other payables	(3,725)	(2,704)
187	Interest payable	(50)	(171)
(4,221)	Tax payable	(200)	(2,490)
	Less: Movements related to investing activities:		
7	Movement in property, plant and equipment creditors	107	(14)
16,090	Net cash flows from operating activities	4,813	5,548

About these financial statements

FOR THE SIX MONTHS ENDED 31 DECEMBER 2024

The port

Port Taranaki Limited (PTL, also referred to as the Parent Company) is the only deep water port on the west coast of New Zealand and services bulk liquids (serving the nation's energy sector), dry bulk (fertiliser, stock feed and cement), logs and general cargo. Commercial activities include the provision of: (i) marine and cargo services; (ii) logistics services (including offshore support); and (iii) property and storage services. These are considered under three integrated performance obligations: (i) marine and cargo services revenue; (ii) logistic services revenue; and (iii) property revenue.

The financial statements of the Group for the six months ended 31 December 2024 comprise the Parent Company and its subsiduary (together referred to as the Group).

In accordance with the New Zealand Equivalents to the IFRS Accounting Standards (NZ IFRS) Parent Company disclosures are not required.

PTL is a sea port company incorporated under the Companies Act 1993.

The Group's parent and sole shareholder is the Taranaki Regional Council (TRC) and was, at all times, during the period.

The Parent Company is a limited liability company incorporated and domiciled in New Zealand. The address of its registered office is 2-8 Bayly Road, Moturoa, New Plymouth 4310.

Basis of consolidation

The Group financial statements comprise the financial statements of PTL and its subsidiary. The financial statements of the Group are prepared for the same reporting period as the Parent Company, using consistent accounting policies. In preparing the Group financial statements, all material intra-group transactions, balances, income and expenses have been eliminated. Subsidiaries are consolidated from the date on which control is obtained to the date on which control is lost.

Basis of preparation

These financial statements have been prepared:

- In accordance with Generally Accepted Accounting Practice in New Zealand (NZ GAAP). They comply with NZ IAS 34 Interim Financial Reporting. The Group is a for-profit entity for the purpose of complying with NZ GAAP.
- In accordance with the requirements of the Port Companies Act 1988 and the Financial Reporting Act 2013.
- On the basis that the Group is a going concern.
- On a historical cost basis, except for land, and derivatives held at fair value, as identified in the accompanying notes.
- Using the same accounting policies disclosed in PTL's Annual Report for the year ended 30 June 2024 (2024 Annual Report).
- On a Goods and Services Tax (GST) exclusive basis except receivables and payables, which include GST where GST has been invoiced.
- In New Zealand dollars, rounded to the nearest thousand ($000), unless otherwise stated.

These financial statements do not include all the information required for full annual financial statements and should be read in conjunction with the annual financial statements and notes included in the 2024 Annual Report.

Key accounting judgements and estimates

In applying the Group's accounting policies and in preparing financial statements in conformity with NZ IAS 34, PTL makes a number of judgements, estimates and assumptions. Actual results may differ from these estimates. In preparing these financial statements, the significant judgements and the key sources of estimation and uncertainty, are the same as those disclosed in the 2024 Annual Report.

Judgements and estimates which are considered material to understanding the performance of PTL are found in the following notes: A3 Operating expenses; A5 Tax; A6 Deferred tax liability; B3 Impairment of non-financial assets; B4 Recognition and measurement; B7 Depreciation; and B8 Provisions.

A
Our performance

In this section

This section explains the financial performance of PTL by displaying additional information about individual items from the statement of profit or loss.

A1 Operating revenue

Audited For the twelve months ended 30 June		Unaudited For the six months ended 31 December	
2024		2024	2023
40,916	Marine and cargo services revenue	18,612	20,809
2,146	Logistics services revenue	857	1,210
9,667	Property revenue	5,323	4,803
1,282	Other income	1,117	609
54,011	**Total operating revenue**	**25,909**	**27,431**

A2 Operating expenses

Audited For the twelve months ended 30 June		Unaudited For the six months ended 31 December	
2024		2024	2023
17,404	Employee expenses	9,108	8,866
4,128	Repairs and maintenance	1,764	2,005
10,876	Other expenses	4,319	5,481
32,408	**Total operating expenses**	**15,191**	**16,352**
	Included within other expenses are:		
387	Director fees	198	198

A3 EBITDAF reconciliation

Audited For the twelve months ended 30 June		Unaudited For the six months ended 31 December	
2024		2024	2023
21,603	EBITDAF	10,718	11,079
1,417	Maintenance dredging	713	725
7,155	Depreciation	3,488	3,595
236	Amortisation	68	153
7	Net (gain) / loss on sale of property, plant and equipment	107	(14)
(53)	Interest revenue	(29)	(24)
1,598	Interest expense	1,003	721
11,243	Profit before tax	5,368	5,923
4,368	Tax expense	1,503	1,658
6,875	**Profit after tax**	**3,865**	**4,265**

EBITDAF definition

EBITDAF is earnings before interest, tax, depreciation, amortisation, maintenance dredging, change in fair value of hedges, impairments, and gains or losses on sale of property, plant and equipment. EBITDAF is a non-GAAP profit measure that is used internally by Management and the Board to provide insight into PTL's operating performance as it allows the evaluation of PTL's operating performance without the non-cash impacts of depreciation, amortisation, fair value movements of hedging instruments and other one-off or infrequently occurring events and the effects of PTL's capital structure and tax position.

EBITDAF does not have a standardised meaning prescribed by GAAP and therefore may not be comparable to similar financial information presented by other entities.

B
Our assets

In this section

This section explains the assets that PTL uses in its business to generate operating revenue.

B1 Property, plant and equipment

Audited For the twelve months ended 30 June		Unaudited For the six months ended 31 December	
2024		2024	2023
202,950	Opening balance	205,034	202,950
10,551	Additions	2,108	3,337
(3,366)	Disposals	(4,213)	(145)
-	Revaluation	-	-
-	Impairment	-	-
(5,101)	Depreciation	(23)	(4,121)
205,034	**Closing balance**	**202,906**	**202,021**

Included within additions is capitalised interest of $0 thousand (31 December 2023: $77 thousand, 30 June 2024: $241 thousand) in relation to capital works underway.

At 31 December 2024, PTL was committed to $4.1 million of capital expenditure (31 December 2023 $4.1 million, 30 June 2024 $4.1 million).

B2 Intangible assets

Audited For the twelve months ended 30 June		Unaudited For the six months ended 31 December	
2024		2024	2023
277	Opening balance	260	277
219	Additions	-	219
(371)	Disposals	-	-
135	Depreciation	(68)	(153)
260	**Closing balance**	**192**	**343**

B3 Non-current assets held for sale

Non-current assets are classified as held for sale if the carrying amount will be recovered through a sales transaction rather than through continuing use.

Land classified as held for sale is measured at fair value.

During the period the Group entered into a sale and purchase agreement for the sale of land excess to its requirements. This transaction settled in January 2025.

C
Our funding

In this section

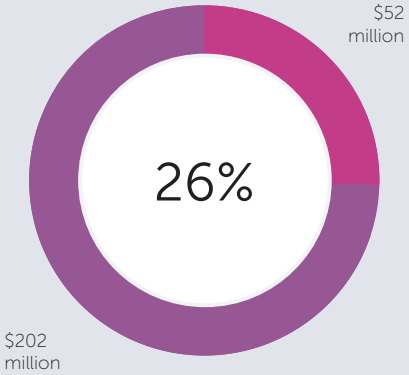
This section outlines how PTL manages its capital structure, its funding sources and how dividends are returned to the Shareholder.

C1 Capital structure

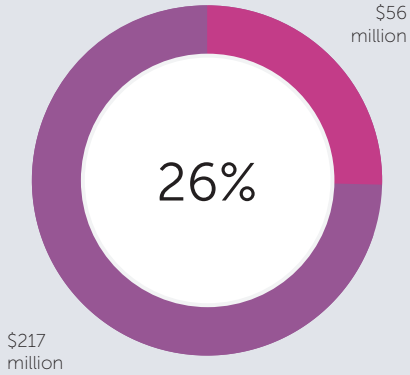
The Group's policy is to maintain a stable and strong capital base, so as to maintain investor and creditor confidence and sustain the business development of the Group and safeguard its ability to remain a going concern.

The Group regularly monitors its capital requirements, its compliance with its financial covenants.

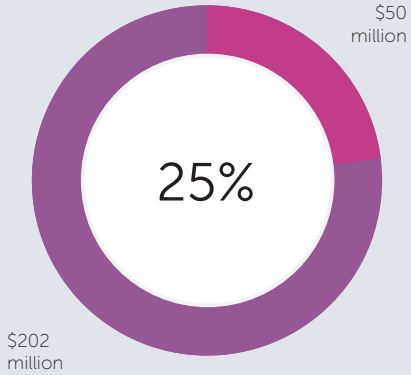
Debt ratio
For the six months ended
31 December 2024



Debt ratio
For the twelve months ended
30 June 2024



Debt ratio
For the six months ended
30 June 2023



Total liabilities Total tangible assets

C2 Share capital

Audited For the twelve months ended 30 June					Unaudited For the six months ended 31 December	
Shares (000) 2024	Issued capital 2024		Shares (000) 2024	Shares (000) 2023	Issued capital 2024	Issued capital 2023
52,000	26,000	Share capital (issued and fully paid)	52,000	52,000	26,000	26,000

C3 Dividends

Audited For the twelve months ended 30 June					Unaudited For the six months ended 31 December	
Cents per share	2024		Cents per share	2024	Cents per share	2023
7.69	4,000	Prior year - final ordinary dividend	8.65	4,500	7.69	4,000
7.69	4,000	Prior year - interim ordinary dividend	-	-	-	-
	8,000	**Total dividends**		**4,500**		**4,000**

Subsequent event - interim dividend

On 13 February 2025, the Board declared an interim dividend of $4.00 million to be paid on 4 March 2025.

C4 Reserves

Audited For the twelve months ended 30 June		Unaudited For the six months ended 31 December			Unaudited For the six months ended 31 December		
2024		2024	2024	2024	2023	2023	2023
Revaluation reserve		Revaluation reserve	Cash flow hedge	Total	Revaluation reserve	Cash flow hedge	Total
69,091	Balance 1 July	67,510	782	68,292	67,510	1,581	69,091
(799)	Revaluations in other comprehensive income	-	(996)	(996)	-	(915)	(915)
68,292	**Balance at end of period**	**67,510**	**(214)**	**67,296**	**67,510**	**666**	**68,176**

C5 Borrowings

Audited For the twelve months ended 30 June			Unaudited For the six months ended 31 December			Unaudited For the six months ended 31 December		
Drawn 2024	Un-drawn 2024		Facility 2024	Drawn 2024	Un-drawn 2024	Facility 2023	Drawn 2023	Un-drawn 2023
133	-	Current secured loans	-	112	-	-	160	-
42,111	-	Non-current secured loans	-	42,225	-	-	41,528	-
42,244	**22,756**	**Total**	**65,000**	**42,337**	**22,663**	**65,000**	**41,688**	**23,312**

Board of Directors

Jeff Kendrew, Chair
Wendie Harvey
Charlotte Littlewood
Kathy Meads
Steve Sanderson
Jamie Tuuta

Leadership Team

Simon Craddock, Chief Executive
Ross Dingle, GM Commercial
Pippa Farrell, HR Manager
John Maxwell, GM Infrastructure
Allan Melhuish, Chief Financial Officer
Alex Park, GM Operations
Alisha Picard, Health and Safety Manager

Auditors

Deloitte Limited on behalf of the Auditor-General

Bankers

ASB Bank Limited

Solicitors

Govett Quilliam The Lawyers

Contact

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Email: port@porttaranaki.co.nz

Design: Digital Fuel, daniel@digitalfuel.co.nz

PortTaranaki
the west gate

Port Taranaki Limited Half-Year Report

Taranaki Regional Council

MEMORANDUM
Executive, Audit & Risk

Date: 24 March 2025

Subject: **Regional Software Holdings Ltd: Draft Statement of Intent for 2026**

Author: L Davidson, Executive Assistant

Approved by: M J Nield, Director – Corporate Services

Document: TRCID-1492626864-454

Purpose

1. The purpose of this memorandum is to receive and consider Regional Software Holdings Ltd's Statement of Intent (SOI) for the year ending 30 June 2026 and then to provide feedback to the Board of Directors.

Recommendations

That Taranaki Regional Council:

a) receives and considers Regional Software Holdings Ltd's draft Statement of Intent for the year ending 30 June 2026

b) provides feedback to the Board of Directors of Regional Software Holdings Ltd.

Background

2. We are a shareholder in Regional Software Holdings Ltd. Regional Software Holdings Ltd is a council-controlled organisation (CCO) of the Council.
3. CCO's are required to prepare a statement of intent and forward it to shareholders by 1 March of each year. Shareholders then consider the draft SOI and provide feedback to the CCO. CCO's are required to furnish a completed statement of intent by 30 June of each year.
4. Regional Software Holdings Ltd has prepared the attached draft SOI for the year ending 30 June 2026. The SOI was received by the statutory deadline.

Discussion

5. The *Local Government Act 2002* sets out the requirements for a statement of intent. The attached statement complies with the requirements of the Act.
6. The draft statement of intent reflects the partnership arrangements between the regional sector that have developed and been implemented RSHL.
7. The primary focus for the next three years is the successful completion and implementation of IRIS NextGen. All other programmes will be delivered to a high standard. This is consistent with the TRC's expectations of RSHL and as such is supported.

8. The Board of RSHL has a vacancy and Mr Nield will be stepping down as Chairperson on 30 June 2025. The Board of RSHL is recommending that the vacancy be filled with an additional independent director and that one of the independent directors be appointed as Chairperson. Given the growth and development of RSHL, the complexities of the role of director is increasing. Given the time commitments of directors who are also senior leaders within their respective councils, this recommendation is supported.
9. The Statement of Intent reflects the position and decisions that we have made and supports the delivery of both our wider strategic goals and, more specifically, our Digital Strategy. As such, it is recommended that the Statement of Intent be received.

Appendices/Attachments

Document TRCID-2056378705-23: Regional Software Holdings Ltd Statement of Intent 2026 Covering Letter

Document TRCID-2056378705-22: Regional Software Holdings Ltd Statement of Intent 2025

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

Document ID:RSHL-1877002180-9311

Tauākī Whakamaunga Atu | Statement of Intent 2025-2026

RSHL

Council
Collaboration
Into Action

1. Kupu Takamua | Foreword

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

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

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

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

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

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

Objectives
Primary objectives

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

Supporting objectives

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

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

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

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

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

Nāku noa nā

Mike Nield

Board Chair

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3. Kupu Whakataki | Introduction

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

Subsidiaries

RSHL has no subsidiaries or joint ventures.

Purpose

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.

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><td></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><td></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><td></td></tr>
<tr><td></td><td>Retrolens</td><td>Service Description:
Retrolens allows public access to historical aerial photography of New Zealand.</td><td></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.

Regional Software Holdings Ltd—2025-2026 Statement of Intent

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**

Regional Software Holdings Ltd—2025-2026 Statement of Intent

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**

Regional Software Holdings Ltd—2025-2026 Statement of Intent

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
	Income				
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**

Regional Software Holdings Ltd—2025-2026 Statement of Intent

IRIS NextGen Programme Activity - Statement of Financial Performance

For the 12 Months to 30 June 2026

2024/25 Budget	Income	Notes	2025/26 SOI	2026/27 Indicative	2027/28 Indicative
-	IRIS Programme		-	-	-
4,196,011	IRIS NextGen Programme		3,733,897	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**		-	-	-

Regional Software Holdings Ltd—2025-2026 Statement of Intent

Sector Financial Management System 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
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		-	-	-

Regional Software Holdings Ltd—2025-2026 Statement of Intent

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

RSHL

Council
Collaboration
Into Action

Taranaki Regional Council

MEMORANDUM
Executive, Audit & Risk

Date: 24 March 2025

Subject: **Regional Software Holdings Ltd Six Month Report to Shareholders to 31 December 2024**

Author: L Davidson, Executive Assistant

Approved by: M J Nield, Director - Corporate Services

Document: TRCID-1492626864-453

Purpose

1. The purpose of this memorandum is to receive and consider Regional Software Holdings Ltd's interim report on the operations and activities of the company for the six months ending 31 December 2024.

Recommendation

That Taranaki Regional Council:

a) receives Regional Software Holdings Ltd's interim report for the six months ended 31 December 2024 including the unaudited financial report.

Background

2. The Council is a shareholder in Regional Software Holdings Ltd. Regional Software Holdings Ltd is a council-controlled organisation (CCO) of the Council.
3. The *Local Government Act 2002,* and Regional Software Holdings Ltd's Statement of Intent, require a six-month set of financial statements (unaudited) to be prepared.

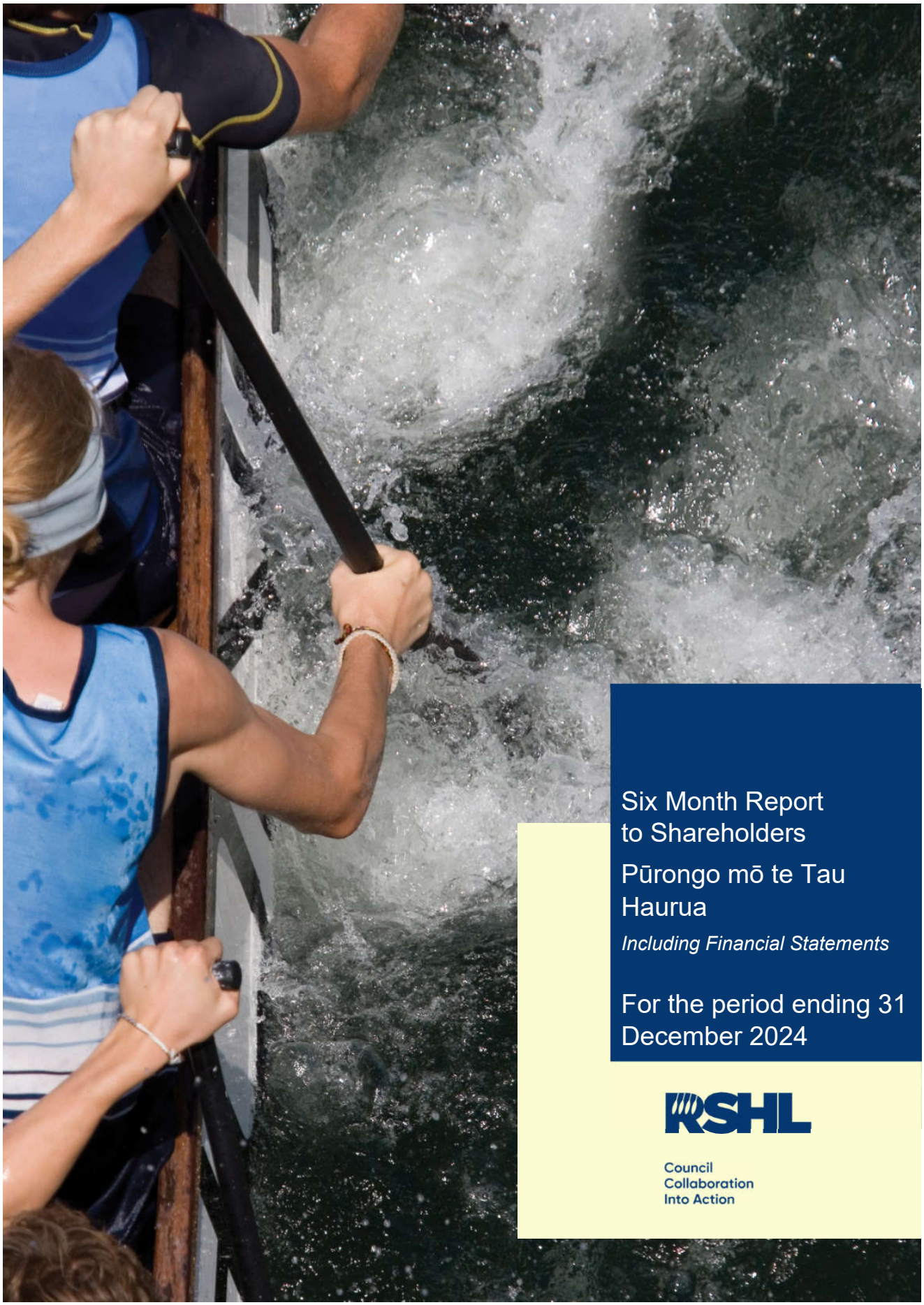
Discussion

4. Attached is the report for the six months ended 31 December 2024. The financial statements contained in the interim report are unaudited. This has been another very successful period of delivery of collaborative and shared services for the regional sector.
5. Regional Software Holdings Ltd is operating successfully, operationally and financially.
6. Items of significance during the six months include:
   - IRIS Next Generation: The platform build is complete and undertaking testing. The first implementation starts later this year.
   - Te Ura Kahika: Support provided for the delivery of Te Uru Kahika's Business Plan.
   - Transfer of the support of regional integrated ticketing from Otago Regional Council to RSHL ahead of the move to the national ticketing solution over the next couple of years.

7. Financially, the company is in a healthy position, with a year-to-date deficit of $945,000 against a budgeted loss of $304,000. This reflects the amortisation of the IRIS classic solution as it reached the end of its life and a number of timing differences in planned expenditure. The Board anticipates being closer to the full year budget by 30 June 2025.

Appendices/Attachments

Document TRCID-2056378705-21: Regional Software Holdings Ltd Six Month Report to Shareholders to 31 December 2024



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

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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	G Shirley - Director
Date: 28 February 2025	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	**Tier 2 – 6.2% each**	**Tier 3 – 3.2% each**
Auckland Council *	Horizons RC	Tasman DC
Environment Canterbury	Otago RC	Nelson City Council
Greater Wellington RC	Hawke's Bay RC	Gisborne DC
Waikato RC	Northland RC	Marlborough DC
Bay of Plenty RC	Taranaki RC	West Coast RC
	Southland RC	
Total 47%	**Total 37%**	**Total 16%**

*Auckland Council does not fund all sector programmes. In cases where they do not fund a programme, their contribution will be collected from the remaining councils according to the model above.

BioControl, 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.

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

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

Key Judgements

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

	• 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 Moniwhiwi 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.

	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				
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.

5. Personnel Costs

	31 DEC 2024 6 MONTHS (UNAUDITED)	31 DEC 2023 6 MONTHS (UNAUDITED)	30 JUNE 2025 12 MONTHS SOI	30 JUNE 2024 12 MONTHS (AUDITED)
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

Taranaki Regional Council

MEMORANDUM
Executive, Audit & Risk

Date: 24 March 2025

Subject: **Taranaki Stadium Trust: Statement of Intent for the Year Ended 30 June 2025**

Author: L Davidson, Executive Assistant

Approved by: M J Nield, Director - Corporate Services

Document: TRCID-1492626864-450

Purpose

1. The purpose of this memorandum is to receive and consider the Taranaki Stadium Trust's statement of intent (SOI) for the year ending 30 June 2026 and then to provide feedback to the Trustees.

Recommendations

That Taranaki Regional Council:

a) receives and considers the Taranaki Stadium Trust's draft Statement of Intent for the year ending 30 June 2026

b) provides feedback to the Trustees of the Taranaki Stadium Trust.

Background

2. On 27 June 2013, the Council took over control of the Taranaki Stadium Trust (formerly the Stadium Taranaki Trust) from the New Plymouth District Council. The Taranaki Stadium Trust (the Trust) is a council-controlled organisation (CCO).
3. CCO's are required to prepare and present a statement of intent by 1 March of each year. Council's then consider the draft and provide feedback to the CCO. CCO's are required to furnish a completed statement of intent by 30 June of each year. Completed statements of intent are required to be published on our website.

Discussion

4. The *Local Government Act 2002* sets out the requirements for a statement of intent. The attached statement complies with the requirements of the Act.
5. The draft Statement of Intent reflects the partnership arrangements between the Council, the New Plymouth District Council and the Trust. That partnership involves the New Plymouth District Council funding and operating Stadium Taranaki, on behalf of the Trust, through a management agreement. We fund, through the Trust, an agreed programme of maintenance and long-term development. The Trust holds and owns the Stadium Taranaki assets.
6. The draft Statement of Intent is consistent with the *2024/2034 Long-Term Plan*.

7. The draft Statement of Intent is now open for consideration. This is the opportunity to provide further feedback to the Trustees.

Appendices/Attachments

Document TRCID-1735196531-27: TST Statement of Intent for the year to 30 June 2026

Document TRCID-1735196531-33: TST Estimates for the year ended 30 June 2026

Taranaki Stadium Trust
Statement of Intent
For the Year to 30 June 2026

Taranaki Stadium Trust (the Trust) is a charitable trust, incorporated in New Zealand, under the Charitable Trusts Act 1957. The Trust is a council-controlled organisation, as defined by section 6 of the Local Government Act 2002, of Taranaki Regional Council. The Trust owns Stadium Taranaki (the Stadium) land, building and facilities. The operation of the stadium is carried out by New Plymouth District Council (the Council) in accordance with a Management Agreement between the two parties.

Objectives

The fundamental objective of the Trust is to promote the effective and efficient maintenance, development, management, operation and promotion of the Stadium as a community asset used for recreation, sporting and cultural activities for the benefit of the people of Taranaki, working in particular with Taranaki Regional Council and New Plymouth District Council to advance this purpose.

The Trust was formed to take over the former Rugby Park and redevelop it into a quality venue for the benefit of the wider Taranaki region. The provision of the stadium facilities contributes to the overall infrastructure of the region and provides economic stimulus from events held at the stadium, particularly sporting events that encourage safe and healthy living.

Vision

The vision for Stadium Taranaki is:

The best regional stadium in New Zealand that regularly hosts local, regional, national and international sports and entertainment events.

- *A stadium for both major events and community events and the premier outdoor field for team sports codes.*
- *A stadium that is loved by sports fans and the local community.*
- *A stadium that is a quality experience for event promoters, participants and spectators, which is achieved through superior hospitality and event facilities, efficient and effective management, accessibility, flexibility and innovation.*

Governance

The Trust is managed by Trustees (2) who are appointed by Taranaki Regional Council in accordance with the Trust Deed.

Nature and Scope of Activities to Be Undertaken

Taranaki Regional Council, New Plymouth District Council and the Trust operate the Stadium in a partnership arrangement.

Taranaki Regional Council provides funding for the long-term maintenance and development of the Stadium.

New Plymouth District Council provides funding for the ongoing operation of the Stadium. The operation of the Stadium is undertaken by New Plymouth District Council, in accordance with a Management Agreement with the Trust.

Ratio of Shareholder's Funds to Total Assets

The ratio of equity to total assets is expected to be greater than 20%. The Trust's equity includes:

- Accumulated funds
- Asset revaluation reserves.

The Trust's assets include the Stadium Taranaki building, land, furniture and fittings.

Accounting Policies

The policies will be consistent with:

- The Financial Reporting Act 1993
- New Zealand Generally Accepted Accounting Practice (NZ GAAP)
- PBE SFR-A (PS) Public Benefit Entity Simple Format Reporting – Accrual (Public Sector)

The full accounting policies are attached as Appendix 1.

Performance Targets

The Trust's performance will be judged against the following measures:

1. The presence of a Management Agreement with New Plymouth District Council for the operation of the Stadium
2. The provision of funding for a programme of agreed maintenance and long-term development of the Stadium. The programme of maintenance and long-term development is to be agreed upon by Taranaki Regional Council and New Plymouth District Council. The current focus in on the delivery of the redevelopment project for the stadium.

Distribution Policy

As the Trust is a charitable trust, no distributions are planned.

Information to be Provided

The following information will be made available:

- A draft Statement of Intent (including budget financial information) prior to 1 March of each year.
- A Statement of Intent (including budget financial information) prior to the commencement of each financial year.
- A six monthly report on operations, including a comparison against the Statement of Intent, within two months after the six monthly reporting period.
- An annual report for the year, which will also be made available to the public within two months after the end of each financial year.

Procedures for Share Acquisitions

The Trust will not acquire or subscribe for any share issues.

