



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

1 July 2023 to 31 December 2023

**Supporting councils to maximise the value  
they provide to their communities by  
helping them identify and realise shared  
opportunities**

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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> works with councils to:

- Make councils more effective and efficient; and
- Improve the experience communities have when engaging with councils.

It achieves these outcomes by:

- Acting as an ideas laboratory for developing opportunities that create value to councils;
- Providing shared services to councils; and
- Entering joint procurement arrangements for the benefit of councils.

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

## Opportunity development highlights

As directed by The Board, Opportunity Development projects were anchored in industry and field research which meant less reliance on council peoples' time. In some cases, the projects will become a pilot so lessons from building and testing a solution can be realised faster. Pilot projects being planned include a project management shared service and a car parking management shared service.

We completed the business case and delivered the inaugural RATA Spaces & Places Community Asset Forum and are pleased to be moving RATA Spaces and Places forward with five interested councils.

### Right People, Right Place (RPRP)

The RPRP project considers what councils can do (collectively and individually) to address their pressing need to meet current and future workforce requirements.

We undertook an extensive research project which included an international literature review, qualitative interviews, and workshops with councils' subject matter experts. This work helped to diagnose the problem and the primary causes of this problem. A key finding was that the close geographical proximity of councils will be an advantage for many collaborative initiatives that will help redress the current situation.



The research assisted us in identifying a range of initiatives that will help bolster the local government workforce. Some of these initiatives will result in incremental change while others are more strategic or transformational. The initiatives were categorised and prioritised and will be presented to chief executives for consideration early in 2024 as to what Co-Lab can progress.

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

## Waikato Regional Transport Model (WRTM) restructure & governance

To ensure the ongoing success of the WRTM programme, we worked with council stakeholders and Waka Kotahi to implement a new governance and management arrangement. There were three foundational activities progressed during the period;

- updated partnership agreements;
- establishment of a new WRTM Governance Committee; and
- recruitment of a full time WRTM Programme Manager.



During the period, the new management and governance structure has been implemented and we commenced the build phase of the Hamilton Transport Model (HTM). The WRTM Strategic Model (WRTM-S) will be the parent model to the HTM.

We also focused on the delivery of the WRTM-S. The new model scenarios for future years were released, including medium and high growth scenarios for 2025, 2035, 2045 and 2055, providing quality information and data to assist councils in making informed decisions.

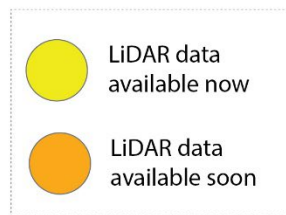
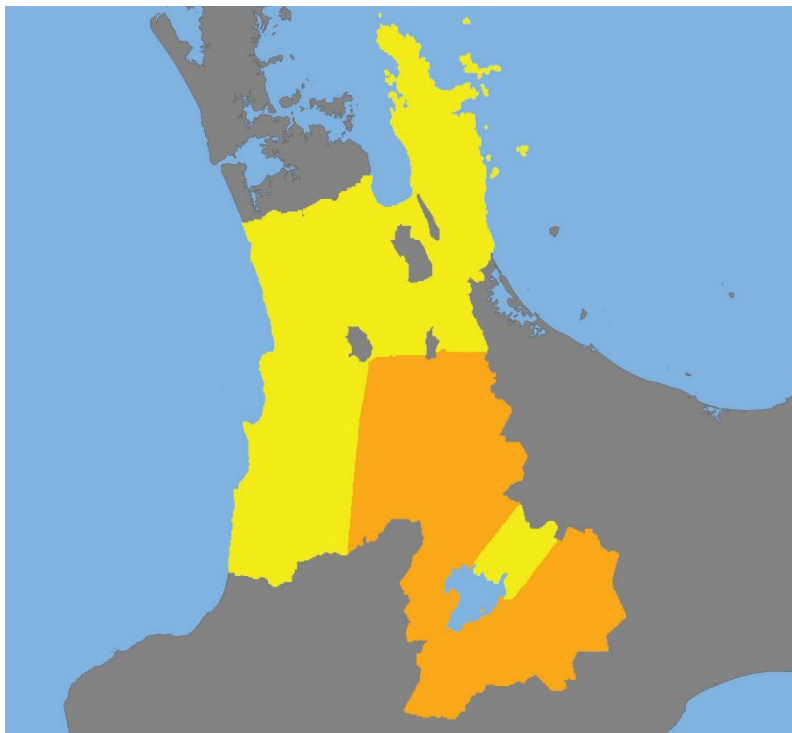
## LiDAR

