



## **Half-yearly report (un-audited)**

1 July 2024 to 31 December 2024

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### Collaboration & Partnership

We are better together | *He hunga toa takitini*

We collaborate and partner by:

- Building kotahitanga and respect
- Delivering together
- Focussing on community benefits
- Valuing diversity

### Integrity

We do the right thing | *He hunga whai i te tika*

We act with integrity by:

- Being accountable and honest
- Trusting and listening
- Having courage
- Behaving in good faith

### Innovation

We transform ideas into results

*He hunga whai i te tika*

We innovate by:

- Thinking boldly
- Being solution focused
- Challenging perceptions
- Embracing change

# Statement of service performance

Co-Lab<sup>1</sup> 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 outcomes.

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.

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

### Food & Alcohol Licensing Shared Service

We adopted a bold approach to exploring new shared service opportunities, aiming to either gain support quickly or 'fail fast.' Councils were presented with a Letter of Support to explore a shared service for *Food & Alcohol Licensing*. They were asked to commit to participating in a co-design process, with the understanding that they would adopt the shared service if specific success criteria were met at the completion of its design. While several councils expressed interest in the concept, there was ultimately not enough commitment to move forward.

### Right People Right Place

The Right People, Right Place project considered what councils can do (collectively and individually) to meet current and future workforce requirements. The significant shift in the employment market since this project commenced eased the urgency and motivation of councils to progress any initiatives identified during the investigation. However, two initiatives were considered in more detail. Although six councils were interested in establishing a joint Management Training Programme, ultimately, they decided not to proceed. There were also seven Councils interested in a regional approach to promoting council careers. This will be assessed further in 2025 but was deprioritised against other work commitments.

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<sup>1</sup> Co-Lab is the trading name of Waikato Local Authority Shared Services Ltd

## Automated Building Plan Checks

One way opportunity development has evolved is that we have undertaken some research to look beyond our borders seeking examples of shared services that could be beneficial to Councils. During this research we found a successful initiative in Victoria, Australia where planning submissions are initially checked automatically to speed up the approval process. Subsequently we have been investigating the feasibility of doing something similar for building consent applications and development of the opportunity is ongoing.

## Building Consent Processing Hub

Seven Councils explored options for a Building Consent Processing shared service. The group recommended that we establish a hub to handle building consent applications that exceed Council staff capacity. A high-level operational model was defined, and we are now progressing the opportunity.



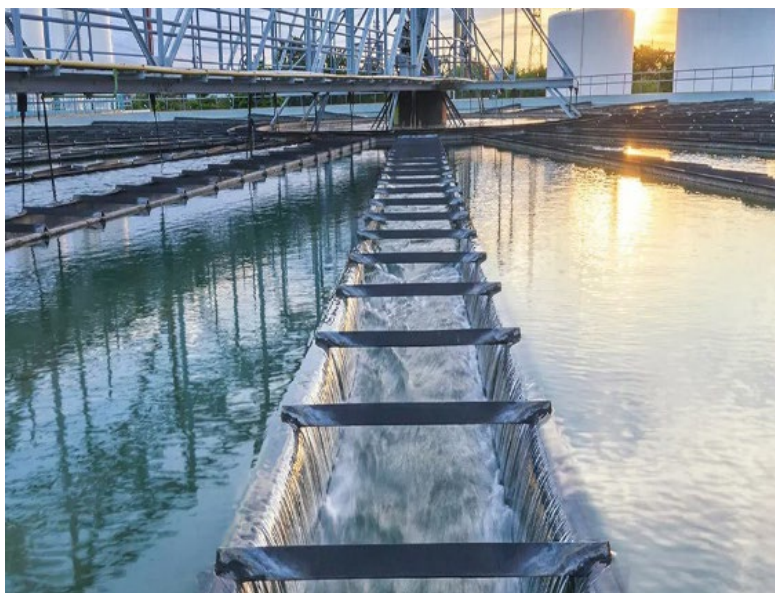
## Electric Vehicle (EV) Charging Network Collaboration

We investigated an opportunity for Councils to support economic development and the reduction in transport emissions by making Council land available for publicly accessible EV chargers. Working together will increase Councils' ability to attract investment in the region from EV charging infrastructure providers (charge point operators). We got support from nine Councils to undertake an expression of interest that will enable an assessment of the financial viability of taking a collective approach.