Activities for which Compensation is Sought

Taranaki Regional Council will fund the Trust for the maintenance and long-term development of the Stadium and the operation of the Trust. There are currently no other activities for which compensation is sought from the Taranaki Regional Council.

There are currently no activities for which compensation is sought from the New Plymouth District Council. It is noted that under the current Management Agreement, the New Plymouth District Council is responsible for funding the operational costs of the Stadium.

Commercial Value of the Trust's Investment

The commercial value of the Trust's investment is estimated as equal to the Trust's equity. This is based on the following:

- The rationale that the Trust is a going concern;
- The assets are carried at their current net value, as determined by independent valuers on a three yearly revaluation cycle, the next occurring as at 30 June 2026.

This estimate will be re-assessed in the same manner on an annual basis. At 30 June 2024, the equity was recorded at $39,884,619 (30 June 2023: $31,198,597).

Other Matters

There are no other matters.

Appendix 1: Statement of Accounting Policies

Reporting entity

The Taranaki Stadium Trust (the Trust) is a charitable trust incorporated in New Zealand under the Charitable Trusts Act 1957 and is domiciled in New Zealand. The Trust is controlled by Taranaki Regional Council and is a Council Controlled Organisation as defined under section 6 of the Local Government Act 2002, by virtue of the Council's right to appoint the Board of Trustees.

Rather than making a financial return, the primary objective of the Trust is to promote the effective and efficient maintenance, development, management, operation and promotion of Stadium Taranaki as a community asset used for recreation, sporting and cultural activities for the benefit of the people of Taranaki, working in particular with Taranaki Regional Council and New Plymouth District Council. The Trust has elected to apply PBE SFR-A (PS) Tier 3: Public Benefit Entity Simple Format Reporting – Accrual (Public Sector) on the basis that the Trust does not have public accountability (as defined) and has total annual expenses of less than $2 million.

Basis of preparation

Measurement base

The financial statements have been prepared on a historical costs basis, modified by the revaluation of certain fixed assets.

Functional and presentation currency

The financial statements are presented in New Zealand dollars and all values are rounded to the nearest dollar. The functional currency of the Trust is New Zealand dollars.

New and amended accounting standards adopted

There have been no new or amended accounting standards adopted for the year ended 30 June 2024.

Changes in accounting policies

There have been no changes in accounting policies for the year ended 30 June 2024.

Significant accounting policies

The following is a summary of the significant accounting policies, adopted by the Trust, in the preparation of these financial statements.

Goods and services tax

The Trust is registered for Goods and Services Tax (GST). The financial statements have been prepared exclusive of GST, with the exception of receivables and payables, which are stated inclusive of GST. 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 amount of GST, paid to or received from the IRD, is classified as an operating cash flow, in the statement of cash flows.

Revenue

Council grants are recognised as revenue when the funding is received unless there is an obligation to return the funds if conditions of the grant are not met ("use or return condition"). If there is such an obligation, the grant is initially recorded as a liability and recognised as revenue when conditions of the grant are satisfied.

Crown Infrastructure Stadium rebuild funding is recorded as revenue when received, as specified by Tier 3 PBE Accounting Standards.

Interest revenue is recorded as it is earned during the year.

Cash and cash equivalents

Cash and cash equivalents includes cash on hand, deposits held at call with banks with original maturities of 3 months or less, and bank overdrafts. Bank overdrafts are shown within borrowings, as a current liability, in the statement of financial position.

Investments

Investments comprise investments in terms deposits with banks. Deposits with banks are initially recorded at the amount paid. If it appears that the carrying amount of the investment will not be recovered, it is written down to the expected recoverable amount.

Debtors and other receivables

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.

Property, plant and equipment

Property, plant, and equipment is recorded at cost, less accumulated depreciation and impairment losses with the exception of land and buildings which is recorded at valuation. Donated assets are recognised upon receipt of the asset if the asset has a useful life of 12 months or more, and the current value of the asset is readily obtainable and significant. Significant donated assets for which current values are not readily obtainable are not recognised. For an asset to be sold, the asset is impaired if the market price for an equivalent asset falls below its carrying amount. For an asset to be used by the Trust, the asset is impaired if the value to the Trust in using the asset falls below the carrying amount of the asset.

Work in progress is recorded at cost. Cost includes expenditure which is directly attributable to the acquisition of an asset. Capital work in progress is not depreciated.

Accounting for revaluations

The Trust elects to apply Tier 2 PBE IPSAS 17 Property, Plant and Equipment for the purposes of accounting for revaluations and have applied the disclosure concession applicable for Tier 2 entities.

When land and buildings is revalued, any accumulated depreciation, at the date of the revaluation, is eliminated against the gross carrying amount of the asset. Then, the net amount is restated, to reflect the revaluation.

If the carrying amount of an item of land and buildings increases, as the result of a revaluation, the increase shall be recognised in the asset revaluation reserve, within other comprehensive income. However, the increase shall be recognised in the surplus or deficit, to the extent that it reverses a revaluation decrease, of the same class of assets, previously recognised in the surplus or deficit.

If the carrying amount of an item of land and buildings decreases, as the result of a revaluation, the decrease shall be recognised in the surplus or deficit. However, the decrease shall be recognised in the asset revaluation reserve, within other comprehensive income, to the extent of any credit balance in the revaluation reserve, in relation to that asset class.

Revaluations of property, plant and equipment are accounted for on a class-of-asset basis. Only land and buildings are revalued and recorded at fair value, all other assets are recorded at cost.

In accordance with the Trust's Statement of Intent for the year to 30 June 2023, property is normally revalued on a three yearly cycle, however an additional revaluation has been undertaken as at 30 June 2023.

Additions

The cost of an item of property, plant and equipment is recognised as an asset if, and only if, it is probable that future economic benefits or service potential, associated with the item, will flow to the Trust, and the cost of the item can be measured reliably. In most instances, an item of property, plant and equipment will be recognised at cost. Where an asset is acquired at no cost, or for a nominal cost, it will be recognised at fair value as at the acquisition date.

Disposals

Gains and losses on disposal are determined by comparing proceeds received, with the carrying amount of the asset. Gains and losses on disposal are included in the surplus or deficit. When revalued assets are sold, amounts included in the asset revaluation reserve, in relation to those assets, will be transferred to accumulated funds.

Subsequent costs

Costs incurred subsequent to initial acquisition are capitalised if, and only if, it is probable that future economic benefits or service potential, associated with the item, will flow to the Trust, and the cost of the item can be measured reliably.

Impairment of property, plant and equipment

The carrying values of property, plant and equipment are reviewed annually for impairment, with reference to internal and external factors which may indicate the carrying value exceeds depreciated replacement cost. The Trust elects to apply Impairment of Revalued Assets including Amendments to PBE IPSASs 21 and 26 and have applied the disclosure concession applicable for Tier 2 entities for the purposes of the impairment recognised in note 6. Any significant impairment is recognised by writing the assets down to their depreciated replacement cost and charging the impairment to the relevant revaluation reserve or to the surplus or deficit, where there is no revaluation reserve. If an asset's carrying value exceeds its recoverable amount, the asset is impaired, and the carrying amount is written down to the recoverable amount. In relation to revalued assets, the impairment loss is recognised against the revaluation reserve, for that asset class. Where that results in a debit balance, in the revaluation reserve, the balance is recognised in the surplus or deficit. In relation to assets that are not revalued, the total impairment is recognised in the surplus or deficit.

Depreciation and amortisation expense

Depreciation is provided on a straight-line basis, at rates that will write-off the cost or valuation of assets, to their estimated residual values, over their useful lives. The rates of depreciation are as follows:

Buildings	1.25% to 6.67% per annum
Furniture, fittings and equipment	6.67% to 25.00% per annum
Office Equipment	15.00% to 30.00% per annum

The residual value and the useful life of an asset is reviewed, and adjusted if applicable, at the end of each financial year.

Creditors and other payables

Creditors and accrued expenses are measured at the amount owed.

Income tax

The Trust has been granted Charitable Status by the IRD and therefore, is exempt from income tax.

Loans

Loans are recorded at the amount borrowed from the lender and include any interest accrued at balance date that has not yet been paid. All borrowing costs are expensed in the period they occur.

Critical accounting estimates and assumptions

In preparing these financial statements, the Trust has made estimates and assumptions concerning the future. These estimates and assumptions may differ from the actual results.

Estimates and assumptions are continually evaluated, and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The estimates and assumptions that have a significant risk of causing a material adjustment to the value of assets and liabilities, within the next financial year, are discussed below:

Land and building fair values:

Land and buildings are revalued every three years. The latest valuation was performed by TelferYoung (Taranaki) Limited as at 30 June 2023. TelferYoung (Taranaki) Limited are a registered experienced valuer with extensive market knowledge in the types of land and buildings owned by the Taranaki Stadium Trust. The Trust has done a fair value assessment as at 30 June 2024 to conclude that fair value does not differ materially to the carrying amount as at 30 June 2024.

Property, plant and equipment useful lives and residual values:

At each balance date, the Trust reviews the useful lives and residual values of its property, plant and equipment. To assess whether the useful lives and residual values are appropriate, the Trust considers a number of factors, such as, the physical condition of the asset, the expected period of use of the asset, and the expected disposal proceeds, from future sale of the asset.

An incorrect estimate of the useful life or residual value will impact on the depreciable amount of an asset and will therefore, impact depreciation expense in the statement of comprehensive income, and the carrying amount of the asset in the statement of financial position. The Trust minimises the risk of this

uncertainty through physical inspection of assets. The Trust has made an impairment assessment with regard to rebuild enhancements in the current financial year.

Going concern

The financial statements are prepared on the assumption that the Trust will continue to operate in the foreseeable future. As at 30 June 2024, the Trust's current liabilities exceeded its current assets by $7,108,352 (2022/2023: current assets exceeded current liabilities by $652,959).

Taranaki Regional Council continues to provide a letter of support to ensure where required, the Trust will be able to pay its debts as they fall due and has no intention to require loan repayments from the Trust in the next twelve months. Taranaki Regional Council has secured the funding that is required to repair the assets and the stadium as outlined in the Taranaki Regional Council 2024/2034 Long-Term Plan.

Taranaki Stadium Trust
Statement of Financial Performance
For the Three Years Ended 30 June 2026, 30 June 2027 and 30 June 2028

	Budget 2026 $	Budget 2027 $	Budget 2028 $
Income			
Taranaki Regional Council Grant	2,178,669	2,178,669	2,178,669
Crown Infrastructure Partners Funding	0	0	0
Rent	85,000	90,000	95,000
Interest received	0	0	0
Total income	2,263,669	2,268,669	2,273,669
Expenditure			
Depreciation and amortisation expense	1,514,000	1,514,000	1,514,000
Major maintenance	200,000	200,000	200,000
Interest	2,088,000	1,940,000	1,913,000
Insurance	200,000	200,000	200,000
Other expenses	50,000	50,000	50,000
Total expenses	4,052,000	3,904,000	3,877,000
Surplus/(deficit) before tax	(1,788,331)	(1,635,331)	(1,603,331)
Income tax expense	0	0	0
Total comprehensive income	**(1,788,331)**	**(1,635,331)**	**(1,603,331)**

Taranaki Stadium Trust
Statement of Changes in Equity
For the Three Years Ended 30 June 2026, 30 June 2027 and 30 June 2028

	Budget 2026 $	Budget 2027 $	Budget 2028 $
Balance at 1 July	46,804,494	45,016,163	43,380,832
Surplus/(Deficit) for the year	(1,788,331)	(1,635,331)	(1,603,331)
Other comprehensive income	0	0	0
Total comprehensive income	(1,788,331)	(1,635,331)	(1,603,331)
Balance at 30 June	**45,016,163**	**43,380,832**	**41,777,501**

Taranaki Stadium Trust
Statement of Financial Position
For the Three Years Ended 30 June 2026, 30 June 2027 and 30 June 2028

	Budget 2026 $	Budget 2027 $	Budget 2028 $
Assets			
Current assets			
Cash and cash equivalents	1,004,424	308,093	53,762
Debtors and other receivables	0	0	0
Total current assets	1,004,424	308,093	53,762
Non-current assets			
Property, plant and equipment	90,112,071	88,598,071	87,084,071
Total non-current assets	90,112,071	88,598,071	87,084,071
Total assets	91,116,495	88,906,164	87,137,833
Liabilities			
Current liabilities			
Creditors and other payables	100,000	100,000	100,000
Total current liabilities	100,000	100,000	100,000
Non-current liabilities			
Loan	46,000,332	45,425,332	45,260,332
Total non-current liabilities	46,000,332	45,425,332	45,260,332
Total liabilities	46,100,332	45,525,332	45,360,332
Net assets	**45,016,163**	**43,380,832**	**41,777,501**
Equity			
Accumulated funds	42,749,641	41,114,310	39,510,979
Asset Revaluation Reserve	2,266,522	2,266,522	2,266,522
Total equity attributable to the trust	**45,016,163**	**43,380,832**	**41,777,501**

Taranaki Stadium Trust
Statement of Cash Flows
For the Three Years Ended 30 June 2026, 30 June 2027 and 30 June 2028

	Budget 2026 $	Budget 2027 $	Budget 2028 $
Cash flows from operating activities			
Receipts from other revenue	2,263,669	2,268,669	2,273,669
Interest received	0	0	0
Payments to suppliers	(450,000)	(450,000)	(450,000)
Interest paid on the overdraft and bank fees	0	0	0
Goods and services tax (net)	0	0	0
Net cash from operating activities	1,813,669	1,818,669	1,823,669
Cash flows from investing activities			
Acquisition of property, plant and equipment	0	0	0
Net cash from investing activities	0	0	0
Cash flows from financing activities			
Loans raised	0	0	0
Interest paid	(2,088,000)	(1,940,000)	(1,913,000)
Repayment of borrowings	(2,500,000)	(575,000)	(165,000)
Net cash from financing activities	(4,588,000)	(2,515,000)	(2,078,000)
Net (decrease)/Increase in cash, cash equivalents and bank overdrafts	(2,774,331)	(696,331)	(254,331)
Cash, cash equivalents and bank overdrafts at the beginning of the year	3,778,755	1,004,424	308,093
Cash, cash equivalents and bank overdrafts at the end of the year	**1,004,424**	**308,093**	**53,762**

Taranaki Regional Council

MEMORANDUM
Executive, Audit & Risk

Date: 24 March 2025

Subject: **Taranaki Stadium Trust: Half Year Report to 31 December 2024**

Author: L Davidson, Executive Assistant

Approved by: M J Nield, Director - Corporate Services

Document: TRCID-1492626864-452

Purpose

1. The purpose of this memorandum is to receive and consider the Taranaki Stadium Trust's half-year report for the six months ended 31 December 2024.

Recommendation

That Taranaki Regional Council:

a) receives the Taranaki Stadium Trust's half-year report for the six months ended 31 December 2024.

Background

2. Pursuant to the *Local Government Act 2002* and the Taranaki Stadium Trust's Statement of Intent, the Trust produces a six-monthly financial report. Attached is the half-year report for the six months ended 31 December 2024.

Discussion

3. The focus of the first six months of 2024/2025 has been continuing the implementation of the Stadium Taranaki Plus repair and reinstatement project with a specific focus on the construction of the new East Stand.
4. The Stadium was operational throughout the six months hosting a wide range of local, regional and national events. Progress on the East Stand construction has been positive and is forecast to be completed in late March 2025.
5. Financially, the Trust's performance is as established in the Statement of Intent. The financial report is unaudited.

Appendices/Attachments

Document TRCID-1976739818-163: Taranaki Stadium Trust Half Year Report and Financial Statements for the six months ended 31 December 2024

Taranaki
Stadium Trust

Taranaki Stadium Trust
Half Year Report – Unaudited
Six Months Ended 31 December 2024

VISION FOR YARROW STADIUM

The best regional stadium in New Zealand that regularly hosts local, regional, national, and international sports and entertainment events.

A stadium for both major events and community events and the premier outdoor fields for team sports codes.

A stadium that is loved by sports fans and the local community.

A stadium that is a quality experience for event promoters, participants, and spectators, which is achieved through superior hospitality and event facilities, efficient and effective management, accessibility, flexibility, and innovation.

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Document TRCID-1976739818-163

Entity information for the Six Months Ended 31 December 2024

Legal name

Taranaki Stadium Trust

Type of entity and legal basis

The Taranaki Stadium Trust (the Trust) is a charitable trust incorporated in New Zealand under the Charitable Trusts Act 1957 and is domiciled in New Zealand. The Trust is controlled by the Taranaki Regional Council and is a Council Controlled Organisation as defined under section 6 of the Local Government Act 2002, by virtue of the Council's right to appoint the Board of Trustees.

The Trust's purpose

The purpose of the Trust is to promote the effective and efficient maintenance, development, management, operation and promotion of Yarrow Stadium as a community asset used for recreation, sporting and cultural activities for the benefit of the people of Taranaki, working in particular with the Taranaki Regional Council and the New Plymouth District Council.

Structure of the Trust's operations, including governance arrangements

The Trust comprises a Board of two Trustees who oversee the governance of the Trust. The Trustees are appointed by the Taranaki Regional Council. The Trust does not employ any staff. All the Trust's administrative and support services are undertaken by the Taranaki Regional Council. The operation of Yarrow Stadium is undertaken by the New Plymouth District Council pursuant to a Management Agreement.

Main sources of the Trust's cash and resources

Operating grants received from the Taranaki Regional Council are the primary sources of funding to the Trust.

Outputs

Refer to the statement of service performance.

Trustee's Report

The Trustees are pleased to present the Taranaki Stadium Trust's *2024/2025 Half-Year Financial Report.*

The purpose of the Trust is to promote the effective and efficient maintenance, development, management, operation and promotion of Yarrow Stadium as a community asset used for recreation, sporting and cultural activities for the benefit of the people of Taranaki, working in particular with the Taranaki Regional Council and the New Plymouth District Council.

The Trust, the New Plymouth District Council and the Taranaki Regional Council have a partnership arrangement for the operation and the development, maintenance and enhancement of the Yarrow Stadium facilities. Under the Trust Deed and the Management Agreement between the Trust and the New Plymouth District Council, the New Plymouth District Council operates and funds the operations of Yarrow Stadium. The Taranaki Regional Council funds, via the Trust, the long-term maintenance and development of Yarrow Stadium.

This partnership for funding and operating, maintaining and developing is designed to maintain Yarrow Stadium as the best regional stadium in New Zealand that regularly hosts national and international sports and entertainment events.

Highlights

The focus at Yarrow Stadium has been on the implementation of the Yarrow Stadium Plus repair and reinstatement project. During 2024/2025, the Stadium has been open to a wide-range of sporting, cultural and business events. by the Taranaki community.

The Trust and the Taranaki Regional Council, through their 2019/2020 Annual Plan process, agreed on a repair and refurbishment project to return Yarrow Stadium to its previous status as the nation's top regional venue. Over the last six months, significant progress has been made on the build of the new East Stand. The new East Stand is forecast to open early 2025.

Yarrow Stadium is well regarded nationally and internationally and, as such, the Taranaki Stadium Trust is committed to getting Yarrow Stadium fully operational as soon as is practicable. The Trust shares the Taranaki Regional Council's vision for Yarrow Stadium, being:

> *The best regional stadium in New Zealand that regularly hosts local, regional, national, and international sports and entertainment events.*
>
> *A stadium for both major events and community events and the premier outdoor fields for team sports codes.*
>
> *A stadium that is loved by sports fans and the local community.*
>
> *A stadium that is a quality experience for event promoters, participants, and spectators, which is achieved through superior hospitality and event facilities, efficient and effective management, accessibility, flexibility, and innovation.*

The project has been challenging. The Trust is grateful to the significant efforts of many local and national contractors and consultants who have progressed the project forward at a remarkable pace.

Trustee's Report

The Trust and the Council are working with the Yarrow Stadium operator, New Plymouth District Council, to seek ways to encourage increased use of the facility by a wider range of sporting and non-sporting organisations. The key achievements during the first half of the 2024/2025 were:

- Continuing use of the stadium by the Taranaki Bulls National Provincial Championship team.
- Multiple groups hiring the suites
- Multiple sports and community events hosted
- Completion of the majority of the build of the new East Stand.

Financial Highlights

The Trust's 2024/2025 funding is focussed around the delivery of the redevelopment project. With work on the West Stand, lights and main field complete and the Stadium operational again, the focus is on the construction of the new East Stand. To date the total project spend is $72.2m. Funding is in place for the work to be completed. The delivery of the repair and recovery programme will require the Trust to borrow from the Taranaki Regional Council. The servicing of this debt will come from rates sourced Taranaki Regional Council funding.

Looking Ahead

Yarrow Stadium and the Trust face exciting times as the goal of returning the Stadium to full operational use is finalised.

Donna Cram
Trustee
21 February 2025

Michael Nield
Trustee
21 February 2025

Statement of Service Performance

Performance Targets

The performance of Taranaki Stadium Trust has been judged against the following measures:

The presence of a Management Agreement with the New Plymouth District Council for the operation of the Stadium

An agreement for the management and operation of Yarrow Stadium, between the Trust and the New Plymouth District Council, is in place. The original agreement for the Council to manage and operate the stadium was signed in 2004 and the latest renewal came into effect from 27 June 2013. New Plymouth District Council is operating Yarrow Stadium in accordance with the Management Agreement during 2024/2025.

The provision of funding for a programme of agreed maintenance and long-term development of the Stadium. The programme of maintenance and long-term development is to be agreed upon by the Taranaki Regional Council and the New Plymouth District Council.

The Taranaki Regional Council has approved a $79.7m repair and refurbishment project for Yarrow Stadium. The New Plymouth District Council and the Taranaki Regional Council have agreed upon a long-term maintenance and development programme for the ten years from 2016/2017 to 30 June 2025. In 2024/2025, the Taranaki Regional Council is providing funding of $2,178,669 to the Taranaki Stadium Trust.

Asset management planning for Yarrow Stadium is on hold while the repair and refurbishment project is delivered. Funding has been used to deliver the repair and refurbishment project. Now the Stadium is operational, the focus is on the build of the new East Stand.

Statement of Financial Performance for the Six Months Ended 31 December 2024

	Notes	31 December 2024 $	31 December 2023 $
Revenue			
Funding from central or local government	1	7,089,335	5,710,658
Interest revenue		8,604	19,965
Rental revenue		44,579	42,437
Total revenue		7,142,517	5,773,059
Expenses			
Depreciation	6	404,824	404,116
Finance expenses	2	805,849	442,174
Other expenses	3	238,284	391,612
Total expenses		1,448,957	1,237,902
Surplus/(deficit)		5,693,560	4,535,157
Other comprehensive revenue			
Gains/(losses) on revaluation of Stadium	6	-	-
Total other comprehensive income		**-**	**-**
Total comprehensive income/(deficit)		**5,693,560**	**4,535,157**
Total comprehensive income/(deficit) attributable to:			
Taranaki Regional Council		5,693,560	4,535,157
Total comprehensive income/(deficit)		**5,693,560**	**4,535,157**

Statement of Changes in Equity for the Six Months Ended 31 December 2024

	Notes	31 December 2024 $	31 December 2023 $
Balance at 1 July		39,884,619	31,198,597
Surplus/(deficit) for the year		5,693,560	4,535,157
Other comprehensive income		-	-
Total comprehensive income/(deficit)		**5,693,560**	**4,535,157**
Balance at 31 December	**4**	**45,578,178**	**35,733,754**

The accompanying notes form part of these financial statements.

Statement of Financial Position as at 31 December 2024

	Notes	31 December 2024 $	31 December 2023 $
Assets			
Current assets			
Cash and cash equivalents	5	4,077,248	2,438,994
Debtors and other receivables	7	818,280	1,051,311
Total current assets		4,895,528	3,490,305
Non-current assets			
Property, plant and equipment	6	82,849,419	56,031,657
Total non-current assets		82,849,419	56,031,657
Total assets		**87,744,947**	**59,521,963**
Liabilities			
Current liabilities			
Creditors and other payables	8	3,666,436	2,287,877
Borrowings	9	332	332
Total current liabilities		3,666,769	2,288,209
Non-current liabilities			
Borrowings	6	38,500,000	21,500,000
Total non-current liabilities		38,500,000	21,500,000
Total liabilities		**42,166,769**	**23,788,209**
Net assets		**45,578,178**	**35,733,754**
Equity			
Accumulated funds	4	43,311,656	33,467,232
Asset Revaluation Reserve	4	2,266,522	2,266,522
Total equity attributable to the Trust	**4**	**45,578,178**	**35,733,754**

The accompanying notes form part of these financial statements.

Statement of Cash Flows for the Six Months Ended 31 December 2024

	Notes	31 December 2024 $	31 December 2023 $
Cash flows from (used in) operating activities			
Funding from central or local Government		7,151,423	5,165,990
Rental revenue		40,119	41,470
Interest received		8,604	20,199
Payments to suppliers		(255,075)	(419,469)
Interest paid		(689,267)	(337,384)
Goods and services tax (net)		(182,124)	(228,268)
Net cash from (used in) operating activities	**10**	**6,073,680**	**4,242,538**
Cash flows from (used in) investing activities			
Purchase of property, plant and equipment		(14,113,426)	(5,861,358)
Net cash from (used in) investing activities		**(14,113,426)**	**(5,861,358)**
Cash flows from (used in) financing activities			
Applied to borrowings		-	-
Provided from borrowings		12,000,000	2,000,000
Net cash from (used in) financing activities		**12,000,000**	**2,000,000**
Net (decrease)/increase in cash and cash equivalents		3,960,254	381,180
Opening cash and cash equivalents		116,993	2,057,814
Closing cash and cash equivalents	**5**	**4,077,248**	**2,438,994**

The goods and services tax (net) component of operating activities reflects the net GST paid and received with the Inland Revenue Department. The GST (net) component has been presented on a net basis, as the gross amounts do not provide meaningful information for financial statement purposes.

The accompanying notes form part of these financial statements.

Notes to the Financial Statements

Statement of accounting policies

Reporting entity

The Taranaki Stadium Trust (the Trust) is a charitable trust incorporated in New Zealand under the *Charitable Trusts Act 1957* and is domiciled in New Zealand. The Trust is controlled by the Taranaki Regional Council and is a Council Controlled Organisation as defined under section 6 of the *Local Government Act 2002*, by virtue of the Council's right to appoint the Board of Trustees.

Rather than making a financial return, the primary objective of the Trust is to promote the effective and efficient maintenance, development, management, operation and promotion of Yarrow Stadium as a community asset used for recreation, sporting and cultural activities for the benefit of the people of Taranaki, working in particular with the Taranaki Regional Council and the New Plymouth District Council. The Trust has elected to apply PBE SFR-A (PS) Public Benefit Entity Simple Format Reporting – Accrual (Public Sector) on the basis that the Trust does not have public accountability (as defined) and has total annual expenses of less than $2 million.

The financial statements of the Trust are for the six months ended 31 December 2024. The financial statements were authorised for issue by the Board of Trustees on 28 February 2025.

Basis of preparation

Measurement base

The financial statements have been prepared on a historical costs basis, modified by the revaluation of certain fixed assets.

Functional and presentation currency

The financial statements are presented in New Zealand dollars and all values are rounded to the nearest dollar. The functional currency of the Trust is New Zealand dollars.

New and amended accounting standards adopted

There have been no new or amended accounting standards adopted for the six months ended 31 December 2024.

Changes in accounting policies

There have been no changes in accounting policies for the six months ended 31 December 2024.

Significant accounting policies

The following is a summary of the significant accounting policies, adopted by the Trust, in the preparation of these financial statements.

Goods and services tax

The Trust is registered for Goods and Services Tax (GST). The financial statements have been prepared exclusive of GST, with the exception of receivables and payables, which are stated inclusive of GST. 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 amount of GST, paid to or received from the IRD, is classified as an operating cash flow, in the statement of cash flows.

Notes to the Financial Statements

Revenue

Council grants are recognised as revenue when the funding is received unless there is an obligation to return the funds if conditions of the grant are not met ("use or return condition"). If there is such an obligation, the grant is initially recorded as a liability and recognised as revenue when conditions of the grant are satisfied.

Interest revenue is recorded as it is earned during the year.

