



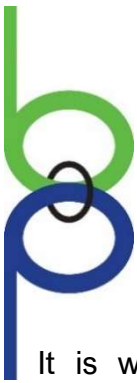
BOPLASS Ltd

HALF YEARLY REPORT TO SHAREHOLDERS



Period ended 31 December 2024

“COUNCILS PARTNERING FOR VALUE AND SERVICE”



BOPLASS Chair's Report

It is with pleasure that the Directors present their 2024/2025 Half Yearly Report to Shareholders demonstrating the continuing contribution the company makes to collaboration between councils.

With the renewal of councils' insurance through BOPLASS in November 2025, it is pleasing to report a reduction in insurance rates for key categories across the BOPLASS councils when compared with premiums for the year prior. While this partly reflects additional capital coming into the insurance markets, it also highlights the benefit of the collective insurance programme and the strong interest being generated in the BOPLASS programme through direct presentations into the insurance markets. This continued build in interest has allowed BOPLASS to further leverage established relationships to obtain very competitive pricing for member councils. The indication from our brokers and the underwriters is that the BOPLASS history and approach helps achieve a significant reduction in rate relative to similar organisations.

Although particularly good outcomes have been achieved with insurance this year, BOPLASS continues to investigate alternative risk transfer mechanisms to ensure our councils are well-positioned should the cost or availability of traditional insurance change. A project is currently underway to complete loss modelling across all the BOPLASS councils to ensure the information on councils' assets and risks is accurate and up to date to support decisions on loss limits for the group and for individual councils.

The collective aerial photography programme continues to provide financial savings for councils, with tenders awarded this year for urban and rural orthophotography covering Taupō, Rotorua, Western BOP, Gisborne, and Tauranga regions. In addition to the procurement savings, the aerial imagery programme is providing significant resource savings through councils working together to establish collaborative services. The sharing of Bay Maps is an excellent example of this, effectively forming a single hub for councils' communities to access mapping and associated data.

It is good to see increasing collaboration with MW LASS and/or Co-lab, with a number of procurement and shared services opportunities being developed which benefit a large group of councils and reduce the effort involved.

BOPLASS has a number of active procurement opportunities either in the formative stage or about to go to tender. Additionally, the board have identified shared service opportunities for BOPLASS to further investigate. Additional information about current projects is available in the attached report.

Yours faithfully

Craig O'Connell
Chair



BOPLASS Ltd

“COUNCILS PARTNERING FOR VALUE AND SERVICE”

HALF YEARLY REPORT TO SHAREHOLDERS

14 FEBRUARY 2025

1 INTRODUCTION

The Local Government Act 2002 requires that the Directors deliver to the Shareholders a report within two months of the end of the first six months of the financial year. The report is required to provide information against the objectives set out in the Statement of Intent. The following report records the objectives of the company and reports on performance against a table of specific performance requirements set out in the Statement of Intent.

2 OBJECTIVES OF BOPLASS LTD

The company exists to provide councils in the Bay of Plenty and Gisborne regions with an umbrella vehicle to investigate, procure, develop, and deliver shared services.

Working together with the full support and involvement of staff, we will provide benefit to councils and their stakeholders through improved levels of service, reduced costs, improved efficiency and/or increased value through innovation.

These will be achieved primarily through:

JOINT PROCUREMENT

Being the procurement of services or products by two or more councils from an external provider regardless of whether the service is paid for through BOPLASS or individually by participating councils.

SHARED SERVICES

Being the participation of two or more councils in the provision of a common service which may be jointly or severally hosted.

3 GOVERNANCE

The end of 2024 included a change of Chief Executive at Whakatāne District Council. BOPLASS welcomes new director Steven Perdia (Whakatāne District Council) to the BOPLASS Board.

4 NATURE AND SCOPE OF ACTIVITIES

The principal nature and scope of the activities of BOPLASS Ltd is to:

- Use joint procurement to add value to goods and services sourced for its constituent councils.
- Facilitate shared services that benefit councils and their stakeholders through improved levels of service, reduced costs, improved efficiency, innovation and/or increased value.
- Pursue best practice in the management of all activities to obtain best value and minimise risk.
- Demonstrate fiduciary responsibility by ensuring that its activities are adequately funded from savings achieved, levies, council contributions, or Government funding where available.
- Allow other councils or organisations to participate in its activities where this will benefit its constituent councils directly or indirectly.
- Represent the collective views of its shareholders in matters with which it is associated.

5 FUTURE DEVELOPMENTS

BOPLASS Ltd will continue to work on business cases for joint procurement and shared services that may be provided in the region or cross-regionally.

The Board has adjusted its strategy to ensure a greater focus on shared services opportunities, while continuing to deliver savings and value to councils through new and existing joint procurement initiatives.