A LiDAR (Light detection and Ranging) survey collects precise laser measurement of the earth surface in our region to enable more accurate modelling of natural hazards and climate change, design better infrastructure, support better land use planning, and improve environmental outcomes for the regional community.

Co-Lab, on behalf of 10 councils and 5 other (non-council) funders, entered into an agreement with Ocean Infinity in 2020 to supply the first ever region-wide LiDAR data set. The project was supported by \$1.4 million from the Provincial Growth fund and is nearing completion.

Although there have been challenges for the supplier to meet the data specifications, the quality control team at LINZ and Waikato Regional Council have worked hard to ensure that these standards were met. During the period, over 60% of the data met our specifications and therefore was accepted. This data is publicly available and has rapidly provided tangible benefits including being used in the planning of the new State Highway 25A bridge built under urgency following cyclone Lola in early 2023.

The remainder of the data is going through quality control and will be publicly available in the first six months of 2024.



## Service Delivery highlights

### Co-Lab Water Services

During the period, we raised the region’s profile and knowledge sharing at industry events. The Trade Waste team presented at the Trade and Industrial Waters Conference in August where they gave an update on the service provided across the Waikato region, the benefits of collaboration and Anna Coman, Trade Waste Team Leader, shared key technical knowledge about how to set up the Trade Waste function under water reforms.



Michelle Templeton, Smart Water Coordinator, was the Hamilton host for the “Insights from the Smart Water Metering Journey” held in Auckland, Wellington, Christchurch, and online as part of the Water Efficiency and Conservation Network. Michelle is a committee member.

During the period, the Smart Water team focused on schools and community engagement. School visits in terms three and four occurred across Hamilton, Waipā and Waitomo. For the first time since the pandemic, the team attended six community events in November and December also across Hamilton, Waipā and Waitomo, interacting with approximately 700 people and approximately 50 people taking a public pledge to do one thing to save water over the summer.

A successful showerhead exchange programme was completed in Hamilton and Waipā, which saw 31 and 20 (respectively) old showerheads exchanged for new ones. Based on a household of four people, this sees annual water savings in Hamilton and Waipā of 64,240 litres and 68,620 litres respectively.

## RATA

During the period we progressed 56 Asset Management related projects and services on behalf of 10 councils. With uncertainty around water reform and resource shortages, the focus for the first half of this financial year was on the delivery of core roading related services.



We completed the re-negotiation and 12-month extension of the three data collection contracts (for traffic counting, road condition assessment, and high-speed data collection 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).

We finished the first year of the nine Structures Asset Management Services (SAMS) contracts, delivering specialist structural inspections of over 3500 structures (1500 bridges), and asset management advice to Waikato councils. Each council provided positive performance assessments of the suppliers, with each achieving an "exceeding requirement" rating as part of the Annual performance review process.

We saw excellent results for the Waikato Councils' National Road Asset Data Quality Scores, which in part was due to Cameron Senior and Debbie Flynn's technical skill, diligence, and drive for continuous improvement. Waikato councils filled the top 3 spots across all 67 Councils in NZ, and all Waikato councils ranked in the top 17 across NZ.