Revenue from donated assets is recognised upon receipt of the asset if the asset has a useful life of 12 months or more, and the value of the asset is readily obtainable and significant.

Cash and cash equivalents

Cash and cash equivalents includes cash on hand, deposits held at call with banks with original maturities of 3 months or less, and bank overdrafts. Bank overdrafts are shown within borrowings, as a current liability, in the statement of financial position.

Investments

Investments comprise investments in terms deposits with banks. Deposits with banks are initially recorded at the amount paid. If it appears that the carrying amount of the investment will not be recovered, it is written down to the expected recoverable amount.

Debtors and other receivables

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.

Property, plant and equipment

Property, plant, and equipment is recorded at cost, less accumulated depreciation and impairment losses with the exception of land and buildings which is recorded at valuation. Donated assets are recognised upon receipt of the asset if the asset has a useful life of 12 months or more, and the current value of the asset is readily obtainable and significant. Significant donated assets for which current values are not readily obtainable are not recognised. For an asset to be sold, the asset is impaired if the market price for an equivalent asset falls below its carrying amount. For an asset to be used by the Trust, the asset is impaired if the value to the Trust in using the asset falls below the carrying amount of the asset.

Work in progress is recorded at cost. Cost includes expenditure which is directly attributable to the acquisition of an asset. Capital work in progress is not depreciated.

Accounting for revaluations

The Trust elects to apply PBE IPSAS 17 *Property, Plant and Equipment* for the purposes of accounting for revaluations.

When an item of property, plant and equipment is revalued, any accumulated depreciation, at the date of the revaluation, is eliminated against the gross carrying amount of the asset. Then, the net amount is restated, to reflect the revaluation.

If the carrying amount of an item of property, plant and equipment increases, as the result of a revaluation, the increase shall be recognised in the asset revaluation reserve, within other comprehensive income. However, the increase shall be recognised in the surplus or deficit, to the extent that it reverses a revaluation decrease, of the same class of assets, previously recognised in the surplus or deficit.

If the carrying amount of an item of property, plant and equipment decreases, as the result of a revaluation, the decrease shall be recognised in the surplus or deficit. However, the decrease shall be recognised in the asset revaluation reserve, within other comprehensive income, to the extent of any credit balance in the revaluation reserve, in relation to that asset class.

Notes to the Financial Statements

Revaluations of property, plant and equipment are accounted for on a class-of-asset basis.

In accordance with the Trust's Statement of Intent for the year to 30 June 2024, property is normally revalued on a three yearly cycle, however an additional revaluation was undertaken as at 30 June 2023.

Additions

The cost of an item of property, plant and equipment is recognised as an asset if, and only if, it is probable that future economic benefits or service potential, associated with the item, will flow to the Trust, and the cost of the item can be measured reliably. In most instances, an item of property, plant and equipment will be recognised at cost. Where an asset is acquired at no cost, or for a nominal cost, it will be recognised at fair value as at the acquisition date.

Disposals

Gains and losses on disposal are determined by comparing proceeds received, with the carrying amount of the asset. Gains and losses on disposal are included in the surplus or deficit. When revalued assets are sold, amounts included in the asset revaluation reserve, in relation to those assets, will be transferred to accumulated funds.

Subsequent costs

Costs incurred subsequent to initial acquisition are capitalised if, and only if, it is probable that future economic benefits or service potential, associated with the item, will flow to the Trust, and the cost of the item can be measured reliably.

Impairment of property, plant and equipment

The carrying values of property, plant and equipment are reviewed annually for impairment, with reference to internal and external factors which may indicate the carrying value exceeds depreciated replacement cost. The Trust elects to apply *Impairment of Revalued Assets including Amendments to PBE IPSASs 21 and 26* for the purposes of the impairment recognised in note 6. Any significant impairment is recognised by writing the assets down to their depreciated replacement cost and charging the impairment to the relevant revaluation reserve or to the surplus or deficit, where there is no revaluation reserve. If an asset's carrying value exceeds its recoverable amount, the asset is impaired, and the carrying amount is written down to the recoverable amount. In relation to revalued assets, the impairment loss is recognised against the revaluation reserve, for that asset class. Where that results in a debit balance, in the revaluation reserve, the balance is recognised in the surplus or deficit. In relation to assets that are not revalued, the total impairment is recognised in the surplus or deficit.

Depreciation and amortisation expense

Depreciation is provided on a straight-line basis, at rates that will write-off the cost or valuation of assets, to their estimated residual values, over their useful lives. The rates of depreciation are as follows:

Buildings	1.25% to 6.67% per annum
Furniture, fittings and equipment	6.67% to 25.00% per annum
Office Equipment	15.00% to 30.00% per annum

The residual value and the useful life of an asset is reviewed, and adjusted if applicable, at the end of each financial year.

Creditors and other payables

Creditors and accrued expenses are measured at the amount owed.

Income tax

The Trust has been granted Charitable Status by the IRD and therefore, is exempt from income tax.

Loans

Loans are recognised at the amount borrowed from the lender.

Notes to the Financial Statements

Critical accounting estimates and assumptions

In preparing these financial statements, the Trust has made estimates and assumptions concerning the future. These estimates and assumptions may differ from the actual results.

Estimates and assumptions are continually evaluated, and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The estimates and assumptions that have a significant risk of causing a material adjustment to the value of assets and liabilities, within the next financial year, are discussed below:

Land and building fair values:
Land and buildings are revalued every three years. The latest valuation was performed by TelferYoung (Taranaki) Limited. TelferYoung (Taranaki) Limited are a registered experienced valuer with extensive market knowledge in the types of land and buildings owned by the Taranaki Stadium Trust. Trust management has done an assessment of the 30 June 2023 valuation and is satisfied that this latest valuation is materially accurate.

Property, plant and equipment useful lives and residual values:
At each balance date, the Trust reviews the useful lives and residual values of its property, plant and equipment. To assess whether the useful lives and residual values are appropriate, the Trust considers a number of factors, such as, the physical condition of the asset, the expected period of use of the asset, and the expected disposal proceeds, from future sale of the asset.

An incorrect estimate of the useful life or residual value will impact on the depreciable amount of an asset and will therefore, impact depreciation expense in the statement of comprehensive income, and the carrying amount of the asset in the statement of financial position. The Trust minimises the risk of this uncertainty through physical inspection of assets.

Going concern

The financial statements are prepared on the assumption that the Trust will continue to operate in the foreseeable future.

Taranaki Regional Council has provided a letter of support to ensure that the Trust will continue to be provided financial support to enable it to pay its debts as they fall due. Taranaki Regional Council have also secured the funding that is required to repair the assets and the stadium as outlined in the Taranaki Regional Council 2024/2034 Long Term Plan.

Notes to the Financial Statements

1. Funding from central or local government

	31 December 2024 $	31 December 2023 $
Annual grant from the Taranaki Regional Council	1,089,335	1,089,335
Crown Infrastructure Stadium Rebuild Funding	6,000,000	4,621,323
Total Funding from central or local Government	7,089,335	5,710,658

Donated goods or services not recognised:
During the year, the Trust received professional accounting and secretarial services from the Taranaki Regional Council at no charge.

2. Finance expenses

	31 December 2024 $	31 December $ 2023 $
Interest – TSB	31,140	5,911
Interest – Taranaki Regional Council	774,709	436,263
Total finance expenses	805,849	442,174

3. Other expenses

	31 December 2024 $	31 December 2023 $
Ancillary services	-	-
Audit fees	805	1,118
Bank charges	8	8
Charities commission	44	44
General expenses	67	720
Insurance	202,369	373,249
Legal expense	-	873
Rental expenses	12,165	13,368
Stadium repairs and maintenance	14,000	2,232
Valuation Fees	1,940	-
Total other expenses	238,284	391,612

4. Equity

	31 December 2024 $	31 December 2023 $
Accumulated funds		
Balance at 1 July	37,618,097	28,932,075
Surplus/(deficit) for the year	5,693,560	4,535,157
Other comprehensive income/(deficit)	-	-
Transfers to asset revaluation reserve	-	-
Balance at 31 December	43,311,656	33,467,232
Asset revaluation reserve		
Balance at 1 July	2,266,522	2,266,522
Movement in the asset revaluation reserve	-	-
Balance at 31 December	2,266,522	2,266,522
Total equity	45,578,178	35,733,754

Notes to the Financial Statements

5. Cash and cash equivalents

	31 December 2024 $	31 December 2023 $
TSB Bank current account	1,920,214	28,769
TSB Bank on call account	2,157,034	2,410,224
Total cash and cash equivalents	4,077,248	2,438,994

The carrying value of cash and cash equivalents approximates their fair value.

6. Property, plant and equipment

	31 December 2024 $	31 December 2023 $
Land at valuation		
Carrying amount at 1 July	4,981,739	4,981,739
Additions	-	-
Revaluation	-	-
Carrying amount at 31 December	4,981,739	4,981,739
Furniture, fittings and equipment		
Cost at 30 June previous year	3,327,010	3,327,010
Accumulated depreciation	(3,096,615)	(3,059,154)
Net book value previous year	230,396	267,856
Carrying amount at 1 July	230,396	267,856
Additions	-	-
Transfers	-	-
Depreciation	(18,730)	(18,730)
Carrying amount at 31 December	211,666	249,126
Buildings at valuation		
Cost at 30 June previous year	32,222,823	32,176,372
Accumulated depreciation	(1,195,627)	(424,855)
Net book value previous year	31,027,196	31,751,517
Carrying amount at 1 July	31,027,196	31,751,517
Additions	-	-
Transfers	-	-
Disposals	-	-
Depreciation	(386,094)	(385,386)
Revaluation	-	-
Carrying amount at 31 December	30,641,102	31,366,131
Office equipment		
Cost at 30 June previous year	16,430	16,430
Accumulated depreciation	(16,430)	(16,430)
Net book value previous year	-	-

Notes to the Financial Statements

	31 December 2024 $	31 December 2023 $
Carrying amount at 1 July	-	-
Additions	-	-
Disposals	-	-
Depreciation	-	-
Carrying amount at 31 December	-	-
Work in progress		
Cost at 30 June previous year	32,753,639	13,044,526
Accumulated depreciation	-	-
Net book value previous year	32,753,639	13,044,526
Carrying amount at 1 July	32,753,639	13,044,526
Additions	14,261,272	6,390,135
Transfers	-	-
Disposals	-	-
Depreciation	-	-
Revaluation	-	-
Carrying amount at 31 December	47,014,913	19,434,662
Total property, plant and equipment	82,849,419	56,031,657

As at 31 December 2024	Cost or Valuation	Accumulated Depreciation	Carrying Amount
Land at valuation	4,981,739	-	4,981,739
Furniture, fittings and equipment at cost	3,327,010	3,115,344	211,666
Buildings at valuation	32,222,823	1,581,721	30,641,102
Office equipment at cost	16,430	16,430	-
Work in progress at cost	47,014,913	-	47,106,851
Total property, plant and equipment	87,562,915	4,713,495	82,849,419

Valuation

TSB Bank holds a restriction over the title of the Trust's property by way of a registered first mortgage over the property at 6 Maratahu Street, New Plymouth. No plant and equipment is pledged as security for liabilities. The land and buildings were valued, as at 30 June 2023, by Mike Drew, registered valuer, CBRE Limited. Land and buildings were adjusted in the financial statements, for the year ending 30 June 2023, to reflect this revaluation. The valuation was performed by CBRE Limited. CBRE Limited are a registered experienced valuer with extensive market knowledge in the types of land and buildings owned by the Taranaki Stadium Trust. The land is valued using market-based sales evidence. The land's fair value at 30 June 2023 was $4,981,739 and loss on revaluation of $38,478 was recognised in the asset revaluation reserve.

Buildings are valued based on the depreciated replacement cost approach using assumptions the valuer believed to be fair and reasonable at the date of valuation. The total fair value of the buildings at 30 June 2024 was $30,641,102. Gain on revaluation of the buildings of $1,365,646 was recognised in the surplus or deficit.

Trust management has done an assessment of the 30 June 2023 valuation and is satisfied that this latest valuation is materially accurate.

Notes to the Financial Statements

Background
During the 2017/2018 year, detailed seismic assessments were completed on the East and West Stands of Yarrow Stadium. The assessments indicated that the East Stand was 10% of new building standard and the West Stand was 20% of new building standard. As such both stands were earthquake prone buildings and were closed from use.

The Trust is committed to the repair of the stands and the investigations on the repair and rebuild options has been completed. The Taranaki Regional Council has approved the repair and refurbishment of Yarrow Stadium. The project will include repairs to the earthquake-prone West Stands and the build of a new East Stand. Other important refurbishments include LED pitch lighting and the reinstatement of Field 1.

The estimated total cost is $79.7 million which will be funded by a $30m "shovel-ready" grant from the Government and a loan through Taranaki Regional Council.

The repair of the West Stand is complete. The reinstatement of Field 1 and upgraded lights is also complete, with the stadium reopening in September 2022. The East Stand is currently under construction and is planned to open in time for the winter 2025 sports season.

7. Debtors and other receivables

	31 December 2024 $	31 December 2023 $
GST refund	147,721	422,239
Taranaki Regional Council	626,367	626,367
Rental revenue	3,427	2,705
Prepayments	40,764	-
Total debtors and other receivables	818,280	1,051,311

8. Creditors and other payables

	31 December 2024 $	31 December 2023 $
Taranaki Regional Council	464,232	256,635
Trade payables and accruals	3,202,204	2,031,242
Total creditors and other payables	3,666,436	2,287,877

Creditors and other payables are non-interest bearing and are normally settled on 30-day terms. Therefore, the carrying values approximate their fair value.

9. Borrowings

	31 December 2024 $	31 December 2023 $
TSB Bank Liberty Revolving credit facility	332	332
Total current liability borrowings	332	332
Taranaki Regional Council loan	38,500,000	21,500,000
Total non-current liability borrowings	38,500,000	21,500,000

The TSB Bank Liberty Revolving credit facility has a draw down limit of $5,000,000 and is secured by way of a registered first mortgage over the property at 6 Maratahu Street, New Plymouth. Interest is incurred at a 6.97% variable rate as at 31 December 2024 (2023: 8.12%). The Taranaki Regional Council loan has a draw down facility of $55,000,000 which is unsecured. Interest is incurred at a 4.63% weighted average rate as at 31 December 2024 (2023: 4.60%).

Notes to the Financial Statements

10. Reconciliation of net surplus/(deficit) to net cash from operating activities

	Actual $	Actual $
	31 December 2024 $	31 December 2023 $
Surplus/(deficit)	5,693,560	4,535,157
Add/(less) non-cash items:		
Depreciation and amortisation expense	404,824	404,116
Add/(less) movements in working capital items		
Creditors and other payables	162,272	160,321
Debtors and other receivables	(186,976)	(857,056)
Net cash from operating activities	6,073,680	4,242,538

11. Related parties

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 the Trust would have adopted in dealing with the party at arm's length in the same circumstances.

The Taranaki Regional Council is deemed to be a related party of Taranaki Stadium Trust. The Trust has a $38,500,000 loan from the Council as at 31 December 2024. (2023: $21,500,000).

The Trust owns Yarrow Stadium, but, the New Plymouth District Council manages and operates the Stadium, in accordance with a Management Agreement, between the two parties. In relation to the six months ending 31 December 2024, no debts between the parties were written off or forgiven, and no transactions took place between the parties at nil or nominal value. The Trust does not have any employees. No Trustee fees were paid during the year.

12. Capital commitments

The Trust has capital commitments of $7.5m as at 31 December 2024 (31 December 2023: $30.0m).

13. Contingent liabilities

There are no contingent liabilities at 31 December 2024 (31 December 2023: $nil).

14. Contingent assets

There are no contingent assets at 31 December 2024 (31 December 2023: $nil).

15. Events after the balance sheet date

The Trust has no material events subsequent to balance date. (31 December 2023: $nil).

Trust Directory

Taranaki Stadium Trust

Nature of business:	Charitable Trust
Trustees:	Donna Cram Michael Nield
Trust Settlement Date:	23 December 1999
Address:	C/- Taranaki Regional Council Private Bag 713 Stratford 47 Cloten Road Stratford
Bankers:	TSB Bank New Plymouth
Solicitors	Till Henderson Stratford
Auditors:	Matt Laing Deloitte Limited on behalf of the Auditor-General

MEMORANDUM
Executive, Audit & Risk

Date:	24 March 2025
Subject:	**Regional Public Transport Plan 2025**
Author:	F Ritson, Senior Policy Analyst - Transport
Approved by:	M J Nield, Director - Corporate Services
Document:	TRCID-1492626864-467

Purpose

1. The purpose of this memorandum is to receive and endorse the revised Regional Public Transport Plan 2025-2035 for adoption.

Executive summary

2. On 17 June 2024, the Committee deliberated on submissions received on Better Travel Choices (BTC) and provided direction on a few changes to be made in response. A further item was considered by the Committee at the 29 July 2024 meeting which requested a delay to finalising the BTC for the Regional Public Transport Plan (RPTP) component to be informed by some emerging but important factors. Of particular importance were the draft guidelines released by Waka Kotahi (NZTA) for developing RPTPs and detail contained within the Single Stage Business Case (SSBC) for public transport investment.
3. Since July 2024, the draft RPTP guidelines have been finalised and issued by central government in September 2024. Further the SSBC was approved by Council in October 2024. Therefore, amendments have been made to the RPTP component of the BTC that enable alignment with the directions from the Committee following the public hearing, the release of the updated Government Policy Statement for Land Transport (GPS 2024), the RPTP guidance and SSBC documentation.
4. A revised RPTP is now provided to the committee for their endorsement. Noting that the remaining component of BTC, the Better Travel Choices Strategy (BTCS) which is a multi-modal strategy, is yet to be finalised and will be brought to the Committee for their consideration at a subsequent meeting. This enables the Council to meet statutory requirements for the RPTP, whilst still enabling the finalization of other non-statutory components of BTC.

Recommendations July

That the Taranaki Regional Council:

a) receives the memorandum Regional Public Transport Plan 2025

b) endorses the Regional Public Transport Plan 2025-2035 for adoption

c) notes the updates made to the Regional Public Transport Plan to align with the NZTA guidelines, the Government Policy Statement on land transport (2024) and the content of the Single Stage Business Case have been undertaken to maintain the intent of the direction provided by the Committee in June 2024

d) notes that only the Regional Public Transport Plan component of Better Travel Choices is seeking endorsement of the Committee at this time

e) determines that this decision be recognised as significant in terms of section 76 of the Local Government Act 2002

f) determines that it has complied with the decision-making provisions of the Local Government Act 2002 to the extent necessary in relation to this decision; and in accordance with section 79 of the Act, determines that it does not require further information, further assessment of options or further analysis of costs and benefits, or advantages and disadvantages prior to making a decision on this matter.

Background

5. The Committee is responsible for overseeing the development of Better Travel Choices for Taranaki (BTC), which incorporates a multi-modal Better Travel Choices Strategy (BTCS) and the draft Regional Public Transport Plan (RPTP). Throughout 2023, engagement was undertaken on the BTC, and as the RPTP is a statutory requirement, a public hearing was held in December 2023. Deliberations were held in June 2024, but the document was not finalised at that stage due to draft guidelines being released by Waka Kotahi (NZTA) for the preparation of an RPTP, and detail within the Single Stage Business Case (SSBC) not yet being confirmed. This delay enabled the BTC to be finalised so that it could respond to the submission points raised through the hearing, but also adequately reflect the detail of both the SSBC and the RPTP draft guidelines.
6. Since June 2024, both the SSBC and the draft RPTP guidelines have been finalised, which has enabled the RPTP components of the BTC to be updated and completed. This has resulted in greater level of change being needed for the RPTP components of the BTC, as opposed to the BTCS. For this reason, the two components of the BTC are now being progressed and finalised on different timeframes. Given the progression of the Council's Public Transport procurement programme, it is considered important for the RPTP to be progressed as a priority. We will continue to work on the BTCS over the coming months and will bring it back to the Committee for approval at a future meeting.
7. Appendix A of the RPTP provides a summary of the development process undertaken.

Issues

8. The RPTP has been finalised in response to the public hearing, SSBC detail and central government guidelines on preparing RPTP, and is now ready for consideration for approval by the Committee.

Discussion

9. There were five parts to the updates required to the draft RPTP:
   - As a result of submissions and feedback from councillors as per deliberations on 17 June 2024
   - To align with the Government Policy Statement on Land Transport (GPS 2024) which was released on 27 June 2024
   - To bring up to date with work undertaken since the draft was prepared in 2023, most specifically:
     - the Taranaki public transport business case (SSBC) which was finalised in October 2024
     - the New Plymouth Integrated Transport Framework (ITF) which was approved in December 2024.
   - To incorporate new national RPTP Development Guidelines, released on 20 September 2024, which provides direction on giving effect to the Land Transport Management Act 2003 changes on the regulation of public transport.
   - To improve readability through structure and layout improvements.

10. The broad range of updates required has resulted in significant structure change to the RPTP, so it does look and feel different to the draft that was originally consulted on in late 2023. However, the content and direction are completely consistent with feedback received from the community and guidance from the Committee at the Hearing.
11. Noting that while the intent has remained the same, some of the direction from the Officer's Report and Deliberations has been overtaken by the detail in the SSBC and RPTP guidelines. Key submission themes which have now been incorporated:
    - Develop a greatly improved public transport service, which balances coverage with a more patronage-focused network, aimed at increasing service frequencies
    - Establish a joint Public Transport Committee to improve collaboration and ensure governance support and overview from both regional (services) and district councils (infrastructure)
    - Expand on the potential for Community Transport services to be established to provide shared-transport options for areas that cannot sustain a fixed route service, and include an action for investigations into potential locations and support opportunities
    - Reference the importance of a good working relationship with the Ministry of Education to improve alignment of services.
12. Key updates that have come from the SSBC, noting that the SSBC has already been approved and the detail provided within has enabled expansion on points raised during consultation:
    - The new preferred network and aimed staged frequency improvements which synthesise the extensive community feedback received
    - The new integral services and units proposed for the 2026 contracts.
13. Key updates resulting from the new national Guidelines:
    - Integral services and units – update the services identified as integral (and therefore to be provided under contract unless exempt) for both current and the proposed 2026 network
    - Fares and pricing policies – clarify fares and pricing policies with clear objectives that balance financial sustainability, transport system efficiency and equity (refer to the item 'Public Transport Private Share Fare Increase' elsewhere in this agenda which directly links to this)
    - Time horizons – show how our services are intended to improve over time, as is the case with the move to a new network and then staging of greater frequencies as community support and funding allows
    - Transport disadvantaged – make the importance of supporting those who are transport disadvantaged more explicit and consider the difference between equality and equity when describing how the RPTP will meet the needs of the transport disadvantaged
    - Emphasise the need for a collaborative working relationship with Road Controlling Authorities in the region to ensure the necessary infrastructure is undertaken to support the public transport services provided by the regional council.

Next steps

14. The Committee should note that the attached document for endorsement is a content draft, and following a decision by the Committee, staff will proceed with preparing it (design) for public release.

15. The key dates for completion are:

24 Mar 2025	TRC Committee receives the final RPTP 2025 for consideration of approval
1 Apr 2025	TRC adopts the RPTP 2025
2 May 2025	The RPTP 2025 comes into effect (20 working days after adoption)

16. It should be noted that there aren't clear timeline requirements for reviews and updates of the RPTP, other than one must always be in place and reviews align with the Regional Land and Transport Plan (RLTP) timeframes. Therefore, as further information and stages of public transport funding may be developed in the coming years, the Council may wish to pursue a review and update of the document as suits their programme. The next full update is scheduled for 2028, to align with being reviewed as soon as practicable after the RLTP 2027, and there is benefit in staging the review of the RPTP for the year after the RLTP.
17. The next review of the RPTP will be better able to include greater detail on other aspects of the new guidelines, such as One Network Framework network descriptors, exempt services processes, enabling infrastructure, and integrated planning and delivery. The new Public Transport Committee will be a helpful input into these matters.

Options

18. Option One: Accepts the recommendation to approve the RPTP so that Council are enabled to fulfil their statutory requirements. This option has responded to the main themes identified during the consultation period in 2023, as well as being informed by the detail of the SSBC which sets out the aspirations for Public Transport in Taranaki over the coming years.
19. Option two: is to not endorse the recommendation to approve the RPTP. While this option is available to the Committee, it would result in council not fulfilling its statutory obligations for reviewing the RPTP, and importantly there would not be an updated RPTP in place to guide the public transport network and funding discussions current underway.

Significance

20. This decision is considered significant with regard to Council's Significance and Engagement policy. This has been determined as given the role of the RPTP is to guide the design and delivery of public transport services, information and infrastructure, there is the potential for the consequences of implementing the RPTP to affect a large number of residents and ratepayers to a moderate extent.
21. Whilst the potential is there for significant affect, the development of the RPTP has been done with extensive input from the community either directly through targeted consultation or more peripherally through engagement into the SSBC and RLTP. Further the RPTP guides future decisions on public transport provision, further decisions will need to be made ahead of any specific investment decisions.

Financial considerations—LTP/Annual Plan

22. This memorandum and the associated recommendations are consistent with the Council's adopted Long-Term Plan and estimates. Any financial information included in this memorandum has been prepared in accordance with generally accepted accounting practice.

Policy considerations

23. This memorandum and the associated recommendations are consistent with the policy documents and positions adopted by this Council under various legislative frameworks including, but not restricted to, the *Local Government Act 2002*, the *Land Transport Management Act 2003*, the *Land Transport Act 1998*.

the *Resource Management Act 1991* and the *Local Government Official Information and Meetings Act 1987*.

Climate change considerations

24. This item is administrative in nature, being the approval of a Plan, which in of itself has *no* climate change impacts to consider. However, the intent of the Plan is the supporting and growing of the region's public transport services, which directly supports reducing carbon emissions from transport.

Iwi considerations

25. This memorandum and the associated recommendations are consistent with the Council's policy for the development of Māori capacity to contribute to decision-making processes (schedule 10 of the *Local Government Act 2002*) as outlined in the adopted Long-Term Plan and/or Annual Plan.

Community considerations

26. This memorandum and the associated recommendations have considered the views of the community, interested and affected parties and those views have been recognised in the preparation of this memorandum. There has been extensive consultation with the community through the development of the RPTP.

Legal considerations

27. This memorandum and the associated recommendations comply with the appropriate statutory requirements imposed upon the Council.

Appendices/Attachments

Document TRCID-1905155896-10: Regional Public Transport Plan 2025 (BTC Part B) Mar2025

Part B
Regional Public Transport Plan 2025-2035

Improving public transport services
and infrastructure throughout Taranaki

March 2025

Taranaki Regional Council

Foreword

Development of a Regional Public Transport Plan (RPTP) gives the Council an opportunity to engage with the region's communities, operators and key stakeholders to help assess the region's public transport services.

Messages from our community in recent years have been clear and consistent in seeking improvements to bus services, particularly in New Plymouth. Providing public transport services throughout the region requires considerable investment for this Council and our major funding partner, Waka Kotahi NZ Transport Agency. Increasing that investment must be carefully considered by both organisations, and weighed against alternative uses for very constrained funds.

The development of this RPTP has been more involved than the previous versions of recent times, due to the desire to provide a step-change to increase significantly the levels of bus service provision. To do so, the Council has needed to carry out extra investigations and consultations to prepare a business case for investment in improved public transport services and infrastructure in Taranaki. *Appendix A provides an overview of the development process completed.*

The outcome of this work during 2023 and 2024 is that the Council now knows what changes to make and can more actively seek funding to make these changes. Several minor improvements have already been made because of the work undertaken and public feedback received – *refer to section 1.2*.

The aspiration is to have a public transport system that connects people to where they want to go and is the preferred mode of choice on key corridors. This will support a range of objectives and have a wide range of benefits – *as outlined in sections 3 and 4*.

Reaching this goal will require a staged approach, starting with a the 'Bronze' option aimed for implementation in 2026, while building towards realising 'Gold' which has greater service frequency. A summary of these options from the business case is provided in *Appendix C*.

