



STATEMENT OF INTENT FOR 2017/18

30 June 2017

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Waikato Local Authority Shared Services Limited

Introduction

This Statement of Intent is a public declaration of the activities and intentions of the Council Controlled Organisation, Waikato Local Authority Shared Services Limited (WLASS). The statement outlines the proposed work plan for 2017/18 and the Directors' accountabilities to the shareholders for corporate performance, as is intended by Schedule 8 of the Local Government Act 2002.

Objectives of WLASS

Local Authority Shared Services Limited was incorporated under the Companies Act 1993 on the 13th day of December 2005, and changed its name to WAIKATO LOCAL AUTHORITY SHARED SERVICES LIMITED on the 4th day of April 2016. WLASS is owned by the 12 Waikato local authorities, with each shareholder owning an equal number of shares and having an equal say in its development. WLASS provides a legal entity, representative of all the shareholding councils, which can enter into contracts and agreements with external suppliers and provide value to the shareholders by reducing costs. WLASS contracts are available to be joined by any shareholder that so chooses.

Much of the work of WLASS is undertaken by Working Parties or Advisory Groups made up of staff representatives from the shareholding councils, with expertise and interest in particular services. The WLASS CEO provides facilitation and co-ordination of the Working Parties, and is an ex officio member of the Advisory Groups.

As part of providing a mechanism for supporting shared services and collaborative opportunities within the region, WLASS also provides support to the Waikato Mayoral Forum and its working streams.

The objectives of WLASS are:

- To enable the Waikato councils to collectively be more effective as a region on the national stage
- To contribute to building central government's confidence in the Waikato region, and to encourage central government investment
- To achieve effectiveness and efficiency gains
- To reduce duplication of effort and eliminate waste through repetition
- To make it easier for customers to engage with councils in the Waikato region
- To promote and contribute to the development of best practice
- To promote business transformation to improve customers' experiences.

Nature and Scope of Current Activities

There are currently nine major initiatives operating under the WCLASS umbrella, plus a support role for the collaborative work streams of the Waikato Mayoral Forum.

- 1 Shared Valuation Data Service (SVDS).** This system provides timely and accurate valuation data to the 10 member Councils (Waikato Regional, Hamilton City, Hauraki, Matamata Piako, Rotorua, South Waikato, Thames Coromandel, Waikato, Waipa and Waitomo District Councils). The SVDS has become the accepted valuation database for the region. Data sales significantly reduce costs to the participating councils.
- 2 Road Asset Technical Accord (RATA).** RATA was initially established as a centre of excellence for road asset planning in 2014, as a work stream under the Mayoral Forum. The activity transferred to WCLASS on 1 July 2016. The aim of RATA is to achieve best practice in road asset management by improving capability, capacity and outcomes through effective collaboration. By leading asset management best practice, RATA delivers better decision making through the effective collection and use of good quality data, and the implementation of good practice processes and systems for data collection, analysis and management.

Waipa District Council currently acts as the host council for RATA, providing accommodation and overheads (which are fully recovered from the participating councils), and managing the employment agreements/relationships with the three staff members. This activity is fully funded by the nine participating councils (Hamilton City, Hauraki, Matamata Piako, Otorohanga, South Waikato, Thames Coromandel, Waikato, Waipa and Waitomo District Councils, supported by the NZ Transport Agency) and operates as a separate cost centre.

- 3 Waikato Regional Transportation Model (WRTM).** This model became fully operational in February 2010. It provides accurate information to Councils and to external users (for a charge) for their transport modelling requirements. The WRTM is the only recognised strategic transport modelling resource in the Waikato Region, and is jointly funded by the NZ Transport Agency. WRTM is making a significant contribution to strategic planning of land use and infrastructure within the region, and has been involved in regionally and nationally significant investigations including: the Waikato Expressway Network Plan; the Waikato Regional Land Transport Strategy and Regional Policy Statement; and transport impact assessment in relation to the development of Ruakura. This activity is fully funded by the seven participating councils (Waikato Regional, Hamilton City, Matamata Piako, Taupo, Thames Coromandel, Waikato, and Waipa District Councils, supported by the NZ Transport Agency), and operates as a separate cost centre. It has been managed by RATA since 1 July 2016.
- 4 Waikato Building Consent Group (WBCG).** The WBCG was initially set up by five Waikato local authorities in 2004 to foster co-operation, collaboration and consistency in building functions, legislative interpretation and process documentation across the partnering councils. The Group now comprises eight councils (Hamilton City, Hauraki, Matamata Piako, Otorohanga, Thames Coromandel, Waikato, Waipa and Waitomo Districts). The Group has developed a common quality assurance system with associated supporting documentation and media that meet the legislative requirements of the Building Act 2004 and the Building (Accreditation of Building Consent Authorities) Regulations 2006. These regulations cover all aspects of the operational management and compliance of a Building Consent Authority (BCA).

Waikato District Council currently acts as the host council for the WBCG, providing accommodation and overheads (which are fully recovered from the WBCG), and managing the employment agreements/relationships with the two staff members. The activity is fully funded by the participating councils, and operates as a separate cost centre. The activity transferred to WLASS on 1 July 2016.

- 5 Future Proof.** This is a collaborative partnership between Hamilton City, Waikato and Waipa Districts, Waikato Regional Council and Tāngata whenua, with assistance from the New Zealand Transport Agency. The partners have jointly developed the Future Proof Growth Strategy and Implementation Plan – a 50-year vision and implementation plan specific to the Hamilton, Waipa and Waikato sub-region (Future Proof sub-region), which was adopted by the partners on 30 June 2009.

The accommodation, overhead and employment arrangements of the Future Proof Planner are managed by Hamilton City Council. This activity is fully funded by the participating councils, and transferred to WLASS on 1 July 2016.

- 6 Energy Management.** WLASS entered into a Collaboration Agreement with the Energy Efficiency Conservation Authority (EECA) in February 2016. This arrangement will bring \$210,000 in revenue from EECA over three years, subject to meeting specific energy saving targets. The activity is fully funded by the ten participating councils (Matamata Piako is not eligible, as it has previously received EECA funding, and Thames Coromandel is not participating), and operates as a separate cost centre.

- 7 Joint Procurement Initiatives.** WLASS is a party to numerous joint procurement contracts between the company, shareholding Councils and suppliers. Some contracts (e.g. insurance brokerage services; various collective insurance policies; courier and postal services; historic aerial photography) involve all of the shareholding councils. Other joint procurement contracts have been negotiated, but only some of the shareholding councils have chosen to participate (e.g. the Professional Services Panel; computer-generated print, mail house and e-services; IT Professional Services Panel; Internal Audit Services). A review of procurement opportunities will assist in determining the future direction of WLASS procurement activities.

- 8 Historic Aerial Photos.** In May 2015, WLASS entered into a Memorandum of Understanding with LINZ to scan the Waikato Historic Aerial Photos archive. The LINZ Crown archive contains over 500,000 historic aerial photo negatives captured by surveys flown over New Zealand between 1936 and 2005. All of the shareholding councils are participating in this 4-year project, which includes a subsidy of \$56,000 from LINZ. The project is running ahead of schedule and is now expected to be completed in 2018.

- 9 Waikato Regional Aerial Photography Service (WRAPS).** WRAPS was set up in the 1990s for the supply of colour, digital, ortho-rectified, aerial photography for the Waikato Region. So far, there have been four WRAPS contracts – 2002, 2007, 2012, and the 2016 contract that is currently in progress. Consideration is currently being given to changing the frequency to 4-yearly. WRAPS became a WLASS project in December 2014 and is fully funded by the participating councils.