*"the GM ... found it valuable to inform him of the options and background to some of their important roading network investment decisions. He was delighted about the "added bonus" of the cost savings they shared in as part of taking a Waikato councils-wide approach to delivery of this project" – dTiMS report*

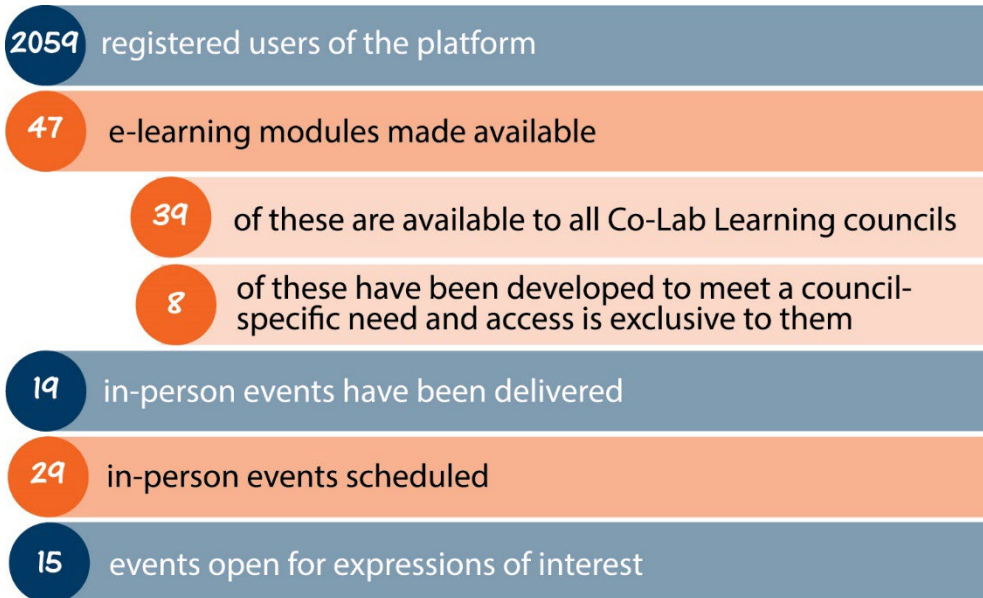
*The work of Cameron Senior and his team over the years has really lifted Council's capability, and they are now comfortable they have credible, accurate roading asset data they can use to make better asset investment decisions. They really do appreciate having Cameron's presence in their office. We think that the (roading) RATA asset management partnership is a great example of the benefits to the Waikato councils, and other asset classes should adopt.*

Recruitment is in progress for the RATA team to get the team back to full capacity. The current level of resourcing has limited the pace at which the team has progressed some new initiatives. This has meant we've been asked to identify and prioritise the "must do", "should do" and "could wait" projects, until we're able to deliver the full programme.

## Co-Lab Learning

The new learning & development service is gaining momentum as seven out of ten councils launched it to their council people.

### In numbers



However, overall uptake of the service remains low with just 16% of registered users having completed one or more eLearning modules. Only five councils have utilised the service to arrange and administer the 19 in-person courses. Of these courses, seven were instigated by other Co-Lab services (WBCG, RATA, Procurement) who worked with Co-Lab Learning to arrange them.

There was some interest expressed in jointly procuring a Learning Management System. A paper to assess the level of support has been presented to councils.

Work is nearing completion on the development of a shared competency framework for line managers/team leaders, alongside the development of a Management Essentials programme of learning. Waikato Regional Council is working closely with us on this.

A report was released to councils about Co-Lab Learning's progress against its strategic plan. Feedback about the report was positive.

Relationships with MBIE, Taituarā and LGNZ have progressed well. MBIE will return to the Waikato region in March and September 2024 to deliver two-weeks (in total) of procurement training.

## Regional Infrastructure Technical Specification (RITS)

The Regional Infrastructure Technical Specification v2 has taken some time to review and compile input from councils, however it will be ready for consultation early in 2024. It delivers better quality drawings, editable forms, and improved search functionality.



## Company support highlights

During the period, the Senior Leadership Team (SLT) focused on finalising the organisation’s first three-year strategy. The wider team was involved in creating a Benefits of Collaboration framework to better articulate and measure the value of collaboration. These were socialised with the Co-Lab Board and Council Executive Leadership Teams and will be included in the FY2024/25 Statement of Intent.

During the period, several new people were appointed. The existing full-time procurement support role was split into two part-time roles; one to support councils who don’t have in-house procurement expertise and the other to support us with the joint procurement arrangements we enter for the benefit of councils and to administer the Professional Services Panel (PSP). We welcomed Jayne Signal and Zoe Perkins, respectively. We welcomed Mary Hobby to maintain and improve the quality of RAMM databases, and finally we established a new part-time communications role which is a shared resource with Waitomo District Council and welcomed Jessica Judge.

