

Kaunihera | Council

Ngā Tāpiritanga – Pūrongo | Attachments – Reports ATTACHMENTS UNDER SEPARATE COVER

Notice is hereby given that an ordinary meeting of Matamata-Piako District Council will be held on:

Ko te rā | Date: Wednesday 22 April 2026

Wā | Time: 9:00

Meeting Room: Council Chambers

**Wāhi | Venue: 35 Kenrick Street
TE AROHA**

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COLAB

HALF-YEAR REPORT (unaudited)

1 July 2025 to 31 December 2025

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STATEMENT OF SERVICE PERFORMANCE

Co-Lab is a council-controlled organisation (CCO) owned by councils across Waikato and Bay of Plenty. Our vision is that council collaboration through Co-Lab maximises community wellbeing.

To achieve this, we have three main functions:

1. We act as an “ideas laboratory” – working with councils to investigate and develop opportunities to work together
2. We deliver shared services to councils
3. We enter joint procurement arrangements for the benefit of councils.

By undertaking these activities, we provide three key benefits to councils:

1. Reduce costs through, for example, efficiency gains in FTE or time, procurement savings and reducing unit cost of product/ service
2. Create value, by improving levels and quality of service, increasing skills, expertise or compliance and improving decision making
3. Enable innovation and change, for example, via research & opportunity development, by providing centres of expertise/skills, by facilitating collaboration and regional insights and enabling councils to provide a consistent customer experience.

This report comments on projects and shared services that have substantial activity to report over the first half of the financial year.

OPPORTUNITY DEVELOPMENT HIGHLIGHTS

Building Consent Checking Assistant project	<ul style="list-style-type: none">• Co-Lab continues to progress the idea of a building consent checking assistant.• Activities during this period increased our confidence in the technical and financial viability of the solution.• A procurement resulted in the selection of a preferred supplier to build the solution.• Funding options are being explored.
Building Consent Consolidation	<ul style="list-style-type: none">• Co-Lab presented a paper at the CE Forum recommending an Indicative Business Case for collaboration in Building Consenting.• The proposal was approved.• Work starts early-2026.
Business Plan for Co-Lab Building Services (CBS)	<ul style="list-style-type: none">• The team supported CBS in developing its first strategic plan.• They facilitated the service governance group throughout the planning process.• The team also assisted in creating the underlying business plan for CBS.

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SERVICE DELIVERY HIGHLIGHTS

<p>Co-Lab Building Services (CBS)</p>	<ul style="list-style-type: none"> • Delivered consent processing for Western Bay of Plenty, Matamata-Piako, Hauraki and Waikato District Councils using internal, participating council, and contracted resource. The goal over time is to improve efficiency and reduce reliance on contracted resource. • Achieved 98.7% compliance with statutory timeframes. Timeframe between “consent allocation” and “recommendation to grant consent” was 6–13 days. • Recruitment underway to bolster internal capacity which will make the service more cost effective • Initial work started on opportunities to expand the service nationally.
<p>Co-Lab RIMU (Road Infrastructure Measurement & Use)</p>	<ul style="list-style-type: none"> • Board endorsed Co-Lab’s role to manage the Consistent Condition Data Collection for NZTA’s Road Efficiency Group through the establishment of a new business unit, “RIMU”. • RIMU is supporting national standardisation of pavement condition data collection across the country. • Governance, a work programme and reporting cadence were put in place.
<p>RITS</p>	<ul style="list-style-type: none"> • Upgrade to RITS Version 2 nearing completion (final council approval required before release to the public). • Requirements gathered, specifications revised, and public consultation completed ahead of formal adoption.
<p>SVDS Retender</p>	<ul style="list-style-type: none"> • District Valuation Roll (DVR) hosting agreement extended to across nine councils while retendering planning takes place. • Council workshop held to refine future DVR requirements. • Procurement options for DVR and valuation services being finalised for approach to market in March.
<p>WRTM-S Model Rebuild</p>	<ul style="list-style-type: none"> • Selected the preferred supplier for the rebuild of WRTM-S. • An inception meeting was held with the supplier and WRTM funding partners to set a collaborative foundation for the 24-month build programme and ensure alignment across key stakeholders.

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CAPS (Collaborative Aerial Photography Syndicate) 2025	<ul style="list-style-type: none"> • CAPS 2025 unified five New Zealand regions - Horizons, Nelson, Northland, Taranaki, and Waikato - in a single procurement for aerial orthophotography, led by Co-Lab and with support from LINZ. • Achieved 18% cost savings and higher resolution imagery through collaboration and scale. -resolution imagery through collaboration and scale. • Multi-year agreements provide stability, and positive council feedback supports expanding this collective approach to other services.
RATA	<ul style="list-style-type: none"> • 40 of 51 activities underway or complete. • Delivered sealed road performance analysis, a best practice asset valuation guide, and resources for new risk-based traffic management approaches. -practice asset valuation guide, and resources for new risk-based traffic management approaches. • Developed shared regional capability tools and a new Pavement & Surfacing Technical Advisory Group.
WBCG	<ul style="list-style-type: none"> • Hosted a regional Development Day, attended by 160+ people, which covered sector updates and professional development workshops. • Launched the WBCG Building Consent Services Panel to streamline access to technical and processing support. • Ongoing regional training strengthened capability and cross council networks.
Procurement	<ul style="list-style-type: none"> • Supported a joint waste services tender for Waitomo & Ōtorohanga, achieving cost efficiencies and higher quality proposals. • Led creative services procurement for Waikato public transport rebranding, attracting 19 submissions.
Co-Lab Water Services	<ul style="list-style-type: none"> • Sampling & Analysis team successfully managed an E. coli detection, earning commendations from Taumata Arowai and Hamilton CC. • Developed a new Trade Waste fees template adopted by Waitomo DC. • Supported Hauraki DC with high-risk Trade Waste consents.

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- Smart Water summer campaign launched with councils to educate communities and improve water management messaging.

COMPANY DELIVERY SUPPORT HIGHLIGHTS

- The **FY2025 Annual Report** was published providing a comprehensive overview of Co-Lab's achievements, financial performance, and key initiatives over the past year.
- Individual **value memos** were created for each council in late October, outlining the specific benefits Co-Lab provided to shareholding councils and the investment made by each during this reporting period.
- Secretariat support for **Mayoral Forum** continued. At the inaugural Forum of the new triennium, Kelvin and Peter gave an in-depth presentation to the Mayors that highlighted Co-Lab's services, recent accomplishments and how Co-Lab assists member councils. Their summary enabled new Mayors to clearly understand Co-Lab's role in encouraging collaboration and supporting shared council priorities.
- An **induction webpage** for new councillors, highlighting Co-Lab and community organisations, was shared with shareholding councils for onboarding.
- The **IT procurement** process for Co-Lab concluded with a new supplier chosen to enhance IT support.
- Following staff consultation in November 2025, Co-Lab finalised **organisational changes** to address growth, including introducing new roles and adjusting reporting lines for greater clarity and accountability. These changes take effect from February 2026, with recruitment beginning early in the new year.