Current reviews for joint procurement and shared services cover but are not limited to:

- Agenda management software
- Archive services
- Asset Management
- Building consents
- Business continuity planning
- CCTV monitoring
- Centralised insurance resource
- Chemicals
- Consents processing
- Contractor online inductions
- Debt management
- Diversion of putrescible waste from landfill
- Driver training
- Drug & Alcohol testing
- Electoral Officer services
- Engineering Codes of Practice
- Fleet purchasing and management
- Geospatial services
- Health & Safety management system
- Health insurance
- High volume print
- ICT security policies
- Insurance valuations
- Inter-council secondments
- Joint software support
- LGOIMA requests
- Lone worker field solutions
- PPE & uniform
- Property valuation services
- Rates collection
- Regional contractor database
- Risk and total assurance
- Solid waste regional facilities strategy
- Staff engagement survey systems
- Vehicle monitoring
- Web services

Other collaborative opportunities may be progressed after the Board has considered individual business cases and formally agreed to take on and deliver (or host/procure etc.) the project.

Joint procurement opportunities will continue to be identified and developed with individual councils engaging under the opt-in principle established by the Board. Joint procurement initiatives will be considered by the Board and/or its advisory groups where there is demonstrated support from two or more member councils.

The Board supports BOPLASS continuing to develop collaboration opportunities outside of the regional boundaries. BOPLASS will continue to proactively explore opportunities to partner with other Local Authorities and shared services organisations within New Zealand where they are developing, or considering developing, cost effective shared services and products that are of value to the Bay of Plenty and Gisborne councils.

BOPLASS development of the Collaboration Portal for the sharing of information on joint procurement or shared services opportunities within the constituent councils has identified a number of duplicate projects across councils which present an opportunity for further collaboration. The BOPLASS Collaboration Portal has become more widely used by other LASS, councils, and local government organisations and provides an opportunity to assist with the identification and management of inter-regional collaboration opportunities. BOPLASS will continue to develop the Collaboration Portal and make it available to the wider local government community.

6 PERFORMANCE TARGETS

To ensure the company continues to operate effectively in both governance and management terms over the next three years the current SOI targets are to:

- Ensure supplier agreements are proactively managed to maximise benefits for BOPLASS councils.
- Investigate new joint procurement initiatives for goods and services for BOPLASS councils.
- Identify opportunities to collaborate with other LASS in Procurement or Shared Service projects where alliance provides benefits to all parties.
- Further develop and extend the Collaboration Portal for access to, and sharing of, project information and opportunities from other councils and the greater Local Government community to increase breadth of BOPLASS collaboration.
- Communicate with each shareholding council at appropriate levels.
- Ensure current funding model is appropriate.

The Board believes that all targets are being achieved or are on-track to be achieved, as is demonstrated by the following list of current initiatives.

7 CURRENT INITIATIVES

The following initiatives have been under consideration or operating during the first part of the year:

HIGHLIGHTS

- Electoral Officer services – BOPLASS has engaged with electoral services companies to investigate potential benefits of shared electoral officer services and/or joint procurement of services. Any service would be established subsequent to 2025 local body elections.
- Cyber risk management – All councils have again been able to achieve full cyber insurance cover through the BOPLASS programme. Insurers requirements remain stringent and continued cover is dependent on high standards of cyber security being maintained by all BOPLASS councils. To assist with this, BOPLASS recently facilitated an information session for the BOPLASS councils' IT managers, where a cyber insurance expert provided information on insurers' new requirements, new threats, and how to manage an incident to ensure compliance with insurers expectations.
- Risk management services – Every year the BOPLASS insurance underwriters become more demanding in the levels of data they require and the accuracy of the data. This has created challenges for some of the smaller councils. BOPLASS has worked with Aon to develop a risk management service to assist our councils with this specific skillset. The service has been established to, particularly, provide risk management support and expertise to our smaller councils that may not have a risk management skillset inhouse as a dedicated resource.
- Occupational health services – BOPLASS is managing a tender in conjunction with Co-Lab for occupational health services across the greater region.
- Bay Maps open data – Bay Maps has been established as a shared portal for Bay of Plenty mapping services and is utilised by the BOPLASS GIS group. Having a single portal negates the requirement for councils to develop and maintain individual mapping services.
- LGOIMA requests – BOPLASS is facilitating a collaborative project between councils to share information on LGOIMA processes and help ensure consistent responses to requests. Working in conjunction with the other two LASS, a shared platform is being developed to share information between councils to assist with establishing consistency and best practice.
- Artificial Intelligence (AI) – AI technology is moving fast with the integration now embedded in a multitude of platforms and software solutions. BOPLASS facilitated a seminar delivered by Houston Technology specifically to member councils to provide awareness in preparing for AI using Microsoft Office 365. BOPLASS continues to identify opportunities for councils to share learnings as they adopt AI.