## Waikato Water Done Well

*This project was separately funded by the Participating Councils involved.*

For the regional Waikato Waters Done Well (WDDW) project, we supported councils and the lead consultant in investigating the merits of aggregating water services in response to the Government's Local Water Done Well policy. This work culminated in seven councils signing a Heads of Agreement in December to explore an aggregated water service delivery model. We provided project management, financial, communication and administrative support.



# Service delivery highlights

## Co-Lab Water Services

The Trade Waste team presented at the Trade and Industrial Waters Conference (TIWF) in August on improvements in trade waste breaches. Sirri Smith, Smart Water Coordinator, opened the Water Efficiency & Conservation Network (WE CAN) workshop at the Water NZ Conference in September. Sirri showcased Smart Water Schools alongside other water conservation education initiatives in New Zealand. Sirri also attended the Kirikiriroa Field Day where she was one of many environmental educators presenting to different schools across the Waikato.

Through the Compliance Network meetings that we facilitate, 45 people across 14 Councils and organisations met to discuss topics of interest including drinking water safety plans, quality assurance rules, cross connections and water demand. Presentations were from NIWA, Watercare and Taumata Arowai, among others.

During the period, the Sampling & Analysis Team played a pivotal role in the arsenic response for Councils. The Sampling & Analysis team collected approximately 5,300 samples and completed 43,000 tests over the period.

The Trade Waste Team managed approximately 3,000 active consents, 370 consents, 1,100 audits, and 130 non-compliances.

We worked with Councils' Environmental Health teams to ensure we had identified and consented all potential trade waste customers. Our list of potential customers started at approx. 1,700 and most of them were contacted and consented as required.

We reviewed options for the delivery of the Smart Water service and met with our Councils to discuss their water education requirements and how we can support them with this.

## RATA

During the period we progressed the programme of 46 Asset Management related projects and services on behalf of 10 Councils across the Waikato. Due to resource shortages, the focus for the first half of the financial year was on the delivery of core roading-related services.

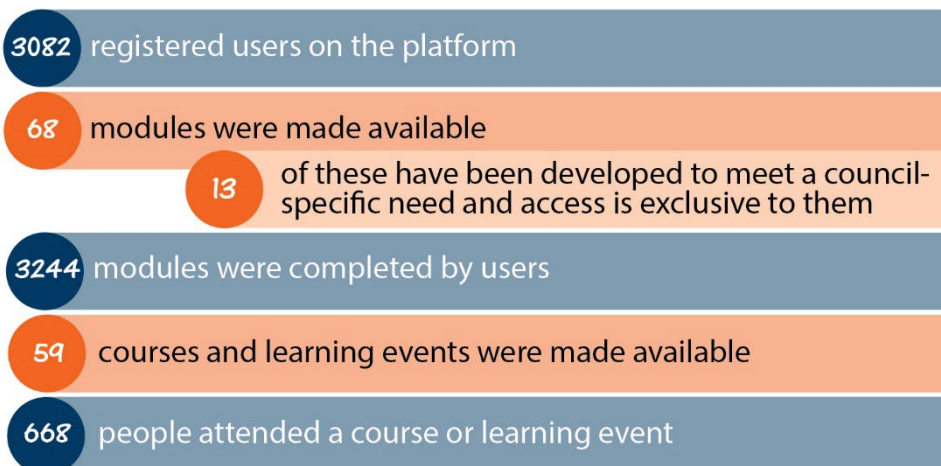
We completed the re-tender of the core road data collection contracts for traffic counting, pavement strength testing (FWD), and footpath condition assessment) across 9820km of Waikato Council roads). We also completed improved delivery and performance tracking of the traffic counting suppliers' contracts (delivering approximately 1200 counts per year). Western Bay of Plenty District Council also joined for the delivery of these contracts, resulting in a reduced cost of managing the contracts across the group of Councils.



The Spaces and Places Rōpu commenced (management of community assets), with good participation and feedback from participating Councils at the recent Spaces and Places Forum.

## Co-Lab Learning

### In numbers



During the period, we developed and launched a full suite of digital induction tools for Hauraki District Council, and bespoke modules for Waikato Regional Council, South Waikato District Council, Hauraki District Council, and Hamilton City Council.