While the initial intent was for this final RPTP to be released in 2024, this had to be deferred due to the changing range of inputs – the most important being the Taranaki Public Transport Single Stage Business Case (SSBC). So, this RPTP will commence from the point of adoption in April 2025, with its implementation focusing on when new bus contracts come into effect in early 2026.

The Council remains committed to providing fit-for-purpose public transport services throughout the region, including supporting Total Mobility for those in our community who are unable to use traditional bus services.

The next RPTP, in 2028 will assess the roll-out of the new network (the 'Bronze' option) and whether further improvements (to 'Silver' or 'Gold') are justified.

<insert image>

Key to drafting notations:

- for completion
- internal doc reference for checking

Glossary of terms and acronyms

Accessibility	The ability to reach a destination by a transport mode. Another meaning used more narrowly in relation to public transport is "the ease with which all categories of passenger can use public transport" as defined by the Human Rights Commission in The Accessible Journey 2005. Of specific relevance to people with disabilities.
BTC or Better Travel Choices	Better Travel Choices for Taranaki is an integrated planning approach to mode shift consisting of: Part A – Better Travel Choices Strategy 2025 Part B – Regional Public Transport Plan 2025
Bus priority measures	Facilities to improve bus operation i.e. enhance the attractiveness and reliability of public transport e.g. bus lanes, bus bypasses and traffic signal prioritisation.
Business Case Approach (BCA)	Waka Kotahi's approach to transport planning investment. The approach is broken down into phases with decision points along the way to determine if the investment is worthwhile in relation to the desired outcome.
Community Transport (CT)	A broad term for local specialist shared-transport services delivered by charitable and other not-for-profit organisations, typically to meet the needs of communities that cannot sustain a regular public transport service.
Concessions	Discounted bus fares for specific groups of passengers.
Demand-responsive services	A form of shared transport where the vehicles alter their routes based on passenger demand rather than operating to a fixed route or timetable.
Exempt services	Unsubsidised, commercial public transport services that are not considered an integral part of the region's urban public transport network so therefore do not operate under contract to the Council.
Fare capping	A pricing structure that limits the amount a passenger pays for their trips over a day, a week or a month. Provides incentive and accessibility to all passengers.
Farebox recovery rate	The proportion of the cost of operating a public transport service that is covered by the fares paid by passengers.
GPS	Government Policy Statement on Land Transport is issued by the Minister of Transport under section 66 of the LTMA. It outlines the government's strategy for investment in land transport over the next 10 years, which is then implemented by NZTA through the National Land Transport Programme. The GPS directly influences how funding from the National Land Transport Fund is to be invested for the following three-year period.
Integrated public transport	The ability to combine different modes of transport to increase ease and efficiency for passengers in terms of cost, comfort, safety, accessibility and convenience.
Key corridors	Generally, a linear area defined by one or more modes of transportation such as streets, roads and railway lines.
Layover facilities	A point where a bus stops to provide for passenger transfers and driver breaks.
LTMA	Land Transport Management Act 2003 – the main statutory framework for land planning and funding in NZ.
LTP	Long-Term Plan – the ten-year long-term council plan produced by regional and territorial authorities in accordance with section 93 of the *Local Government Act 2002*.
Mode	Transport modes refer to the different ways by which people or goods move from one place to another, for example by bus, car, cycle or walking.
Motu Move	The National Ticketing System (NTS) for Aotearoa being rolled out from 2024
Multi-modal	Using a variety of different modes to accomplish something.
NLTF	National Land Transport Fund – the dedicated fund for land transport activities established under Section 10 of the LTMA.

NLTP	National Land Transport Programme – A three-year programme that sets out how NZTA will invest national land transport funding.
Public transport service	A public transport service scheduled to operate at a specified time and available to the public generally.
RLTP	Regional Land Transport Plan. Provides the strategic direction for land transport in the region. The RPTP must give effect to the public transport service components of the RLTP.
RPTP	Regional Public Transport Plan – guides the design and delivery of public transport services, information, and infrastructure in the Taranaki region.
SPTF	Sustainable Public Transport Framework, replaced the Public Transport Operating Model (PTOM) in 2023 as the framework for planning, procurement, and delivery of public transport services in NZ.
SSBC	Single Stage Business Case for Public Transport in Taranaki (completed in October 2024)
Stop rationalisation	Reorganising existing bus stops on a given route based on certain criteria such as passenger density and land use patterns.
Territorial Authorities	A city or district council (in Taranaki these are the New Plymouth, Stratford and South Taranaki district councils)
Total Mobility	The Total Mobility scheme subsidises door-to-door transport for disabled people who cannot independently use regular public transport services, all or some of the time.
Transport disadvantaged	People who TRC believes are least able to get to basic community activities and services, e.g. work, education, healthcare and food shopping.
TRC	Taranaki Regional Council
Unit	A grouping of related routes operating within a certain geographic area or along a shared corridor

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1. What's this all about?

1.1 What is Public Transport?

Public transport is a multi-modal system which integrates passenger vehicles with ferries, walking, cycling, shared transport (especially buses), park & ride services and demand responsive transport, some of which will be provided publicly and some privately.

A successful public transport system provides better connections and accessibility to the services and activities people need. It is a major contributor to economic, social, and environmental goals.

In Taranaki, public transport is mostly scheduled bus services, dominantly in the city of New Plymouth.

1.2 What is the RPTP and why is it needed?

The Taranaki Regional Public Transport Plan (RPTP) guides the design and delivery of public transport services, information, and infrastructure within the Taranaki region.

This RPTP describes:

- What we want our public transport system to achieve (long-term goals and objectives).
- How we propose to get there (our strategic focus areas, policies, and actions to achieve our goals).
- The public transport services we currently provide and propose to provide.

The RPTP has a ten-year strategic focus, with particular attention to the first three-yearly operational cycle. This RPTP focuses on the period from mid-2025 to 2035.

RPTPs are statutory documents (required by legislation) under the Land Transport Management Act 2003 (LTMA). Regional councils like Taranaki Regional Council (TRC) who provide or fund public transport must adopt a RPTP.

Councils are then able to contract services in accordance with the RPTP – including bus services and Total Mobility services.

1.3 Achievements since the last RPTP

The last Taranaki RPTP was published in October 2020, seven months after the arrival of the COVID-19 pandemic which markedly changed the way we live, work and move around the region. The 2020 RPTP was about consolidation in a highly uncertain world. The focus was very much on ensuring that people were able to travel safely and affordably.

To that end, the Government of the time introduced half price fares for all passengers between April 2022 and June 2023. This resulted in a significant boost to bus patronage – for example a 35% increase between March 2022 and March 2023.

Much else also changed in this time, including the cost of living and community expectations around improving travel options and reducing transport emissions.

Demand for bus travel in Taranaki is driven strongly by children and young people accessing education, and TRC has been proactive by introducing additional urban school routes in New Plymouth and the Your Connector service from Hāwera, Eltham, Stratford, and Inglewood into the city.

Compared to many parts of the country, local bus operators Tranzit, Pickering Motors and Weir Brothers have managed to provide enough drivers to keep services going to the current timetable. This achievement has enabled adverse impacts on patronage to be minimised.

The Bee Card was introduced in October 2020, making public transport in Taranaki easier and more efficient. The tag-on, tag-off system sped up boarding times, helping buses run more smoothly. People appreciated the convenience of topping up online, setting up automatic top-ups to always have credit, checking their transaction history, and managing multiple cards in one place. Seamless transfers between services also made getting around the region much simpler.

In January 2022, a simpler Fare Zones system was introduced, further streamlining travel across the region. Together, these two improvements have made public transport more user-friendly, encouraged greater ridership, and improved connectivity across the region.

As a result of community feedback during development of this RPTP in 2023 and 2024, several other interim improvements have been made:

- A Waitara Express service
- Increased the frequency of Connector services, added more stops and included an Accessible Connector (starting March 2025)
- Opunake to New Plymouth increased to five days, timetable improved
- School services assessed, some routes modified or discontinued
- Urban and regional services – removed unnecessary or unpatronised legs of the route.
- Urban and regional – schedules assessed for punctuality and alterations made.

A range of minor improvements have also been made to the Total Mobility Scheme, which are summarised in Appendix B.

Where does the Total Mobility scheme fit?

Total Mobility (TM) is a public transport service but because it operates so differently it is generally considered separately from our bus services. We've summarised TM in section B.3.

1.4 Purpose of this RPTP

This 2025 RPTP is very much about looking forward with a renewed sense of ambition, and improving the Taranaki public transport network to meet the challenges

As in most regions, Taranaki's public transport services and infrastructure require significant improvement to meet the challenges of a world where single occupancy car travel – especially for shorter urban journeys – is reduced to meet our climate change obligations. In many instances, bus services are an under-used resource which are primarily patronised by people who do not have access to a private car. Adult passenger numbers are generally low, compared with other modes of travel – especially the private car. Only school services are busy. Infrastructure – in the form of bus waiting facilities and on-road priority measures – is patchy in terms of coverage and quality. The system is not consistently accessible to disabled people, which is a breach of United Nations charter commitments that Aotearoa New Zealand signed 15 years ago.

This RPTP intends to start the transformation of the region's public transport into a modern, environmentally conscious, integrated, accessible, and customer-focussed service which becomes the mode of choice for a range of utility and leisure travel, whether people have a car or not. Transformation starts by understanding the current strengths and weaknesses of the system, and making better use of available short-term investment – this is well underway. In the medium to longer term, the aim is to build further service frequency and capacity into the system, so that using public transport becomes convenient, intuitive, and excellent value for money.

1.5 Part of Better Travel Choices

The RPTP 2025 is part of the TRC "Better Travel Choices" initiative, which is integrating public transport planning with the wider context of mode shift to a range of shared and active travel modes. Better Travel Choices is structured as shown in Figure 1.

Better Travel Choices is a 30-year strategy to change the way people travel in the region, promoting healthy and environmentally friendly modes of transport.

Bus services in the region have changed little in over 15 years. If mode shift is to be realised, something different must happen. The Regional Public Transport Plan (RPTP) is an integral part of Better Travel Choices and sets out a visionary ten-year strategy for bus-based mode shift.

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Figure 1: Structure of Better Travel Choices for Taranaki

2. What's guiding this?

2.1 Current state

Before any changes to public transport services can take place, there is a need to understand what currently exists, and how it is performing. The existing services are outlined in more detail in Appendix B, including an overview of patronage and costs of provision.

Bus services

The existing public bus network has largely been unchanged for the past 15 years. During this time the community has grown, and land uses have changed.

A preliminary review of the existing public transport system in Taranaki was undertaken in early 2023 (by Taith Consulting). This led onto a Business Case being prepared (by Beca) to present the case for investing in improved public transport services and minor infrastructure in the Taranaki region. This was finalised in October 2024 (available online here) and forms an important resource for this document.

In brief, the existing bus services are largely too complex, meandering and infrequent to meet the needs of most of the community. This has contributed to high private vehicle use and transport emissions in the region. In addition, those without access to a car have been left behind as the public transport network does not meet their needs.

Without added investment, accessibility to jobs, education and support, along with the health and wellbeing of residents will continue to be compromised. In short, things need to change.

Total Mobility services

The Total Mobility scheme continues to be well-used within the Taranaki region, with minor improvements to services and processes continually being made where possible and in alignment with national directives in this area.

2.2 Need to procure services

The key decisions of which services to provide for the community is made through the preparation of an RPTP and the consultation involved in that process.

With existing regional public bus service contracts expiring in April 2026, there is prime opportunity to undertake the step-change in services that the community has been calling for.

As public transport is part-funded by Central Government, a Business Case was needed to support any request for increased funding for improved service provision. The business case investigated public transport provision with a regional focus, however, due to the size and complexity of the urban network particular attention was paid in this area.

To align with the timing requirements of tendering for new contracts, this process had to commence before this document was finalised. However, both this RPTP and the tendering for new services are based on the proposals made in the Business Case.

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2.3 Strategic context

The RPTP exists within a legislative, regulatory and policy framework, which guide how public transport must be planned and delivered. A brief outline of the key components of this framework is provided below and in Figure 2, while more detail is given in Appendix D.

- Land Transport Management Act 2003 (LTMA)
- Government Policy Statement on Land Transport 2024 (GPS)
- Guidelines for developing Regional Public Transport Plans
- Regional Land Transport Plan for Taranaki 2024/25-2026/27 (RLTP 2024)
- New Plymouth's Integrated Transport Framework. (ITF)

The national planning environment for public transport has changed dramatically over the last few years; from a congestion-reduction economic-only focus, to one that was strongly supportive of increasing public transport for multiple benefits, and then swinging back to a narrower 'value for money' imperative in late 2023. This change in policy and regulatory direction at national level does not reflect the local situation, however. In Taranaki, the community's calls for improving public transport provision have been consistently growing in volume.

2.4 Community feedback

The community has repeatedly asked for improvements to public transport services. The messages were very clear in the community feedback and submissions that fed into development of the 2020 Regional Public Transport Plan and the 2021 TRC Long-Term Plan. The people of Taranaki want to see a low- or no-emissions public transport fleet, additional bus routes and more frequent services, and cheaper fares.

Further TRC and NPDC consultations on transport during 2023 and 2024 confirmed and clarified details around the strong community support for significant improvements to the public transport network, as a means of tackling a range of issues including access to jobs / education, social isolation, sustainable economic regeneration, and climate change.

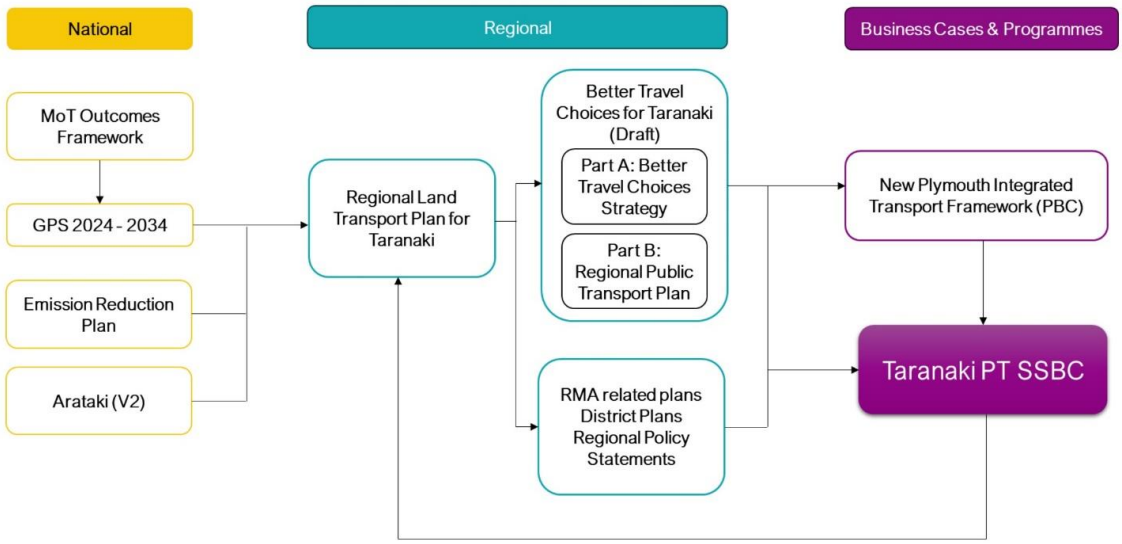

Figure 2: Strategic Policy Context

2.5 Why do we need to change?

What are the key problems identified with the current public transport system in Taranaki? How do solving these align with regional and national transport objectives?

The existing public transport network has largely been unchanged for the past 15 years, other than the addition of an intra-regional Connector service which connects the key urban areas of the region. During this time the community has grown, and land uses have changed.

The current public transport mode share for journeys to work is very low, at less than 0.5%. In contrast, for journeys to school the figure is well over 10%, which is higher than the national average.

The key problems identified with the existing public transport services in the region are shown in Figure 3 (source Beca SSBC 2024). The detail and evidence behind this Investment Logic Map is available in the SSBC.

As shown, the problems can be mapped to three investment objectives to address the problems identified. The key benefits from addressing these problems are:

- Promoting and encouraging the uptake of public transport,
- Improved social and economic accessibility for the community, and
- Reduced vehicle kilometres travelled by light vehicles and therefore a reduction in transport emissions improving health and wellbeing for the community.

The benefits of creating a good public transport system which is well-used as it meets the needs of the community are well known. Being able to move more people around the region efficiently (be it to training, work, shopping, social outings, to access health or other services) and safely, has multiple economic and productivity outcomes, along with multiple environmental and well-being co-benefits.

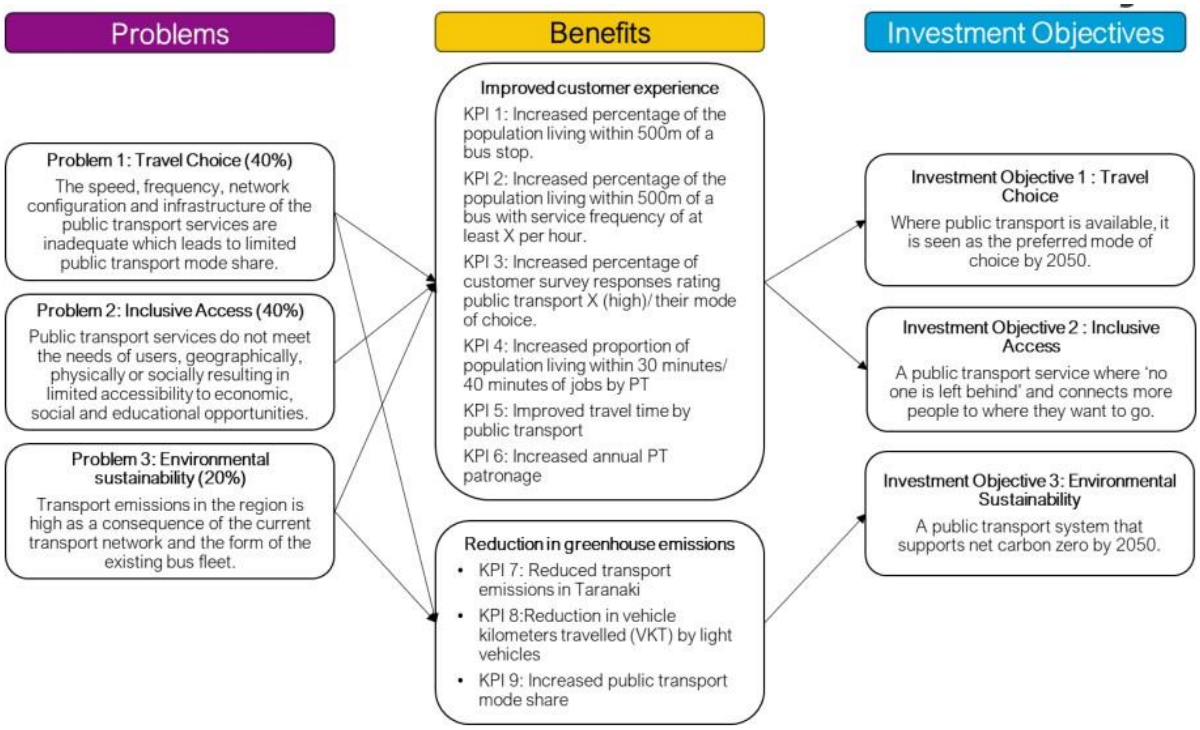

Figure 3: Investment Logic Map for investing in improved public transport in Taranaki

2.6 What if we do nothing?

If no added investment is made, public transport patronage will remain low, and there will be a continued lack of travel choice and an over-reliance on private vehicle use for the community. This lack of long-term sustainable transport choice will be counter intuitive to the objectives of delivering mode shift from car to buses and in contributing to reduction in carbon emissions from transport. Key disbenefits include:

- Continued inaccessibility to jobs and economic opportunities
- Limited travel choice
- Continued high and increased carbon emissions.

Failure to improve the public transport system to better meet the needs of the community will continue to compromise social, education and economic opportunities for the community and further increase inequality for those that are disadvantaged.

If nothing is done, transport emissions, especially from private vehicles, will remain high in the region. This will have detrimental effects on the health and wellbeing of the people in the community and in counter-intuitive to the climate change objectives for Aotearoa New Zealand. It would also result in economic impacts which are counter-intuitive to the Government Policy Statement on Land Transport 2024.

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3. What do we want to do?

3.1 The Vision

The vision for public transport in the Taranaki region is:

An accessible, integrated and customer-focused public transport system that enhances our wellbeing and environment, and becomes an attractive mode of transport within and between urban areas.

3.2 Headline target

At least a doubling of trips made by public transport throughout the region by 2035*

* from 2023/24 baselines

This target directly aligns to the Regional Land Transport Plan for Taranaki 2024 (RLTP 2024), which has the following as one of its three headline targets –

Increasing mode shift

At least a doubling of trips made by walking, cycling and public transport throughout the region by 2034*

Reflects the region's aspirations for improved and healthier travel choices and a reduction in carbon emissions.

Increasing mode shift away from private vehicles has a range of environmental and wellbeing outcomes, as well as reducing traffic congestion through effective and efficient mass movement of people and corresponding financial pressures to increase roading capacity. Mode shift requires improving the availability and attractiveness of public transport and active transport modes.

* from 2023/24 baselines

Figure 4: Mode shift target from RLTP 2024

The RPTP is the key implementation tool for effecting mode shift to public transport to meet the aspiration within the RLTP.

The 2023/24 bus service patronage (trips) totals are shown in Table 1, which shows the total trips taken in that year as 772,768.

Table 1: Bus service patronage in 2023/24

Service	Patronage
Citylink (New Plymouth)	688,003
Connector/Your Connector	81,708
Southlink Ōpunake-New Plymouth	1,758
Southlink Ōpunake-Hāwera	456
Southlink Waverley-Hāwera	843
Regional total	**772,768**

The target is at least a doubling of this figure within ten years. So we are seeking more than 1.5 million trips annually in the 2035/36 financial year.

3.3 Objectives

There are six strategic objectives which contribute to the vision, stated in Table 2.

Table 2: RPTP 2025 objectives and methods

Objectives	Methods
Mode shift Deliver mode shift from car to bus.	Provide frequent, reliable, and punctual urban and inter-urban public transport networks that attract new customers and retain existing ones.
Equitable access Improve public transport accessibility and equity.	Provide safe and accessible public transport services and infrastructure that supports an efficient and connected transport network, and multi-modal travel.
Enabling Improve economic and environmental performance.	Contribute to reductions in carbon emissions from transport, improved air quality and reduced traffic congestion through mode shift to public transport and decarbonising the bus fleet.
Value for money Deliver affordable and value for money services.	Provide a fares and ticketing system that is simple, affordable and attracts and retains customers while balancing user contribution with public funding.
Quality experience Improve customer experience of the public transport system.	Provide high quality information and branding that enables passengers to easily understand and navigate services.
Optimised services Manage service improvements optimally.	Undertake an approach to planning, procurement and monitoring of services that supports the efficient and effective delivery of services while providing good value for money.

These form the basis of policies and initiatives which aim to deliver a system transformation for public transport. These policies and actions are outlined in Section 3.5.

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3.4 How does this align?

The diagram below shows how addressing the core problems with the existing public transport system in Taranaki will contribute to regional and national objectives. It shows that there is significant overlap between key objectives and that the problem statements link to multiple key priorities.

This RPTP strongly supports key regional and national objectives around reducing carbon emissions, increasing resilience improving accessibility, and promoting safety. By reducing traffic levels and congestion, investing in public transport can also benefit people and businesses for whom car, van and truck use is essential.

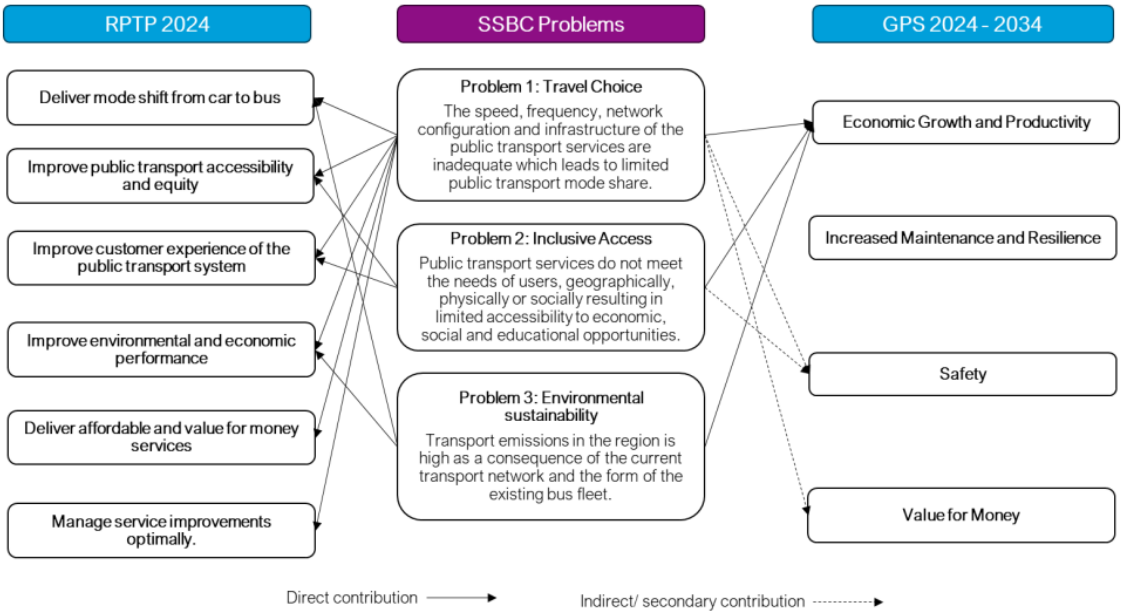

Figure 5: Relationship of problem statements with the RPTP 2025 and GPS 2024

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3.5 Policies and actions

The objectives stated in section 3.3 will be delivered by a series of policies and actions outlined in Table 3.

Table 3: Policies and actions (potential initiatives) for RPTP 2025

Policies	**Actions** (Potential initiatives to deliver the policy)

P1 - Increase the convenience and attractiveness of public transport for a range of journey purposes through **investment in improvements**.	• Optimise existing investment in bus services, and identify short term improvements within current budgets to be implemented in 2024 and 2025.
	• Engage with communities and local service providers to establish and design public transport services around passenger needs.
	• Produce business case for bus services and infrastructure to secure long term investment.
	• Procurement of new bus contracts in 2025 provide the opportunity to fund service improvements, supported by upgraded infrastructure.
	• Investigate and prioritise delivery of:
	  ○ Higher frequency urban services in New Plymouth to provide more choice and opportunities for service transfer.
	  ○ Greater integration between New Plymouth urban and school services to make best use of available resources.
	  ○ Higher frequency Ōpunake / Hāwera to New Plymouth Connector services to support mode shift on State Highway 3.
	  ○ More evening and weekend services to support shift workers and the leisure economy.
	  ○ New or improved bus services or Community Transport to provide greater coverage of the region, for example around the coast and to neighbouring regions.
	  ○ Inter-regional passenger bus or rail services from New Plymouth to Whanganui and beyond to Palmerston North (and onward connections to Auckland and Wellington).
	  ○ Investigate and trial provision of Community Transport services in rural areas which currently have little or no public transport options.
	• Identify locations where bus priority will be required to protect bus services from the impact of traffic congestion, and secure investment to deliver projects.
	• Stay abreast of Territorial Authority District Plan policies for location of new development to ensure future public transport network includes new routes or extensions.