Proposed New Activities

New Business Transformation Initiatives

In response to the challenge set in the 2016/17 SOI (to “investigate business transformation opportunities which will improve customer experiences and provide added value, particularly within the digital field of operation”), a number of projects are underway in the 2016/17 financial year which are likely to result in new work streams for WLASS. New funding is also likely to be required, and will be included in the final version of this SOI.

The projects currently being investigated are:

Procurement

A contract has been let to undertake a "health check/maturity assessment" of procurement activities and processes in the WLASS councils, and to identify opportunities and/or alternative approaches that could be taken to provide greater value to shareholders.

Aligned Planning

One of the outputs from the Waikato Plan was a report completed by GMD Consulting Ltd, which identified a range of methods by which councils can achieve greater efficiencies and effectiveness in the processing of resource consents. A business case is in preparation, to identify the benefits of progressing some or all of the recommendations in the report, and the investment that will be required to make progress. Recommendations will be made to the Board in the last quarter of the 2016/17 financial year.

GIS

Geographic Information Systems (GIS) in the Waikato region are characterised by a wide range of systems and software and are at varying levels of maturity. As a sector, Territorial Authorities are challenged with rapidly developing technology, an ever increasing requirement for skills, competition for skilled and knowledgeable staff, and a greater need to keep ahead of citizen requirements. Other regions face the same challenges and have responded in various ways. An investigation is underway into the progress being achieved by other GIS regional initiatives, to identify the benefits of different delivery models and their applicability to the Waikato. New collaborative initiatives will be identified, prioritised and business cases developed for those with significant benefits.

Work is also in progress to identify how spatial information systems can support the Waikato region within the framework of the Waikato Digital Strategy (see below) and contribute to the WLASS digital strategic direction setting from a spatial and analytical perspective.

Building

The Waikato Building Consent Group (WBCG) has reached a level of maturity within their current framework, but it is evident that there are opportunities to go a lot further. A strategic visioning workshop is being planned by the WBCG, to develop a long-term vision (10 years), and consider alternative service delivery options to achieve that vision. Proposals will then be considered by the Board.

Digital Strategy

Work is in progress to define the scope for the development of a WLASS Digital Strategy, what the challenges are, what success would look like, and to make recommendations to the Board on the next steps.

Additional Costs

Due to the increased workload arising from the growth of WLASS (turnover in 2014/15 was \$2.1M, compared with an estimated \$3.5M in 2017/18), additional funding of \$20,500 is

required to fund accounting services. This equates to 2% of total revenue, the same percentage as in 2014/15.

In addition, it is proposed to replace the current accounting package (MoneyWorks) with a new system, such as Xero, which will be more efficient in dealing with the increased complexity of the WLASS accounts. The likely additional cost for a licence is approximately \$850 p.a.

The Mayoral Forum (Policy and Bylaws work stream) project to publish a Regional Infrastructure Technical Specifications (RITS) document (a regional guide on how to construct public infrastructure) is expected to be completed in May 2017. New funding of \$18,000 p.a. has been included in the Procurement cost centre to fund a contractor to manage and review requests for changes/improvements/updates to the document, and to manage the process for including new approved products into the RITS, to keep it up-to-date. These costs will be funded solely by those councils using RITS (currently all of the shareholding councils, excluding Taupo, Thames Coromandel and Waikato Regional).

Waikato Mayoral Forum

Establishment of the **Waikato Mayoral Forum** in 2012 resulted in the creation of five work streams to investigate collaborative opportunities in the areas of governance, spatial planning, two waters, roading, and economic development. An additional work stream for bylaws and policies was created in 2013, focussing on reducing the number and standardising the format of Council policies and bylaws, and developing RITS.

The governance work stream is currently in abeyance. The spatial plan work stream is now known as the Waikato Plan, and is governed by a Joint Committee, which was established in July 2015. The two-waters project is now being run by a consortium comprising Hamilton City, Waikato and Waipa District Councils, who are investigating a future delivery model for water services across the three councils. As noted above, the roading work stream (RATA) transferred into WLASS on 1 July 2016. The Economic Development work stream has developed a strategy, and implementation of the “Waikato Means Business” plan was devolved to an independent Steering Group in July 2015. The work of the Policy and Bylaws work stream is ongoing.

The Mayoral Forum will be considering potential new work streams for the new triennium, and there may be a further role for WLASS, which provides administrative and financial support both to the Mayoral Forum and its work streams. This draft SOI does not include any new funding for Mayoral Forum work streams, but there is an opportunity for new funding to be included when the SOI is finalised in June, following feedback from shareholders.

Benefits of WLASS

Over the period that the company has been operating, benefits have been delivered in the form of:

- Improved level and quality of service
- Co-ordinated approach to the provision of services
- Reductions in the cost of services
- Development of new initiatives
- Opportunities for all Councils (irrespective of their location or size) to benefit from joint initiatives
- Economies of scale resulting from a single entity representing all Councils and leveraging procurement opportunities.

Based on feedback from the shareholding Councils and the Mayoral Forum, the WLASS Directors continue to discuss opportunities to develop shared services at Board meetings. The Directors see the continuing investigation of possible future shared services as a key focus of their role.

Governance

WLASS has twelve Directors, with each Director representing a shareholder Council.

Unless otherwise agreed by the appointing Councils, each Director shall be the Chief Executive of a local authority. In addition, the Board may appoint up to three professional directors to supplement the Directors' expertise. At this time, no independent directors have been appointed to the Board.

WLASS conducts itself in accordance with its constitution, its annual Statement of Intent as agreed with shareholders, the provisions of the Local Government Act 2002, and WLASS policies.

Directors

The current Directors of WLASS are:

| Director | Position | Director Appointed By |
|-------------------|--|---------------------------------|
| Gavin Ion (Chair) | Chief Executive, Waikato District Council | Waikato District Council |
| Richard Briggs | Chief Executive, Hamilton City Council | Hamilton City Council |
| Langley Cavers | Chief Executive, Hauraki District Council | Hauraki District Council |
| Don McLeod | Chief Executive, Matamata-Piako District Council | Matamata-Piako District Council |
| Dave Clibbery | Chief Executive, Otorohanga District Council | Otorohanga District Council |
| Geoffrey Williams | Chief Executive, Rotorua District Council | Rotorua District Council |
| Craig Hobbs | Chief Executive, South Waikato District Council | South Waikato District Council |
| Gareth Green | Chief Executive, Taupo District Council | Taupo District Council |

| | | |
|---------------|---|------------------------------------|
| Rob Williams | Chief Executive, Thames-Coromandel District Council | Thames-Coromandel District Council |
| Vaughan Payne | Chief Executive, Waikato Regional Council | Waikato Regional Council |
| Garry Dyet | Chief Executive, Waipa District Council | Waipa District Council |
| Chris Ryan | Chief Executive, Waitomo District Council | Waitomo District Council |

Activities for which the Board seeks Compensation

Additional shared services may be developed during the year that this Statement of Intent is current. Any such services will only be delivered by WLASS after the Directors have agreed that the proposed new service meets the objectives of WLASS.

Shareholders will continue to contribute to the operational costs of the WLASS on an annual basis. Specific projects will be funded solely by those councils which choose to participate, subject to funding approval from each participating council.