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ASSESSMENT OF PERFORMANCE AGAINST TARGETS

An update on performance against the targets set in our Statement of Intent, as of 31 December 2025, is shown in the table below.

Strategic Goal	3-Year Objective	Annual KPI	Progress towards annual KPI
Shareholding Councils understand we provide them value	We know the value we provide shareholders has improved by 15%, by 30 June 2027* <i>(baseline y/e 30 June 23).</i>	Year-on-year increase in the value we provide to Councils.	To be measured at the end of the financial year.
	By 30 June 2027, 80% of shareholders agree they get value from Co-Lab.	80%+ of council survey respondents believe those Co-Lab services they received meet or exceed their expectations (evidenced by an annual survey).	To be measured from the council survey in May 2026. In May 2025 we achieved 88%.
	All shareholders take up at least one additional shared service. <i>*Based on the regional benefits of collaboration (not an individual Councils' benefits from collaboration).</i>	Year-on-year increase in the utilisation of services we provide to Councils.	1x Smart Water 6x Co-Lab Building Services 2x PSP

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Deliver value by growing the scale of our shared service function	24 new instances of Co-Lab shared services being utilised, by June 2027 <i>(baseline y/e 30 June 23)</i>	Year-on-year increase in the utilisation of services we provide to Councils.	As above.
		Year on Year increase in the number of services available to Councils.	RIMU was launched with NZTA's Road Efficiency Group, for the benefit of councils nation-wide.
Diverse, talented and motivated people work for us	Maintain staff engagement above 85%	Maintain staff engagement above 85%	This will be measured by our annual staff survey in May 2026. In May 2025 we achieved 86%.
	Staff turnover is less than 15%.	Staff turnover is less than 15%.	Staff turnover was 5.3% in the 6 months to 31/12/25.
	Our vacancies are filled by suitable candidates within 3 months. <i>All baselined y/e 30 June 23)</i>	Vacancies are filled by suitable candidates within 3 months.	There were 7 vacancies in the 6 months to 31/12/25 (Co-Lab employed staff). They were filled within the 3-month timeframe.

Reference to "shareholders" includes feedback from any stakeholders from shareholding councils that may interact with Co-Lab.

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CO-LAB'S FINANCIAL POSITION

Summary

The profit for the first half of the year is \$878k. This is marginally ahead of budget. Consistent with prior years we expect that profit to reduce over the final six months of the year to end with a more modest full-year surplus.

During the reporting period Co-Lab held funds in an agency capacity. Waikato Waters Ltd was established in July 2025 to deliver drinking water and wastewater services to the districts of six councils who are also shareholders in Co-Lab. Waikato Waters did not in its own right have banking facilities in place during the reporting period. For this reason, the shareholding councils, Waikato Waters and Co-Lab agreed that Co-Lab would act as an intermediary providing accounting and cash management services on behalf of the company. In that capacity Co-Lab receives and holds the funding calls from councils and applies this money to pay the costs of Waikato Waters. The surplus funds held at balance date are reflected separately in the Statement of Financial Position.

Statement of Financial Performance

Co-Lab			
Statement of Financial Performance			
For the six months ending 31 December 2025			
	Financial year 2025	Financial year 2025	Financial year 2024
	YTD Actuals	YTD Budget	YTD Actuals
Revenue			
SVDS Data & Software Sales	173,358	201,916	169,660
Interest	15,037	30,000	48,047
Other Revenue			
User Charges	7,054,018	7,209,891	5,011,217
Total Other Revenue	7,054,018	7,209,891	5,011,217
Total Revenue	7,242,412	7,441,807	5,228,924
Expenditure			
Depreciation and amortisation expense	12,844	25,368	13,329
Personnel costs	1,082,672	1,062,937	842,315
Other expenses	5,269,178	5,521,759	4,295,839
Total Expenditure	6,364,694	6,610,064	5,151,483
Net Profit	877,718	831,743	77,441

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Statement of Financial Position

Co-Lab Statement of Financial Position As at 31 December 2025		
	Financial year 2026 Actual at 31/12/2025	Financial year 2025 Actual at 31/12/2024
Assets		
Current Assets		
Bank	6,624,753	1,319,308
Accounts Receivable		
Accounts Receivable	3,937,304	759,588
Accounts Receivable Accruals	1,004,618	1,327,579
GST Receivable	0	7,036
Total Accounts Receivable	4,941,922	2,094,203
Prepayments	0	0
Deferred Tax Asset	2,358	2,358
Total Current Assets	11,569,033	3,415,869
Non-current Assets		
WRTM - Original Cost	2,298,050	2,298,050
IT equipment	133,365	113,400
Office Furniture	67,338	66,751
Accumulated Depreciation	(2,425,886)	(2,401,914)
Total Non-current Assets	72,866	76,287
Total Assets	11,641,899	3,492,156
Liabilities		
Current Liabilities		
Accounts Payable		
Accounts Payable	1,189,845	446,197
Accruals	669,179	669,285
Total Accounts Payable	1,859,024	1,115,483
Revenue in Advance	266,568	336,090
Employee Entitlements	204,213	184,978
GST Payable	191,369	0
Agency Holding Account	6,528,054	0
Other payables	13,325	1,580
Total Current Liabilities	9,062,554	1,638,130
Total Liabilities	9,062,554	1,638,130
Net Assets	2,579,346	1,854,026
Equity		
Contributed Capital	2,957,001	2,957,001
Retained Earnings	(377,655)	(1,102,975)
Total Equity	2,579,346	1,854,026

Statement of Cashflows

Co-Lab

As at 31 December 2025

For the six months ending 31 December 2025

	Financial year 2025 YTD Actuals	Financial year 2024 YTD Actuals
Cashflows from Operating Activities		
Interest Received	14,727	48,020
Receipts from Other Revenue	6,850,870	4,342,299
Payments to Suppliers and Employees	(6,353,967)	(6,111,654)
Taxes Paid	0	0
Goods & Services tax (net)	(224,994)	(158,360)
Net cash from operating activities	286,636	(1,879,695)
Cashflows from Investing Activities		
Capital enhancements	0	0
Purchase of PPE	(14,033)	(3,299)
Purchase of investments	0	0
Net cash from investing activities	(14,033)	(3,299)
Cashflows from Agency Activities		
Net receipts held on behalf of councils	5,190,809	0
Net cash from agency activities	5,190,809	0
Net increase in cash, cash equivalents and bank accounts	5,463,412	(1,882,994)
Opening cash and cash equivalents and bank overdrafts	1,161,341	3,202,302
Closing cash, cash equivalents and bank accounts	6,624,753	1,319,308
Summary of Bank Accounts		
BNZ - Transaction Account	1,720,187	220,217
BNZ - Call Account	31,063	30,643
BNZ - Rapid Save Account	4,873,503	1,068,448
BNZ - Term Deposit	0	0
Closing Balance of Bank	6,624,753	1,319,308

Policies

The accounting policies on which the preceding financial statements have been prepared are consistent with those used in preparing the Financial Statements for the year ended 30 June 2024, included in the company's Annual Report.