Engagement with regional Health & Safety Managers supported the development of two new health & safety modules, with more in the pipeline for 2025.

### Future of Co-Lab Learning

Low utilisation of Co-Lab Learning (CLL) - in person training in particular - led to Management reviewing the service. It was suggested that Co-Lab Learning could pivot to provide a regional management training programme, and although a rough design was discussed, ultimately there was insufficient council interest to move forward. Management then met with Participating Councils to confirm their ongoing intention to utilise CLL for e-learning and/or training administration post the end of the initial term of the Service Level Agreement. Only three Councils confirmed they wanted to continue utilising the service. At the time of writing, the Co-Lab Board has agreed with Management's recommendation to disestablish the service. The service will still be operational until 30 June 2025.

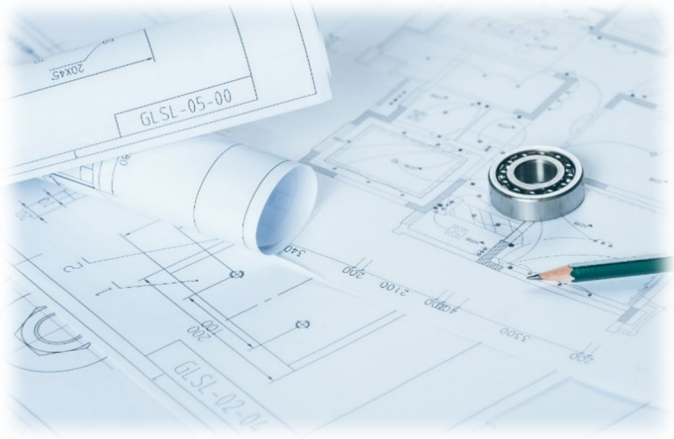
This is a really disappointing outcome to what should be an obvious area to streamline activity and reduce duplication of effort.

## Regional Infrastructure Technical Specification (RITS)

The RITS (Regional Infrastructure Technical Specifications) is a set of engineering specifications managed by Co-Lab on behalf of Waikato Councils. Currently, nine Councils utilise the RITS. The existing version was developed in 2016/2017 and adopted in 2018.

Over the past 2 years (2023/2024), the RITS has undergone a thorough review, with proposed updates to its content, including text, drawings and links.

In November, version 2b was shared with stakeholders, including Councils and other key agencies, to gather feedback on the proposed changes. This feedback will be incorporated into RITS v2, which will then be submitted to member Councils for adoption. The RITS will then become an online e-document, designed with a structure and search functionality similar to a Council e-plan. It will be available at our website.



## Waikato Regional Transport Model (WRTM)

### Restructure & governance

During the period, significant progress was made in refining the governance structure of the WRTM programme. These efforts have been conducted collaboratively with our funding partners to ensure alignment and transparency across all stakeholders.

