



HALF-YEAR REPORT
(unaudited)

1 July 2025 to 31 December 2025

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STATEMENT OF SERVICE PERFORMANCE

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

To achieve this, we have three main functions:

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

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

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

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

OPPORTUNITY DEVELOPMENT HIGHLIGHTS

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

SERVICE DELIVERY HIGHLIGHTS

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

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

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

COMPANY DELIVERY SUPPORT HIGHLIGHTS

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

ASSESSMENT OF PERFORMANCE AGAINST TARGETS

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

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

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

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

CO-LAB'S FINANCIAL POSITION

Summary

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

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

Statement of Financial Performance

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

Statement of Financial Position

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

Statement of Cashflows

Co-Lab

As at 31 December 2025

For the six months ending 31 December 2025

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

Policies

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

FINANCIAL FORECASTS

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

GOVERNANCE

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

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

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

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

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

NATURE & SCOPE OF ACTIVITIES

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

Services

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

Other

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

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