FINANCIAL FORECASTS

Latest financial forecasts are contained in the company's 2026 Statement of Intent issued for shareholder comment in February 2026.

GOVERNANCE

Co-Lab is owned in equal portion by 12 Local Authorities:

1. Hamilton City
2. Hauraki District
3. Matamata-Piako District
4. Ōtorohanga District
5. Rotorua Lakes
6. South Waikato District
7. Thames-Coromandel District
8. Waikato District
9. Waikato Regional
10. Waipā District
11. Waitomo District
12. Western Bay of Plenty District

During the period, the directors of Co-Lab were:

DIRECTOR	REPRESENTING
PETER STUBBS	Independent Chair
BEN SMIT	Ōtorohanga, Rotorua Lakes, South Waikato and Waitomo District Councils
CHRIS MCLAY	Waikato Regional Council
DAVID SPEIRS	Hauraki, Matamata-Piako, Thames-Coromandel and Western Bay of Plenty District Councils
LANCE VERVOORT	Hamilton City Council
STEPH O’SULLIVAN	Waikato and Waipā District Councils

The independent Chair of Co-Lab receives director fees and reimbursed expenses. Directors representing the councils do not receive any fees or reimbursed expenses for work undertaken on behalf of the company.

NATURE & SCOPE OF ACTIVITIES

The principal initiatives operating under the Co-Lab umbrella are:

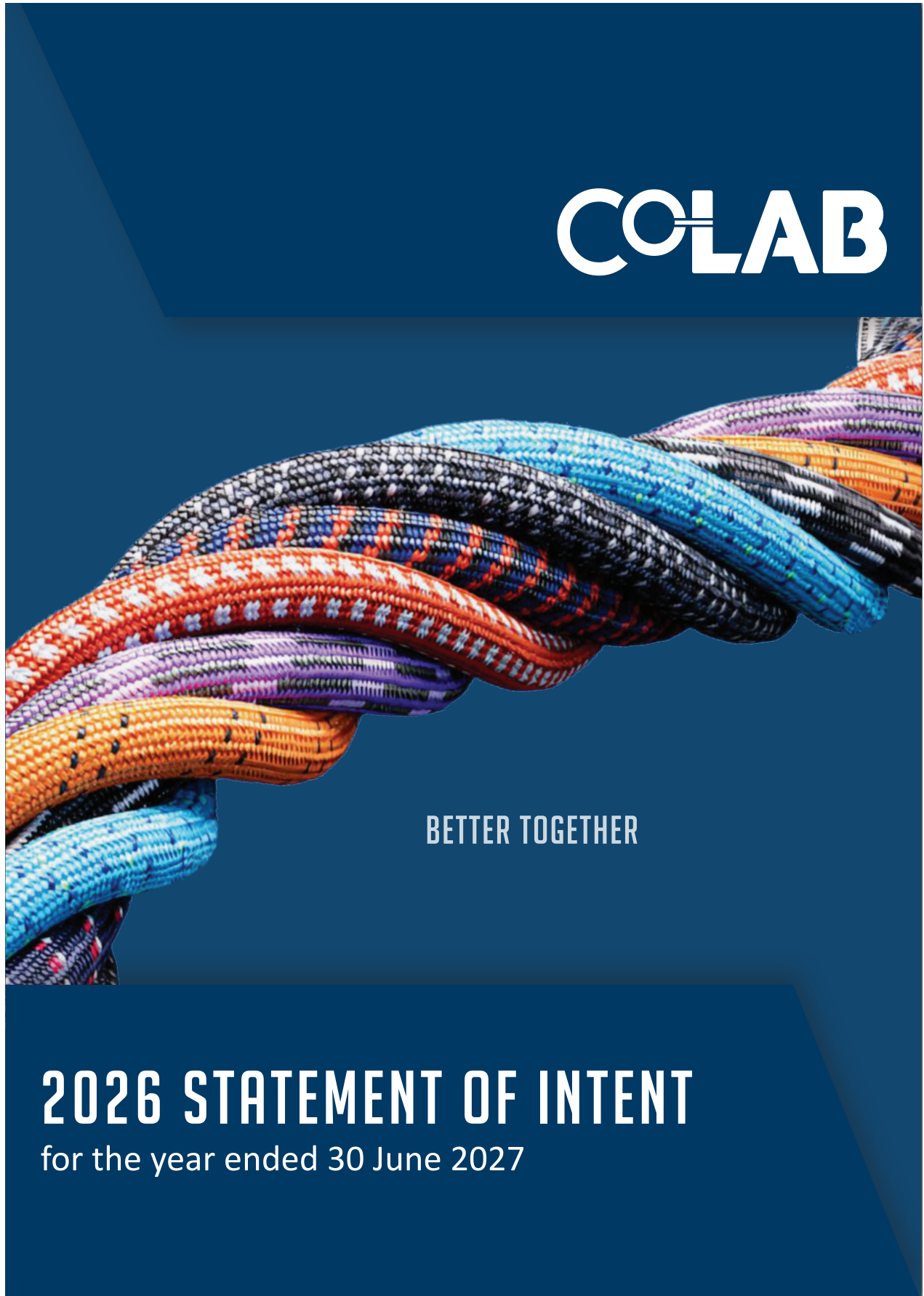
Services

- Co-Lab Building Services
- Co-Lab Geospatial Services
- Co-Lab Procurement Services
- Co-Lab Water Services
- Energy & Carbon management
- RATA
- Regional Infrastructure Technical Specification (RITS)
- Road Infrastructure Measurement & Use (RIMU)
- Waikato Building Consent Group (WBCG)
- Waikato Regional Transportation Model (WRTM)

Other

- Opportunity Development
- Health & safety pre-qualification
- Shared Valuation Data Services (SVDS)
- Joint procurement arrangements for the benefit of councils

Information on these activities is included in the company's Statement of Intent.