- Inter-LASS collaboration – Multiple projects continue to be identified by LASS leads that would benefit from inter-regional collaboration and could leverage shared services across LASS groups. This collective approach aims to streamline procurement processes and achieve superior outcomes through aggregated volumes. The recent joint tender by BOPLASS and Co-Lab for Occupational Health Services, covering Waikato, Gisborne, and Bay of Plenty councils, highlights the tangible benefits of such collaborative efforts.
- Crime Prevention/CCTV Monitoring – Working in conjunction with NZ Police, BOPLASS is investigating establishing three regional hubs for CCTV monitoring across BOPLASS councils. The establishment of these three centres of excellence will assist in providing coordinated police monitoring within each region.
- Insurance renewals – In the first half of the financial year, BOPLASS led insurance renewals of behalf of the collective group of councils and achieved improved outcomes for all councils across a range of policies. Of particular note was the below-ground infrastructure insurance, with a decrease in rates achieved this year. In addition to the reduced premium rates, benefits also included improved insurance terms, increased coverage limits, and renewed underwriter interest in our programme. Our continued proactive approach and direct presentations into the markets has helped build strong relationships with underwriters and favourable outcomes for all councils involved.
- Waste Operator and Licensing Data System (WOLDS) – The rollout of WOLDS is being phased across the BOPLASS and Waikato councils, with six councils in the initial tranche. The balance of councils will move at a later date, with some still to complete changes to their bylaw to allow external management of these services. WOLDS will allow centralised management of waste contractor licensing, significantly reducing the workload for councils, while also providing improvements in waste data.
- Aerial Imagery – Tenders have been awarded for urban and rural orthophotography covering Taupō, Rotorua, Western BOP, Gisborne and Tauranga regions, with aerial capture to be undertaken during the summers of 2024-25.
- Contours from LiDAR – A project is underway to produce contours for the entire Bay of Plenty region using the LiDAR data BOPLASS councils procured collectively for the region. The contours will provide an important complete topography layer for councils' mapping. The collective agreement offers councils a cost-effective solution and improved efficiency for the region under a single process.
- Oblique Imagery – BOPLASS is investigating a collective agreement across the BOP region for oblique imagery – aerial imagery collected at an angle to the horizon. Oblique imagery helps provide a much higher level of understanding of landscapes, which is particularly helpful for wetlands or biodiversity work. BOPLASS has successfully negotiated a free trial of oblique software and imagery, allowing councils an opportunity to experiment with the technology and develop use cases.

- Contractor and Employee H&S Inductions – A project continues to be investigated to develop a common platform and standard for the development and management of H&S inductions – for both staff and contractor purposes.
- GIS Software and Services – A number of key contracts for councils’ geospatial software have been reviewed and renewed through collective BOPLASS agreements.
- MahiTahi Collaboration Portal – Further growth has been achieved with the MahiTahi Collaboration Portal with additional councils joining and using it as a collaboration tool for sharing information across councils.
- Health insurance – A project is underway to explore benefits of establishing a group scheme across the BOPLASS group.
- Media Copyright Agency (MCA) – A collective contract providing savings for all BOPLASS councils has been renegotiated with MCA.
- Institute of Public Works Engineering Australasia (IPWEA) – BOPLASS has renewed the single BOPLASS membership covering all councils and providing membership savings.
- Media Monitoring Service – A collective contract continues to provide BOPLASS councils with a more cost-effective broader service including print, online, broadcast media, social media and ‘social listening’ services that analyse social media feedback or sentiment.
- Debt Management Services – BOPLASS is working with MW LASS to provide debt management as a shared service to BOPLASS councils.
- Driver Training – BOPLASS continues to investigate options for appointing a preferred provider for driver training services.
- Lone worker field solutions – BOPLASS is investigating technologies and solutions to support council staff in lone worker situations.
- Communication – BOPLASS continues to regularly engage with our constituent councils, senior management and shareholders to ensure opportunities continue to be developed to the benefit of all stakeholders. Additionally, advisory groups, comprising subject matter experts from each council, meet regularly to identify and lead specific projects to provide benefits to all councils through collaboration.
- Viability of Current Funding Model – The sources of BOPLASS funding and the viability of the funding model are regularly reviewed with financial reporting provided to the BOPLASS Board.

8 FINANCIAL REPORTS

8.1 Financial Support and Accounting Services

Accountancy services and support continue to be provided by Tauranga City Council.

8.3 Accounting Policies

The company is compliant with the accounting policies stated in the Statement of Intent.

8.4 Tier 2 PBE Accounting Standards Applied

The financial accounts are prepared with application of Tier 2 accounting standards.

8.5 Financial Reports

Financial Reports for the period to 31 December 2024 are attached.