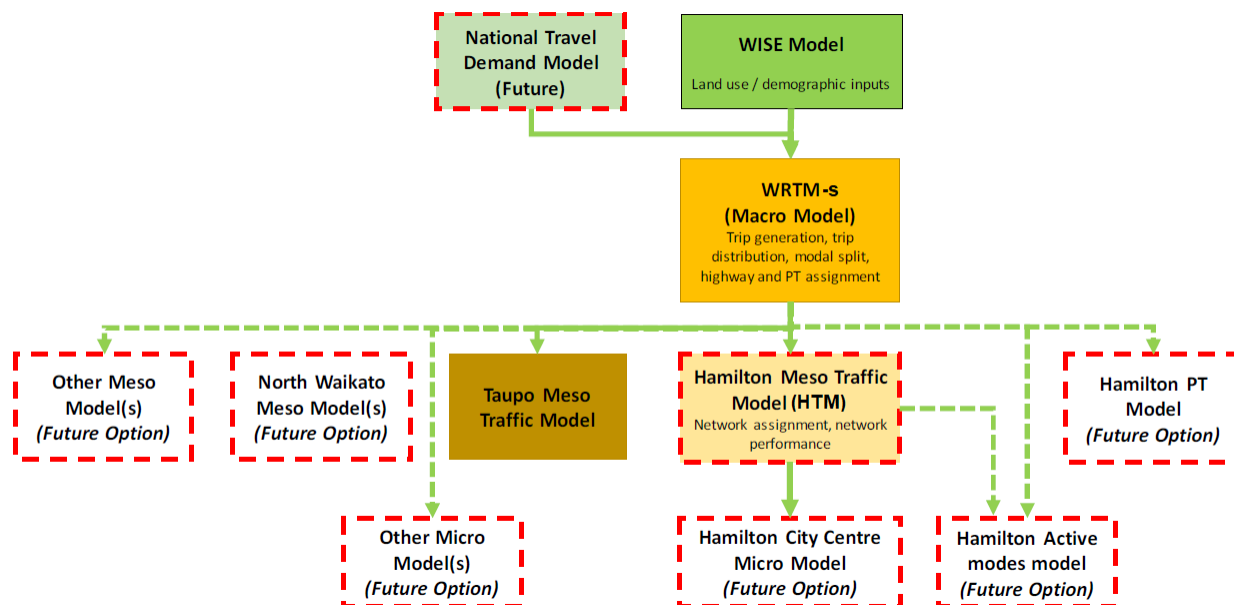
1. Governance Committee Terms of Reference:
  - o A comprehensive Terms of Reference (ToR) document was developed and approved by the Governance Committee. This document clearly defines the roles, responsibilities, and decision-making processes for the committee, aligning with the strategic objectives of the WRTM program.
2. New Multi-Party Funding Agreement:
  - o A revised Multi-Party Funding Agreement (MPFA) was created and circulated for review among the funding partners. This agreement outlines the shared financial responsibilities and collaboration mechanisms essential for the program's sustainable operation.
3. New Service Agreement:
  - o A new Service Agreement was drafted to define the scope and quality of services provided under the WRTM program. The agreement emphasises accountability, clear reporting structures, and performance standards.

All these documents represent a collaborative effort with our funding partners, reflecting a shared commitment to enhancing the program's governance and operational efficiency.

## WRTM model suite

The WRTM consists of a suite of transport models tailored for the region (Figure 1). Demand modelling is conducted at the regional level, while lower-tier models assess the performance of various transport networks.

Figure 1- WRTM model hierarchy



During the period, the WRTM-s model was upgraded to include public transport and mode choice to accommodate high-growth scenarios for 2025, 2035, 2045, and 2055. The WRTM-s has provided demand data to the Hamilton Transport Model (HTM), which is expected to be completed by January 2025. A feasibility study was conducted as the first stage of the WRTM-s overhaul. We are now in the procurement phase for a new model to replace the existing WRTM-s, with delivery anticipated by 2026.

## Co-Lab Geospatial Services

During the period we continued our focus on achieving the service's Strategic Plan 2023 -2026, working towards the vision of *our people trust regional geospatial knowledge to make better decisions*.



Our activity was aligned to the following objectives:

1. Make geospatial information complete and trustworthy
  - Replaced retired datasets and updated FME flows.
  - Resolved broken links between data.govt.nz and Waikato Data Portal, so our data is now up to date on the service. Where required, information was provided to Councils to implement fixes.
  - Automated data copying to the Waikato Data Portal, saving Councils time and effort. This work will continue for the rest of the financial year.
2. Ensure a great user experience
  - Launched helpdesk system and implemented fortnightly triage meetings.
  - Error reporting process is created if an FME process breaks.
  - Undertook website review and launched enhancement project (more on this below).



3. Identify and initiate collaborative projects
  - Provided networking opportunities through the Geospatial Forums
  - Provided support for WaiGIS

### **Website enhancement project**

During the period, we commissioned a review of our current web presence, which identified issues and rated them based on their impact on the user experience.

The Advisory Group recommended that we remove all sub-sites and have all content reside only on the ArcGIS Hub. We are also migrating to ArcGIS Experience Builder and this is planned to launch in early 2025.

## **Regional Procurement**

### **Professional Services Panel renewal**

During the period, subject matter experts from the four Councils leading the renewal project (Hamilton City, Waikato District, Waikato Region and Waipa District) evaluated submissions to join the new Panel agreement, which this time round is made up of multiple tiers.

The Panel arrangement has a strong focus on building relationships with suppliers, which includes quarterly performance reporting for all suppliers and regular relationship meetings with the Tier One suppliers.

The Panel will provide benefit to Councils through pre-agreed rates and rate increases, a rebate structure, and a more efficient and relationship-based engagement process.