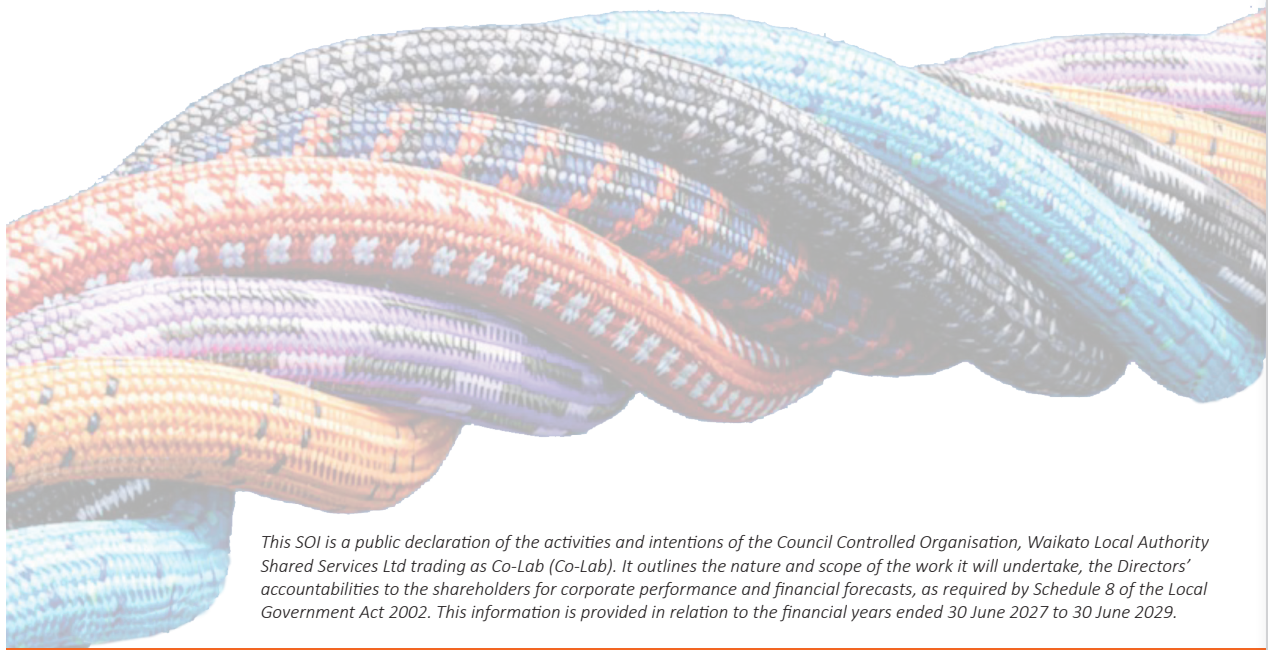


Item 7.4

Attachment B

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This SOI is a public declaration of the activities and intentions of the Council Controlled Organisation, Waikato Local Authority Shared Services Ltd trading as Co-Lab (Co-Lab). It outlines the nature and scope of the work it will undertake, the Directors' accountabilities to the shareholders for corporate performance and financial forecasts, as required by Schedule 8 of the Local Government Act 2002. This information is provided in relation to the financial years ended 30 June 2027 to 30 June 2029.

MESSAGE FROM THE CHAIR

As we enter the final year of our three-year strategy, Co Lab's purpose remains unchanged: that we help our councils identify and realise shared opportunities. What is changing is our pace and scale.

Over the last two years, councils have asked more of us and, importantly, have been proactive in working with us to establish shared services. That commitment has lifted performance and confidence in doing things together. It also means we are likely to meet our growth targets ahead of plan, so we are stretching further in the next financial year (FY) 2027.

We will continue to be responsive to how you want to utilise your collaboration CCO and flexible in the way we deliver to you. Some councils will want us to lead delivery; others will prefer to co design. Either way, our role is to be a reliable enabler for collaboration behind the scenes - a dependable backbone that helps councils work smarter, faster, and together, while maintaining a human touch where it matters.

In FY2027 we are projecting revenue growth across key services - RIMU and Co-Lab Building Services (CBS) in particular - supported by customer uptake of our growing set of services. We are aiming for new revenue as our Building Consent Checking Assistant reaches MVP stage.

As this growth materialises, our intent is simple: reinvest to create even more value for councils and, over time, reduce reliance on member charges. That direction is consistent with our longer term ambition to be increasingly self sufficient through the value we deliver.

Local government continues to face sector reform and fiscal pressure. The Waikato's strategic position in the country and the Government's focus on enabling growth and infrastructure will keep expectations high while resources are constrained. Collaboration - across councils, with iwi, and with central government - remains our most practical lever to deliver better, faster, and more affordably.

In the coming months the Board will be considering the direction for Co-Lab beyond June 2027. Meanwhile, we acknowledge there are many interdependencies and evolving expectations. As shareholder expectations crystallise over the coming months, the draft Statement of Intent is likely to be updated before being finalised in June to reflect any agreed changes in priorities, scope, or timing. However, for the purpose of forecasting, we have assumed the status quo.

Our commitment to you is practical and unwavering: to help you make a dollar, save a dollar, or improve your service—and do it together, where together makes it better.

Thank you for your continued trust and leadership.



Yours Sincerely,

Peter Stubbs

Chair

1.

STATEMENT OF INTENT 'AT A GLANCE'

OUR 3-YEAR STRATEGY



COMMENTARY

Co-Lab remains aligned with its three-year strategy outlined in the 2024 Statement of Intent. At 31 December 2025 (halfway through our 3-year strategy), we had expanded our shared services function by 16 instances, progressing towards the original target of 24 instances over the three-year period. With this great progress realised, we are now setting our sights on achieving 28 instances over the three-year period.

PERFORMANCE MEASURES

To ensure we deliver against our 3-year strategy, consistent with last year, we are using the following annual Key Performance Indicators (KPI).