8.6 Variations

Aerial photography revenue and expenditure are slightly behind target but this is simply a timing issue with progress payments, with imagery capture often being at the mercy of the weather.

Project revenue is reported as \$25,310 ahead of budget. This is due to contributions being received at the commencement of projects and will balance in the second half of the year.

9 STAFFING, ACCOMMODATION AND SUPPORT

Staff

Staffing levels are unchanged with a part-time administrator continuing to provide additional project support and management of existing activities.

Accommodation and Support

We continue to appreciate the office space provided to us by BOP Regional Council and the support that is offered for IT and Accounting services by Tauranga City Council.

BOP LASS LTD
STATEMENT OF COMPREHENSIVE INCOME
FOR THE MONTH ENDED 31 DECEMBER 2024

	Actual YTD	Budget YTD	Total Budget	YTD Variance
REVENUE				
Revenue - Core	189,700	183,808	367,615	5,893
Bank Interest Received	9,845	3,500	7,000	6,345
Council Contribution	179,855	180,308	360,615	(453)
Revenue - Projects	754,520	765,750	1,311,500	(11,230)
Bank Interest Received	2,029	750	1,500	1,279
Aerial Photography Revenue	114,813	150,000	400,000	(35,187)
Collaboration Portal Revenue	30,000	20,000	40,000	10,000
Lease Revenue - ICN	72,505	67,500	135,000	5,005
Lease Revenue - Video Conference	13,104	7,500	15,000	5,604
Projects - Recoveries Revenue	522,069	520,000	720,000	2,069
TOTAL OPERATING REVENUE	944,220	949,558	1,679,115	(5,337)
EXPENSES				
Expenditure - Core	223,576	223,104	423,436	472
ACC	595	500	950	95
Accommodation & Travel	7,932	5,500	5,500	2,432
Accounting & Audit	10,185	12,000	24,000	(1,815)
Administration	8,655	10,000	20,000	(1,345)
Amortisation	631	2,500	5,000	(1,869)
Bank Fees	1	100	200	(99)
Conferences	4,296	2,500	2,500	1,796
Depreciation	1,889	2,150	4,300	(261)
Directors Costs	11,754	10,111	23,000	1,643
Fringe Benefit Tax	1,732	2,250	4,500	(518)
General & Catering	0	750	1,500	(750)
Health & Safety	0	500	1,000	(500)
Insurance	13,066	13,000	14,000	66
Interest Paid - TCC Loan	0	0	0	0
Legal	0	1,250	2,500	(1,250)
Salaries	149,795	150,362	300,723	(567)
Salaries - Projects OpEx	(3,527)	(9,000)	(18,000)	5,473
Staff Support Costs	10,554	9,750	19,500	804
Staff Training Costs	535	1,250	2,500	(715)
Subscriptions	533	2,132	4,263	(1,598)
Tax Advice	4,950	5,500	5,500	(550)
Expenditure - Projects	720,203	726,454	1,255,679	(6,251)
Aerial Photography Expense	114,813	150,000	400,000	(35,187)
Collaboration Portal OpEx	6,562	13,990	27,979	(7,428)
Lease Expense - ICN	73,123	64,800	129,600	8,323
Lease Expense - Video Conference	16,830	14,100	14,100	2,730
Projects - Recoveries Expenditure	508,874	483,564	684,000	25,310
TOTAL OPERATING EXPENDITURE	943,778	949,558	1,679,115	(5,779)
OPERATIONAL SURPLUS / (DEFICIT) BEFORE TAX	442	0	0	442

**BOP LASS LTD
STATEMENT OF FINANCIAL POSITION
AS OF 31 DECEMBER 2024**

	Actual YTD
Bank	
Cheque Account	1,038,841
Trust A/c Aerial Photography	83,242
Crime Prevention	1,139
Total Bank	1,123,222
Current Assets	
Trade Debtors	89,763
Accrued Revenue	57,318
Tax Payable (Tax Receivable)	28,837
Prepayments	3,907
Total Current Assets	179,824
Non-current assets	
Intangible - Computer Software	79,175
Intangible - Amortisation	(74,440)
Computer Equipment at cost	4,516
Less Accumulated Depreciation on Computer Equipment	(4,653)
Inter Council Network	25,097
Accumulated Depreciation Inter Council Network	(14,289)
Total Non-current assets	15,407
TOTAL ASSETS	1,318,453
Current Liabilities	
Business Credit Card	935
Trade Creditors	13,129
Accrued Expenses	4,537
TCC Loan	0
GST Collected, Paid, Payments (Refunds)	(11,627)
Retentions	11,893
Income in Advance	1,257,469
PAYE Accruals Payable	14,477
Total Liabilities	1,290,813
NET ASSETS	27,639
Equity	
Current Year Earnings	99,002
Retained Earnings	(71,805)
Share capital	442
TOTAL EQUITY	27,639