The old Professional Services Panel (PSP) concluded November 2024.

Currently, only the four lead Councils are users of the new Panel although the offer to join the new Panel was extended to the other Councils.



# Company support highlights

We celebrated the efforts of some of our people with our annual End of Year Colleague Awards in December 2024. The winners were:

- Integrity Award: Jenny Grace
- Innovation Award: Sarah Wilson
- Collaboration & partnership Award: Natalie Allam
- Team Member of the year: Tania Williams

We continued our Co-Lab Shouts to our Councils to increase awareness internally of what we do as their CCO. We met with 8 of the 12 shareholding Councils.

We focused on our own continuous improvement by kicking off an internal file management review and bedding in our use of Monday.com. The latter is supporting better relationship management, opportunity development project management, and day to day tasks for some of our shared services. We started reviewing our IT support and preparing a new intranet site.

We continued to facilitate our Working Party Groups, the Waikato Mayoral Forum and the Joint Mayors and Iwi Chairs Forum with administrative support.

Most of the corporate support are involved in the Waikato Water Done Well project.

## Performance framework (our 3-year strategy)



# Assessment of performance against targets

An update on performance against the targets set in our Statement of Intent, as at 31 December 2024, is shown in the table below.

Strategic goal	3-year Objective	Annual KPI	Progress towards annual KPI
Shareholding Councils understand we provide them value	<ul style="list-style-type: none"> <li>We know the value we provide shareholders has improved by 15%, by 30 June 2027* <i>(baseline y/e 30 June 23).</i></li> <li>By 30 June 2027, 80% of shareholders agree they get value from Co-Lab.</li> <li>All shareholders take up at least one additional shared service.</li> </ul> <p><i>*Based on the regional benefits of collaboration (not an individual Councils' benefits from collaboration).</i></p>	<ul style="list-style-type: none"> <li>Year-on-year increase in the value we provide to Councils.</li> <li>80%+ of council survey respondents believe those Co-Lab services they received meet or exceed their expectations (evidenced by an annual survey).</li> <li>Year-on-year increase in the utilisation of services we provide to Councils.</li> </ul>	<ul style="list-style-type: none"> <li>Due to the PSP renewal, we are unable to fully calculate the increase in value YoY at the time of writing. We hope to have the required data from all councils shortly.</li> <li>As usual, this will be measured by our annual shareholder survey in May 2025. In May 2024 we achieved 84%.</li> <li>To date, the utilisation of services has increased by 2:</li> </ul>
Deliver value by growing the scale of our shared service function	<ul style="list-style-type: none"> <li>24 new instances of Co-Lab shared services being utilised, by June 2027 <i>(baseline y/e 30 June 23)</i></li> </ul>	<ul style="list-style-type: none"> <li>Year-on-year increase in the utilisation of services we provide to Councils.</li> <li>Year on Year increase in the number of services available to Councils.</li> </ul>	<ul style="list-style-type: none"> <li>As above, to date, the utilisation of services has increased by 2.</li> <li>No new shared services were available to shareholding Councils in the 6 months to 31/12/24 (and as noted earlier Co-Lab Learning will be wound up by the middle of this year). Despite interest,</li> </ul>

Strategic goal	3-year Objective	Annual KPI	Progress towards annual KPI
			ultimately Councils chose not to collaborate on a management training programme.
Diverse, talented and motivated people work for us	<ul style="list-style-type: none"> <li>• Maintain staff engagement above 85%</li> <li>• Staff turnover is less than 15%.</li> <li>• Our vacancies are filled by suitable candidates within 3 months.</li> </ul> <p><i>All baselined y/e 30 June 23)</i></p>	<ul style="list-style-type: none"> <li>• Maintain staff engagement above 85%</li> <li>• Staff turnover is less than 15%.</li> <li>• Vacancies are filled by suitable candidates within 3 months.</li> </ul>	<ul style="list-style-type: none"> <li>• As usual, this will be measured by our annual staff survey in May 2025. In May 2024 we achieved 87%.</li> <li>• Staff turnover was 0% in the 6 months to 31/12/24 (Co-Lab employed staff).</li> <li>• There were no vacancies in the 6 months to 31/12/24 (Co-Lab employed staff).</li> </ul>

# Co-Lab's financial position

## Summary

The financial results for the six months to 31 December 2024 are favourable to budget. This is largely due to savings made in Company Management & Support, RATA and Co-Lab Water Services. For the full year we are currently forecast to be on budget, however, we will be looking to identify more areas where savings can be made to have a surplus to carry into the next financial year to reduce member charges in FY26.