Our visits to council ELTs were very useful to inform our strategic direction and engagement with councils. We also continued engagement to on-board our newest shareholder, Western Bay of Plenty District Council.

We’ve taken on administrative support for the Waikato Mayoral Forum and the Joint Mayors and Chairs Forum and continued administrative support for our working parties.

Internal highlights included a focus on professional development with some colleagues completing a Te Ao Māori course, and 40% of Co-Lab people completing one or more Co-Lab Learning modules.



# Performance framework



## Assessment of performance against targets

An update on performance against the targets set in our Statement of Intent, as at 31 December 2023, is shown in the table below.

Priority	Performance measure	Target	Outcome (progress toward target)
Prioritise and develop business cases for opportunities that, if implemented, add value to councils by achieving one or more of our objectives	Business cases will include measurable benefits linked to one or more of the outcomes sought	Projected savings/increased revenue to councils of at least \$300k	<p>During the first six months of the financial year, Co-Lab advanced various opportunities that will ultimately add value.</p> <p>These are:</p> <ul style="list-style-type: none"> <li>• Right People Right Place</li> <li>• RATA Spaces &amp; Places</li> <li>• Project Management shared service</li> <li>• Restructure of the WRTM service</li> <li>• Parking enforcement shared service</li> </ul> <p>Co-Lab's new benefits framework highlights that some of our opportunities will deliver value that is not specifically aligned with 'projected savings/increased revenue'.</p> <p>The Right People, Right Place project has the potential to deliver significant savings to councils by improving staff retention. However, because the report is at a strategic level, and because no decisions have been made on how the initiative will continue, the benefits have not been quantified in any detail.</p> <p>Project Management Shared Service and the Parking enforcement Shared Service both have the potential to deliver savings. These will be estimated as each opportunity is developed.</p>
	Businesses cases are supported by councils (evidenced by take up of the opportunity)	75% of councils	<p>Average (across 2 initiatives) is 60%</p> <p>The RATA Spaces &amp; Places opportunity was supported by 5 (45%) councils (out of a possible 11)</p> <p>Building Consent Cadetship opportunity was supported by 6 (75%) councils (out of a possible 8). The Cadetship was not established because it was decided that it needed 100% participation.</p>

Develop opportunities and deliver projects within agreed budgets and timelines	Opportunities / projects are developed / delivered within agreed timelines	80%	60% (3/5) for the 6 months to 31/12/2023 Within timeline: 1. Future Proof Data Analytics 2. Right People, Right Place 3. Project Ohu Round 1  Not completed as per plan were: 1. AMCE (Now RATA Spaces & Places) Opportunity Assessment (slow council response) 2. Project Wakanda Round 1 (delayed to allocate effort to another project)
	Opportunities / projects are developed / delivered, within approved budget	90%	83% (6/7) for the 6 months to 31/12/2023 Within Budget: 1. AMCE (Now RATA Spaces & Places) 2. WRTM restructure 3. Right People, Right Place 4. Project Wakanda Round 1 5. Project Ohu Round 1  The Future Proof Data Analysis project was the exception. This was completed 8% over budget.
	Overall, Company Management / Support functions will be undertaken within budget, unless additional expenditure has board pre-approval		Our latest forecast shows that Company Management & Support will be undertaken under budget by \$38k for the full 2024 financial year.

Ensure projects realise their expected benefits	Measurable benefits are actively monitored and reported against	Six-monthly	Management presented one "Project Benefit Assessment" to the Audit & Risk Committee (ARC). The assessment covered Waikato OneView.
	Audit & Risk Committee undertake an assessment of projects following implementation (which will include an assessment of whether projected benefits have been realised)	For \$200k+ Projects (based on cost of opportunity development and ongoing investment) Assessment within 15 months 90% of projected quantifiable benefits are realised	No "Project Benefit Assessments" for \$200k Projects were undertaken in the 6 months to 31/12/23.