Performance Targets

To ensure that the Company continues to operate effectively and efficiently, the performance targets for 2017/18 are as follows:

| TARGET | METHOD | MEASURE |
|---|---|---|
| Procurement Joint procurement initiatives for goods and services for WLASS councils will be investigated and implemented. | Procurement is from sources offering best value, service, continuity of supply, and/or opportunities for integration. | Implement the recommendations of the Procurement review, as approved by the Board. New suppliers are awarded contracts through a competitive tender process. |
| Collaborative Projects Priorities for collaboration are identified, business cases are developed for the highest priority projects, and the projects are implemented. | The focus is on shared services which will benefit all councils. | A minimum of three priority projects for collaboration are identified per annum. If considered of value, business cases are developed for approval by the Board, and the projects are implemented. |
| Existing WLASS Contracts Existing contracts are managed and renegotiated as required. | Appointed vendors deliver on the terms of their contracts and deliver value to the shareholders. | The WLASS Contracts Register is maintained and managed. Contracts which are due for renewal are tested for competitiveness and either renegotiated or re-tendered through a competitive process. |
| Cashflow The company shall maintain a positive cashflow position. | The Financial Accountant reviews cashflow monthly. | The WLASS Board reviews the financial statements quarterly. |

| | | |
|--|--|--|
| <p>Cost Control Administration expenditure shall be managed and monitored.</p> | <p>The Financial Accountant and Chief Executive review expenditure monthly.</p> <p>The WLASS Board reviews the financial statements quarterly.</p> | <p>Administration expenditure shall not exceed budget by more than 5%, unless prior approval is obtained from the Board.</p> |
| <p>Reporting Six monthly reports provided to Shareholders.</p> | <p>The Chief Executive prepares a written report for the WLASS Board every meeting.</p> <p>One 6-monthly and one Annual Report are prepared for shareholders.</p> | <p>The Board shall provide a written report on the business operations and financial position of WLASS to the shareholders every six months.</p> <p>Every second report shall be the Annual Report, which includes a report that all of the statutory requirements of the WLASS are being adhered to.</p> |
| <p>Waikato Mayoral Forum The company shall provide administrative support to the Mayoral Forum work streams and to the Mayoral Forum.</p> | <p>Mayoral Forum projects shall be managed financially through the WLASS.</p> | <p>Approved invoices for Mayoral Forum projects are paid by the 20th of the month following their receipt.</p> |
| <p>Shared Valuation Data Services (SVDS) The SVDS is reliable, well maintained and available to all users.</p> | <p>A Contract Manager is appointed for SVDS.</p> <p>The Contract Manager monitors performance of the contractors and reports quarterly to the SVDS Advisory Group.</p> | <p>The SVDS is available to users at least 99% of normal working hours.</p> <p>All capital enhancement work is supported by a business case and approved by the SVDS Advisory Group.</p> <p>The SVDS Advisory Group meets at least 6-monthly.</p> |
| <p>Insurance Achieve the relevant KPIs in Appendix 4 of the Insurance Brokerage contract with Aon.</p> | <p>The Insurance Broker delivers on the terms of their contract and provides value to the participating councils.</p> | <p>Strategic advice provided by Aon on the insurance programme structure is assessed as satisfactory in the annual WLASS Shareholders' survey by the participating councils.</p> <p>The day-to-day service provided by Aon is assessed as satisfactory in the annual WLASS Shareholders' survey by the participating councils.</p> |
| <p>RATA¹ All stakeholders are kept informed about RATA's projects and achievements.</p> | <p>Six monthly and annual reports are provided to all stakeholders.</p> <p>Annual Forward Works</p> | <p>Reports presented to WLASS Board as at 30 December and 30 June, and circulated to stakeholders.</p> <p>Reports include a summary of savings and achievements.</p> <p>All RATA councils participate in</p> |

| | | |
|--|---|--|
| <p>Sub-regional data collection contracts deliver good quality data on roading assets.</p> | <p>Programme tours are completed, to provide opportunities for councils' roading staff to share their knowledge and experience</p> <p>Data collection contracts (minimum of two across the region) are managed in accordance with best practice.</p> <p>Data supplied by contractors is of good quality and meets all councils' requirements.</p> | <p>the tour.</p> <p>Report on tour outcomes prepared by 31 December each year, and circulated to stakeholders.</p> <p>Contracts which are due for renewal are tested for competitiveness and either renegotiated or tendered through a competitive process.</p> <p>Any data issues are identified and resolved, with any incidents reported to stakeholders.</p> |
| <p>Waikato Regional Transport Model (WRTM) The WRTM is reliable, well maintained and available to all users.</p> | <p>RATA manages the WRTM on behalf of the participating councils, and monitors the performance of the model supplier (currently Traffic Design Group).</p> <p>RATA reports quarterly to the WRTM Project Advisory Group.</p> | <p>All modelling reports requested from the model supplier are actioned within the agreed timeframe, scope and budget.</p> <p>A report from RATA on any new developments and on the status of the model is provided to the WLASS Board at least every six months.</p> <p>The quality of the base model complies with NZTA guidelines (as set out in the NZTA's Economic Evaluation Manual), and is independently peer reviewed each time the model is updated.</p> |
| <p>Waikato Building Consent Group Provide strategic direction and actively pursue improvements in Building Control across the Waikato region.</p> | <p>Develop and maintain a quality assurance system for building consents, that meets statutory compliance and supports excellence and consistency in customer service and business practice.</p> | <p>Internal audits are completed annually for each Group member.</p> <p>Provide Group members with a joint quality assurance system that meets statutory compliance.</p> <p>Report at least six monthly to the WLASS Board on the Group's activities.</p> |
| <p>Future Proof All stakeholders are kept informed about Future Proof's projects and achievements.</p> | <p>Six monthly and annual reports are provided to all stakeholders.</p> | <p>Reports presented to WLASS Board as at 30 December and 30 June, and circulated to stakeholders.</p> |
| <p>Shareholder Survey Shareholders are satisfied with the performance of WLASS.</p> | <p>An annual survey of shareholders is undertaken to assess satisfaction levels with</p> | <p>A survey of shareholders is undertaken each year, and the results are reported to all</p> |

| | WLASS. | shareholders. |
|--|---|--|
| Review of Benefits Shareholders are informed of the benefits being provided to shareholding councils by WLASS. | The benefits of WLASS (including financial and non-financial achievements) are regularly analysed and reported to shareholders. | Information on the financial and non-financial benefits being achieved by WLASS are included in the 6-monthly and Annual Report to shareholders. The “Collaboration in Action” document, which summarises the achievements of WLASS, be updated and circulated to shareholders by 31 December 2017. |

¹ The performance measures for RATA are currently under review and will be updated in the final version of the SOI.

Policy Statements

Statement of Accounting Principles

Financial statements are for a company wholly owned by the 12 local authorities within the Waikato Region, in the proportion of one share per local authority. Financial statements are prepared in accordance with the requirements of the Local Government Act 2002, which includes the requirement to comply with the New Zealand Generally Accepted Accounting Practice (NZ GAAP), the Financial Reporting Act 1993 and the NZ Financial Reporting Standard No. 42.

Specific Accounting Principles

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

- Receivables are recorded at their face value, less any provisions for impairment.
- Investments are valued at the prevailing market value.
- Fixed assets are recorded at cost, less accumulated depreciation.

Intangible Assets

Where intangible assets are purchased, such as intellectual property and computer software, these are capitalised and written off on a straight line basis over their expected life, but over no greater than seven years.

Depreciation / Amortisation is provided on a straight-line basis on all assets other than land, and shall align with normal accepted depreciation for the types of services being developed.

Impairment Testing

Assets with a finite life are reviewed annually 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 asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use.

Balance Sheet Ratios

The Local Government Act 2002 requires the Statement of Intent to include the projected ratio of shareholders' funds to total assets within the Forecast Statement of Financial Position.

WLASS is budgeted to have an accumulated shareholders fund of \$435,903 at 30 June 2018, which relates to 55.6% of total assets. The only liabilities of WLASS are trade creditors.

The Forecast Financial Statements for 2017/18 are included as part of this Statement of Intent.

Procedures for the Purchase and Acquisition of Shares

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

Inventories

It is not envisaged that the company will hold inventories, other than those that might relate to providing computer-based services to a number of parties. They will be valued at net realisable value.