STRATEGIC GOAL	3-YEAR OBJECTIVE	ANNUAL KPI
Shareholding councils understand we provide them value.	We know the value we provide shareholders has improved by 15%, by 30 June 2027* <i>(baseline y/e 30 June 24).</i> <i>*Based on the regional benefits of collaboration (not an individual councils' benefits from collaboration).</i>	Year-on-year increase in the value we provide to councils.
	By 30 June 2027, 80% of shareholders agree they get value from Co-Lab.	80%+ of council survey respondents believe those Co-Lab services they received meet or exceed their expectations (evidenced by an annual survey).
	All shareholders take up at least one additional shared service.	Year-on-year increase in the utilisation of services we provide to councils.
Deliver value by growing the scale of our shared service function.	28 new instances of Co-Lab shared services being utilised, by June 2027. <i>(baseline y/e 30 June 24)</i>	Year-on-year increase in the utilisation of services we provide to councils.
		Year on Year increase in the number of services available to councils.
Diverse, talented and motivated people work for us.	Maintain staff engagement above 85%.	Maintain staff engagement above 85%.
	Staff turnover is less than 15%.	Staff turnover is less than 15%.
	Our vacancies are filled by suitable candidates within 3 months. <i>All baselined y/e 30 June 24)</i>	Vacancies are filled by suitable candidates within 3 months.

Reference to "shareholders" includes feedback from any stakeholders from shareholding councils that may interact with Co-Lab.

3.

NATURE & SCOPE OF SERVICES

Co-Lab has three main functions. It:

1. Acts as an “ideas laboratory” – working with councils to investigate and develop opportunities to work together;
2. Delivers shared services to councils; and
3. Enters joint procurement arrangements.



OPPORTUNITY DEVELOPMENT

Beyond the focus areas below, Co-Lab will develop opportunities that will reduce costs, create value for councils, and/or enable innovation, at the direction of its shareholding councils.

If you'd like more information on the Opportunity Development Projects we are currently investigating, please get in touch.

4.



SHARED SERVICES

A list of our shared services follows below. We also facilitate other shared initiatives but do not actively manage them as a shared service. This includes the Shared Valuation Data Scheme and the Health and Safety Pre-Qualification Scheme.

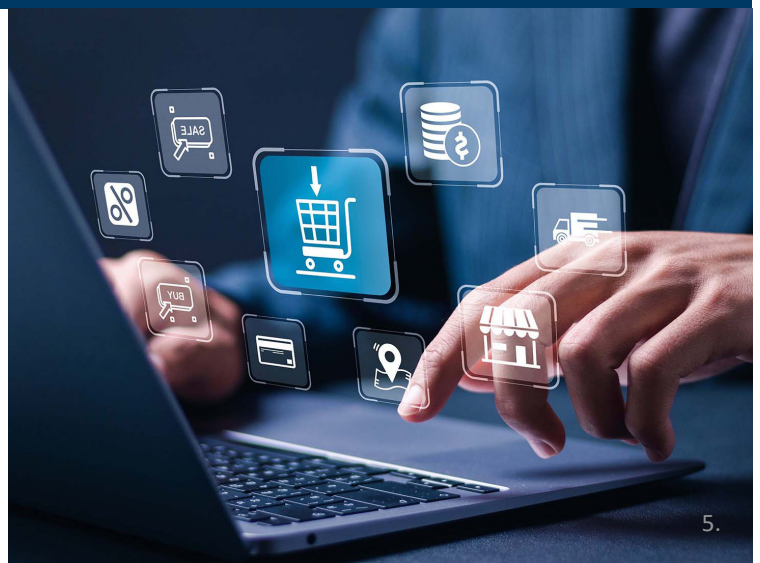
The nature of some existing services have evolved but for the most part, they remain largely unchanged from prior years. We have however established a significant new service, RIMU (Road Infrastructure Measurement & Use), in partnership with NZTA's Road Efficiency Group.

Co-Lab Water Services has been forecast to remain a Co-Lab operated service for the period. The staff will be employed by IAWAI and the same arrangements to operate the service will continue with consolidation of the customer base over time.

For more information on our services, please visit our website colabsolutions.govt.nz

JOINT PROCUREMENT

Co-Lab enters joint procurement arrangements for the benefit of councils, with a focus on value for money and supply certainty. As part of this Co-Lab operates two panels - a professional services panel and a legal services panel - to provide easy and compliant access to these services. It also manages a number of joint contracts with suppliers that councils can be part of.





FOCUS AREAS

BUILDING CONSENT TRANSFORMATION & AUTOMATION

- Onboarding councils to Co-Lab Building Services
- Launching Project LEGO (building consent checking assistant)
- Pursuing BCA consolidation opportunities

SERVICE GROWTH TO NEW COUNCIL CUSTOMERS

- Prioritising Co-Lab Building Services, followed by Trade Waste and RAMM expertise (RATA)

REGIONAL COLLABORATION

- Enabling collaborative initiatives from Mayoral Forum & CE Forum (similar to Waikato Water Done Well)

SERVICE DEVELOPMENT

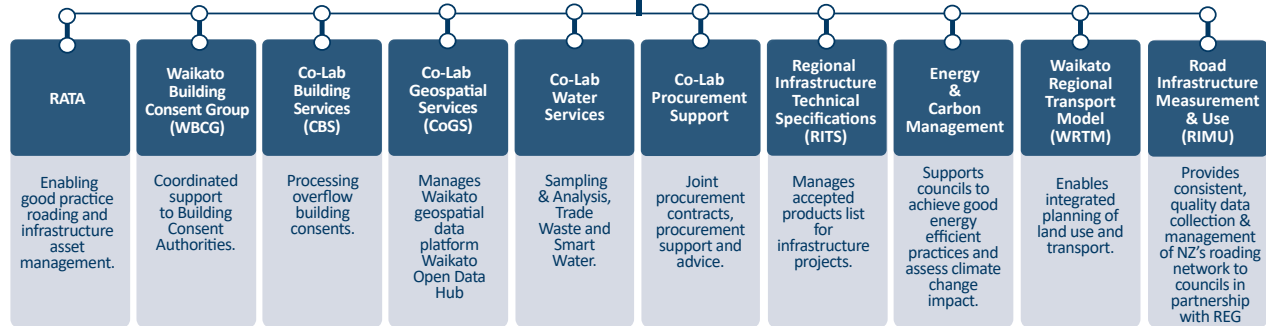
- RATA Spaces & Places

PROCUREMENT & COST EFFICIENCY

- Joint procurement initiatives including renewal of Shared Valuation Data Service (SVDS)



The principal initiatives operating under the Co-Lab umbrella are:



OUR SERVICE DELIVERY

PARTICIPATION

Shareholding Councils

	RATA	Waikato Building Consent Group (WBCG)	Co-Lab Building Services (CBS)	Co-Lab Geospatial Services (CoGS)	Co-Lab Water Services	Co-Lab Procurement Support	Regional Infrastructure Technical Specifications (RITS)	Energy & Carbon Management	Waikato Regional Transport Model (WRTM)	Road Infrastructure Measurement & Use (RIMU)
Hamilton City Council	•	•	•	•	•	•	•	•	•	
Hauraki DC	•	•	•	•	•	•	•			
Matamata-Piako DC	•	•	•	•	•	•	•	•	•	
Ōtorohanga DC	•	•		•	•	•	•	•		
Rotorua Lakes Council				•	•	•	•	•		
South Waikato DC	•			•	•	•	•	•		
Thames-Coromandel DC	•	•	•			•		•	•	
Waikato DC	•	•	•	•	•	•	•	•	•	
Waikato Regional Council	•			•	•	•		•	•	
Waipā DC	•	•		•	•	•	•	•	•	
Waikato DC	•	•	•	•	•	•	•			
Waikato Regional Council	•			•	•	•		•	•	
Waipā DC	•	•		•	•	•	•	•	•	
Waikato DC	•	•	•	•	•	•	•			
Western Bay DC	•		•			•				
Other Councils/Customers										
Taupō DC	•			•	•	•		•		
Hamilton Airport					•					
Road Controlling Authorities										•
Service GROWN since 2019	•			•			•		•	
Service NEW since 2019	•		•		•	•				•

FINANCIALS

OVERVIEW

SERVICES

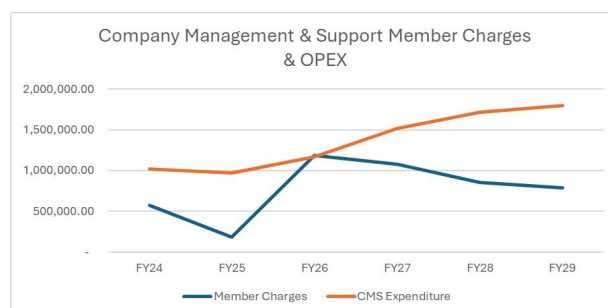
Revenue from services is budgeted to increase in the 2026/27 financial year (FY), primarily driven by the continued growth and success of our new services, RIMU and Co-Lab Building Services. As in previous years, we continue to use revenue generated within services to minimise the cost to member councils wherever possible.

MEMBER CHARGES

Following the “one-off” reduction in FY25, where cash reserves were used to significantly lower member charges, we previously indicated that member charges would return to normal levels from FY26 onward.

Our expenditure remains tight and disciplined, consistent with our commitment to operating as a lean organisation. Costs are budgeted to increase as we position for expanding our service offering and cash reserves were largely utilised in FY25. Despite this, the increased revenue from services enables us to maintain financial sustainability while easing the member charges burden on councils.

There is a significant level of uncertainty with the proposed central government reforms, particularly in the latter years of the SOI. How these reforms may ultimately play out across our shareholders and their consequent impact on Co-Lab will become clearer in the coming months. Given the current lack of clarity, the budget and forecasts have been prepared based on the information available today rather than reflecting any assumptions about the financial impact of future reform.



Co-Lab					
Company Summary					
for the forecast financial years ended 30 June 2027-2029					
	Budget 2025/26	Forecast 2025/26	Budget 2026/27	Budget 2027/28	Budget 2028/29
Income					
Company Management / Support	1,575,153	1,665,164	1,466,202	1,264,887	1,215,759
Working parties projects	687,214	1,089,311	640,638	672,670	706,303
RITS	27,244	27,244	39,616	41,597	43,677
Energy Management	118,116	118,116	207,188	217,547	226,755
Shared Valuation Data Service (SVDS)	409,638	351,526	312,618	328,249	344,661
Regional Asset Technical Accord (RATA)	2,500,000	2,243,336	2,200,000	2,488,000	2,575,500
Waikato Regional Transport Model (WRTM)	1,952,610	1,009,911	1,236,148	663,947	590,346
Road Infrastructure Management and Use (RIMU)	-	670,061	994,256	1,320,722	1,386,758
Waikato Building Consent Group	353,263	371,597	353,263	480,496	503,487
Waikato Mayoral Forum	10,960	10,960	10,560	11,088	11,642
Co-Lab Water Services	4,092,428	4,059,600	4,263,872	4,477,066	4,700,919
Procurement Support	200,748	200,886	200,748	212,172	222,781
Geospatial	87,006	87,006	87,000	91,350	95,918
Communications Resource	65,603	63,874	65,603	68,883	72,327
Co-Lab Building Services	1,682,930	1,682,929	2,063,869	2,037,420	2,139,291
Total Income	13,762,912	13,651,521	14,141,580	14,376,094	14,836,124
Operating Expenditure					
Company Management / Support	1,468,937	1,436,533	1,811,646	2,020,219	2,121,601
Working parties projects	687,214	1,113,879	654,638	687,370	721,738
RITS	27,244	53,730	39,616	41,597	43,677
Energy Management	168,116	132,079	207,188	217,547	226,755
Shared Valuation Data Service (SVDS)	310,618	300,817	312,618	328,249	344,661
Regional Asset Technical Accord (RATA)	2,500,447	2,378,483	2,194,040	2,489,148	2,583,879
Waikato Regional Transport Model (WRTM)	1,952,610	1,009,911	1,436,148	663,947	590,346
Road Infrastructure Management and Use (RIMU)	-	474,073	662,146	907,503	952,879
Waikato Building Consent Group	393,248	412,514	435,179	453,096	476,087
Waikato Mayoral Forum	10,960	8,470	10,560	11,088	11,642
Co-Lab Water Services	3,983,494	3,935,109	3,952,766	4,129,405	4,335,875
Procurement Support	198,876	195,156	197,548	207,559	220,414
Geospatial	86,992	88,605	86,614	90,945	95,492
Communications Resource	64,756	59,267	70,228	73,612	78,705
Co-Lab Building Services	1,679,699	1,678,493	2,061,309	2,030,818	2,008,037
Total operating expenditure	13,533,212	13,277,118	14,132,245	14,352,104	14,811,789
Earnings before interest, tax and depreciation/ amortisation (EBITDA)	229,700	374,403	9,335	23,990	24,335
Depreciation / amortisation					
Company Management / Support	43,847	14,688	16,647	17,479	18,353
WBCG	3,072	1,725	3,072	3,072	3,072
Procurement Support	1,872	2,976	1,872	1,872	1,872
Communications	840	840	840	840	840
Co-Lab Building Services	2,340	3,625	2,340	2,340	2,340
WRTM	1,104	1,105	1,104	1,104	1,104
Total Depreciation / amortisation	53,075	24,960	25,875	26,707	27,581
Earnings before interest and tax (EBIT)	176,625	349,443	(16,540)	(2,717)	(3,247)
Net Surplus (Deficit) before tax	176,625	349,443	(16,540)	(2,717)	(3,247)