<p>Ensure existing services are meeting the needs of councils</p>	<p>The services we provide (below) are considered by councils who use that service to meet or exceed their expectations (evidenced by an annual survey):</p> <ul style="list-style-type: none"> <li>• RATA – roading &amp; waters</li> <li>• Waikato Building Cluster</li> <li>• Regional Infrastructure Technical Specifications</li> <li>• Energy &amp; Carbon Management</li> <li>• Professional Services Panel</li> <li>• Health &amp; Safety pre-qualification</li> </ul>	<p>80% of councils</p>	<p>Not currently measurable: As in the prior year we will be undertaking a survey of council staff in the first half of 2024 to ensure each service offering is continuing to meet the needs of councils.</p>
<p>Foster and promote cross-council collaboration and networking to share ideas on improving efficiencies and best practice</p>	<p>Across these groups, ideas for future consideration and/or initiatives are identified each year</p>	<p>Four per annum</p>	<p>No ideas were received through our website in the 6 months to 31/12/23.</p> <p>Ideas continue to arrive from other sources. Notably, 'Parking Enforcement Shared Service' and the 'EV charging' opportunity came to us from council staff and are already being escalated.</p> <p>Project Wakanda is a board directive to search for ideas by looking for shared-service success stories (internationally and in other sectors).</p>

## Co-Lab's financial position

### Summary

The financial results for the six months to 31 December 2023 are favourable to budget. This is largely due to the LiDAR project progressing slower than anticipated meaning less expenditure arose during the period, and because of a change to the sequencing of invoicing. For the full year we are currently forecast to be behind budget due to utilising RATA's surplus cash reserves (that is, we are actively managing down our cash reserves as signalled to councils in December).

The cash position as at 31 December 2023 is made up as follows:

	Cash balance @ 1/07/2023	Cash surplus / (deficit)	Cash balance @ 31/12/2023
Company Management & Support	444,498	87,108	531,606
RITS	69,543	15,031	84,574
Working Parties   Projects	275,332	(92,572)	182,760
Information Technology	23,822	0	23,822
Energy Management	50,503	41,749	92,251
Shared Valuation Data Service (SVDS)	439,128	24,767	463,896
Road Asset Technical Accord (RATA) & Waters Collaboration	466,021	(258,370)	207,651
Waikato Regional Transport Model (WRTM)	290,945	(203,670)	87,274
Waikato Building Consent Group (WBCG)	261,825	(2,550)	259,275
Mayoral Forum	(13,155)	(5,206)	(18,361)
Co-Lab Water Services	0	162,806	162,806
Co-Lab Learning	72,675	8,578	81,253
Procurement	(56,914)	(71,101)	(128,016)
Geospatial Services	71,829	10,347	82,175
Communications Shared Resource	(150)	(38,269)	(38,419)
Accounts Receivables	(3,186,195)	809,560	(2,376,635)
Accounts Payables	3,103,408	(637,899)	2,465,509
<b>Total</b>	<b>2,313,115</b>	<b>(149,693)</b>	<b>2,163,422</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 2024.

## Statement of financial performance

Co-Lab

### Statement of Financial Performance

For the six months ending 31 December 2023

	Financial year 2024 YTD Actuals	Financial year 2024 YTD Budget	Financial year 2023 YTD Actuals
<b>Revenue</b>			
SVDS Data & Software Sales	167,272	213,880	166,810
Interest	1,191	1,002	121
<b>Other Revenue</b>			
User Charges	4,299,678	5,863,064	4,757,252
<b>Total Other Revenue</b>	<b>4,299,678</b>	<b>5,863,064</b>	<b>4,757,252</b>
<b>Total Revenue</b>	<b>4,468,141</b>	<b>6,077,946</b>	<b>4,924,183</b>
<b>Expenditure</b>			
Depreciation and amortisation expense	16,443	35,412	21,183
Personnel costs	754,360	856,770	717,025
Other expenses	4,016,988	5,617,005	3,054,470
<b>Total Expenditure</b>	<b>4,787,791</b>	<b>6,509,187</b>	<b>3,792,678</b>
<b>Net Profit</b>	<b>(319,650)</b>	<b>(431,241)</b>	<b>1,131,505</b>