Taxation

Taxation will be provided as required against the company, in line with the required legislation.

In accordance with the Public Audit Act 2001 and the Local Government Act 2002, the Auditor General will be responsible for the audit of the company's financial statements.

As the current shared services are on a cost recovery basis, it is not envisaged that any dividends will be paid.

Value of Shareholders' Investment

The Directors' estimate of the commercial value of the shareholders' investment in WLASS is equal to the shareholders equity in the company. Reassessment of the value of this shareholding shall be undertaken on or about 1 April each year.

Distributions to Shareholders

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

Compensation

The Directors of WLASS will not receive any fees or expenses for work undertaken on behalf of the company.

As the basis of funding for WLASS, payment will be sought from all local authorities that receive services from WLASS.

Information to be Provided to Shareholders

The company will deliver the following information to shareholders:

- Within two months of the end of the first half of the financial year, a 6-monthly report, including a Statement of Financial Performance, a Statement of Changes in Equity, a Statement of Financial Position, and a Statement of Cashflows and Service Performance.
- Within three months of the end of the financial year, an audited Statement of Financial Performance, Statement of Changes in Equity, Statement of Financial Position, a Statement of Cashflows and Service Performance, plus a summary of how the company has fared against its objectives.

Review of Statement of Intent

The Directors shall approve by 1 March of each year a Draft Statement of Intent for distribution to, and consideration by, the shareholders.

The shareholders must provide any comments or feedback on the Draft Statement of Intent within two months of 1 March. The Directors must consider all comments that are received, and shall deliver the completed Statement of Intent to the shareholders by 30 June.

Financials

**Waikato Local Authority Shared Services
Company Summary
For the Year Ended 30 June 2018**



| | Budget 2016/17 | Budget 2017/18 | Variance | Budget 2018/19 | Budget 2019/20 |
|---|---------------------------|---------------------------|------------------|---------------------------|---------------------------|
| Income | | | | | |
| Company Administration | 271,117 | 296,828 | 25,711 | 303,358 | 310,336 |
| Procurement | 442,593 | 544,775 | 102,182 | 314,286 | 314,286 |
| Information Technology | 53,600 | 43,600 | (10,000) | 43,600 | 43,600 |
| Energy Management | 213,000 | 124,200 | (88,800) | 136,500 | 0 |
| Shared Valuation Data Service (SVDS) | 584,557 | 648,160 | 63,603 | 608,533 | 622,587 |
| Road Asset Technical Accord (RATA) | 914,000 | 930,621 | 16,621 | 951,757 | 973,542 |
| Waikato Regional Transport Model (WRTM) | 113,834 | 101,951 | (11,883) | 103,176 | 104,243 |
| Waikato Building Consent Group | 270,600 | 230,600 | (40,000) | 230,600 | 230,600 |
| Future Proof | 575,990 | 555,000 | (20,990) | 470,000 | 395,000 |
| Waikato Mayoral Forum | 71,000 | 7,000 | (64,000) | 7,000 | 7,000 |
| Total Income | 3,510,291 | 3,482,735 | (27,556) | 3,168,810 | 3,001,194 |
| Operating Expenditure | | | | | |
| Company Administration | 271,117 | 296,828 | 25,711 | 303,358 | 310,336 |
| Procurement | 442,593 | 544,775 | 102,182 | 314,286 | 314,286 |
| Information Technology | 53,600 | 43,600 | (10,000) | 43,600 | 43,600 |
| Energy Management | 213,000 | 124,200 | (88,800) | 136,500 | 0 |
| Shared Valuation Data Service (SVDS) | 574,367 | 637,776 | 63,409 | 598,145 | 611,960 |
| Road Asset Technical Accord (RATA) | 914,000 | 949,510 | 35,510 | 972,500 | 994,819 |
| Waikato Regional Transport Model (WRTM) | 113,834 | 101,951 | (11,883) | 103,176 | 104,243 |
| Waikato Building Consent Group | 270,600 | 237,915 | (32,685) | 238,224 | 238,313 |
| Future Proof | 455,000 | 573,889 | 118,889 | 490,743 | 416,277 |
| Waikato Mayoral Forum | 71,000 | 7,000 | (64,000) | 7,000 | 7,000 |
| Total Operating Expenditure | 3,379,111 | 3,517,444 | 138,332 | 3,207,531 | 3,040,834 |
| Earnings before interest, tax and depreciation/ amortisation (EBITA) | 131,180 | (34,709) | (165,889) | (38,721) | (39,640) |
| Non-Cash Operating Expenditure | | | | | |
| Company Admin Non-Cash Expenditure | 171 | 171 | 0 | 171 | 171 |
| SVDS Non-Cash Expenditure | 97,055 | 91,223 | (5,832) | 91,223 | 0 |
| WRTM Non-Cash Expenditure | 72,916 | 72,916 | 0 | 72,916 | 0 |
| Total Non-Cash Operating Expenditure | 170,142 | 164,310 | (5,832) | 164,310 | 171 |
| Earnings before interest and tax (EBIT) | (38,962) | (199,019) | (160,056) | (203,031) | (39,811) |
| Net Surplus (Deficit) before tax | (38,962) | (199,019) | (160,056) | (203,031) | (39,811) |
| Company Admin Net Surplus (Deficit) before tax | (171) | (171) | 0 | (171) | (171) |
| Procurement Net Surplus (Deficit) before tax | 0 | 0 | 0 | 0 | 0 |
| IT Net Surplus (Deficit) before tax | 0 | 0 | 0 | 0 | 0 |
| Energy Mgmt Net Surplus (Deficit) before tax | 0 | 0 | 0 | 0 | 0 |
| SVDS Net Surplus (Deficit) before tax | (86,865) | (80,839) | 6,027 | (80,835) | 10,627 |
| RATA Net Surplus (Deficit) before tax | 0 | (18,889) | (18,889) | (20,743) | (21,277) |
| WRTM Net Surplus (Deficit) before tax | (72,916) | (72,916) | 0 | (72,916) | 0 |
| Building Net Surplus (Deficit) before tax | 0 | (7,315) | (7,315) | (7,624) | (7,713) |
| Future Proof (Deficit) before tax | 120,990 | (18,889) | (139,879) | (20,743) | (21,277) |
| Mayoral Forum Net Surplus (Deficit) before tax | 0 | 0 | 0 | 0 | 0 |
| Net Surplus (Deficit) before tax | (38,962) | (199,019) | (160,056) | (203,031) | (39,811) |
| Capital Expenditure | | | | | |
| SVDS Enhancements | 10,190 | 10,384 | 194 | 10,388 | 10,627 |
| Total Capital Expenditure | 10,190 | 10,384 | 194 | 10,388 | 10,627 |