Co-Lab					
Financial Position					
for the forecast financial years ended 30 June 2027-2029					
	Budget 2025/26	Forecast 2025/26	Budget 2026/27	Budget 2027/28	Budget 2028/29
CAPITAL					
Shares - SVDS	1,607,001	1,607,001	1,607,001	1,607,001	1,607,001
Shares - WRTM	1,350,000	1,350,000	1,350,000	1,350,000	1,350,000
Retained Earnings	(2,218,374)	(1,255,375)	(905,932)	(922,472)	(925,190)
Plus Current Year Operating Surplus/(Deficit)	176,625	349,443	(16,540)	(2,717)	(3,247)
TOTAL CAPITAL FUNDS	915,253	2,051,069	2,034,529	2,031,811	2,028,565
ASSETS					
CURRENT ASSETS					
Prepayments	6,350	0	6,350	6,668	7,001
Accounts Receivable	688,146	2,730,304	2,828,316	2,875,219	2,967,225
Bank	1,027,595	781,742	440,755	320,702	237,734
GST Receivable / (Payable)	57,092	23,066	(1,825)	(3,115)	(3,125)
TOTAL CURRENT ASSETS	1,779,183	3,535,113	3,273,596	3,199,473	3,208,834
NON-CURRENT ASSETS					
WRTM - Intangible Asset	2,296,855	2,296,855	2,296,855	2,296,855	2,296,855
MoneyWorks Software	1,195	1,195	1,195	1,195	1,195
Accumulated Depreciation	(2,298,050)	(2,298,050)	(2,298,050)	(2,298,050)	(2,298,050)
IT Equipment & Office Furniture	197,500	221,670	251,670	281,670	311,670
Accumulated Depreciation - IT equipment & Office Furniture	(145,356)	(139,953)	(171,232)	(197,939)	(225,521)
TOTAL NON-CURRENT ASSETS	52,144	81,717	80,438	83,731	86,149
TOTAL ASSETS	1,831,327	3,616,830	3,354,034	3,283,204	3,294,984
LESS CURRENT LIABILITIES					
Accounts Payable	737,951	1,354,491	1,090,615	990,074	997,119
Accounts Payable Accrual	39,106	39,443	40,700	42,735	44,872
Employee Benefits	139,016	171,826	188,191	218,583	224,428
TOTAL CURRENT LIABILITIES	916,074	1,565,760	1,319,506	1,251,393	1,266,419
NET ASSETS	915,253	2,051,069	2,034,529	2,031,811	2,028,565

Co-Lab					
Statement of Cashflows					
for the forecast financial years ended 30 June 2027-2029					
	Budget 2025/26	Forecast 2025/26	Budget 2026/27	Budget 2027/28	Budget 2028/29
Cashflows from Operating Activities					
Interest Received / (Paid)	59,484	73,913	60,000	63,000	66,150
Receipts from Other Revenue	13,515,578	15,147,951	13,981,210	14,266,191	14,677,968
Payments to Suppliers	(13,796,410)	(13,789,789)	(14,384,849)	(14,420,534)	(14,797,096)
Taxes Paid	0	0	0	0	0
Goods & Services tax (net)	(132,793)	(439,429)	24,891	1,290	10
Net cash from operating activities	(354,141)	992,646	(318,748)	(90,053)	(52,968)
Cashflows from Investing Activities					
Capital enhancements	0	0	0	0	0
Purchase of PPE	(36,674)	(35,000)	(24,597)	(30,000)	(30,000)
Purchase of investments	2,358	0	2,358	0	0
Net cash from investing activities	(34,316)	(35,000)	(22,239)	(30,000)	(30,000)
Cashflows from Agency Activities					
Net receipts held on behalf of councils	0	(1,337,245)	0	0	0
Net cash from agency activities	0	(1,337,245)	0	0	0
Net increase in cash, cash equivalents and bank accounts	(388,457)	(379,599)	(340,987)	(120,053)	(82,968)
Opening cash and cash equivalents and bank overdrafts	1,416,052	1,161,341	781,742	440,755	320,702
Closing cash, cash equivalents and bank accounts	1,027,595	781,742	440,755	320,702	237,734

COLAB

APPENDIX I : GOVERNANCE

Co-Lab is owned in equal portion by 12 Local Authorities



Co-Lab conducts itself in accordance with its constitution, its annual Statement of Intent, the provisions of the LGA and Co-Lab policies.

The Board comprises five council representative directors and an independent Chair. There is also a standing Audit & Risk Committee.

DIRECTOR	REPRESENTING
Peter Stubbs	Independent Chair
Chris McLay	Waikato Regional Council
Lance Vervoort	Hamilton City Council
Ben Smit	Ōtorohanga, Rotorua, South Waikato and Waitomo District Councils
Steph O’Sullivan	Waikato and Waipā District Councils
David Speirs	Hauraki, Matamata-Piako, Thames-Coromandel District and Western Bay of Plenty District Council

The independent Chair of Co-Lab receives director fees and reimbursed expenses. Directors representing the councils will not receive any fees or reimbursed expenses for work undertaken on behalf of the company.

APPENDIX II : POLICY STATEMENTS

STATEMENT OF ACCOUNTING POLICIES

REPORTING ENTITY

Waikato Local Authority Shared Services Limited (“the Company”) is a Company incorporated in New Zealand under the Companies Act 1993 and is domiciled in New Zealand. The company is a Council Controlled Organisation as defined under section 6 of the Local Government Act 2002 (LGA), by virtue of the shareholding councils’ right to appoint the Board of Directors.

The primary objectives of the Company are to:

- Develop opportunities that benefit the Waikato region’s local authorities; and
- Act as a vehicle to deliver value-added services to those local authorities.

The Company has designated itself as a public benefit entity (PBE) for financial reporting purposes.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

BASIS OF PREPARATION

Financial statements are prepared on the going concern basis, and the accounting policies are applied consistently throughout the period.

STATEMENT OF COMPLIANCE

Financial statements are prepared in accordance with the requirements of the LGA, which include the requirement to comply with generally accepted accounting practice in New Zealand (NZ GAAP).

Financial statements are prepared in accordance with and comply with Tier 2 PBE Standards reduced disclosure regime (RDR). WLASS is eligible to report under the RDR as it:
is not publicly accountable; and
has expenses more than \$2 million, but less than \$30 million.

The accounting policies set out below are consistent with the prior year, other than the inclusion of policy:

- on operating leases, related to the lease of commercial premises;
- employees; and
- property, plant and equipment.