P2 - Improve public transport service access for disabled people, so that they have the same transport choices and opportunities as the able-bodied.	• Continue to support Total Mobility provision across the region. • Introduce accessible buses on Connector and Southlink services as part of new contracts. • Work with Territorial Authorities to improve accessibility for disabled people at bus stops, and on active travel routes to bus stops. • Ensure that Community Transport services are supplied with accessible vehicles where feasible. *Appendix I contains more detail equitable access and transport disadvantaged*

P3 - Contribute to reductions in carbon emissions from transport, improved air quality and reduced traffic congestion through **mode shift** to public transport and decarbonising the bus fleet.	• Deliver and implement a business case which makes a strong investment case for higher bus service frequencies to encourage mode shift away from the private car. • Register exempt services which are provided on a commercial basis. • Investigate options for future bus service contracts using alternative fuels or modern diesel vehicles which have the highest environmental standards. • Evaluate and progress Climate Emergency Response Fund (CERF) funding opportunities for trialling of hydrogen buses on services with high daily vehicle kilometres. • Take advantage of funding opportunities for acceleration of zero emission bus implementation into the urban fleet.
P4 - Provide a **fares and ticketing system** that is simple, affordable and attracts and retains customers while balancing user contribution with public funding.	• Review fares on an annual basis and implement any changes in response to passenger numbers and financial performance. • Encourage and prioritise payment for bus travel by electronic card-based methods - especially groups benefitting from concessions, who will be required to use a card for their journey, or else pay cash. • Continue to provide some concessionary fares for eligible users (e.g. Super Gold card holders), in line with national government policy. • Investigate fare capping to reward frequent public transport usage. *Appendix G contains more detail on fares and ticketing systems*
P5 - Provide high **quality information** that enables passengers to easily understand and navigate services.	• Provide online and paper timetables for all public transport services, and disseminate through a wide range of outlets. • Promote the Transit-app as the short to medium source of real-time passenger journey planning information. • Roll out of real time passenger information at the bus hub and on buses, as funding permits. • Work with Territorial Authorities to realise opportunities to increase visibility and information provision at bus stops, including flags at all locations and totems at major hubs. • Develop a separate Public Transport website which offers greater functionality and improved user experience. • Investigate integrating other travel modes into the journey planner functionality of the public transport web site, potentially as part of a wider inter-regional collaboration, to provide a one-stop shop for all public transport, walking, cycling, and disability access information.
P6 - Undertake an approach to **planning, procurement and monitoring** of services that supports the efficient and effective delivery of services while providing good value for money.	• Review and update contract units in response to service improvement proposals approved following a business case. • Implement the requirements of the Sustainable Public Transport Framework (SPTF). • Undertake regular monitoring and evaluation of service, unit, and system performance. • Utilise existing forums with the Territorial Authorities to support the Public Transport Committee review progress against actions, and agree revised or further actions as required.

4. How do we propose to do it?

4.1 SSBC supported

The SSBC prepared for Taranaki public transport set out the rationale for investing in an improved public transport network in Taranaki. The SSBC was approved by Council and released in October 2024.

Through the SSBC, a new service offering has been designed with a renewed sense of ambition, aiming to improve the public transport network to meet the challenges of the region so that public transport becomes the preferred mode of travel and single occupancy car travel, especially for shorter urban journeys, is reduced. The network has been redesigned with engagement from the local community ensuring it aligns with their needs and preferences.

Given the current funding constraints, the SSBC recommended that the new service network was first implemented at a lower frequency than the end goal, with a staged approach to increasing frequency over time being recommended to provide for growth in a sustained manner.

The following was agreed by the Council:

- Approval of the designed preferred network option outlined, with minimal additional funding requested for the initial 'Bronze' stage.
- Acknowledgement and endorsement of a staged frequency approach with 'Gold' being the desired frequency option where further funding will be sought when available. Noting that an addendum to this SSBC will be undertaken including an updated BCR.
- Agreement to the establishment of a Joint Committee between Taranaki Regional Council and New Plymouth District Council to facilitate and support the development of public transport moving forward.

4.2 Next steps (2025-2028)

New contracts, new network

The new contracts will commence on **6 April 2026** and are anticipated to be for between six to nine-year periods. This is the opportunity to deliver the new public transport network for Taranaki – details of which are provided in Appendix C.

The intent is a staged improvement process to take the region from the current state to its aspired state. The first step is implementing the new service network with a 'Bronze' frequency which keep budgets manageable in the currently very constrained funding environment. It allows for growth in the form of more frequent services as patronage increases and funding becomes available.

The new contract specifications include a fleet with the lowest possible greenhouse gas emissions and/or a clear strategy to transition to zero emission vehicles.

New ticketing system

The move to the new national ticketing system, Motu Move, is scheduled for late 2025 to early 2026, and is likely to be aligned with the move to the new network.

Improved information

TRC currently provides a mix of paper and online information on bus services.

Paper information consists of individual route timetables and maps for public buses, along with a summary map of the urban services in New Plymouth city. A useful aspect of the individual CityLink route maps is that they show stop and shelter locations. Timetables have other information such as fare zones, Bee Card operation, customer etiquette and how to use the bus, which is important for people who are not regular users of public transport.

A refresh of timetables will create a common and user-friendly format and address current issues such as timings which are referred to in the leaflet as "approximate" (except for the start of each route). Therefore new timetables will set realistic intermediate timing points. Differences in format

between the timetables of the Connector and Citylink services will also be rectified.

The online offering – at Buses & Transport / Taranaki Regional Council (trc.govt.nz) – provides comprehensive information on urban / school services, Total Mobility timetables, fares / concessions, new updates, and other essential information such as lost property. Real-time tracking is provided by the Transit app, based on data feeds provided by TRC and the operators.

A **new website** will be developed to better meet the needs of customers for fast and comprehensive journey planning.

New branding

Aligning with the new website, and to support the visibility and cohesion of the new bus services, a new regional brand is being developed. This will be a full redesign of the public transport brand, including a new logo, visual identity, and marketing materials. This rebrand will roll out with the new network in 2026.

Community transport options

'Community Transport' is a broad term for local specialist shared-transport services delivered by charitable and other not-for-profit organisations, typically to meet the needs of communities that cannot sustain a regular public transport service.

Consider the provision of accessible community transport services, including demand-responsive and shopper and specialty services for health and well-being where regular scheduled local public transport services are not viable. These can also provide access to the conventional public transport network.

During the life of the RPTP, research will be undertaken into how community transport services in the region could be supported, and implementation started if funding allows.

In particular, how third-party contributions can best be utilised to help provide community transport options within the region will be explored.

4.3 Next RPTP

The next review of the RPTP is scheduled for 2028. Although monitoring of services and minor improvements are constantly undertaken, this will be the next opportunity for a more fulsome review. This will provide a useful opportunity to assess the success in establishing the new network of bus services and associated improvements. If increased community support, as demonstrated by increased patronage levels, warrant it, and funding is able to be accessed, further improvement steps can be considered at that stage.

4.4 Dependencies and uncertainties

These are already well-explained in the SSBC, but can be grouped into the following themes:

- Funding of national and local share.
- Interdependence on infrastructure being similarly improved by the district councils.
- The new Government requirement for increasing private share funding from 2025/2026 will require an increase in bus fares. Higher bus fares may negatively impact patronage levels and therefore the ability to meet targeted patronage increases.
- Patronage increases which justify continued investment in improved services.

4.5 Measuring success

The Key Performance Indicators (KPIs) and targets proposed to measure delivery of the RPTP 2025 are outlined in Table 4.

These are a combination of those proposed in the 2023 draft RPTP and those in the SSBC that was completed in 2024.

The targets are aspirational, and depend on the ability of the Council and Territorial Authority partners obtaining sufficient funding to deliver the necessary service and infrastructure improvements.

The targets are designed to signal the desire to elicit change in the public transport system in Taranaki. These targets will be treated in a transitional manner until new contracts are introduced in 2026. During the next 18 months, the appropriateness of baseline data will be confirmed, and a monitoring and reporting framework set up.

Table 4: Key Performance Indicators and targets

Ref.	Key Performance Indicator	Target	Data source/s
KPI 1	Increased percentage of the population living within 500m of a bus stop	Increase of 20% by 2030	Current percentage of population based on 2024 data (Remix)
KPI 2	Increased percentage of the population living within 500m of a bus with service frequency of at last 2 per hour	Increase of 10% by 2030	Current percentage of population based on 2024 data (Remix)
KPI 3	Increased percentage of customer survey responses rating public transport as their mode of choice	Increase of 20% by first year	2024 survey to be used as a base
KPI 4	Increased proportion of population living within 30 minutes of a job by public transport	Increase of 25% by 2030	Current percentage of population based on 2024 data (Remix)
KPI 5	Improved travel time by public transport	10% improvement within 1 year	Current corridors as of 2024 travel time
KPI 6	Increased annual public transport patronage	25% improvement by 2030	Current 2024 ridership will be utilised
KPI 7	Reduced transport emissions in Taranaki	Net zero by 2050	Emissions based on current as of 2024
KPI 8	Reduction in vehicle kilometres travelled (VKT) by private vehicles	Reduction of 20% by 2030	VKT based on current as of 2024
KPI 9	Increased public transport mode share	Increase of 20% by 2030	Mode share current as of 2024

These will be monitored using data collected from:

- Ticketing system;
- Passenger surveys;
- Real-time service monitoring;
- Use of GIS software;
- School and workplace travel plans; and
- National census.

Appendix A: What has our process been?

Below is a summary of the development process involved in creating this RPTP and the SSBC as these processes have been intrinsically intertwined. The steps involving community consultation are shown in bold.

Table 5: Summary of development process including consultation steps

Dates	Details
15 Mar – 30 Apr 2023 *'The Road Ahead' consultation*	Regional engagement on the community's desired future transport network incorporating active modes (walking and cycling), shared modes (particularly public transport), safety and speed. The community's feedback helps guide development and drafting of upcoming district and regional transport plans.
Mar – Jun 2023	A Taranaki Public Transport Network Review' was undertaken by Taith Consulting for TRC. The review sought to make positive changes and recommendations to encourage mode shift towards public transport. The review focused on the short-term changes that could be achieved within the existing budget.
Apr – Sep 2023	Taith Consulting drafted BTC documents for TRC
6 Sep 2023	Taith Consulting held a TRC councillor workshop on the draft BTC documents
11 Sep 2023	TRC approves draft BTC including the RPTP for public consultation
18 Sep – 29 Oct 2023 *'Better Travel Choices' consultation*	Public consultation on draft Better Travel Choices for Taranaki (6 weeks) which included both Part A: Better Travel Choices Strategy Consultation was undertaken alongside the districts speed management plans, with a common landing page and combined communications.
Nov 2023	Preparing high-level summary of Officers' Report on the submissions received.
Nov 2023	Point of Entry work undertaken for Taranaki public transport which advised a SSBC was required to support new investment in the region.
24 Nov 2023	New coalition Government sworn in, signalling a significant shift in national policy direction for transport and other sectors in Aotearoa
4 Dec 2023	**TRC holds public hearing of submissions on BTC**
16 Feb – 16 Mar 2024 *Draft RLTP 2024 consultation*	Consultation on the draft Regional Land Transport Plan for Taranaki 2024-2027 (RLTP 2024) had a step-change improvement in public bus services as the number one funding priority for the region
19 Feb 2024	TRC endorses delaying deliberations on BTC submissions to June 2024 to align with related processes underway including the SSBC.
Feb – May 2024	Preparing BTC Officers' Report on the over 400 submissions received.
22 Apr – 6 May 2024 *'Hop on Board' consultation*	Collected feedback for SSBC on ideas on specific bus services, frequency, and timetables to make bus travel more attractive and provide more travel choices.
4 Jun 2024	New draft Guidelines for developing RPTPs were released by Waka Kotahi, which signalled changes to what was required within a RPTP.
22 May – 11 Jun 2024 *'Where to Next?' consultation*	Bus network consultation asked the community to compare two bus network options and advise which one they preferred. Received over 380 submissions.
17 Jun 2024	**TRC held formal deliberations on the BTC submissions received.** Councillors were also updated on preparation of the SSBC.
9 Sep 2024	TRC approved the SSBC including the intent to pursue the recommended 'Bronze' network option initially.
20 Sep 2024	New 'Development Guidelines for RPTPs 2024' released by Waka Kotahi.
24 Mar 2025	TRC receives the final RPTP 2025 for consideration of approval.
1 Apr 2025	TRC adopts the RPTP 2025.
2 May 2025	The RPTP 2025 comes into effect.

A.1 How does the SSBC relate to this RPTP?

The Single Stage Business Case (SSBC) presents the case to Waka Kotahi NZ Transport Agency for investment in a revitalised bus network and uses the Regional Land Transport Plan (RLTP) and the RPTP as supporting evidence. While these plans offer strategic and long-term guidance, the SSBC focuses on operational improvements needed to enhance public transport in Taranaki and outlines what specific changes will be implemented.

The SSBC involved a multi-phased consultation process: firstly, collecting various bus network feedback under several categories (Hop on Board); secondly, presenting these bus network options for public selection (Where to Next?); and finally, reporting on the finalised bus network (On the Horizon). The key driver behind the consultations has been to receive feedback from the public and use that feedback to determine what services our community wants. The results from the extensive consultation process are directly informing the new bus service contracts that come up for tender in February 2025, with implementation scheduled for April 2026.

A.2 Where can I find more information?

The following related resources are available on our website

- The June 2023 PT Network Review
- The September 2024 final SSBC
- Consultation Reports
- Executive, Audit and Risk Committee agendas.

<insert image>

Appendix B: Our current public transport system

B.1 Overview

There are currently five forms of public transport services provided in the region (in 2024) as described in Table 6, with more detail on the following pages.

Table 6: Summary of current public transport services in Taranaki

Service / location	Details
New Plymouth services	• **Commuter services** – These operate from Monday to Friday with 14 services per day with varying frequency until around 6pm. Two different routes operate on Saturdays with two services each. Currently, no services are provided on Sunday or public holidays. • **School services** – There are 27 individual services with each service performing one weekday AM and PM trip. These are well utilised, with additional buses required in some instances.
Regional Connector	Introduced in 2014, the Connector service links a series of townships along State Highway 3 during on weekdays only. There are services from Ōpunake, Hāwera and Stratford to New Plymouth. These operate four times per day in each direction. There are also two school services which travel from Hāwera to various schools in New Plymouth. *Connector supports a relatively high number of passengers for the relatively low level of frequency, which indicates significant potential for further service improvement both on weekdays, and possibly weekends.*
Rural Southlink	There are three routes in South Taranaki collectively branded as 'Southlink' providing a basic access option between urban areas for those in the area: • **Ōpunake – Kaponga – Manaia – Hāwera** (serves Ohawe on demand) – Thursday weekly service • **Waverley – Pātea – Hāwera** – operates on Tuesday and Thursday • **Ōpunake – Oākura – New Plymouth** – Monday to Friday weekly service *Southlink only carries a small number of passengers (an average of 7.6 per trip in March 2023), which results in a high subsidy per journey.*

Total Mobility 	For people with a disability which limits their ability to use conventional public transport. Total Mobility is a nationwide scheme aimed at assisting people with impairments to become more mobile and active in the community by providing transport assistance through approved taxi companies and companion driving services. In partnership with Government, the Council's administers Total Mobility in the region which provides discounted fares for eligible members who otherwise have no or limited access to public transport services. Total Mobility makes it easier by saving users up to 75% of the cost of a normal fare.
Additional public transport services	There are also the following public transport services: • Extensive rural school services funded directly by the Ministry of Education. • Community transport services run by local charities such as St John in South Taranaki. • Long-distance coach services to Auckland and Wellington operated by InterCity.

<insert image>

Table 7 summary of the bus services for the 2023/24 financial year provides a useful snapshot of the relative patronage and costs of the existing bus services.

Table 7: Statistical summary of existing bus services in the 2023/24 year

Service	Patronage	Revenue	Operating Expenditure	Farebox
Citylink (New Plymouth)	688,003	$1,182,960	$3,876,514	30.5%
Connector/Your Connector	81,708	$412,658	$1,026,751	40.2%
Southlink Ōpunake-New Plymouth	1,758	$5,091	$76,785	6.6%
Southlink Ōpunake-Hāwera	456	$1,151	$16,487	7.0%
Southlink Waverley-Hāwera	843	$1,280	$36,845	3.5%
Regional total	**772,768**	**$1,603,140**	**$5,033,382**	**31.9%**

Figure 6 and Figure 7 give an overview of patronage and financial performance of the region's bus services over the last few years.

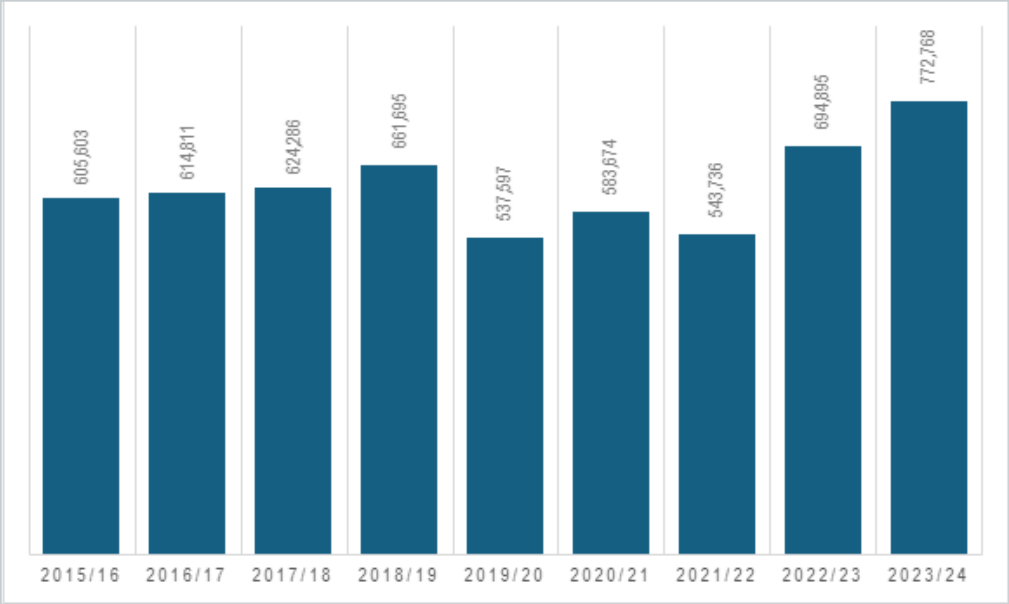


Figure 6: Total patronage (number of trips) on Taranaki public bus services by financial year

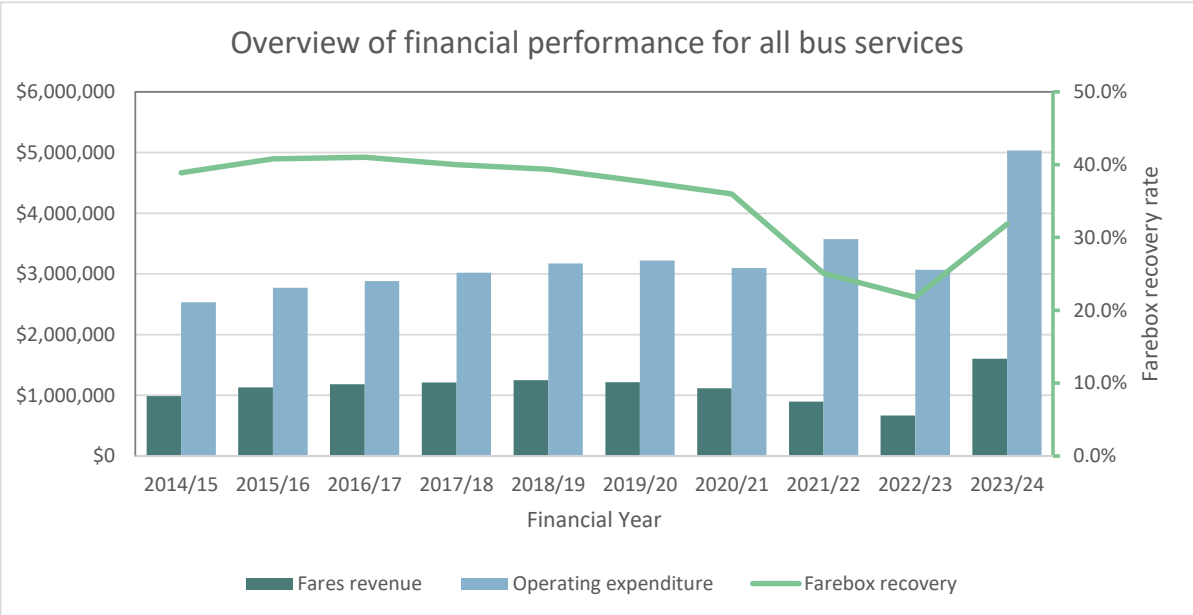


Figure 7: Overview of financial performance across all the bus services

The current bus network in Taranaki and its frequency (as at mid-2024) are shown in Figure 8 and Figure 9.
These summary figures are sourced from the SSBC and more detail is available in that document.

Figure 8: Existing bus routes in Taranaki (mid 2024)

B.2 New Plymouth Citylink

Route	Number of services/ day	Frequency	Comment
Route 1 - Moturoa	14 services	30 mins to 1 hour 35 mins	
Route 2- Whalers Gate	14 services	40 mins to 1 hour 20 mins	
Route 3 - Lynmouth/Marfell	14 services	30 mins to 1 hour 10 mins	Slight change in routing after 10am (does not go via Outfield Rd)
Route 4 - Westown/Hurdon	14 services	30 mins to 1 hour 20 mins	
Route 5 - Frankleigh Park/ Ferndale	14 services	30 mins to 1 hour 25 mins	
Route 6 - Vogeltown/ Brooklands	14 services	40 mins to 1 hour 10 mins	Route extension during school terms
Route 7 - Welbourn/ Highlands Park	14 services	30 mins to 1 hour 25 mins	
Route 8 - Merrilands/ Highlands Park	14 services	40 mins to 1 hour 20 mins	
Route 9 - Fitzroy/ The Valley/ Glen Avon	14 services	40 mins to 1 hour 25 mins	
Route 10 - Saturday WEST	2 services	Depart at 9.30am and 12.30pm	Saturday ONLY
Route 11 - Saturday EAST	2 services	Depart at 10.18am and 1.18pm	Saturday ONLY
Route 20 - Bell Block/ Waitara	6 services in each direction	1 hour 25 mins to 2 hours 10 mins	

All routes run from Monday to Friday except for Route 10 and 11 which runs only runs on Saturdays
First service for routes 1 - 9 is around 7.00am with the last service at 6.20pm.
First service for route 20 is at 9.10am and last service at 5.30pm.

Figure 9: Citylink bus timetables and routes in New Plymouth (2024)

This current network is overly complex and slow, with some routes changing depending on the time of day, some routes using different roads in opposite directions creating long one-way loops resulting in slow journey times. This reduces the efficiency of public transport and consequently it is currently much faster (and more reliable) to travel via a private vehicle.

B.3 Total Mobility

Total Mobility (TM) is a nationwide scheme aimed at assisting people with impairments to become more mobile and active in the community by providing transport assistance through approved taxi companies and companion driving services. TM provides discounted fares for eligible members who otherwise have no or limited access to public transport services.

Fares

The TM scheme is jointly funded by NZTA and TRC, currently offering a 75% discount to TM clients. Taranaki has a fare cap of $40 per one way trip (meaning TRC can pay a maximum of $30 towards a one-way fare). An example of how the fares work is provided below:

Total taxi fare	Customer pays	TRC pays
$20	$5	$15
$30	$7.50	$22.50
$40	$10	$30 (max. subsidy reached)
$50	$20	$30 (max. subsidy reached)
$60	$30	$30 (max. subsidy reached)
$70	$40	$30 (max. subsidy reached)

Note:

- Temporary free fares for TM services were available between 14 April 2020 to 30 June 2020 as part of the covid-19 pandemic response – fare caps and subsidies were still applicable.
- From 1 April 2022 – 30 June 2022, the government introduced half price fares across all public transport, incl. TM. This enabled TM clients to receive a further 25% discount on top of the usual 50% discount. It was then extended from 1 July 2022 to 31 March 2023.
- Half price fares then became permanent from 1 April 2023, under the Government's Community Connect Scheme subsidising public transport.

Usage

Financial year	Total number of trips	% change from previous year
2019/20	55,236	-1.6%
2020/21	54,361	-1.6%
2021/22	47,037	-13.5%
2022/23	57,874	+23%
2023/24	64,798	+12%

Assessment agencies

A person's eligibility for TM is assessed by doctors or approved assessment agencies.

Using approved TM assessment agencies is an easier, cheaper option for TM applicants with more accessible/available appointments than being assessed by a GP or specialist doctor. TRC currently has two approved assessment agencies as follows:

- **Your Way Kia Roha** was our first and only TM assessment agency up until 2024. Previously they would conduct assessments and forward the application through to TRC. They have now been set up to complete the application process directly into the TM system. They offer both in home assessments (upon request) and on-site assessments. However, due to not having the ability to accept payment, clients are required to pay TRC directly for the application/assessment fee.
- **The Taranaki Disabilities Information Centre** is newly contracted to carry out TM assessments commencing late May 2024. The entire application process is completed on site (including photo, payment and assessment), taking away the complications of sending through all components by the applicant.

To continue streamlining the TM application process, TRC is seeking other organisations to contract around Taranaki and slowly move away from the need to use GP's and specialists.

Total Mobility operators

Taranaki currently has seven operators providing TM services as outlined in Table 8.

Table 8: Total Mobility operators

Approved transport operator	Area	Wheelchair accessibility
Taranaki Executive Taxis	New Plymouth	
Driving Miss Daisy New Plymouth	New Plymouth (other areas by request)	Wheelchair ramp available
Driving You Taranaki Ltd	All of Taranaki	Wheelchair ramp available
Freedom Companion Driving Service	New Plymouth	Wheelchair ramp available
Ironside Vehicle Society	New Plymouth / Inglewood / Waitara	Pre-booked hoist assistance available
New Plymouth Taxis	New Plymouth	
STOPS	Hāwera / South Taranaki	Wheelchair ramp available

A new transport operator - Driving You Taranaki, was contracted in December 2024 and has a small fleet based around the coast, including a hoist vehicle. They can provide TM services in multiple locations around Taranaki.

TRC has received interest from some potential new transport operators. However, no applications have been received following the discussed requirements.

The future of TM

Support and administering of TM in Taranaki will continue as long as national support does, along with making improvements to provide an optimal service for users.

Outcomes of a long-running national review are awaited. In the meantime, ongoing improvements are planned to include:

- Continuing with streamlining application processes.
- Establishing strong relationships with external stakeholders to help understand the travel needs of our most vulnerable.
- Designing a user-friendly website for TM and other public transport services.

<insert TM photo>

Appendix C: Planned bus service improvements

C.1 A changed network

A preferred altered network of routes (shown in Figure 10) that will better serve the community's needs was developed, and refined with the public, during the SSBC process.

The preferred option includes provision for minor infrastructure improvements necessary to achieve the investment objectives such as bus stops/ shelters.