**Waikato Local Authority Shared Services
Company Admin
For the Year Ended 30 June 2018**



| | Notes | Budget 2016/17 | Budget 2017/18 | Variance | Budget 2018/19 | Budget 2019/20 |
|--|-------|-------------------|-------------------|---------------|-------------------|-------------------|
| Income | | | | | | |
| Company Administration Member Charges | | 209,550 | 213,531 | 3,981 | 213,619 | 218,532 |
| Recovery of Admin Costs | | 55,067 | 71,297 | 16,230 | 77,475 | 79,257 |
| Interest Received | | 6,500 | 12,000 | 5,500 | 12,264 | 12,546 |
| Total Income | | 271,117 | 296,828 | 25,711 | 303,358 | 310,336 |
| Expenses | | | | | | |
| Accounting/ Financial Services | 1 | 27,500 | 48,000 | 20,500 | 49,056 | 50,184 |
| External Accounting/ Financial Services | | 5,000 | 5,095 | 95 | 5,207 | 5,327 |
| Audit Fees | | 15,349 | 15,641 | 292 | 15,985 | 16,352 |
| IT Services | | 92 | 94 | 2 | 96 | 98 |
| Bank Charges | | 500 | 510 | 10 | 521 | 533 |
| Legal Fees | | 2,500 | 2,548 | 48 | 2,604 | 2,663 |
| Value Financials Licence Fee | | 2,341 | 2,784 | 443 | 2,845 | 2,910 |
| Sundry Expenses | | 1,300 | 1,325 | 25 | 1,354 | 1,385 |
| Professional Fees | | 2,500 | 2,548 | 48 | 2,604 | 2,663 |
| Insurance | 2 | 2,535 | 2,768 | 233 | 2,828 | 2,893 |
| Shared Services Contractors | | 196,000 | 199,724 | 3,724 | 204,118 | 208,813 |
| Company Secretary Services | | 5,500 | 5,605 | 105 | 5,728 | 5,860 |
| Mileage Costs | | 10,000 | 10,190 | 190 | 10,414 | 10,654 |
| Total Expenses | | 271,117 | 296,828 | 25,711 | 303,358 | 310,336 |
| Earnings before interest, tax and depreciation/ amortisation (EBITA) | | 0 | 0 | 0 | 0 | 0 |
| Non-Cash Expenses | | | | | | |
| Depreciation | | 171 | 171 | 0 | 171 | 171 |
| Earnings before interest and tax | | (171) | (171) | 0 | (171) | (171) |
| Net Surplus (Deficit) before tax | | (171) | (171) | 0 | (171) | (171) |
| Notes | | | | | | |
| 1) Increased hours required due to the increased complexity of WLASS, and new licence costs of \$850 p.a. for new accounting software. | | | | | | |
| 2) Based on 2016/17 actual costs. | | | | | | |

**Waikato Local Authority Shared Services
Procurement of Shared Services
For the Year Ended 30 June 2018**



| | Notes | Budget 2016/17 | Budget 2017/18 | Variance | Budget 2018/19 | Budget 2019/20 |
|---|-------|-------------------|-------------------|----------------|-------------------|-------------------|
| Income | | | | | | |
| Procurement Member Charges | | 20,000 | 20,000 | 0 | 20,000 | 20,000 |
| N3 Membership Fee Recovery | | 18,000 | 18,000 | 0 | 18,000 | 18,000 |
| Value Financials Fee Recovery | 1 | 28,693 | 35,866 | 7,173 | 35,866 | 35,866 |
| Insurance Brokerage Fee Recovery | | 147,500 | 147,500 | 0 | 147,500 | 147,500 |
| Infometrics Fee Recovery | 2 | 62,400 | 69,920 | 7,520 | 69,920 | 69,920 |
| Health and Safety Working Party | | 5,000 | 5,000 | 0 | 5,000 | 5,000 |
| WRAPS Recovery | 3 | 84,000 | 153,489 | 69,489 | 0 | 0 |
| Regional Infrastructure Tech Spec maintenance | 4 | 0 | 18,000 | 18,000 | 18,000 | 18,000 |
| Historical Aerial Photos Recovery | | 77,000 | 77,000 | 0 | 0 | 0 |
| Total Income | | 442,593 | 544,775 | 102,182 | 314,286 | 314,286 |
| Expenses | | | | | | |
| Professional Services | | 20,000 | 20,000 | 0 | 20,000 | 20,000 |
| N3 Membership Fee Recovery | | 18,000 | 18,000 | 0 | 18,000 | 18,000 |
| Value Financial Fees | 1 | 28,693 | 35,866 | 7,173 | 35,866 | 35,866 |
| Insurance Brokerage Fee Payable | | 147,500 | 147,500 | 0 | 147,500 | 147,500 |
| Infometrics | 2 | 62,400 | 69,920 | 7,520 | 69,920 | 69,920 |
| Health and Safety Working Party | | 5,000 | 5,000 | 0 | 5,000 | 5,000 |
| WRAPS Services | 3 | 84,000 | 153,489 | 69,489 | 0 | 0 |
| Regional Infrastructure Tech Spec maintenance | 4 | 0 | 18,000 | 18,000 | 18,000 | 18,000 |
| Historical Aerial Photos Services | | 77,000 | 77,000 | 0 | 0 | 0 |
| Total Expenses | | 442,593 | 544,775 | 102,182 | 314,286 | 314,286 |
| Earnings before interest, tax and depreciation/ amortisation (EBITA) | | 0 | 0 | 0 | 0 | 0 |
| Earnings before interest and tax | | 0 | 0 | 0 | 0 | 0 |
| Net Surplus (Deficit) before tax | | 0 | 0 | 0 | 0 | 0 |
| Notes | | | | | | |
| <p>1) The councils involved are Otorohanga, Taupo and Waitomo District, and Waikato Regional Councils, and WLASS</p> <p>2) The councils involved are Hamilton City, Hauraki, Matamata Piako, South Waikato and Waikato Districts, and Waikato Regional councils.</p> <p>3) Balance of WRAPS contract, which commenced in 2015/16.</p> <p>4) To fund a contractor to manage and review requests for changes/improvements/updates to the document. Funded only by those councils using RITS (currently all of the shareholding councils, excluding Taupo, Thames Coromandel and Waikato Regional)</p> | | | | | | |

**Waikato Local Authority Shared Services
Information Technology (IT)
For the Year Ended 30 June 2018**



| | Notes | Budget 2016/17 | Budget 2017/18 | Variance | Budget 2018/19 | Budget 2019/20 |
|---|-------|-------------------|-------------------|-----------------|-------------------|-------------------|
| Income | | | | | | |
| IT Initiative Contributions | | 53,600 | 43,600 | (10,000) | 43,600 | 43,600 |
| Total Income | | 53,600 | 43,600 | (10,000) | 43,600 | 43,600 |
| Expenses | | | | | | |
| Meeting Expenses | | 1,000 | 1,000 | 0 | 1,000 | 1,000 |
| GIS Shared Data Portal | 1 | 17,600 | 7,600 | (10,000) | 7,600 | 7,600 |
| Collaboration Portal | 1 | 35,000 | 35,000 | 0 | 35,000 | 35,000 |
| Total Expenses | | 53,600 | 43,600 | (10,000) | 43,600 | 43,600 |
| Earnings before interest, tax and depreciation/ amortisation (EBITA) | | 0 | 0 | 0 | 0 | 0 |
| Earnings before interest and tax | | 0 | 0 | 0 | 0 | 0 |
| Net Surplus (Deficit) before tax | | 0 | 0 | 0 | 0 | 0 |
| Notes | | | | | | |
| 1) All councils are involved except Rotorua and Taupo, who are participating via BOPLASS. | | | | | | |

**Waikato Local Authority Shared Services
Energy Management
For the Year Ended 30 June 2018**



| | Notes | Budget 2016/17 | Budget 2017/18 | Variance | Budget 2018/19 | Budget 2019/20 |
|---|-------|-------------------|-------------------|----------|-------------------|-------------------|
| Income | | | | | | |
| EECA Collaboration - Council Contributions | 1 | 80,000 | 89,200 | 9,200 | 101,500 | 0 |
| EECA Revenue | | 133,000 | 35,000 | (98,000) | 35,000 | 0 |
| Total Income | | 213,000 | 124,200 | (88,800) | 136,500 | 0 |
| Expenses | | | | | | |
| EECA Collaboration | | 80,000 | 89,200 | 9,200 | 101,500 | 0 |
| Professional Services Costs | | 133,000 | 35,000 | (98,000) | 35,000 | 0 |
| Total Expenses | | 213,000 | 124,200 | (88,800) | 136,500 | 0 |
| Earnings before interest, tax and depreciation/ amortisation (EBITA) | | 0 | 0 | 0 | 0 | 0 |
| Earnings before interest and tax | | 0 | 0 | 0 | 0 | 0 |
| Net Surplus (Deficit) before tax | | 0 | 0 | 0 | 0 | 0 |
| Notes | | | | | | |
| 1) All councils are involved, except Thames-Coromandel and Matamata-Piako. | | | | | | |