The cash position as at 31 December 2024 is made up as follows:

	Cash balance @ 1/07/2024	Cash surplus / (deficit)	Cash balance @ 31/12/2024
Company Management & Support	296,354	115,050	411,405
RITS	153,105	28,330	181,435
Working Parties   Projects	62,860	(25,551)	37,309
Information Technology	0	0	0
Energy Management	49,061	79,762	128,822
Shared Valuation Data Service (SVDS)	544,174	0	544,174
Road Asset Technical Accord (RATA) & Waters Collaboration	180,923	(45,337)	135,585
Waikato Regional Transport Model (WRTM)	2,217	(17,096)	(14,879)
Waikato Building Consent Group (WBCG)	246,906	(32,689)	214,217
Mayoral Forum	(17,906)	11,346	(6,559)
Co-Lab Water Services	0	0	0
Co-Lab Learning	72,680	8,307	80,987
Procurement	0	(872)	(872)
Geospatial Services	99,303	(13,808)	85,495
Communications Shared Resource	589	(19,970)	(19,381)
Accounts Receivables	(1,516,869)	(579,692)	(2,096,561)
Accounts Payables	3,161,089	(1,522,959)	1,638,130
<b>Total</b>	<b>3,334,487</b>	<b>(2,015,179)</b>	<b>1,319,308</b>

Note: Cash balances for each workstream vary from the actual cash position as a result of accounts receivable / payable which are not tracked on an activity by activity basis.

We will be reforecasting in March and will reassess the likely year-end cash position for each workstream at that time and take this into account in the company's finalised Statement of Intent issued in June 2025.

## Statement of financial performance

### Co-Lab

#### Statement of Financial Performance

For the six months ending 31 December 2024

	Financial year 2025 YTD Actuals	Financial year 2025 YTD Budget	Financial year 2024 YTD Actuals
<b>Revenue</b>			
SVDS Data & Software Sales	169,660	191,618	167,272
Interest	48,047	35,238	1,191
<b>Other Revenue</b>			
User Charges	5,011,217	4,604,561	4,299,678
<b>Total Other Revenue</b>	<b>5,011,217</b>	<b>4,604,561</b>	<b>4,299,678</b>
<b>Total Revenue</b>	<b>5,228,924</b>	<b>4,831,417</b>	<b>4,468,141</b>
<b>Expenditure</b>			
Depreciation and amortisation expense	13,329	25,371	16,443
Personnel costs	842,315	907,755	754,360
Other expenses	4,295,839	4,380,572	4,016,988
<b>Total Expenditure</b>	<b>5,151,483</b>	<b>5,313,698</b>	<b>4,787,791</b>
<b>Net Profit</b>	<b>77,441</b>	<b>(482,281)</b>	<b>(319,650)</b>