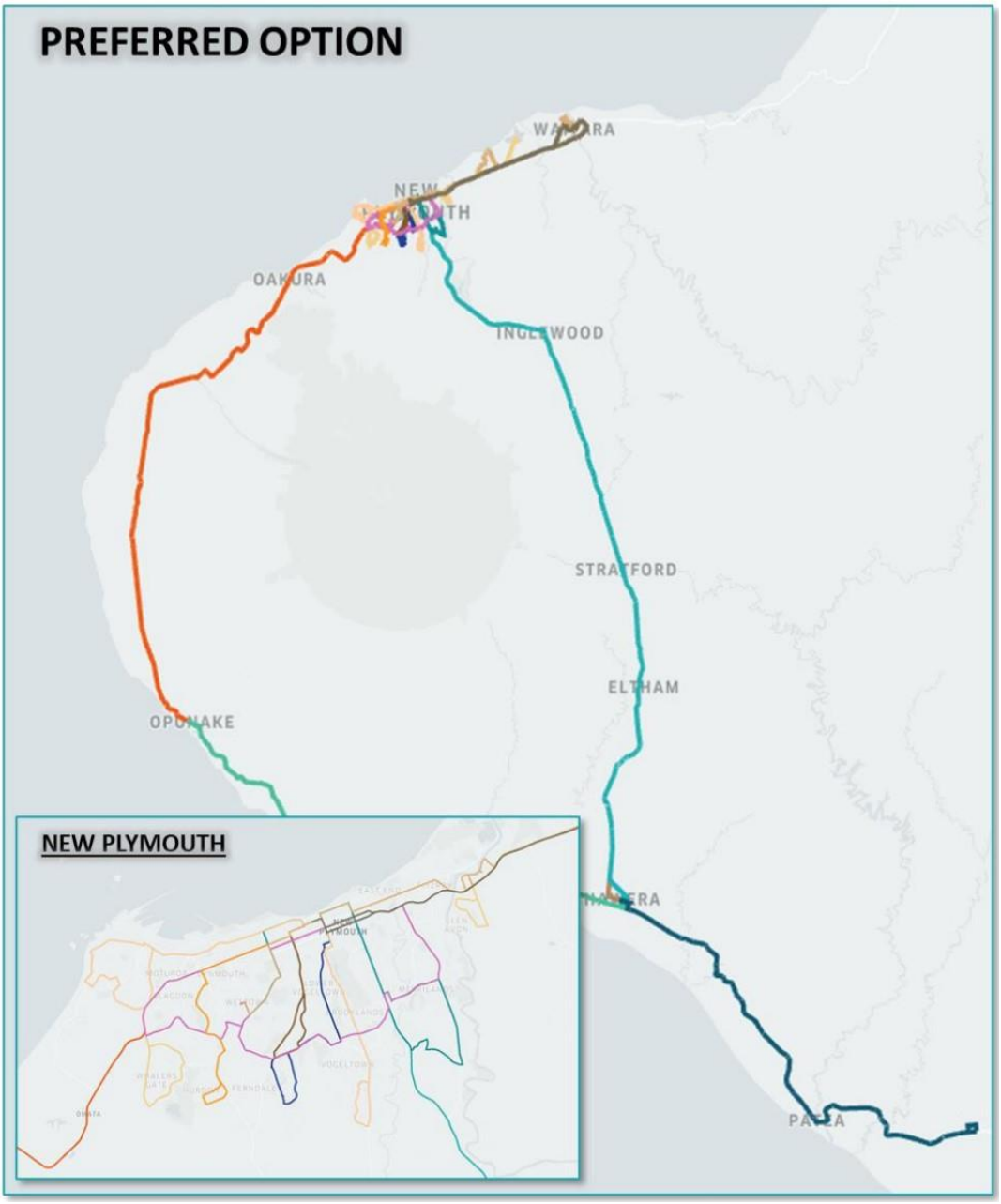


Figure 10: The preferred new network of bus services

C.2 Service frequency options

Three states or phases, described as 'Bronze', 'Silver' and 'Gold' refer to increased stages of service frequency of this same network, and are shown in Figure 11. While an outline of the staging through these phases is provided in Figure 12.

Table 9-1 : Peak Frequency Options for Urban Services

	BRONZE			SILVER			GOLD		
	FREQUENCY (MIN)			FREQUENCY (MIN)			FREQUENCY (MIN)		
	AM	IP	PM	AM	IP	PM	AM	IP	PM
Urban Services									
Airport to Whalers Gate	40	70	40	30	70	30	15	30	15
Carrington / Govett	40	70	40	30	70	30	15	70	15
Frankleigh Park	40	70	40	30	70	30	15	70	15
Mangorei Taranaki Hospital	40	70	40	30	70	30	15	70	15
Port Taranaki - Vogeltown	40	70	40	30	70	30	15	70	15
Proposed Orbiter Route	40	70	40	30	70	30	15	70	15
Route 3-Hurdon	40	70	40	30	70	30	15	70	15
Route 5 - Waitara	120	105	120	60	105	60	30	105	30
Waitara Express Route	120	140	120	60	140	60	30	84	30

Table 9-2 : Number of Services per week and weekend services for each option

	BRONZE		SILVER		GOLD		
	Return Trips/ week	Saturday	Return Trips/ week	Saturday	Return Trips/ week	Saturday	Sunday & Public Holidays
Urban Services							
Airport to Whalers Gate	70		80	4	165	12	12
Carrington / Govett	70		80		125	12	12
Frankleigh Park	70		80		125	12	12
Mangorei Taranaki Hospital	70		80		125	12	12
Port Taranaki - Vogeltown	70		80		165	12	12
Proposed Orbiter Route	70	2	80	4	125	12	12
Route 3-Hurdon	70		80		165	12	12
Route 5 - Waitara	30		40		65	12	12
Waitara Express Route	25		35		60	12	12
Regional Services							
Waverly to Hawera	1		1		2		
Opunake to Hawera	1		1		10	2	2
Opunake to NP	10		10		20	2	2
Hawera - Taranaki Hospital	20	4	20	4	20	4	4
Hawera to NP	5		5		40	8	8

Figure 11: Progressive service frequency options for this new network

Staging of the Preferred Network Option

With network changes in place, three frequency options have been considered for the preferred option (referred to as Bronze), Silver and Gold. Gold is the desirable preferred with 15-minute headways during the peak periods for the Urban routes and increased services on the weekends. Bronze and Silver options are considered for staging, based on current funding constraints. The difference in the frequency of services for each option is presented below.

Same as current schedule

30 min during peaks

15 min during peaks

Increased weekend & regional services

	BRONZE		SILVER		GOLD		
	Return Trips/ week	Saturday	Return Trips/ week	Saturday	Return Trips/ week	Saturday	Sunday & Public Holidays
Urban Services							
Airport to Whalers Gate	70		80	4	165		12
Carrington / Govett	70		80		125		12
Frankleigh Park	70		80		125	12	12
Mangorei Taranaki Hospital	70		80		125	12	12
Port Taranaki - Vogeltown	70		80		165	12	12
Proposed Orbiter Route	70	2	80	4	125	12	12
Route 3-Hurdon	70		80		165	12	12
Route 5 - Waitara	30		40		65	12	12
Waitara Express Route	25		35		60		
Regional Services							
Waverly to Hawera	1		1		2		
Opunake to Hawera	1		1		10	2	2
Opunake to NP	10		10		20	2	2
Hawera - Taranaki Hospital	20	4	20	4	20	4	4
Hawera to NP	5		5		40	8	8

Outcomes Achieved

The preferred network option provides the following customer outcomes over the Do-Minimum:

- An estimated reduction in average travel time via public transport of 2 minutes (5%) between Glen Avon and the CBD, which increases to 6 minutes with the 'Gold' frequency. An estimated 5 minute reduction (14%) between Marfell and the CBD, which increases to 10 minutes with the 'Gold' frequency.
- The New Plymouth Airport is now accessible via public transport increasing travel choice for locals and travellers alike.
- An estimated 14% increase in the overall daily bus patronage by 2035 with the 'Bronze' frequency. This will be further increased to a daily increase of 44% with the implementation of the 'Gold' frequency option.
- By 2053, approximately 54,500 people will be within a bus route. This is a 3,100 or 6% increase from the Do-Minimum.
- Reduction of 4,812 tonnes of CO_2 over 40 years with the 'Bronze' frequency, and a reduction of 13,335 tonnes with the 'Gold' frequency option due to private vehicle trips diverted to public transport.

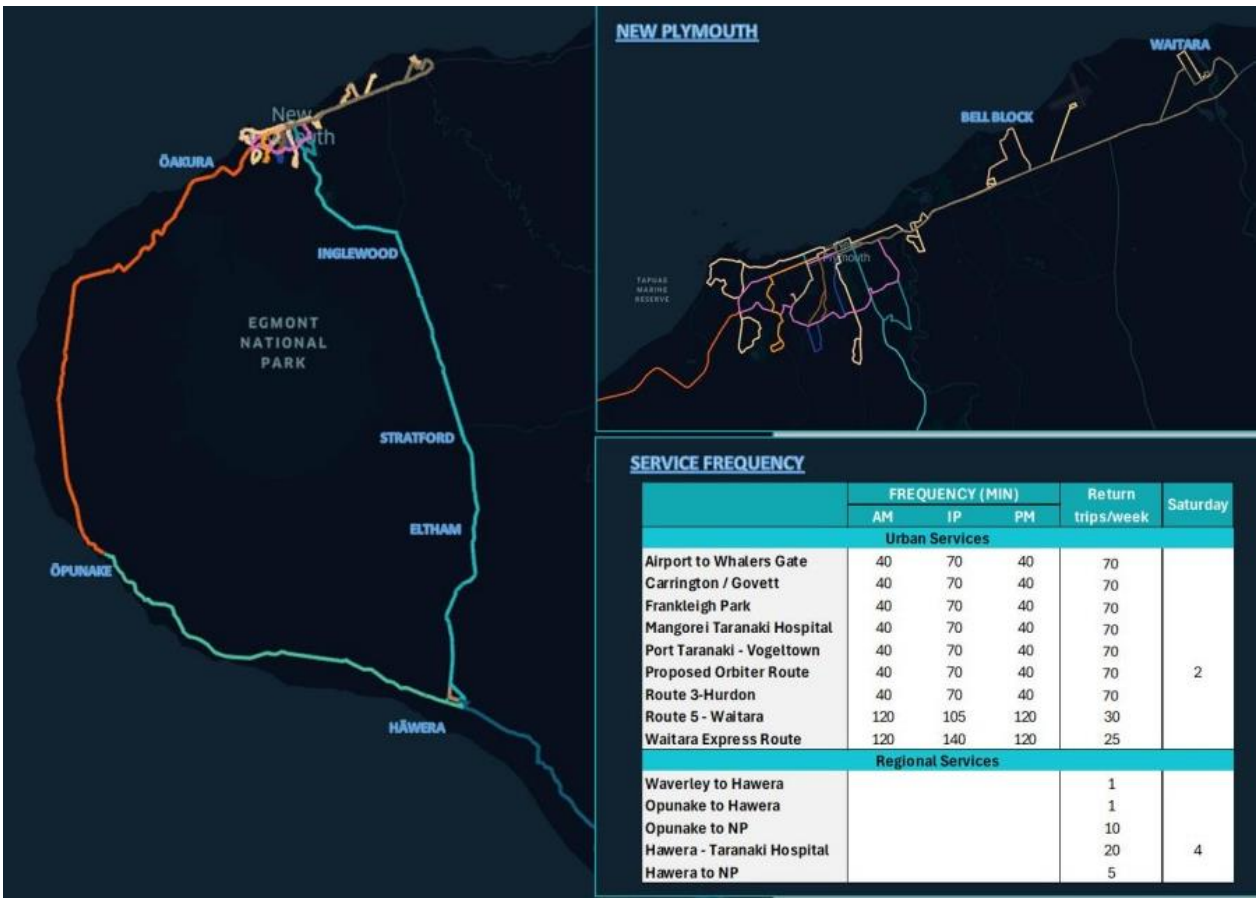
Figure 12: Staging of the preferred network option - Bronze, Silver, Gold

C.3 Starting with 'Bronze'

The frequency indicated in Figure 13 is referred to as the 'Bronze' option and is financially feasible at present as the cost is within the proximity of current funding envelopes.

The intent is that the new bus service contracts that will be entered into during the 2025/26 financial year will roll out this new network from April 2026, with a 'Bronze' frequency.

The aim is that further increases in frequency will be staged over time as and when patronage growth and funding become available in the future. For the 'Silver' option there is a slight increase in frequency in peak times on the urban routes and there is increase in Saturday services. For 'Gold', the frequency is further increased during the peak periods and increase in services on the weekend.



	FREQUENCY (MIN)			Return trips/week	Saturday
	AM	IP	PM		
Urban Services					
Airport to Whalers Gate	40	70	40	70	
Carrington / Govett	40	70	40	70	
Frankleigh Park	40	70	40	70	
Mangorei Taranaki Hospital	40	70	40	70	
Port Taranaki - Vogeltown	40	70	40	70	
Proposed Orbiter Route	40	70	40	70	2
Route 3-Hurdon	40	70	40	70	
Route 5 - Waitara	120	105	120	30	
Waitara Express Route	120	140	120	25	
Regional Services					
Waverley to Hawera				1	
Opunake to Hawera				1	
Opunake to NP				10	
Hawera - Taranaki Hospital				20	4
Hawera to NP				5	

Figure 13: Proposed new bus network with initial 'Bronze' service frequency

(replace image to one without black background)

C.5 Infrastructure

Infrastructure covers the physical assets such as bus stops and interchanges (hubs) as well as any on-road bus priority.

Like all roading infrastructure, bus stops are the responsibility of the relevant Road Controlling Authority. Each stop should include a sign and yellow box road markings as a minimum, with shelters to provide passenger protection from the elements (both rain and sun) highly desirable.

New Plymouth District Council and TRC have a constructive and collaborative working relationship which focuses on improving communities' access to public transport with the development of a working party for bus shelter maintenance and infrastructure. Most bus stops have standard facilities consisting of a sign, road markings, shelter, and timetable case.

Waka Kotahi NZ Transport Agency has produced bus stop design guidance which will be used to identify locations where improvements to passenger access and facilities are required.

Citylink routes in New Plymouth are currently able to complete their journeys and arrive back in time for the start of the next service. However, increasing levels of traffic congestion on State Highway 3 between New Plymouth, Bell Block and Waitara are starting to impact on journey speeds, with the potential to result in punctuality challenges. Another challenge is the presence of roadworks, which can result in detours that add time on to the schedule.

The New Plymouth Integrated Transport Framework recognises this situation and forecasts that this congestion will get worse in future. Therefore bus priority in the form of traffic signal detection and dedicated lanes may be required in future.

TRC is working closely with New Plymouth District Council to ensure bus stop infrastructure is optimised for the new network rollout as much as possible within funding constraints.

It is important to understand that TRC provides the bus services but has limited influence on the supporting infrastructure provided, as that is the domain of each Road Controlling Authority (district council for local roads or NZTA for state highways). This is why it is so important to have constructive and collaborative working relationships in place between the other organisations involved – most specifically the district councils.

Achieving the vision for public transport that is sought in this RPTP and the New Plymouth Integrated Transport Framework (refer section D.2) requires that optimal infrastructure is provided to appropriately support the bus services. One of the key reasons for establishing a Public Transport Committee is to strengthen and facilitate the collaboration between councils for a shared commitment to improve public transport in the region.

Appendix D: Legal requirements and links to other plans

The RPTP exists within a legislative, regulatory and policy framework, and this section sets out the key requirements against which public transport must be planned and delivered.

D.1 The legal requirements

The statutory requirements for preparing the RPTP are set out in Part 5 of the Land Transport Management Act (LTMA).

The LTMA places a significant emphasis on Public Transport Authorities planning and delivering public transport in consultation and collaboration with territorial authorities and public transport operators. This recognises that to deliver consistently good journey experiences and attract and retain passengers requires a wide range of elements such as land use, network planning, infrastructure provision and efficient and effective operation of services. These elements must come together in an integrated way.

In section 117 of the LTMA, the purpose of the RPTP is stated as being:

a) A means for encouraging Regional Councils and public transport operators to work together in developing public transport services and infrastructure;

b) An instrument for engaging with the public in the region on the design and operation of the public transport network; and

c) A statement of:

   i. The public transport services that are integral to the public transport network;

   ii. The policies and procedures that apply to those services; and

   iii. The information and infrastructure that support those services.

Section 126 of the LTMA states the RPTP must, at all times, be kept current for a period not less than three years in advance, but not more than ten years in advance. The Council may review the Plan from time to time but the Plan must be reviewed and, if necessary, renewed or varied, after the public transport service components of a RLTP are approved or varied.

D.2 Changes to guiding Act

In August 2023, the LTMA was amended with the passing of the Land Transport Management (Regulation of Public Transport) Amendment Act 2023 (the Amendment Act). The amendments to the LTMA mean:

- There are new objectives for the planning, procurement and delivery of public transport to be established and embedded in the LTMA
- That in-house delivery of public transport services is enabled
- That there is transparency around aspects of service delivery including the procurement and contractual arrangements
- Different asset ownership, including public transport authorities owning assets directly, is enabled
- Greater collaboration is encouraged between regional councils and territorial authorities in preparing regional public transport plans
- The framework for exempt services has changed, expanding the scope to include commercial and inter-regional public transport services
- The definition of Public Transport is expanded to include On-Demand public transport services and shuttle services
- That regional councils can procure, contract, and deliver on-demand services separately to timetabled services.

The Amendment Act acknowledges the need for public transport investment to be efficient and provide better value for money. It facilitates stronger measures for Territorial Authority involvement in the RPTP development process. The changes acknowledge that the previous operating model created a barrier for decarbonisation targets and improvement of employee terms and conditions.

The amendments place greater emphasis on Public Transport Authorities planning and delivering

public transport in consultation and collaboration with territorial authorities, and public transport operators.

This recognises, that to deliver consistently good journey experiences and attract and retain passengers requires a wide range of elements such as land use, network planning, infrastructure provision and efficient and effective operation of services. These elements must come together in an integrated way.

D.3 Principles guiding review

This review of our RPTP is based on five principles from section 115(1) of the LTMA:

- Well-used public transport services reduce the environmental and health impacts of land transport, including by reducing reliance on single-occupant vehicles and using zero emission technology:
- Public transport services support a mode shift from private motor vehicle use and equitable access to places, facilities, services, and social and economic opportunities if they are coordinated, integrated, reliable, frequent, accessible, affordable, and safe:
- Fair and equitable employment or engagement of people in the public transport workforce should ensure that there is a sufficiently robust labour market to sustain and expand public transport services:
- Regional councils, territorial authorities, and public transport operators should work together to co-ordinate public transport services, the provision of infrastructure, and land use as necessary —
  - to meet the needs of passengers
  - to encourage more people to use the services.
- public transport services should be provided in a way that assists —
  - public transport investment to be efficient
  - public transport investment to give value for money.

These principles have guided TRC in the development of this RPTP. TRC is therefore satisfied that these principles, and requirements for collaboration and consultation with key partners and stakeholders (LTMA s.125), have been applied through development of the RPTP.

D.4 Links to other planning documents

The RPTP 2025 considers and gives effect to a range of national and regional policies, strategies and legislation – key ones of which are noted in Table 9.

Table 9: Links to other planning documents

Legislation	Central government	Regional and local
Land Transport Management Act 2003 Land Transport Act 2017 Local Government Act 2002 Local Government Official Information and Meetings Act 1987 Resource Management Act 1991	GPS on Land Transport 2024 Ministry of Transport Outcomes Framework National Policy Statement on Urban Design Ministry of Transport's 2016 Accessibility of Public Transport for those with a Disability UN Convention on the Rights of Persons with Disabilities (ratified by NZ in 2018) Emissions Reduction Plan NZTA's Public Transport Framework	TRC's Long-Term Plan 2024 Taranaki Regional Land Transport Plan 2024 (RLTP) Tapuae Roa New Plymouth Future Development Strategy (FDS) New Plymouth Integrated Transport Framework (ITF) TA plans and strategies

Government Policy Statement (GPS)

The Government Policy Statement on Land Transport (GPS) determines how investment into the land transport system from the National Land Transport Fund (NLTF) will contribute to achieving overall government outcomes. It outlines central government's strategy to guide land transport investment over the next 10 years. It also provides guidance to decision-makers about where and under what conditions government will focus resources.

Through the GPS 2024, "The Government's overarching goal for transport is an effective, efficient, safe, secure, accessible, and resilient transport system that supports the growth of our country's economy in order to deliver greater prosperity, security and opportunities for all New Zealanders". The four strategic priorities for GPS 2024 are:

- Economic growth and productivity
- Increased maintenance and resilience
- Safety
- Value for money.

Public transport is funded through both private and public sources. The private share reflects the individual benefits to users and includes fare substitutes and commercial revenue, such as advertising, while the public share accounts for the broader societal benefits of public transport, including reduced road congestion, environmental sustainability, and overall community outcomes.

The GPS 2024 set a clear expectation to increase the 'private share' for the costs of providing public transport, in order to reduce the 'public share' required from taxes and rates. To achieve the targets set for the Taranaki region, a fare increase is required due to limited opportunities for additional revenue generation. Therefore, a 25% increase in adult fares and a 13.5% increase in youth fares is proposed for 2025/2026 - refer to Appendix H. This will help ensure public transport remains financially sustainable while maintaining affordability.

The Ministry of Transport's Transport Outcomes Framework outlines five outcome areas sought from the transport system, as shown in Figure 14.

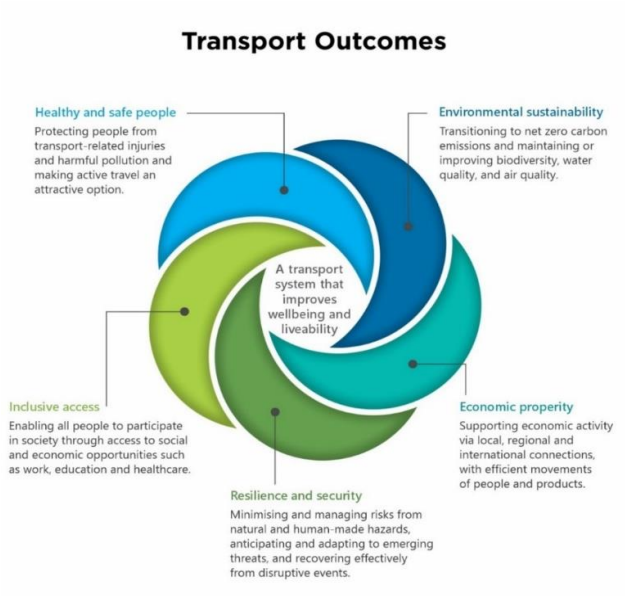


Figure 14: Ministry of Transport Outcomes Framework

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Public transport contributes to these outcome areas, and the priorities of GPS 2024 in various ways. For example, public transport can:

- Enable efficient and productive use of high value urban space (economic prosperity, environmental sustainability)
- Improve access to markets, employment and areas that contribute to economic growth (economic prosperity, inclusive access)
- Enable access to employment, education, healthcare, social and cultural opportunities (economic prosperity, inclusive access, healthy and safe people)
- Ensure access to essential services for those unable to drive (economic prosperity, inclusive access, healthy and safe people)
- Provide resilience to rising transport and energy costs by providing an alternative to private motor vehicles (resilience and security, inclusive access, economic prosperity)
- Reduce harmful emissions to the environment and human health (environmental sustainability, healthy and safe people)
- Reduce deaths and serious injuries as public transport is among the safest form of transport (healthy and safe people).

- Strong public transport corridors and destinations (such as town and city centres) enable housing, employment, and retail development to be clustered around highly accessible locations, thereby reducing the need to own and run a car.
- Mode shift from private car to bus, and reduction in traffic volumes, can reduce wear and tear on the roading network and result in lower maintenance costs.
- Buses can transport more people than cars per unit of road space, and can therefore help to reduce traffic congestion that can impact on reliable journey times for freight.
- If well-used, buses reduce levels of carbon emissions travelled per passenger kilometre, which can be further improved by using low or zero emission vehicles.

The role of public transport and the benefits it can offer differ by location and spatial context.

Regional Land Transport Plan (RLTP)

The 2024 Regional Land Transport Plan (RLTP) was released in June 2024 and focuses on the period through to June 2027. Amongst its functions, the RLTP identifies the core problems facing land transport in the region and the benefits of addressing those problems.

Table 10 outlines the problems to be addressed and benefits to be delivered. The first problem and second benefit are specifically related to public transport, and therefore this RPTP is the key policy document for delivering those investment benefits.

As already mentioned in Section 3.2, one of the RLTP's headline targets is for mode shift. The RLTP guides investment, and a step-change in bus service provision was ranked as the second highest priority project for the region through to June 2027. This underscores the importance for the community of improving public transport services, to meet a range of needs.

Table 10: RLTP 2024 problems and benefits of addressing

Problem statement (and weighting)	**Benefit of addressing the problem** (and weighting)	**Investment benefit** (from Benefits Framework)
The network is built and operated favouring cars and when coupled with limited alternative options results in low levels of public transport, active modes, and rail use (40%)	Increased safe and connected active mode (walking, cycling and micro mobility) travel choices as well as reduced distances to services and amenities to achieve healthier communities (35%)	Improved community access to travel options and reduced greenhouse gas emissions. Improved safety outcomes and perceptions of safety and security.
Dispersed urban development with limited access to local amenities, services and schools resulting in high car dependency, compounding inequitable access for lower socio-economic communities (35%)	Reduced reliance on private vehicles through increased use of public transport (40%)	Increase mode shift away from private vehicle use. Improve regional connectivity and multi-modal options for all users.
The condition of the region's primary roading network (including state highways and key local roads) is inconsistent, and in some parts poor, resulting in declining outcomes (increased operating costs and delays) for inter and intra-regional travel and freight, as well as declining safety for all road users (25%)	Safe, reliable, resilient, and efficient movement goods on road and rail (25%)	Improve primary roading network safety, connectivity and efficiency. Improve network resilience and reliability.

New Plymouth Integrated Transport Framework (ITF)

The purpose of the New Plymouth Integrated Transport Framework (ITF) Programme Business Case is to demonstrate the case for change to establish a comprehensive and integrated transportation system for the New Plymouth District over the next 30 years. The ITF was finalised and approved by NPDC in December 2024 and identifies improvements to public transport (PT) as key needs/outcomes to address the issues in the district.

- Improve PT infrastructure and travel time to make PT more attractive and accessible
- Significantly improve PT frequencies, and levels of service to make PT a more attractive option
- Align PT routes with key destinations and make PT more accessible.

Specific actions were identified for phased implementation alongside district growth and available funding:

Short term –

- Improved bus stops
- Bus route to New Plymouth Airport
- Improved bus connections and frequencies with Inglewood, Oākura, Ōkato, Urenui, and the Airport.

Medium term –

- Bus interchange in selected growth areas
- On-demand PT shuttles in smaller centres of Inglewood, Oākura, Ōkato, and Urenui
- Bus priority measures on key corridors
- Park and Ride in fringe areas
- Upgrade active mode links to PT.

Long term –

- Improved bus hubs
- Extend priority bus lanes.

NPDC and TRC are working together to meet their combined goals for improving PT. A key aspect of this is the creation of a new PT Committee with elected representatives from both councils which is anticipated to start in 2025.

D.4 The regulatory system

The previous RPTP was prepared under the Public Transport Operating Model (PTOM), a system for planning, procuring, and funding public transport, which aimed to increase patronage with less reliance on public subsidies, through improved collaboration between operators and Regional Councils.

Appendix F sets out the unit design principles. Services which do not form part of the core public transport network (outlined in Appendix E) are exempt from operating under contracts. This currently includes long distance services provided by InterCity.

PTOM has been replaced by the Sustainable Public Transport Framework (SPTF), which is underpinned by new objectives prioritising mode-shift, fair and equitable treatment of employees, and improved environment and health outcomes. The basic structure of PTOM has been retained, whereby all bus services are divided into units and provided under contracts to TRC.

The amended LTMA enables Regional Councils to operate public transport services in-house or to continue to outsource the operation of services to private operators. This change acknowledges that outsourcing of services to private operators may not always align with wider objectives for public transport services, for example, improving the terms and conditions of employees or accelerating the decarbonisation of the bus fleet. At this point in time, TRC is not looking to assume direct responsibility for a large number of services, but reserves the right to use its new powers if necessary.

The amended Act establishes a new requirement for public transport services to be planned, procured, and operated in an open and transparent manner - in relation to operating costs, service performance, vehicles used to deliver services, aggregate employee terms and conditions, and financial performance of operators.

Regional and local councils are required to prepare RPTPs in collaboration with Territorial Authorities, in particular to identify the infrastructure (such as bus stops, hubs and priority measures) necessary to support public transport services.

Under the SPTF, the definition of public transport includes on-demand and shuttle services which do not run to a fixed schedule. Therefore Regional Councils are able to provide any form of passenger transport service through any mode, other than air transport, whether delivered to a timetable or not. Regional Councils can procure, contract, and deliver on-demand services separately to timetabled services, by amending the definition of a unit, and removing the requirement for every unit to be contracted on an exclusive basis.

"Exempt services", which are not integral to the public transport network, include commercially operated buses, on-demand, and shuttles. Some exempt on-demand, and all exempt shuttle services, can be operated without being registered with TRC. A smaller subset of commercially operated passenger transport services will be subject to registration requirements – limited to those services more likely to affect public transport services provided by Regional Councils.

Inter-regional bus services, which cross a boundary between two Regional Councils, are no longer automatically classed as "exempt", and treated the same as services within a region. Inter-regional services would only be automatically exempt if they are not identified as integral in an RPTP and operate without a subsidy, or if the regions that they operate between are not required to have RPTPs. Subsidised inter-regional services that are identified as integral in an RPTP would need to be provided in a specified unit.