## Statement of financial position

Co-Lab

### Statement of Financial Position

As at 31 December 2023

	Financial year 2024 Actual at 31/12/2023	Financial year 2023 Actual at 31/12/2022
<b>Assets</b>		
<b>Current Assets</b>		
<b>Bank</b>		
Transaction Account	482,800	1,909,021
Call Account	29,837	29,123
Rapid Save Account	700,785	0
Term Deposit	950,000	0
<b>Total Bank</b>	<b>2,163,422</b>	<b>1,938,145</b>
<b>Accounts Receivable</b>		
Accounts Receivable	1,098,465	659,483
Accounts Receivable Accruals	1,159,051	1,952,105
GST Receivable	116,761	0
<b>Total Accounts Receivable</b>	<b>2,374,277</b>	<b>2,611,588</b>
Prepayments	0	0
Deferred Tax Asset	2,358	2,358
<b>Total Current Assets</b>	<b>4,540,057</b>	<b>4,552,091</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	110,101	79,240
Accumulated Depreciation	(2,372,700)	(2,333,889)
Office Furniture	66,751	66,169
<b>Total Non-current Assets</b>	<b>102,202</b>	<b>109,570</b>
<b>Total Assets</b>	<b>4,642,259</b>	<b>4,661,661</b>
<b>Liabilities</b>		
<b>Current Liabilities</b>		
<b>Accounts Payable</b>		
Accounts Payable	1,077,418	451,819
Accounts Payable Accrual	533,030	25,409
<b>Total Accounts Payable</b>	<b>1,610,448</b>	<b>477,228</b>
RWT on Payments	0	11,413
Credit Card Balance	2,296	3,633
Revenue in Advance	828,695	880,462
Employee Entitlements	24,070	75,298
GST Payable	0	90,887
<b>Total Current Liabilities</b>	<b>2,465,509</b>	<b>1,538,922</b>
<b>Total Liabilities</b>	<b>2,465,509</b>	<b>1,538,922</b>
<b>Net Assets</b>	<b>2,176,750</b>	<b>3,122,739</b>
<b>Equity</b>		
Contributed Capital	2,957,001	2,957,001
Retained Earnings	(780,251)	165,738
<b>Total Equity</b>	<b>2,176,750</b>	<b>3,122,739</b>

## Statement of cashflows

Co-Lab

As at 31 December 2023

For the six months ending 31 December 2023

	Financial year 2024 YTD Actuals	Financial year 2023 YTD Actuals
<b>Cashflows from Operating Activities</b>		
Interest Received	1,071	121
Receipts from Other Revenue	4,748,701	3,482,790
Payments to Suppliers and Employees	(4,464,435)	(4,184,530)
Taxes Paid	0	9,900
Goods & Services tax (net)	(416,883)	96,339
<b>Net cash from operating activities</b>	<b>(131,546)</b>	<b>(595,380)</b>
<b>Cashflows from Investing Activities</b>		
Capital enhancements	0	0
Purchase of PPE	(18,147)	(36,112)
Purchase of investments	0	0
<b>Net cash from investing activities</b>	<b>(18,147)</b>	<b>(36,112)</b>
<b>Net increase in cash, cash equivalents and bank accounts</b>	<b>(149,693)</b>	<b>(631,493)</b>
Opening cash and cash equivalents and bank overdrafts	2,313,115	2,569,637
<b>Closing cash, cash equivalents and bank accounts</b>	<b>2,163,422</b>	<b>1,938,145</b>
<b>Summary of Bank Accounts</b>		
BNZ - Transaction Account	482,800	1,909,021
BNZ - Call Account	29,837	29,123
BNZ - Rapid Save Account	700,785	0
BNZ - Term Deposit	950,000	0
<b>Closing Balance of Bank</b>	<b>2,163,422</b>	<b>1,938,145</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 2023, included in the company's Annual Report.

## Financial forecasts

Latest financial forecasts are contained in the company's 2024 Statement of Intent issued for shareholder comment in February 2024.

## 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
Don McLeod	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.