Waikato Local Authority Shared Services
Shared Valuation Data Service (SVDS)
For the Year Ended 30 June 2018



| | Notes | Budget 2016/17 | Budget 2017/18 | Variance | Budget 2018/19 | Budget 2019/20 |
|--|-------|-------------------|-------------------|---------------|-------------------|-------------------|
| Income | | | | | | |
| SVDS Member Charges | | 267,985 | 205,492 | (62,493) | 156,382 | 169,764 |
| TA Valuation Services Recovery | | 78,463 | 80,189 | 1,726 | 81,953 | 82,034 |
| SVDS Enhancements Recovery | 1 | 10,190 | 10,414 | 224 | 10,388 | 10,627 |
| SVDS Data & Software Sales | | 227,919 | 352,065 | 124,146 | 359,810 | 360,162 |
| Total Income | | 584,557 | 648,160 | 63,603 | 608,533 | 622,587 |
| Expenses | | | | | | |
| Hosting Contract | | 48,667 | 49,592 | 925 | 50,683 | 51,849 |
| Software Contract | | 105,467 | 107,470 | 2,004 | 109,835 | 112,361 |
| Management Services | | 283,187 | 288,568 | 5,381 | 294,916 | 301,699 |
| TA Valuation Services | | 78,463 | 79,954 | 1,491 | 81,713 | 83,592 |
| Consultancy Fees | | 16,000 | 24,192 | 8,192 | 24,724 | 25,293 |
| Software Support Contingency | | 6,250 | 6,369 | 119 | 6,509 | 6,659 |
| Support & Hosting Contract Renewal Consulting | | 0 | 50,000 | 50,000 | 0 | 0 |
| Security Certificates | | 300 | 300 | 0 | 307 | 314 |
| Insurance | | 1,500 | 1,385 | (115) | 1,416 | 1,448 |
| Legal Fees | 2 | 4,000 | 8,000 | 4,000 | 4,176 | 4,272 |
| Secretarial Services | | 3,000 | 3,057 | 57 | 3,124 | 3,196 |
| On charge of LASS Admin Costs | | 27,534 | 18,889 | (8,644) | 20,743 | 21,277 |
| Total Expenses | | 574,367 | 637,776 | 63,409 | 598,145 | 611,960 |
| Earnings before interest, tax and depreciation/ amortisation (EBITA) | | 10,190 | 10,384 | 194 | 10,388 | 10,627 |
| Non-Cash Expenses | | | | | | |
| Depreciation | 3 | 97,055 | 91,223 | (5,832) | 91,223 | 0 |
| Earnings before interest and tax | | (86,865) | (80,839) | 6,027 | (80,835) | 10,627 |
| Net Surplus (Deficit) before tax | | (86,865) | (80,839) | 6,027 | (80,835) | 10,627 |
| Capital Expenditure | | | | | | |
| Enhancements | 1 | 10,190 | 10,384 | 194 | 10,388 | 10,627 |
| Total Capital Expenditure | | 10,190 | 10,384 | 194 | 10,388 | 10,627 |
| Total Cash Expenditure (Opex, Interest & Capital) | | 584,557 | 648,160 | 63,602 | 608,533 | 622,587 |
| Notes | | | | | | |
| 1) Enhancement work to be recovered from individual councils. 2) Provision in 2017/18 to tie in with contract review terms. 3) SVDS Asset to be fully depreciated by 30 June 2019. | | | | | | |

**Waikato Local Authority Shared Services
Road Asset Technical Accord (RATA)
For the Year Ended 30 June 2018**



| | Notes | Budget 2016/17 | Budget 2017/18 | Variance | Budget 2018/19 | Budget 2019/20 |
|---|-------|-------------------|-------------------|-----------------|-------------------|-------------------|
| Income | | | | | | |
| Data Collection | | 315,000 | 320,985 | 5,985 | 328,047 | 335,592 |
| Member Charges | | 571,000 | 591,636 | 20,636 | 605,710 | 619,950 |
| Project Funding | | 28,000 | 0 | (28,000) | 0 | 0 |
| Project Management (WRTM) | | 0 | 18,000 | 18,000 | 18,000 | 18,000 |
| Total Income | | 914,000 | 930,621 | 16,621 | 951,757 | 973,542 |
| Expenses | | | | | | |
| Data Collection | | 315,000 | 320,985 | 5,985 | 328,047 | 335,592 |
| Forward Works Programme Tours | | 5,000 | 5,095 | 95 | 5,207 | 5,327 |
| Asset Managers Forum | | 3,000 | 3,057 | 57 | 3,124 | 3,196 |
| Benchmarking of Reg Road Outcomes | | 20,000 | 20,380 | 380 | 20,828 | 21,307 |
| Deterioration Modelling | | 47,000 | 47,893 | 893 | 48,947 | 50,072 |
| Staff and Contractor Services | | 365,000 | 361,000 | (4,000) | 369,000 | 378,000 |
| External Contractor (Data Collection) | | 7,000 | 7,133 | 133 | 7,290 | 7,458 |
| On charge of LASS Admin Costs | | 0 | 18,889 | 18,889 | 20,743 | 21,277 |
| Overheads | 1 | 152,000 | 165,078 | 13,078 | 169,314 | 172,589 |
| Total Expenses | 2 | 914,000 | 949,510 | 35,510 | 972,500 | 994,819 |
| Earnings before interest, tax and depreciation/ amortisation (EBITA) | | 0 | (18,889) | (18,889) | (20,743) | (21,277) |
| Earnings before interest and tax | | 0 | (18,889) | (18,889) | (20,743) | (21,277) |
| Net Surplus (Deficit) before tax | | 0 | (18,889) | (18,889) | (20,743) | (21,277) |
| Notes | | | | | | |
| 1) Waipa District Council provides RATA with full support services, including vehicles, staff training/development, IT/phones, stationery, accommodation, communications and Group Manager support. | | | | | | |
| 2) CPI Increase has been applied for 2017/18, 2018/19 and 2019/20 as per BERL LG cost index for OPEX. | | | | | | |