D.5 New national guidelines

Waka Kotahi's issued new national Guidelines for Developing Regional Public Transport Plans on 20 September 2024. Given the timing of the release of these guidelines, they will be more fully integrated into the 2028 review than has been possible in this RPTP.

Appendix E: Services integral to the network

An RPTP must outline the services that are considered integral to the public transport network in the region. Due to the suite of new contracts coming in for the new network in 2026, both current and the proposed services are outlined.

E.1 Current (2024) integral services

New Plymouth Citylink

Type	Days of operation	Service number	Route
Urban	Monday to Friday 7:10am – 6:20pm	1	City Centre – Moturoa
		2	City Centre - Whalers Gate
		3	City Centre – Lynmouth – Marfell
		4	City Centre - Westown – Hurdon
		5	City Centre - Frankleigh Park – Ferndale
		6	City Centre – Vogeltown – Brooklands
		7	City Centre - Welbourn - Highlands Park
		8	City Centre – Merrilands - Highlands Park
		9	City Centre - The Valley - Glen Avon
		19	Waitara Express
		20	City Centre - Bell Block – Waitara
	Saturday 9:30am – 2:10pm	10	Western loop of city
		11	Eastern loop of city
School	School days only 7:30am – 8:45am 3:00pm – 4:20pm	12	Merrilands to Spotswood College
		21	Waitara to Spotswood College
		22	Lepperton / Motunui to New Plymouth Boys High School
		23	Urenui / Tikorangi to Highlands Intermediate School
		24	Waitara to Francis Douglas Memorial College
		30	Bell Block to Highlands Intermediate School
		31	Lepperton / Bell Block to Highlands / Vogeltown / Woodleigh
		32	Bell Block to New Plymouth Girls High School
		33	Bell Block to Francis Douglas Memorial College
		34	Bell Block to Francis Douglas Memorial College
		35	Bell Block to New Plymouth Boys High School
		40	Ōkato to New Plymouth Boys High School
		41	Ōmata to Highlands Intermediate
		42	Oākura to Francis Douglas Memorial College
		43	Oākura to New Plymouth Girls High School
		44	Oākura to Highlands Intermediate
		45	Oākura to New Plymouth Boys High School
		51	Orbiter
		52	Orbiter
		53	Orbiter

		54	Orbiter
		91	New Plymouth Girls High School to city centre*
		92	New Plymouth Girls Boys School to city centre*
		93	Sacred Heart Girls College to city centre*
		95	Highlands Intermediate School to city centre*
		98	Inglewood High School

* Operates afternoons only

Regional Services

Type	Days of operation	Route
Connector	Monday to Friday 5:50am – 7:15pm	Hāwera, Eltham, Stratford, Inglewood, New Plymouth
Your Connector	School Days 7:00am – 8:40am 3:20pm – 5:10pm	Hāwera, Eltham, Stratford, Inglewood, New Plymouth (various schools)
Southlink	Thursday 9:00am – 9:45am 2:00pm – 2:45pm	Ōpunake to Hāwera via Kaponga & Manaia (& Ohawe on demand)
	Tuesday 8:35am – 9:20am 3:30pm – 4:15pm Thursday 9:00am – 9:45am 2:00pm – 2:45pm	Waverley – Pātea – Hāwera
	Friday 6:55am – 6:00pm	Ōpunake – Oakura - New Plymouth

Total Mobility

Approved provider	Area	Wheelchair accessibility
Taranaki Executive Taxis	New Plymouth	
Driving Miss Daisy New Plymouth	New Plymouth (other areas by request)	Wheelchair ramp
Driving You Taranaki Limited	All of Taranaki	Wheelchair ramp
Freedom Companion Driving Service	New Plymouth	Wheelchair ramp
Ironside Vehicle Society	New Plymouth/Inglewood/Waitara	Pre-booked hoist assistance
New Plymouth Taxis	New Plymouth	
STOPS	Hāwera/South Taranaki	Wheelchair ramp

E.2 Integral services for new proposed network (from 2026)

New Plymouth Citylink

Type	Days of operation	Service number	Route
Urban	Monday to Friday 7:30am – 6:30pm**	TBC	City Centre – Moturoa/Vogeltown
		TBC	City Centre - Whalers Gate/Glen Avon
		TBC	City Centre – Whalers Gate/The Valley
		TBC	City Centre – Carrington/Govett
		TBC	City Centre – Frankleigh Park
		TBC	City Centre – Hurdon
		TBC	City Centre – Mangorei/Taranaki Base Hospital
		TBC	City Centre – Waitara/Bell Block/Taranaki Base Hospital
		TBC	City Centre – Waitara Express
		TBC	City Centre - Orbiter
	Saturday ** 9:30am - 2:15pm	TBC	City Centre - Orbiter
School	School days only ** 7:30am – 8:45am 3:00pm – 4:20pm	12	Merrilands to NPBHS/Spotswood College/FDMC
		21	Waitara to Spotswood College/SHGC
		22	Waitara/Matarikoriko/NPBHS
		23	Urenui/Tikorangi to Highlands Intermediate
		24	Waitara to NPGHS/SHGC/FDMC
		30	Bell Block to NPBHS/Highlands Intermediate
		31	Lepperton/Bell Block to NPBHS/Highlands Intermediate
		32	Bell Block to NPGHS/Highlands Intermediate
		33	Bell Block to SHGC/Spotswood College/FDMC
		34	Bell Block to SHGC/Spotswood/FDMC
		35	Bell Block to NPGHS/NPBHS
		40	Ōkato to Devon Intermediate/NPBHS
		42	Oākura to Spotswood College/FDMC
		43	Oākura to Devon Intermediate/NPGHS
		44	Oākura to Devon Intermediate/NPGHS/ SHGC/NPBHS/Highlands Intermediate
		45	Oākura to Devon Intermediate*
		46	Oākura to NPGHS/NPBHS
		51	Orbiter
		52	Orbiter
		53	Orbiter
		54	Orbiter
		55	Orbiter
		56	Orbiter*
		91	New Plymouth Girls High School to city centre*
		93	Sacred Heart Girls College to city centre*
		95	Highlands Intermediate School to city centre*
		98	Inglewood High School

* Operates afternoons only

** Schedules and service frequency will be finalised upon contract appointment.

Regional Services

Type	Days of operation	Route
Connector	Monday to Friday ** 6am – 6:30pm	Hāwera, Eltham, Stratford, Inglewood, New Plymouth
Your Connector	School Days 7:00am – 8:40am 3:20pm – 5:10pm	Hāwera, Eltham, Stratford, Inglewood, New Plymouth (various schools)
Southlink	Tuesday and Thursday ** 9:00am – 9:40am 2:00pm – 2:40pm	Ōpunake - Manaia - Hāwera
	Tuesday ** 9:00am – 9:45am 2:00pm – 2:45pm	Waverley – Pātea – Hāwera
	Monday to Friday ** 7:00am – 8:00am 5:00pm – 6:00pm	Ōpunake – Oākura - New Plymouth

** Schedules and service frequency will be finalised upon contract appointment.

Total Mobility

Noting that no major change is proposed to Total Mobility Services for the duration of the RPTP.

Appendix F: Units and their establishment principles

F.1 What is a public transport 'unit'?

All services which are considered integral to the public transport network in a region must be organised into 'units' that provide a logical structure for procurement, monitoring and reporting.

F.2 Establishment principles

TRC manages bus service contracts according to a number of principles, as detailed below:

- **Network and service review** - Before identifying units, the Council defines routes and services that are integral to the region's public transport network (see Appendix E). The proposed unit design considers Council's ability to undertake future service reviews in consultation with operators and stakeholders. Changes to services aim to meet foreseeable local community needs to be delivered within a unit.
- **Marketable whole** - Units should be potentially deliverable by operators either as stand-alone operations, or as part of a wider suite of services. Under the Sustainable Public Transport Framework there is no automatic exclusivity for a single operator within each unit.
- **Customer market** – Units should have readily identifiable customer markets for services, enabling operators and the Council to apply the right commercial behaviours to growing the market. A customer market might generally be thought of as a geographic area, but could also be generated by a particular activity or use – for example, an airport, shopping precinct, hospital, major employer, or university.
- **Whole-route operation** – Each unit must comprise a service or group of services that operates on the entire length of one or more routes.
- **Unit attractiveness** – Units should be attractive to a tenderer, and enable competition from a range of operators. Units should be efficient groups of services in terms of management, vehicle utilisation, operational feasibility, service efficiency etc.
- **Opportunities to group units in tenders** – Opportunities for operators to tender for units in groups to encourage efficiencies and, therefore value for money, will be considered.
- **Mode specific** – Units must be single-mode specific, so a unit cannot include both a bus and a ferry or train route.
- **School services consideration** – School services not provided by the Ministry of Education will be arranged into units. School services operating on a timetabled route are logically allocated to that unit.
- **Wider network consideration** – This includes considering connections between routes and achieving higher frequencies by services overlapping on parts of a trunk route.

F.3 Current (2024) units

Table 11: Current (2024) Public Transport Units

Current unit	Current arrangement (2024)
Citylink	Combined contract for New Plymouth's urban and school services. 10 weekday urban services. 2 Saturday urban services. 27 school services.
Connector	One contract. Four weekday services per day.
Your Connector	One contract. Two weekday services per day.
Southlink	Three contracts. Four return journeys per week.

F.4 Future (from 2026) units

Table 12: Units for the network proposed from 2026

Unit	For new contracts in 2026	Future options
Citylink	Combined contract for New Plymouth's urban and school services. 10 weekday urban services. 2 Saturday urban services. 27 school services.	Retain a single unit, and better integrate urban and school services. Split urban and schools into separate units. Split urban services into separate units.
Hāwera to New Plymouth	Connector - Four weekday services per day. Your Connector - Two weekday services per day.	Retain separate units, or combine into a single unit for all regional services. Replacement of some services with Community Transport.
Coastal	Comprises three service routes: • Ōpunake to New Plymouth • Ōpunake to Hāwera • Hāwera to Waverley Four return journeys per week in total.	

Appendix G: Fares and ticketing systems

Per Section 3.5, Policy P4 and related actions –

P4 - Provide a fares and ticketing system that is simple, affordable and attracts and retains customers while balancing user contribution with public funding.
• Review fares on an annual basis and implement any changes in response to passenger numbers and financial performance. • Encourage and prioritise payment for bus travel by electronic card-based methods - especially groups benefitting from concessions, who will be required to use a card for their journey, or else pay cash. • Provide concessionary fares in line with national government policy. • Investigate fare capping to reward frequent public transport usage.

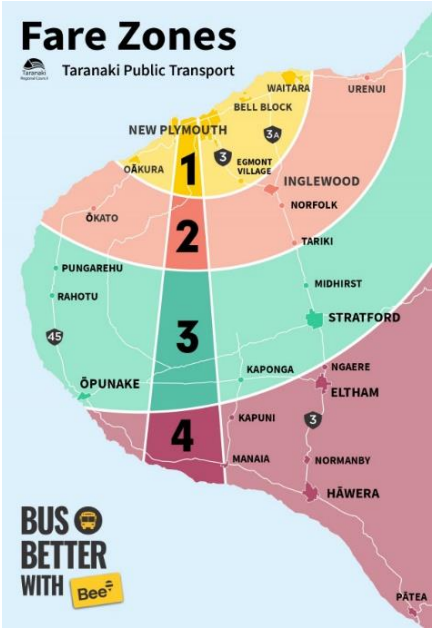
G.1 Ticketing system

The Bee Card was introduced in October 2020, making public transport in Taranaki easier and more efficient. The tag-on, tag-off prepay card system sped up boarding times, helping buses run more smoothly. People appreciated the convenience of topping up online, setting up automatic top-ups to always have credit, checking their transaction history, and managing multiple cards in one place. Seamless transfers between services also made getting around the region much simpler.

The Bee Card is being replaced region by region with a national ticketing system, Motu Move which enables passengers to use one single method of payment for council-operated public transport journeys across Aotearoa New Zealand. The aim is to introduce the national ticketing system in Taranaki at the time of new service contracts in 2026, however this is dependent on national rollout timing.

G.2 Fare zones

Fares are based on the fare type a passenger is eligible for (adult or a concession) and how many zones a passenger travels through. In January 2022, a simpler fare zones system was introduced, streamlining travel across the region.



Assessing/adjusting the appropriateness of the fare zones is part of annual fare reviews.

G.3 Setting fares

Fare setting is a balance between making services affordable for people on lower incomes (accessibility), providing an attractive savings compared with running a private car (mode shift) and ensuring that services are as (financially) sustainable as possible. Services in the region currently only cover around 25% of their operating costs. Increasing the level of fare revenue would enable more investment in improve services that will benefit everyone.

Increasing the number of people using the bus can be achieved both by gaining new passengers and increasing journey frequency by existing passengers. In both cases, the use of innovative fares and ticketing products can increase customer loyalty.

G.4 Fare levels and structure

Base bus fares across the region have remained fairly constant over the last seven years, which means that with the effect of inflation they have become significantly cheaper over time.

The existing structure of bus fares is shown in Table 12. Concession information is loaded directly onto the customer's Bee Card.

Figure 15 sets out the current fares and those proposed for the 2025/2026 financial year. Like other regions, TRC is required to increase 'private share' (see G.5), which for the majority of councils necessitates an increase in fares.

Other (third-party) funding for bus services:

- Western Institute of Technology at Taranaki (WITT) fund travel for their students. From 1 January 2025, WITT reduced their funding so that this now covers only the Connector. WITT students now pay via the registered payment method (currently Bee Card) for all urban, school and SouthLink services. On the Connector, students showing eligible ID travel for free.
- Te Whatu Ora fund travel for nurses, student nurses, patients and visitors on the Connector service between hospitals in Hāwera and New Plymouth. The Connector also couriers Te Whatu Ora packages including to Avon Medical Centre in Stratford.

Table 13: Bus fare structure

Concession type	Passenger category	Fare
Adult	19-64 years old	Base fare
Youth Proposed for 2025/26	5-18 years old	Discounted fare at all times with registered payment method
Infant	Under 5	Free at all times
WITT Connector bus only	WITT student	Free at all times, student ID required
SuperGold	SuperGold Card holder (65+)	Free between 9am-3pm with registered payment method
Community Connect	Community Services Card holder	Half price fare at all times with registered payment method

Taranaki Zones	2024/2025	2025/2026		2025/2026	
	Current fares (one way)	Youth	% increase	Adult	% increase
1 New Plymouth/ Oākura/Bell Block/Waitara	$2	$2.25	12.5%	$2.50	25%
2 Inglewood/Norfolk/ Tariki	$3	$3.40	13.33%	$3.75	25%
3 Stratford/Midhirst	$4	$4.55	13.75%	$5.00	25%
4 Ngāere/Eltham Normanby/Hawera	$5	$5.70	14%	$6.25	25%

Figure 15: Current and proposed fares

G.5 Increasing 'private share'

As signalled in GPS 2024, in November 2024 NZTA released to public transport authorities, requirements on increasing the 'private share' of public transport revenues. Private share is a measure of cost recovery and represents the proportion of public transport operating expenditure funded from private revenue sources like passenger fares and advertising. It is current Government policy to work on increasing private share to support increased levels of public transport expenditure with the stated aim of reducing pressure on ratepayers and taxpayers. TRC is actively working with NZTA on approaches to implement the Government's private share policy while continuing to maintain service levels and keep fares affordable and an attractive alternative to private vehicle travel.

The following targets for increasing of private share were agreed in principle with NZTA in January 2025:

- 2024/2025 - 19%
- 2025/2026 - 22%
- 2026/2027 - 26%.

While TRC has a commercial partnership with a media company to generate advertising revenue from buses, we do not own the infrastructure that would allow us to generate additional income from bus shelters. We also have third-party funding arrangements with WITT and Te Whatu Ora Taranaki (see G.4). However, in the current economic climate, there are limited additional opportunities for revenue generation. Larger PTAs have options like rental income and electricity grid sales, but these avenues are not available to TRC, so our ability to increase private share is constrained.

To achieve the targets a fare increase is required due to limited opportunities for additional revenue generation. Therefore, a 25% increase in adult fares and a 13.5% increase in youth fares is proposed for 2025/2026 to meet the NZTA's target. This will help ensure public transport remains financially sustainable while maintaining affordability.

Investigate fare capping to reward frequent public transport usage

At present, there is no reward for frequent usage by people who pay the full fare and contribute most (in financial terms) to the service. Regular passengers pay the same single fare as occasional users. To encourage more regular usage, consideration will be given to rewarding frequent full fare passengers with a weekly or monthly cap on the fares they pay. This means that any usage over the cap level is effectively discounted and then free for the remainder of the period.

Appendix H: Significance policy

H.1 Purpose

The RPTP can be varied at any time. This policy is required to determine whether any proposed variation to the RPTP is significant for the purpose of section 126 (4) of the LTMA, which refers to the level of consultation that is required before a variation can be adopted.

A more streamlined process may be adopted for matters not considered significant.

For the purpose of this policy:

- Significance is a continuum, from variations of high significance through to variations of low significance. The policy sets a significance threshold, relating to a high degree of significance.
- If a variation is not significant then the consultation requirements under section 125 (1) of the LTMA do not apply. This does not imply that the variation is unimportant or that no consultation will take place.
- The Regional Council fully intends to undertake targeted consultation on matters that affect specific communities and stakeholders, including operators, even when these matters do not invoke the significance threshold outlined in this policy.

H.2 Significant variations

A significant variation is likely to have more than minor impact on any of the following:

- The Council's ability to achieve its vision.
- The Council's ability to achieve the strategic direction and policies of the RPTP.
- The Council's ability to achieve the objectives of the RPTP, or the Regional Land Transport Plan.
- The reallocation of the funding available for public transport in the region.

When assessing the significance of any proposed variation, the Council will consider:

- The reasons for the variation, and the alternatives available.
- The magnitude of the variation in terms of its financial cost to the region.
- The extent to which the proposed variation departs from the strategic direction and guiding principles contained within the RPTP.
- The proportion of the regional community that would be affected to a moderate or greater extent by the variation.
- The likely effect on the overall level, quality, and use of public transport services in the region.
- The extent to which the variation is consistent with the Regional Land Transport Plan, and the Government Policy Statement.
- The implications for the present and future economic development and efficiency of the region, safety and personal security, access and mobility, environmental sustainability, or public health.
- The likely effect on the Council's Long-Term Plan.

The following will always be considered significant and must follow the consultation requirements in section 125 (1) of the LTMA:

- Major reorganisation of units.
- Changes to this significance policy.

The following will generally be considered as not significant:

- Minor changes to units or services.
- Minor changes to fare levels, e.g. annual fare reviews.
- Addition or removal of individual units, including any trial units, consistent with the RPTP.
- Addition, removal or amendment of any matter that has already been the subject of public consultation.
- Changes to the descriptions of services or service groupings following a service review, provided there is no significant increase in cost.

H.3 Targeted engagement

When the Council finds that a proposed variation is not significant, the Council will undertake targeted stakeholder engagement.

As service reviews affect only a part of the region, full consultation will not generally be required. Key stakeholders will be included in preliminary engagement as service plans are developed, and targeted public engagement will follow when options have been identified.

Minor changes in service delivery that are required to improve efficiency (such as adding or removing trips, and minor route changes) have only a local impact. In these cases, engagement will generally be undertaken on a low level with the operator(s) involved, the relevant Territorial Authority, and communities who benefit from the services.

Any proposals for changes that affect only a sector of the community or the industry (such as a change to the Total Mobility scheme, or a change to specific vehicle quality standards) will be worked through with those most likely to be affected, as well as other relevant stakeholders.

This policy does not preclude the Council from a more comprehensive consultation process for a variation, that does not meet the significance threshold, if the benefits of that consultation are considered to outweigh the costs.

Appendix I: Supporting the transport disadvantaged

The Land Transport Management Act 2003 requires that the RPTP, '*consider the needs of persons who are transport-disadvantaged*' and '*describe how the network of public transport services and the services will assist the transport-disadvantaged.* It provides the following definition for this –

> '***transport-disadvantaged*** *means people who the regional council has reasonable grounds to believe are the least able to travel to basic community activities and services (for example, work, education, health care, welfare, and shopping).*'

TRC considers the above when creating policies to assist the transport disadvantaged. A range of personal, demographic, social and geographical attributes is likely to restrict access to, and the use of, public transport services and facilities leading to transport disadvantages. These include:

- Age (youth and elderly)
- Disability
- Health conditions
- Low income
- Lack of access to a private vehicle
- Lack of accessible public transport services.

Taking these attributes into account, TRC considers that the following groups are more likely to be transport disadvantaged than the general population:

- People with accessibility needs
- People without driver licences, including children under driving age
- People on low incomes, including beneficiaries
- People in households without private vehicles.

One of the six objectives for RPTP 2025 (refer to Section 3.3) is **Improve public transport accessibility and equity.**

TRC considers both equity and equality.

Equality – an equality approach seeks to ensure public transport is generally available on an equal basis for all. This is an important component of coverage oriented public transport design, but on its own does not necessarily mean people can utilise services.

Equity – an equity approach recognises that what is required to overcome transport disadvantage can vary significantly, and additional support should be targeted to people in greatest need.

We note that **both equality and equity** are important considerations when evaluating the needs of transport disadvantaged.

Our targeted fare concessions, and the provision of accessible services recognises that an equity approach is required to overcome transport disadvantage.

TRC will actively design fare structures, passenger experience, and service development to support equity across the whole network. We will strongly advocate for fully accessible bus stops and related infrastructure to support access to bus services.

Failure to address barriers that prevent people from accessing opportunities will only serve to widen inequality.

Section 3.5 notes these specific actions for Policy P2

P2 - Improve public transport service access for disabled people, so that they have the same transport choices and opportunities as the able-bodied.
• Continue to support Total Mobility provision across the region. • Introduce accessible buses on Connector and Southlink services as part of new contracts. • Work with Territorial Authorities to improve accessibility for disabled people at bus stops, and on active travel routes to bus stops. • Ensure that Community Transport services are supplied with accessible vehicles where feasible.

It is recognised that support is needed for people who cannot use public transport to travel, all or some of the time, due to disability as a result of physical or mental impairment.

An impairment may prevent people from having the confidence to travel at all, getting to a public bus stop, getting onto the bus, riding safely and securely, getting off the bus or getting to their final destination. Most modern buses are well-designed for physically disabled people, as they can kneel to the kerb for level boarding and have space for accommodation of wheelchairs.

Key provisions are in relation to:

- Personal choice for disabled people that is no different to the able-bodied;
- Designing services and information that give confidence to people with conditions such as autism and anxiety; and
- Affordability of service provision for people who are on limited budgets.

Total Mobility services provide an option for disabled people who cannot use standard buses, with staff who are trained to deal with the needs of their customers. There is a 75% subsidy for the first $40, with any remaining fare over that amount paid for by the passenger. More detail is provided in B.3.

For conventional public transport, there can be no discrimination against people because of their disability, which means that vehicles on TRC-funded services must comply with disability access standards. Although urban bus services are compliant with Requirement for Urban Buses (RUB) provisions, Connector and Southlink are not required to meet the same standards. This results in a difference between accessibility of urban and rural buses which is increasingly hard to justify when disabled people should be treated equally. Addressing this issue through introduction of accessible vehicles wherever possible is a key focus.

The other major challenge for disabled people, and those with temporary mobility impairments, is access to and from bus stops. Many stops, and routes getting to / from them, are not compliant with modern accessibility design standards including:

- Shelters, with sufficient waiting space away from the footpath;
- Optimum height hard standing for level boarding;
- Safe crossing points close to the stop;
- Tactile paving for blind / partially sighted people; and
- Dropped kerbs for wheelchairs / mobility aids.

A full bus stop location, passenger facility and accessibility audit will enable current challenges and priorities for improvement to be identified.

Taranaki Regional Council

MEMORANDUM
Executive, Audit & Risk

Date:	24 March 2025
Subject:	**Public Transport Private Share Fare Increase**
Author:	C Gazley, Transport Engagement Manager
Approved by:	M J Nield, Director - Corporate Services
Document:	TRCID-223470261-127

Purpose

1. The purpose of this memorandum is to provide an update on recent changes to central government's requirements regarding public transport cost recovery and the mechanisms by which these are to be achieved, predominantly through increasing the existing flat fare structure.

Executive summary

2. This paper outlines the recent updates to the central government's expectations regarding public transport cost recovery, focusing on increasing the private share of public transport revenue.
3. The Government Policy Statement for Land Transport 2024 (GPS) sets a clear target for Public Transport Authorities (PTAs) to reduce the financial burden on taxpayers and ratepayers by increasing the private share.
4. The Transport Agency (NZTA) has issued initial private share targets for the next three years, suggesting for Taranaki a 19% share for 2024/2025, 23% for 2025/2026, and 30% for 2026/2027.
5. In response, we proposed more modest targets which were approved in principle in January 2025.
6. To achieve these targets a fare increase is required due to limited opportunities for additional revenue generation. Therefore, a 25% increase in adult fares and a 13.5% increase in youth fares is proposed for 2025/2026 to meet the NZTA's target. This will help ensure public transport remains financially sustainable while maintaining affordability.
7. Looking ahead, we are exploring strategies to further increase the private share, including optimising bus routes, completing a zone review, and identifying new funding sources. Additionally, the Single Stage Business Case (SSBC) for an improved bus network is expected to enhance network efficiency, increase patronage, and improve overall service delivery. These actions should enable the 26% target to be achieved in 2026/2027.

Recommendations

That the Taranaki Regional Council:

a) approves the proposed fare increases of 25% for adults and 13.5% for youth, effective 1 July 2025 to support the target of achieving a 22% private share in 2025/2026

b) notes the requirement to increase the private share of public transport operating costs, as outlined in the GPS for Land Transport 2024

c) determines that this decision be recognised as not significant in terms of section 76 of the *Local Government Act 2002*

d) determines that it has complied with the decision-making provisions of the *Local Government Act 2002* to the extent necessary in relation to this decision; and in accordance with section 79 of the Act, determines that it does not require further information, further assessment of options or further analysis of costs and benefits, or advantages and disadvantages prior to making a decision on this matter.

Background

8. The Government Policy Statement for Land Transport 2024 (GPS) has set an expectation for Public Transport Authorities (PTAs) to increase the private share of revenue to offset rising public transport operating costs.
9. Public transport is funded through both private and public sources. The private share reflects the individual benefits to users and includes fare substitutes and commercial revenue, such as advertising, while the public share accounts for the broader societal benefits of public transport, including reduced road congestion, environmental sustainability, and overall community outcomes.
10. In November 2024, PTAs received a discussion document from the New Zealand Transport Agency (NZTA) about increasing the private share of public transport revenue nationwide. This document emphasized the strategic priority of delivering value for money in all transport investments, requiring PTAs to set and agree on private share targets with NZTA. This is intended to reduce the financial burden on ratepayers and taxpayers.
11. NZTA provided initial private share targets for the next three financial years, serving as a starting point for discussions:
    - 2024/2025 - 19%
    - 2025/2026 - 23%
    - 2026/2027 - 30%.
12. In response, we have proposed a more reasonable adjustment to these targets, taking into account factors such as financial accessibility, the competitiveness of public transport compared to other transport options, and the specific needs of key demographic groups such as students and families. The proposed targets are more modest than those suggested by NZTA and were approved in principle in January 2025:
    - 2024/2025 - 19%
    - 2025/2026 - 22%
    - 2026/2027 - 26%.
13. While TRC has a commercial partnership with a media company to generate advertising revenue from buses, we do not own the infrastructure that would allow us to generate additional income from bus shelters. We also have third-party funding arrangements with WITT and Te Whatu Ora Taranaki. However, in the current economic climate, there are limited additional opportunities for revenue generation. Larger PTAs have options like rental income and electricity grid sales, but these avenues are not available to TRC, so our ability to increase private share is constrained.

Issues

14. The issue being addressed is changes to fare structures to allow the Council to achieve Government established private share targets.

Discussion

15. The following paragraphs outline the proposed targets and actions to achieve those targets over the next three years.