## Statement of financial position

Co-Lab

### Statement of Financial Position

As at 31 December 2024

	Financial year 2025 Actual at 31/12/2024	Financial year 2024 Actual at 31/12/2023
<b>Assets</b>		
<b>Current Assets</b>		
<b>Bank</b>		
Transaction Account	220,217	482,800
Call Account	30,643	29,837
Rapid Save Account	1,068,448	700,785
Term Deposit	0	950,000
<b>Total Bank</b>	<b>1,319,308</b>	<b>2,163,422</b>
<b>Accounts Receivable</b>		
Accounts Receivable	759,588	1,098,465
Accounts Receivable Accruals	1,327,579	1,159,051
GST Receivable	7,036	116,761
<b>Total Accounts Receivable</b>	<b>2,094,203</b>	<b>2,374,277</b>
Prepayments	0	0
Deferred Tax Asset	2,358	2,358
<b>Total Current Assets</b>	<b>3,415,869</b>	<b>4,540,057</b>
<b>Non-current Assets</b>		
SVDS - Original Cost	0	0
WRTM - Original Cost	2,296,855	2,296,855
MoneyWorks Software	1,195	1,195
IT equipment	113,400	110,101
Accumulated Depreciation	(2,401,914)	(2,372,700)
Office Furniture	66,751	66,751
<b>Total Non-current Assets</b>	<b>76,287</b>	<b>102,202</b>
<b>Total Assets</b>	<b>3,492,156</b>	<b>4,642,259</b>
<b>Liabilities</b>		
<b>Current Liabilities</b>		
<b>Accounts Payable</b>		
Accounts Payable	446,197	1,077,418
Accounts Payable Accrual	669,285	533,030
<b>Total Accounts Payable</b>	<b>1,115,483</b>	<b>1,610,448</b>
RWT on Payments	0	0
Credit Card Balance	1,580	2,296
Revenue in Advance	336,090	828,695
Employee Entitlements	184,978	24,070
GST Payable	0	0
<b>Total Current Liabilities</b>	<b>1,638,130</b>	<b>2,465,509</b>
<b>Total Liabilities</b>	<b>1,638,130</b>	<b>2,465,509</b>
<b>Net Assets</b>	<b>1,854,026</b>	<b>2,176,750</b>
<b>Equity</b>		
Contributed Capital	2,957,001	2,957,001
Retained Earnings	(1,102,975)	(780,251)
<b>Total Equity</b>	<b>1,854,026</b>	<b>2,176,750</b>

## Statement of cashflows

Co-Lab

As at 31 December 2024

For the six months ending 31 December 2024

	Financial year 2025 YTD Actuals	Financial year 2024 YTD Actuals
<b>Cashflows from Operating Activities</b>		
Interest Received	48,020	1,071
Receipts from Other Revenue	4,342,299	4,748,701
Payments to Suppliers and Employees	(6,111,654)	(4,464,435)
Taxes Paid	0	0
Goods & Services tax (net)	(158,360)	(416,883)
<b>Net cash from operating activities</b>	<b>(1,879,695)</b>	<b>(131,546)</b>
<b>Cashflows from Investing Activities</b>		
Capital enhancements	0	0
Purchase of PPE	(3,299)	(18,147)
Purchase of investments	0	0
<b>Net cash from investing activities</b>	<b>(3,299)</b>	<b>(18,147)</b>
<b>Net increase in cash, cash equivalents and bank accounts</b>	<b>(1,882,994)</b>	<b>(149,693)</b>
Opening cash and cash equivalents and bank overdrafts	3,202,302	2,313,115
<b>Closing cash, cash equivalents and bank accounts</b>	<b>1,319,308</b>	<b>2,163,422</b>
<b>Summary of Bank Accounts</b>		
BNZ - Transaction Account	220,217	482,800
BNZ - Call Account	30,643	29,837
BNZ - Rapid Save Account	1,068,448	700,785
BNZ - Term Deposit	0	950,000
<b>Closing Balance of Bank</b>	<b>1,319,308</b>	<b>2,163,422</b>

## 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 2025 Statement of Intent issued for shareholder comment in February 2025.



# Governance

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

- Hamilton City
- Hauraki District
- Matamata-Piako District
- Ōtorohanga District
- Rotorua Lakes
- South Waikato District
- Thames-Coromandel District
- Waikato District
- Waikato Regional
- Waipā District
- Waitomo District
- Western Bay of Plenty District

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

Director	Representing
Peter Stubbs	Independent Chair
Chris McLay	Waikato Regional Council
Lance Vervoort	Hamilton City Council
Ben Smit	Ōtorohanga, Rotorua Lakes, South Waikato and Waitomo District Councils
Gavin Ion	Waikato and Waipa District Councils
John Holyoake	Hauraki, Matamata-Piako, Thames-Coromandel and Western Bay of Plenty District Councils

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.

# Nature & scope of activities

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

## Services

- Co-Lab Water Services
- Co-Lab RATA
- Co-Lab Learning
- Energy & Carbon management
- Co-Lab Procurement Services
- Co-Lab Geospatial Services: Waikato Data Portal and Waikato One View
- Waikato Building Consent Group (WBCG)
- Waikato Regional Transportation Model (WRTM)
- Regional Infrastructure Technical Specification (RITS)

## Other

- Waikato Regional Infrastructure Procurement (WRIP)
- Health & safety pre-qualification
- LiDAR (Light Detection and Ranging) technology
- Shared Valuation Data Services (SVDS)
- Waikato Regional Aerial Photography Service (WRAPS)

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