**Waikato Local Authority Shared Services
Waikato Regional Transport Model (WRTM)
For the Year Ended 30 June 2018**



| | Notes | Budget 2016/17 | Budget 2017/18 | Variance | Budget 2018/19 | Budget 2019/20 |
|---|-------|-------------------|-------------------|-----------------|-------------------|-------------------|
| Income | | | | | | |
| WRTM Member Charges | | 101,834 | 89,951 | (11,883) | 91,176 | 92,243 |
| External User Recovery | | 12,000 | 12,000 | 0 | 12,000 | 12,000 |
| Total Income | | 113,834 | 101,951 | (11,883) | 103,176 | 104,243 |
| Expenses | | | | | | |
| WRTM Project Manager | | 18,000 | 18,000 | 0 | 18,000 | 18,000 |
| Minor Model Upgrades | | 30,000 | 30,570 | 570 | 31,243 | 31,961 |
| Peer Review | | 5,000 | 5,095 | 95 | 5,207 | 5,327 |
| Annual Scheduling of Works Review | | 4,500 | 4,586 | 86 | 4,686 | 4,794 |
| Insurance | | 1,300 | 1,385 | 85 | 1,416 | 1,448 |
| External User Costs | | 10,000 | 10,000 | 0 | 10,000 | 10,000 |
| Future Land Use Update | 1 | 15,000 | 0 | (15,000) | 0 | 0 |
| Household Interview Survey (HIS) Scoping | 2 | 2,500 | 0 | (2,500) | 0 | 0 |
| HIS Input into National Survey | 3 | 0 | 25,000 | 25,000 | 25,000 | 25,000 |
| On charge of LASS Admin Costs | | 27,534 | 7,315 | (20,219) | 7,624 | 7,713 |
| Total Expenses | | 113,834 | 101,951 | (11,883) | 103,176 | 104,243 |
| Earnings before interest, tax and depreciation/ amortisation (EBITA) | | 0 | 0 | 0 | 0 | 0 |
| Non-Cash Expenses | | | | | | |
| Depreciation | 4 | 72,916 | 72,916 | 0 | 72,916 | 0 |
| Earnings before interest and tax | | (72,916) | (72,916) | 0 | (72,916) | 0 |
| Net Surplus (Deficit) before tax | | (72,916) | (72,916) | 0 | (72,916) | 0 |
| Notes | | | | | | |
| <p>1) Update of Future Land Use reference scenario post Auckland Unitary Plan decisions and Future Proof / Smart Growth updates.</p> <p>2) Prov Sum item - HIS research topic with NZTA at present. This budget will allow the WRTM partners to scope inputs needed.</p> <p>3) Prov Sum item - assumes input into national survey. Actual costs to be scoped with MOT.</p> <p>4) The WRTM asset will be fully depreciated by 30 June 2019. The model will be substantially reviewed during 2018/19 with new census data and a software platform review.</p> | | | | | | |

**Waikato Local Authority Shared Services
Waikato Building Consent Group
For the Year Ended 30 June 2018**



| | Notes | Budget 2016/17 | Budget 2017/18 | Variance | Budget 2018/19 | Budget 2019/20 |
|--|-------|-------------------|-------------------|-----------------|-------------------|-------------------|
| Income | | | | | | |
| Member Charges | 1 | 225,456 | 230,600 | 5,144 | 230,600 | 230,600 |
| Accumulated Fund | 2 | 45,144 | 0 | (45,144) | 0 | 0 |
| Total Income | | 270,600 | 230,600 | (40,000) | 230,600 | 230,600 |
| Expenses | | | | | | |
| Salaries | | 206,200 | 166,200 | (40,000) | 166,200 | 166,200 |
| Vehicle Expenses | | 17,700 | 17,700 | 0 | 17,700 | 17,700 |
| Training / Professional Fees | | 3,300 | 3,300 | 0 | 3,300 | 3,300 |
| Operating Costs | | 3,000 | 3,000 | 0 | 3,000 | 3,000 |
| Communications / IT Costs | | 2,000 | 2,000 | 0 | 2,000 | 2,000 |
| Annual Subscriptions | | 400 | 400 | 0 | 400 | 400 |
| Insurance | | 0 | 0 | 0 | 0 | 0 |
| On charge of LASS Admin Costs | | 0 | 7,315 | 7,315 | 7,624 | 7,713 |
| Overheads | 3 | 38,000 | 38,000 | 0 | 38,000 | 38,000 |
| Total Expenses | | 270,600 | 237,915 | (32,685) | 238,224 | 238,313 |
| Earnings before interest, tax and depreciation/ amortisation (EBITA) | | 0 | (7,315) | (7,315) | (7,624) | (7,713) |
| Earnings before interest and tax | | 0 | (7,315) | (7,315) | (7,624) | (7,713) |
| Net Surplus (Deficit) before tax | | 0 | (7,315) | (7,315) | (7,624) | (7,713) |
| Notes | | | | | | |
| 1) Participating councils are Hamilton City, Hauraki, Matamata Piako, Otorohanga, Thames Coromandel, Waikato, Waipa and Waitomo District councils. | | | | | | |
| 2) The accumulated fund relates to the original five councils (Hamilton, Matamata Piako, Otorohanga, Waikato and Waipa), and is being used to offset those member charges. | | | | | | |
| 3) Waikato DC provides the Building Consent Group with support services, including accommodation, IT, HR and Group Manager support. | | | | | | |

Waikato Local Authority Shared Services
Future Proof
For the Year Ended 30 June 2018



| | Notes | Budget 2016/17 | Budget 2017/18 | Variance | Budget 2018/19 | Budget 2019/20 |
|--|-------|-------------------|-------------------|------------------|-------------------|-------------------|
| Income | | | | | | |
| Member Charges | 1 | 455,000 | 555,000 | 100,000 | 470,000 | 395,000 |
| Accumulated Fund | | 120,990 | 0 | (120,990) | 0 | 0 |
| Total Income | | 575,990 | 555,000 | (20,990) | 470,000 | 395,000 |
| Expenses | | | | | | |
| Implementation Advice | | 125,000 | 110,000 | (15,000) | 110,000 | 110,000 |
| Tangata Whenua Implementation Advice | | 0 | 15,000 | 15,000 | 15,000 | 15,000 |
| Independent Chair | | 25,000 | 45,000 | 20,000 | 25,000 | 25,000 |
| Tangata Whenua forum | | 15,000 | 15,000 | 0 | 15,000 | 15,000 |
| Future Proof Co-Ordinator | | 65,000 | 65,000 | 0 | 70,000 | 70,000 |
| On charge of LASS Admin Costs | | 0 | 18,889 | 18,889 | 20,743 | 21,277 |
| Overheads | 2 | 20,000 | 15,000 | (5,000) | 15,000 | 15,000 |
| <u>Future Proof Implementation Projects</u> | | | | | | |
| Waikato DP Review | | 15,000 | 30,000 | 15,000 | 0 | 0 |
| Hamilton DP Appeals & Changes | | 15,000 | 0 | (15,000) | 0 | 0 |
| General Submissions | | 15,000 | 20,000 | 5,000 | 20,000 | 20,000 |
| Cross-Boundary issues with Auckland Council | | 15,000 | 5,000 | (10,000) | 5,000 | 5,000 |
| Data Monitoring | | 5,000 | 5,000 | 0 | 5,000 | 5,000 |
| Growth Strategies review - Submissions and Hearings | 3 | 15,000 | 0 | (15,000) | 30,000 | 30,000 |
| Strategy Actions - Implementation | | 0 | 20,000 | 20,000 | 50,000 | 50,000 |
| Water Policy Group Projects | 4 | 0 | 10,000 | 10,000 | 10,000 | 10,000 |
| Southern Growth Corridor (MOUs) | | 5,000 | 0 | (5,000) | 0 | 0 |
| NIDEA and WISE refinements | | 20,000 | 0 | (20,000) | 0 | 0 |
| <u>Future Proof Strategy Update - Phase 1</u> | | | | | | |
| Future Proof Strategy Update 1 | | 60,000 | 25,000 | (35,000) | 0 | 0 |
| Publishing | | 0 | 15,000 | 15,000 | 0 | 0 |
| Consultation | | 0 | 45,000 | 45,000 | 0 | 0 |
| Communications Advice for Strategy Update | | 20,000 | 0 | (20,000) | 0 | 0 |
| Economic Analysis for Strategy Update | | 20,000 | 0 | (20,000) | 0 | 0 |
| <u>Future Proof Strategy Update - Phase 2</u> | | | | | | |
| Future Proof Strategy Update 2 | 5 | 0 | 50,000 | 50,000 | 50,000 | 25,000 |
| NPS Assessments incl. Data Requirements | | 0 | 50,000 | 50,000 | 0 | 0 |
| Targetted consultation Process | | 0 | 0 | 0 | 10,000 | 0 |
| Publishing | | 0 | 0 | 0 | 15,000 | 0 |
| RPS and DP Changes to Implement NPS | | 0 | 15,000 | 15,000 | 25,000 | 0 |
| Total Expenses | | 455,000 | 573,889 | 118,889 | 490,743 | 416,277 |
| Earnings before interest, tax and depreciation/ amortisation (EBITA) | | | | | | |
| | | 120,990 | (18,889) | (139,879) | (20,743) | (21,277) |
| Earnings before interest and tax | | 120,990 | (18,889) | (139,879) | (20,743) | (21,277) |
| Net Surplus (Deficit) before tax | | 120,990 | (18,889) | (139,879) | (20,743) | (21,277) |
| Notes | | | | | | |
| <p>1) Participating councils are Hamilton City, Waikato and Waipa Districts and Waikato Regional Council.</p> <p>2) Hamilton City Council provides the support services for Future Proof, including accommodation and operational costs.</p> <p>3) Update of HUGS, Waipa 2050, Waikato District Development Strategy.</p> <p>4) Implementing Three Waters Action Plan and other Water Policy Group projects.</p> <p>5) Update to meet the requirements of the NPS.</p> | | | | | | |