2024/2025 – 19%

16. Private share is progressing well toward the 19% target, largely due to the reduction in crown fare concessions, including the community connect scheme for youth fares. The removal of this fare substitute, which was heavily used in Taranaki, resulted in an approximately 7.6% increase in private share. It's expected that we will meet this target with no further action in this current financial year.

2025/2026 – 22%

17. The most immediate and effective way to increase the private share will be through a fare adjustment.
18. Prior to the introduction of the Beecard in 2022, the fare structure in Taranaki was more complex and expensive than it is today.
19. In 2019 the fare schedule was:

Fares Schedule Summary – *Full fare schedule available on the website*

ONE-WAY FARES	Opunake to NP	Hawera to NP	Eltham to NP	Stratford to NP	Inglewood to NP
Adult - *Cash*	$15.00	$12.00	$10.00	$9.00	$5.00
Adult - *Smart Card*	$12.00	$9.60	$8.00	$7.20	$4.00
Concession* - *Cash*	$11.20	$9.00	$7.50	$6.70	$3.70
Concession - *Smart Card*	$9.00	$7.20	$6.00	$5.40	$3.00

**Child 5-15yrs / Tertiary Students / Senior Citizens / Community Services Card Holders / Access*

Standard fares – single trip

Bee ZONE		New Plymouth	Bell Block or Omata	Waitara to /from BB	Waitara to /from NP
CHILD/ STUDENT*	BEE CARD	$1.60	$1.85	$1.85	$2.35
	CASH	$2.30	$2.60	$2.60	$3.80
ADULT	BEE CARD	$2.67	$3.09	$3.09	$4.63
	CASH	$3.70	$4.20	$4.20	$6.20
CONCESSION	BEE CARD	$1.80	$2.10	$2.10	$3.00

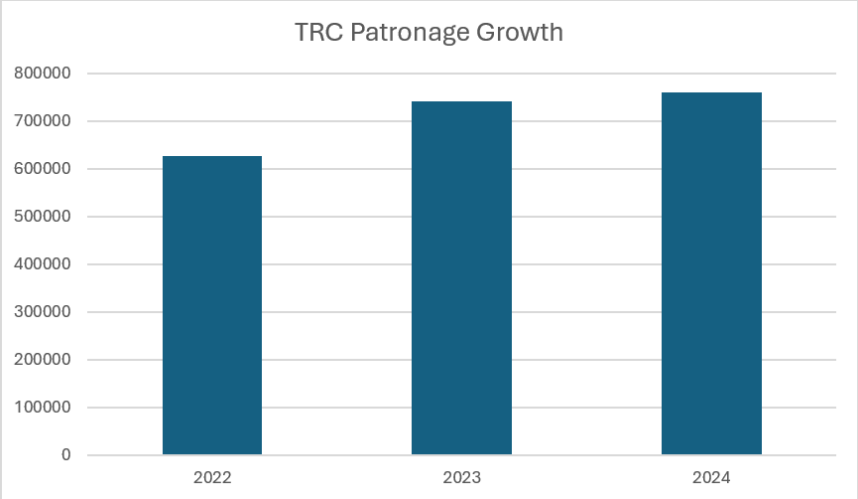
**Please note: all services are available to the public. Prices are GST inclusive.*

20. In 2020, the fare structure was updated on the introduction of Beecard to:

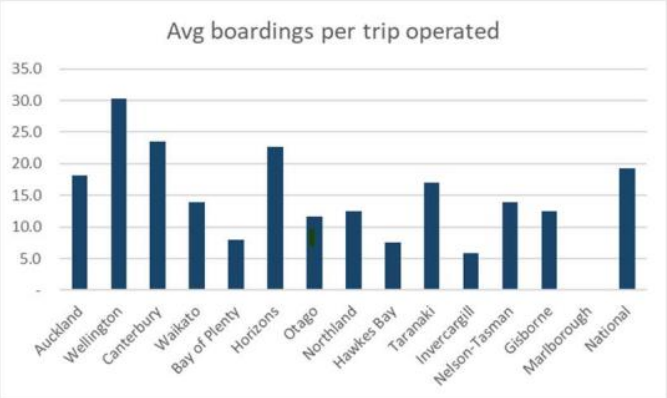
Fare table

21. The current $2 flat fare for Beecard users was introduced to encourage greater use of public transport, and since then, patronage across the network has steadily increased. Taranaki compares well amongst similar sized PTAs, second only to Horizons with regards to average boardings per trip.

    TRC Patronage Growth 2022, 2023, 2024



Average Boardings per Trip Operated Waka Kotahi NZTA 2023



22. When considering the fare increase for 2025/2026, the following factors have been considered:
    - Indexation: Public transport bus indexation is a mechanism that adjusts payment to bus operators to account for inflation, this is done to compensate for the rising costs of fuel, labour, road user charges and other inputs. Indexation from 2022 to 2025 resulted in an increase in operating costs of approximately 27%.
    - Comparison with other regions: Taranaki's current fares are competitive with similar-sized PTAs nationwide, with a one zone adult fare of $2.00. Many PTAs offer a youth concession (5 -18-year-olds), recognising this TRC has gained support from NZTA to offer a youth concession in the new fare structure. TRC is not alone with the requirement to raise fares to meet private share targets, at the time of writing our PTAs are having similar discussions and will likely recommend a similar fare increase of around 25%.

- Financial accessibility: Public transport must remain affordable for all users, particularly for those who rely on it as an essential service. We are mindful of the need to balance fare increases with the potential impact on affordability for lower-income users.
- Competitiveness of alternatives: To encourage commuters to switch from cars to buses, public transport must be both affordable and convenient, a sharp fare increase could undermine this shift.
- Affordability vs reputation risk: We understand that large fare increases could lead to public dissatisfaction. The goal is to implement a moderate and justified increase to maintain public trust.
- Sustainability of service: While fare increases are necessary to keep up with operating costs, excessive hikes could reduce demand, leading to a vicious cycle of reduced services and lower revenue.
- Impact of efforts to lower costs: We have already made significant efforts to reduce costs and increase patronage, and we want to avoid undoing these gains with an excessively high price hike.
- Impacts on families and students: The absence of a dedicated student fare and the potential for a fare increase to disproportionately impact families are key considerations. We are proposing a 13.5% increase for youth fares (5-18 years old), to help balance affordability with the need for increased revenue. We see affordable transport for students is an investment in the future. Keeping fare increases minimal will encourage lifelong use and support for public transport.

2026/2027 – 26%

23. Looking further ahead, the Council remains committed to finding ways to increase the private share while maintaining value for money. This can be achieved through:
    - Optimising bus routes to ensure cost-efficiency and expand high-demand services
    - Completing a zone review to ensure accurate cost recovery
    - Exploring additional funding sources, including parking revenue
    - Implementing the Single Stage Business Case (SSBC) for an improved bus network.
24. The business case is grounded in public feedback, with community input playing a central role in our decision-making process. The SSBC aligns with the Government Policy Statement by demonstrating that changes to the public transport service will help decrease congestion, improve access to jobs, lead to a reduction in emissions, and offer value for money with an increase in patronage.
25. The SSBC is relevant to the 2026/2027 private share percentage, the new network moves TRC in a positive direction, the SSBC is focused on enhancing network efficiency, which should lead to increased ridership, reliability, and customer satisfaction. For example, the bronze option supports a 14% increase in passenger numbers by 2035 and has a similar annual operating cost to the existing service. If the funding environment changes, the SSBC offers progression through silver and gold options, a move to the gold option would result in a 44% increase in passenger numbers.

Fares

26. In order to meet the requirements set by NZTA, and achieve the private share target of 22% in 2025/2026, a fare increase is necessary. This would include:
    - A 25% increase in adult fares
    - A 12.5% increase in youth fares.

    Bee Card

    - Adult fare increase: $2.00 to $2.50 (25% increase)
    - Youth fare increase: $2.00 to $2.25 (13.5% increase)

- Extra zone fare increases: from $1.00 to $1.25 for adults, and $1.00 to $1.15 for youth.

Cash Fares

- Adult one zone: from $3.00 to $3.50
- Youth one zone: from $3.00 to $3.25
- Additional zones: Same as bee card fare increases.

Other Exemptions

- Passengers under five remain free
- Community Connect and Super Gold remain unchanged.

Adult and Youth Fare Example by Zone.

	$2 Bee Single zone / $3 Cash Single zone / +$1 Per extra zone	Youth: $2.25 Bee Single zone / $3.25 Cash Single zone / +$1.15 Per extra zone		Adult: $2.50 Bee Single zone / $3.50 Cash Single zone / +$1.25 Per extra zone	
Taranaki Zones	2024/2025	2025/2026		2025/2026	
	Current fares (one way)	Youth	% increase	Adult	% increase
1 New Plymouth/ Oākura/Bell Block/Waitara	$2	$2.25	12.5%	$2.50	25%
2 Inglewood/Norfolk/ Tariki	$3	$3.40	13.33%	$3.75	25%
3 Stratford/Midhirst	$4	$4.55	13.75%	$5.00	25%
4 Ngāere/Eltham Normanby/Hawera	$5	$5.70	14%	$6.25	25%

Options

27. The Council's options are to adopt the proposed changes or seek to renegotiate another set of changes, with NZTA, to achieve the required increases in private share contributions.
28. The Council is in a relatively good position to achieve the 19%, 22% and 26% targets. The Council is on target for 19% in 2024/2025, so no further action is required. Increases in fares will allow the Council to meet the 22% target for 2025/2026. Successful implementation of the SSBC should allow the 26% target to be achieved in 2026/2027.
29. Compared to other parts of the country, the proposed fares increases are relatively modest and achievable without too much adverse impact on patronage.
30. Consequently, it is recommended that the proposed changes are adopted.

Significance

31. In terms of the *Significance and Engagement Policy*, the decision is determined as not significant as:
    - the decision does not affect a large number of residents and ratepayers to a moderate extent
    - the consequences of the decision do not affect a small number of residents and ratepayers to a large extent

- the decision does not have a history of generating wide public interest with the Taranaki region or New Zealand generally.

32. As such, further consultation and/or engagement is not considered warranted.

Financial considerations—LTP/Annual Plan

33. This memorandum and the associated recommendations are consistent with the Council's adopted Long-Term Plan and estimates. Any financial information included in this memorandum has been prepared in accordance with generally accepted accounting practice.

Policy considerations

34. This memorandum and the associated recommendations are consistent with the policy documents and positions adopted by this Council under various legislative frameworks including, but not restricted to, the *Local Government Act 2002*, the *Resource Management Act 1991* and the *Local Government Official Information and Meetings Act 1987*.

Climate change considerations

35. There are no specific climate change impacts to consider in relation to this item. There is a risk of increased vehicle emissions from increases in fares. Increase in fares tends to reduce patronage on public transport services with users moving to private vehicles. Increases in private vehicle usage will increase emissions.

Iwi considerations

36. This memorandum and the associated recommendations are consistent with the Council's policy for the development of Māori capacity to contribute to decision-making processes (schedule 10 of the *Local Government Act 2002*) as outlined in the adopted Long-Term Plan and/or Annual Plan.

Community considerations

37. This memorandum and the associated recommendations have considered the views of the community, interested and affected parties and those views have been recognised in the preparation of this memorandum.

Legal considerations

38. This memorandum and the associated recommendations comply with the appropriate statutory requirements imposed upon the Council.

Taranaki Regional Council

MEMORANDUM
Executive, Audit & Risk

Date:	24 March 2025
Subject:	**Public Transport Update**
Author:	C Gazley, Transport Engagement Manager
Approved by:	M J Nield, Director - Corporate Services
Document:	TRCID-1492626864-490

Purpose

1. The purpose of this memorandum is to update the Committee on the ongoing developments and plans of the region's public transport service.

Recommendations

That the Taranaki Regional Council:

a) receives and notes the public transport update

Discussion

2. This report provides an update on the ongoing developments and plans of the region's public transport (PT) service. These changes are designed to improve service reliability, efficiency, convenience and overall user experience.
3. Alongside these developments, work is being done to evaluate and adjust fare structures in response to a request by Waka Kotahi/NZTA for an incremental increase to private share over the next three years.
4. Additionally, ongoing operations improvements are in progress such as updated school services and expanded bus routes. The procurement process for the new public transport operator(s) is underway with proposals due by the end of February.

Public Transport Project Overview

5. The new public transport network will see a comprehensive overhaul of bus routes and schedules aimed at modernising the service. This upgrade is designed to better serve our current users and attract new ones by enhancing efficiency and reliability. Post the adoption of the Single Stage Business Case, the procurement process for new public transport operators is underway, with Requests for Proposal closing at the end of February. The new network will go live on 6 April 2026.

National Ticket System (NTS)

6. Motu Move - the implementation of a new, integrated ticketing system across the country will simplify payment methods and increase convenience for users. The rollout will begin with Canterbury, and Taranaki is expected to go live by the end of 2025 or early 2026.

New Regional Public Transport Website

7. A new, user-friendly website will create a seamless experience through the NTS and other digital platforms. The updated site will feature real-time schedules, trip planning tools, payment options, total mobility applications, and other public transport services. The website will launch on 6 April 2026, aligning with the new network.

Rebranding and New Name for Regional Public Transport

8. We are undertaking a full redesign of the public transport brand, including a new logo, visual identity, and marketing materials. We believe that the people of our region, especially those who use the service regularly, should play a central role in what these changes look like, so we want to ensure that the new identity reflects the needs and aspirations of our communities. We'll be gathering as many ideas as possible from the community so that it's not just a public service – it's our public transport. This rebranding will roll out with the new network on 6 April 2026.

Private Share

9. Waka Kotahi / NZTA has requested that Public Transport Authorities present a proposal for a reasonable adjustment to private share over the next three financial years. This adjustment will include fare increases and efficiency improvements across the network. With regards to the fare increase the transport team is carefully balancing key factors such as financial accessibility for adults, the sustainability of the service, student concessions, and the real-world impacts on our users.
10. The transport team is working closely with our NZTA partners on this initiative and a more detailed report on the evaluation of the public transport service and fare adjustments is included in this Agenda.

Current Operations

11. Looking back at 2024, we saw an increase in patronage compared to 2023. Our top six routes have remained consistent, they include Waitara to New Plymouth, Westown, Whalers Gate, Merrilands, and Moturoa, with the Connector (Hawera to New Plymouth) securing the 6th spot. After the Ariki Street hub, Marama Crescent remains our most popular bus stop.
12. Current patronage numbers are as follow:

Route	2024/2025 February YTD	2023/2024 February YTD	Change	% Change
Citylink	416,089	428,810	(12,721)	-2.96%
Connector	49,459	48,434	1,025	2.11%
Rural	3,759	1,764	1,995	113.09%
Total	**469,307**	**479,008**	**-9,701**	**-2.02%**

13. The school bus routes have been assessed based on patronage data and conversations with our operators and the public. This has enabled TRC to offer a more effective service which started at the

return to school in February. Overall, the variations have reduced travel by 70.38km per day, 13,372.20km per year.

14. An additional bus service between South Taranaki and New Plymouth began on 10 February 2025. We needed to respond to an increase in demand and to feedback gathered during the 2024 public consultation on the new network. Starting in March, the bus on this route will be fully accessible, providing wheelchair access.
15. NZTA has provided a pathway for the reintroduction of bike racks on buses. The bike racks are currently out of service due to bikes obscuring headlamps on some models of buses. We are pleased to have found a solution, as bike transportation is an important part of our service. Operators are currently assessing whether their buses comply with the new standards, and options have been provided for remedying any issues.

Taranaki Regional Council

MEMORANDUM
Executive, Audit & Risk

Date:	24 March 2025
Subject:	**Accommodation update**
Author:	J Paterson, Project Manager
Approved by:	M J Nield, Director - Corporate Services
Document:	TRCID-1492626864-474

Purpose

1. The purpose of this memorandum is to provide an update on the progress of the accommodation upgrade project.

Recommendations

That the Taranaki Regional Council:

a) receives the Accommodation Update Report March 2025

b) notes the progress to date and the next steps on the Accommodation Project.

Background

2. The Council operates out of the former Stratford dairy factory, which was converted to office accommodation in the 1980's. Since then, there have been a number of enhancements to the site.
3. In June 2023 Council approved $10.4m to demolish the Inspectorate Building, which was only 19% of NBS earthquake standards; construct a new stand-alone building, which meets the current and future facilities requirements and replace the heating and cooling in the main administration building. This option was identified as the most cost effective and will cause minimal disruption to council operations during the build. Any further works on the main building can be addressed at a later date, if additional demands arise.
4. The core drivers established in 2019 for the proposed masterplan remain a key focus as the project progresses:
   - **Connectivity -** Communication and information across departments is vital to business success. New spaces will maximise connectivity between departments
   - **Sustainable Initiatives -** Self sustainability (energy generation), sustainable building materials and waste minimisation will all play a significant role in the rebuild design.
   - **Security -** Increased threat and risk assessments for government buildings will require multiple security layers and buffer zones between staff/public.
   - **Quality workplace and well-being -** Provisions for future growth are incorporated. Future building uses considered if the local government reforms change the working models. Designs will be flexible for any future requirements.

- **Cultural and community connection -** Early engagement with iwi and collaborative design approaches. References to the site context and heritage will be incorporated into new build design.

General Project Update

5. Updates to elected members at regular project milestones and key project decision making stages.
6. Following the Council decision in June 2023, an internal project team was established with support from external architects and project management.
7. Engagement and partnership with local Iwi has commenced on a collaborative partnership to ensure that cultural narrative and connection to the new building, and overall TRC Stratford site continues as the site develops in the future.
8. Work on upgrades to the administrative building and compliance requirements of this project were completed in February 2025. This included the electrical upgrade, new generator, fire alarm upgrade and HVAC internal works. All sub-projects were complete within budget.

New Build

9. The above core drivers have been used to create the new build objectives which include:
    - Functional
    - Fit for purpose
    - Sustainable
    - Future flexible
    - Innovative
    - Delivered on budget
10. Contracts have been secured through to project completion with key consultants required for the new build, including a quantity surveyor, structural engineer, civil engineer, and architects. These professionals will support the design, cost estimation, and structural integrity of the building.
11. The project budget remains sufficient and on track to support the construction of a new 1,300 sqm facility. Financial oversight continues to ensure costs align with projections.
12. The building has been designed as a simple rectangular structure with an open-plan layout. A large meeting room, located in the northwestern corner, has been designed for flexible use. It can be isolated from the main building and accessed separately by the public, allowing for greater community engagement and independent use.
13. Tender documents were released to the market on 15 November 2024, with submissions closing on 20 December 2024. The process attracted six high-quality responses, demonstrating strong industry interest.
14. The tender evaluation team convened on 15 January 2025 to assess the non-price attributes of the submissions. Price-related attributes were provided to the quantity surveyor for detailed analysis to ensure cost-effectiveness and alignment with the project budget.
15. Resource consent has been granted, and as of this report, three rounds of Requests for Information (RFIs) have been addressed for the building consent process. A verbal update will be provided at the meeting, at which time construction is expected to be underway.
16. On 31 January 2025, following clarification of certain contract conditions, a preferred contractor was selected. Contract negotiations are now being finalised, and a verbal update on progress will be provided at the meeting.

17. The construction programme outlined during the tendering process indicates a 12-month build duration from commencement to completion. Project timelines will be monitored closely to ensure delivery within this timeframe.
18. A site blessing was held on the morning of 6 March 2025, with strong attendance from staff and contractors. Iwi engagement has been an integral part of this project for the past 12 months, contributing to key design and spatial flow elements of the new building. Their input has helped ensure cultural considerations are embedded in the project, reflecting a collaborative approach to the development.

Communication

19. A communication and stakeholder engagement plan is in development from both an internal and external perspective. Officers and contractors will be made aware that work needs to continue with minimal interruptions; equally there will be disruptions to nearby neighbours that will be closely monitored and managed with proactive communication such as text alerts and direct personal engagement.
20. A pamphlet has been developed to provide nearby residents with an update on the project and communication avenues should they have any enquires during the next 12 months.

Taranaki Regional Council

MEMORANDUM
Executive, Audit & Risk

Date:	24 March 2025
Subject:	**Stadium Taranaki Plus: Project Update**
Author:	J Paterson, Project Lead
Approved by:	M J Nield, Director - Corporate Services
Document:	TRCID-1492626864-475

Purpose

1. The purpose of this memorandum is to provide an update on the Stadium Taranaki Plus Project.

Recommendation

That the Taranaki Regional Council:

a) notes the progress to date and the next steps on the Stadium Taranaki Plus Redevelopment Project.

Background

2. Stadium Taranaki's stands were earthquake prone buildings. The East Stand was identified as earthquake-prone in November 2017 and the West Stand as earthquake-prone in May 2018. Both were closed as a matter of public safety.
3. In the *2019/2020 Annual Plan*, the Council adopted a repair and refurbishment programme for Stadium Taranaki, which included the repair/refurbishment of the two stands and the delivery of a range of essential upgrades.
4. Following NPDC ceasing to lead the Yarrow Redevelopment, in December 2019, the Council endorsed a project governance framework and established the Project Steering Group (PSG) to run the project and report to the Executive Audit and Risk Committee.

General Project Update

5. The Stage two contract, the final major contract for the project, was signed on 28 June 2023. This followed the decision to approve an additional $9.7m, increasing the total project budget to $79.7m.
6. Following our decision to increase the budget, an updated agreement was developed with CIP. This agreement includes the project milestones, which are where we draw down the Government funding. This was signed in November with funding drawdowns allocated through to the end of the project.
7. The Director - Corporate Services, PSG and Project Lead continue to build and maintain a strong relationship with CIP, to ensure a true partnership approach is taken to this project
8. We continue engagement with NPDC on future stadium operation. The next Joint Committee meeting is in April 2025.

9. The Project Lead has been working with the stadium operator to refine maintenance programmes and cost to ensure efficient and effective maintenance occurs at a standard expected of our stadiums vision.
10. Work is underway on a new Strategic and Asset Management Plans for the stadium to incorporate the new stand and how the venue can and will operate.

East Stand

11. The new East Stand design reflects the changing nature of sport in New Zealand and internationally. The new design is intended to deliver a superior player and spectator experience for both community use and international events in comparison to the previous stand, while also minimising whole of life cost.
12. The design principles underpinning the project vision have ensured that the building realised is fit for purpose:
    - Scalable: The campus supports local and regional event delivery but can easily accommodate additional infrastructure to hot national and international events
    - Affordable: The campus is easy to access, configure and operate for community and commercial users minimising the logistics and cost of event delivery.
    - Flexible: The campus spaces and design lend themselves to multiple uses, easily changing form to support desired functions
    - Desirable: campus is designed to delight every player and spectator and is recognised as 'the place to play' at all levels of sport.
    - Accessible: The development of the campus allows for clear sightlines, ease of movement across different fields and spaces, and simple wayfinding for all users.
    - Provincial Spirit: The campus inspires regional pride, ownership, and connectivity, bringing together people with different interests and passions.
    - Innovative: The stadium provides a full and rich end-to-end user experience, through the use pf smart technology and adaptable spaces throughout the campus.
    - Connected: The campus is naturally accessible and connected throughout, making it practical and fit-for-purpose for all commercial and community events.
13. The new stand is 8 metres closer to the field, which is supported by Rugby New Zealand and New Zealand Football, to create a better atmosphere for players and spectators.
14. The East Stand consenting strategy was two staged, allowing contractor input on buildability of the design and to assist with project programme.
    - Stage 1 – Piling and bulk civil works, preparation for foundations and pad.
    - Stage 2 – Remaining building works to complete.
15. Stage 1 and Stage 1A are now complete.
16. This quarter significant progress has been made across all areas of the project, external slab pours are now 80% complete, and preparation work in the north is progressing well.
17. The TRFU area has been instructed, and works have begun to install new sealing up to the current TRFU changing rooms. Ongoing work at the substation has seen successful demolition, and the Contractor is scheduled to pour concrete week beginning 10 March. The relocation of the transformer and subsequent switch-over works between the old and new switchboards have been completed.
18. Decorative concrete works are scheduled to begin next week, with a trial area set for Tuesday, key works to completion include:

- Level 2: Blade ceiling complete, all gib linings installed, north kitchen compact laminate finished, all distribution boards (DBs) in place.
- Level 1: Plastering to the bulkhead complete and sealed, ceilings in toilets and F&B 95% complete, floor grinding underway, fit-off ongoing, wash troughs installed.
- Level G: Floor in the players' tunnel complete, media room services in, tiles laid in toilets, gib ceilings installed in unisex toilets.
- Stairwells: Handrails fitted.
- Civil: Triangle poured (Cultural narrative), north side preparation underway.

19. Looking ahead to the next two weeks, key tasks per floor include:
    - Level 2: Service trade commissioning, laying of carpet tiles (starting 10 March), vinyl installation in the kitchen, and painting of North and South toilets.
    - Level 1: Flooring installation in toilets and fit-off/second fix.
    - Level G: Flooring, sealing, and commissioning – this area will be very busy with all trades entering the final stages of work.
20. The project remains on programme with for completion in April 2025.

Public Excluded Recommendations – Executive Audit and Risk Committee 18 March 2025

In accordance with section 48(1) of the Local Government Official Information and Meetings Act 1987, resolves that the public is excluded from the following part of the proceedings of the Executive Audit and Risk Meeting on 18 March 2025 for the following reason/s:

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

Item 20 – Confirmation of Public Excluded Executive Audit and Risk Minutes – 4 February 2025

That the public conduct of the whole or the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information where the withholding of the information is necessary to protect information where the making available of the information would be likely unreasonably to prejudice the commercial position of the person who supplied or who is the subject of the information; and/or enable any local authority holding the information to carry out, without prejudice, commercial activities.

General subject of each matter to be considered	Reason for passing this resolution in relation to each matter	Ground(s) under section 48(1) for the passing of this resolution
Item 21: Yarrow Stadium Plus: Project Steering Group Report	The report contains information relating to performance of the contractor which is subject to ongoing monitoring and negotiation.	That the public conduct of the whole or the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information for which good reason for withholding would exist under section 7 (2) (h) of the Local Government Official Information and Meetings Act 1987.
Item 22: Stadium Taranaki Launch Event Plan	To enable any local authority holding the information to carry out, without prejudice or disadvantage, commercial activities.	That the public conduct of the whole or the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information for which good reason for withholding would exist under section 7 (2) (h) of the Local Government Official Information and Meetings Act 1987.
Item 23: Accommodation Project Dashboard Report March 2025	The report contains information relating to performance of the contractor which is subject to ongoing monitoring and negotiation.	That the public conduct of the whole or the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information for which good reason for withholding would exist under section 7 (2) (h) of the Local Government Official Information and Meetings Act 1987.

Taranaki Regional Council

MEMORANDUM
Executive, Audit & Risk

Kia uruuru mai

Karakia to close meetings

Kia uruuru mai	Fill me with
Ā hauora	Vitality
Ā haukaha	Strength
Ā haumaia	Bravery
Ki runga, Ki raro	Above, below
Ki roto, Ki waho	Within, outwards
Rire rire hau	Let the wind blow and bind
Paimārie	Peace upon you

Nau mai e ngā hua

Karakia for kai

Nau mai e ngā hua	Welcome the gifts of food
o te wao	from the sacred forests
o te ngakina	from the cultivated gardens
o te wai tai	from the sea
o te wai Māori	from the fresh waters
Nā Tāne	The food of Tāne
Nā Rongo	of Rongo
Nā Tangaroa	of Tangaroa
Nā Maru	of Maru
Ko Ranginui e tū iho nei	I acknowledge Ranginui above and Papatūānuku
Ko Papatūānuku e takoto ake nei	below
Tūturu o whiti whakamaua kia	Let there be certainty
tina	Secure it!
Tina! Hui e! Taiki e!	Draw together! Affirm!

AGENDA AUTHORISATION

Agenda for the Executive, Audit and Risk Committee meeting held on Monday 24 March 2025.

Approved:

18 Mar, 2025 11:17:12 AM GMT+13

M J Nield

Director Corporate Services

Approved:

18 Mar, 2025 10:07:02 AM GMT+13

S J Ruru

Chief Executive