MEASUREMENT BASE

The financial statements are prepared on a historical cost basis.

PRESENTATION CURRENCY & ROUNDING

The financial statements are presented in New Zealand dollars, and all values are rounded to the nearest dollar unless otherwise stated. The functional currency of the Company is New Zealand dollars

GOODS & SERVICES TAX

All items in the financial statements are stated exclusive of goods and services tax (GST), except for receivables and payables, which are presented 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 (IR) 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 cash flow statement.

Commitments and contingencies are disclosed exclusive of GST.

CRITICAL ACCOUNTING ESTIMATES & ASSUMPTIONS

In preparing the financial statements the Company makes 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 of future events that are believed to be reasonable under the circumstances. There are no areas requiring estimate or assumptions made that are considered to carry a significant risk of causing a material adjustment to the carrying amount of assets and liabilities within the next financial year.

INTANGIBLE ASSETS

USEFUL LIVES AND RESIDUAL VALUES

At each balance date the Company reviews the useful lives and residual values of its intangible assets. Assessing the appropriateness of useful life and residual value estimates of intangible assets requires the Company to consider a number of factors such as the expected period of use of the asset by the Company and expected disposal proceeds from the future sale of the future sale of the asset.

An incorrect estimate of the useful life of residual value will impact the amortisation expense recognised in the income statement and carrying amount of the asset in the balance sheet. The Company minimises the risk of this estimation uncertainty by reviewing that the asset technology is still relevant and there is no alternative options to recreate the asset at a lower price.

IMPAIRMENT OF INTANGIBLE ASSETS

Intangible assets measure at cost that have a finite useful life are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

An impairment loss is recognised for the amount by which the assets carrying amount exceeds its recoverable amount. The recoverable amount is higher of an assets fair value less costs to sell and value in use.

If an asset's carrying amount exceeds its recoverable amount, the asset is regarded as impaired and the carrying amount is written down to the recoverable amount. The total impairment loss is recognised in the surplus or deficit. The reversal of an impairment loss is recognised in the surplus deficit.

REVENUE

REVENUE

Revenue comprises the fair value of the considerations received or receivable for the sale of goods and services, excluding GST, rebates and discounts and after eliminating sales within the Company. No provisions have been recorded as all revenue and trade receivables are expected to be received.

OTHER REVENUE

Member charges for all activities are recognised when invoiced to the user (i.e. councils). The recorded revenue is the net amount of the member charges payable for the transaction.

Contributions received for projects that were not completed in a financial year are recognised when the Company provides, or is able to provide, the service for which the contribution was charged. Until such time, contributions are recognised as liabilities.

OPERATING EXPENSES

An operating lease is a lease that does not transfer substantially all the risks and rewards incidental to ownership of an asset to the lessee. Lease payments under an operating lease are recognised as an expense on a straight-line basis over the lease term.

PERSONNEL COSTS

DEFINED CONTRIBUTION SCHEMES

Employer contributions to KiwiSaver, the Government Superannuation Fund, and other defined contribution superannuation schemes are accounted for as defined contribution schemes and are recognised as an expense in the surplus or deficit when incurred.

RECEIVABLES

Short-term receivables are recorded at the amount due, less any provision for amounts not considered collectable.

Receivables are initially measured at nominal or face value. Receivables are subsequently adjusted for penalties and interest as they are charged and impairment losses. Non-current receivables are measured at the present value of the expected future cash inflows.

Debtors are amounts due from customers. If collection is expected in one year or less, they are classified as current assets. If not, they are presented as non-current assets.

CASH & CASH EQUIVALENTS

Cash and cash equivalents include cash on hand, deposits held at call with banks, with original maturities of three months or less, and bank overdrafts.

INCOME TAX

Income tax expense includes components relating to both current tax and deferred tax.

Current tax is the amount of income tax payable based on the taxable surplus for the current year, plus any adjustments to income tax payable in respect of prior years. Current tax is calculated using tax rates (and tax laws) that have been enacted or substantively enacted at balance date.

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 statement of financial position and the corresponding tax bases used in the computation of taxable profit.

Deferred tax is measured at the tax rates that are expected to apply when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at balance date. The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the entity expects to recover or settle the carrying amount of its assets and liabilities.

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 surpluses 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 is not a business combination, and at the time of the transaction, affects neither accounting profit nor taxable profit.

Current and deferred tax is recognised against the surplus or deficit for the period, except to the extent that it relates to a business combination, or to transactions recognised in other comprehensive income or directly in equity.

OTHER FINANCIAL ASSETS

Investments in bank deposits are measured at fair value plus transaction costs.

At each balance date the Company assesses whether there is any objective evidence that an investment is impaired. Any impairment losses are recognised in the income statement.

PAYABLES AND DEFERRED REVENUE

Short-term creditors and other payables are recorded at their face value.

Trade and other payables are non-interest bearing and are normally settled on 30-day terms, therefore the carrying value of trade and other payable approximates their fair value.

Contributions received for projects that were not completed in a financial year are recognised as deferred revenue until the Company provides, or is able to provide, the service for which the contribution was charged.

EMPLOYEE BENEFITS LIABILITIES

SHORT-TERM EMPLOYEE ENTITLEMENTS

Employee benefits expected to be settled within 12 months after the end of the period in which the employee renders the related service are measured based on accrued entitlements at current rates of pay.

These includes salaries and wages accrued up to balance date, annual leave earned to, but not yet taken at balance date, and sick leave.

A liability for sick leave is recognised to the extent that absences in the coming year are expected to be greater than the sick leave entitlements earned in the coming year. The amount is calculated based on the unused sick leave entitlement that can be carried forward at balance date, to the extend it will be used by staff to cover those future absences.

A liability and an expense are recognised for bonuses where there is a contractual obligation or where there is a past practice that has created a constructive obligation.

A liability and an expense are recognised for bonuses where there is a contractual obligation or where there is a past practice that has created a constructive obligation.

PRESENTATION OF EMPLOYEE ENTITLEMENTS

Sick leave, annual leave, vested long service leave, and non-vested long service leave and retirement gratuities expected to be settled within 12 months of balance date, are classified as a current liability. All other employee entitlements are classified as a non-current liability.

RECONCILIATION OF EQUITY

Equity is the shareholders interest in WLASS and is measured as the difference between total assets and total liabilities. Equity is disaggregated and classified into the following components:

CONTRIBUTED EQUITY

Contributed equity is the net asset and liability position at the time the company was formed. The allocation of capital amongst shareholders is explained in this note.

RETAINED EARNINGS

Retained earnings is the company's accumulated surplus or deficit since formation.