**Waikato Local Authority Shared Services
Mayoral Forum Projects
For the Year Ended 30 June 2018**



| | Notes | Budget 2016/17 | Budget 2017/18 | Variance | Budget 2018/19 | Budget 2019/20 |
|---|-------|-------------------|-------------------|----------------|-------------------|-------------------|
| Income | | | | | | |
| Waikato Plan | | 0 | 0 | 0 | 0 | 0 |
| Regional Infrastructure Tech. Specs. | | 50,000 | 0 | 0 | 0 | 0 |
| Policy & Bylaws | | 7,000 | 0 | 0 | 0 | 0 |
| Section 17a Review | | 7,000 | 0 | 0 | 0 | 0 |
| Meeting Expenses Recovery | | 7,000 | 5,000 | (2,000) | 5,000 | 5,000 |
| Total Income | | 71,000 | 5,000 | (2,000) | 5,000 | 5,000 |
| Expenses | | | | | | |
| Waikato Plan | | 0 | 0 | 0 | 0 | 0 |
| Regional Infrastructure Tech. Specs. | | 50,000 | 0 | 0 | 0 | 0 |
| Policy & Bylaws | | 7,000 | 0 | 0 | 0 | 0 |
| Section 17a Review | | 7,000 | 0 | 0 | 0 | 0 |
| Meeting Expenses | | 7,000 | 5,000 | (2,000) | 5,000 | 5,000 |
| Total Expenses | | 71,000 | 5,000 | (2,000) | 5,000 | 5,000 |
| Earnings before interest, tax and depreciation/ amortisation (EBITA) | | | | | | |
| | | 0 | 0 | 0 | 0 | 0 |
| Earnings before interest and tax | | | | | | |
| | | 0 | 0 | 0 | 0 | 0 |
| Net Surplus (Deficit) before tax | | | | | | |
| | | 0 | 0 | 0 | 0 | 0 |

Waikato Local Authority Shared Services
Balance Sheet
For the Year Ended 30 June 2018



| | Budget 2016/17 | Budget 2017/18 | Variance | Budget 2018/19 | Budget 2019/20 |
|---|---------------------------|---------------------------|------------------|---------------------------|---------------------------|
| CAPITAL | | | | | |
| Shares - SVDS | 1,607,001 | 1,607,001 | 0 | 1,607,001 | 1,607,001 |
| Shares - WRTM | 1,350,000 | 1,350,000 | 0 | 1,350,000 | 1,350,000 |
| Profit and Loss | (2,328,930) | (2,367,172) | (38,242) | (2,566,191) | (2,769,222) |
| Plus Current Year Operating Surplus/(Deficit) | (38,242) | (199,019) | (160,777) | (203,031) | (39,811) |
| TOTAL CAPITAL FUNDS | 589,829 | 390,810 | (199,018) | 187,779 | 147,968 |
| ASSETS | | | | | |
| CURRENT ASSETS | | | | | |
| Prepayments | 2,692 | 1,523 | (1,169) | 3,272 | 3,347 |
| Accounts Receivable | 3,394 | 35,980 | 32,586 | 36,470 | 36,897 |
| RWT On Interest | 1,820 | 3,360 | 1,540 | 3,434 | 3,513 |
| Local Authority Shared Services 00 | 0 | 0 | 0 | 0 | 0 |
| Local Authority Shared Services On-Call | 623,031 | 565,747 | (57,284) | 480,355 | 411,346 |
| GST Paid | (48,066) | (45,166) | 2,901 | (40,638) | (38,177) |
| TOTAL CURRENT ASSETS | 582,871 | 561,444 | (21,426) | 482,893 | 416,926 |
| NON-CURRENT ASSETS | | | | | |
| SVDS - Intangible Asset | 3,085,506 | 3,085,700 | 194 | 3,096,087 | 3,106,714 |
| WRTM - Intangible Asset | 2,296,855 | 2,296,855 | 0 | 2,296,855 | 2,296,855 |
| MoneyWorks Software | 1,195 | 1,195 | 0 | 1,195 | 1,195 |
| Accumulated Depreciation | (5,041,294) | (5,205,604) | (164,310) | (5,369,914) | (5,370,085) |
| TOTAL NON-CURRENT ASSETS | 342,262 | 178,146 | (164,116) | 24,223 | 34,679 |
| NET ASSETS | 925,134 | 739,590 | (185,542) | 507,116 | 451,605 |
| LESS CURRENT LIABILITIES | | | | | |
| Accounts Payable | 323,831 | 337,088 | 13,257 | 307,388 | 291,413 |
| Accounts Payable Accrual | 11,473 | 11,691 | 218 | 11,949 | 12,223 |
| TOTAL CURRENT LIABILITIES | 335,305 | 348,780 | 13,475 | 319,337 | 303,637 |
| NET WORKING CAPITAL | 589,829 | 390,810 | (199,017) | 187,779 | 147,968 |

Waikato Local Authority Shared Services
Statement of Cashflows
For the Year Ended 30 June 2018



| | Budget 2016/17 | Budget 2017/18 | Variance | Budget 2018/19 | Budget 2019/20 |
|---|---------------------------|---------------------------|------------------|---------------------------|---------------------------|
| Cashflows from Operating Activities | | | | | |
| Interest Received | 6,500 | 12,000 | 5,500 | 12,264 | 12,546 |
| Receipts from Other Revenue | 3,503,791 | 3,438,149 | (65,642) | 3,156,056 | 2,988,221 |
| Payments to Suppliers | (3,379,111) | (3,502,800) | (123,689) | (3,238,722) | (3,056,609) |
| Taxes Paid | (1,820) | (1,820) | 0 | (3,360) | (3,434) |
| Goods & Services tax (net) | (25,221) | (2,619) | 22,602 | (1,243) | 895 |
| Net cash from operating activities | 104,139 | (57,091) | (161,229) | (75,005) | (58,382) |
| | | | | | |
| Purchase of Intangible Assets | (10,190) | (10,384) | (194) | (10,388) | (10,627) |
| Net cash from investing activities | (10,190) | (10,384) | (194) | (10,388) | (10,627) |
| | | | | | |
| Net increase in cash, cash equivalents and bank accounts | 93,949 | (67,474) | (161,423) | (85,392) | (69,009) |
| Opening cash and cash equivalents and bank overdrafts | 529,082 | 633,221 | 104,139 | 565,747 | 480,355 |
| Closing cash, cash equivalents and bank accounts | 623,031 | 565,747 | (57,284) | 480,355 | 411,346 |
| | | | | | |
| Summary of Bank Accounts | | | | | |
| BNZ - Call a/c | 623,031 | 565,747 | (57,284) | 480,355 | 411,346 |
| Closing Balance of Bank | 623,031 | 565,747 | (57,284) | 480,355 | 411,346 |