

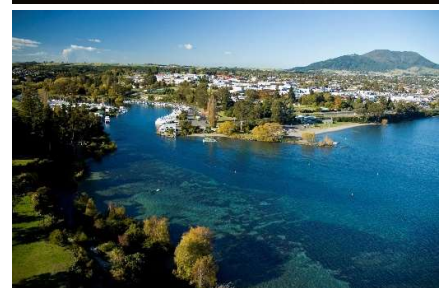


**BOPLASS Ltd**

“COUNCILS PARTNERING FOR VALUE AND SERVICE”

# ANNUAL REPORT 2022-2023

For the year ended  
30 June 2023



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**PART ONE – OUR YEAR**



On behalf of our Directors, I am pleased to present the BOPLASS 2023 Annual Report to our Shareholders.

Every year the number of projects managed by BOPLASS continues to grow, requiring a significant commitment to contract renewals, reviews, and supplier management on behalf of our shareholding councils. 2022/23 was a particularly challenging period for renewals, given the high-inflationary environment and many vendors pushing for increases. However, through the continued aggregation of councils' volumes and maintaining competitive procurement processes, BOPLASS has performed extremely well, with the majority of collective contracts being renewed with little or no price increases. Shareholding councils have directly benefited from this approach, allowing them to achieve continued savings, significantly reduced costs, efficient use of centralised resources, and improved levels of service.

Several new joint procurement initiatives were initiated this year, with the appointment of a new printer and photocopier supplier being of particular note. Significant financial savings and technology benefits were achieved across all councils through this new tender, with benefits to community groups also negotiated into the agreement. Community benefits and broader outcomes are an important consideration within BOPLASS procurement, and the board encourage the continued development of environmental and cultural measures within BOPLASS processes.

Communities are the heart of local government, so I'm pleased to report on multiple projects undertaken by BOPLASS that assist councils with community engagement and safety. Some of these projects included:

- Media monitoring services
- Social listening services
- CCTV monitoring
- Crime Prevention Through Environmental Design (CPTED)
- Managing conflict & aggressive behaviour – workshops
- Business continuity – 24/7 emergency communication

In 2022/23 a key BOPLASS project played an integral part in helping our constituent councils create safer environments for their communities. In recognition of the continuing rise in retail crime rates, and particularly youth offending, BOPLASS councils initiated a project to coordinate their activities in developing initiatives to help address these problems. Through successful engagement with the Ministry of Social Development, the region has received \$1,000,000 co-funding to help support these important projects. A collaborative project is now underway to collectively develop and improve CCTV, CCTV monitoring, and Crime Prevention Through Environmental Design across the Bay of Plenty. Improvement to this infrastructure provides the opportunity to help stop or reduce crime, identify perpetrators, and ultimately make our communities safer.

Council infrastructure insurance placements remain challenging in what is currently referred to as a 'hard market' with limited capacity from insurers. Given the recent NZ weather events (and global natural catastrophes), it is likely this will only continue to become more challenging. Despite the restricted market capacity, and risk adverse underwriters, very good outcomes were achieved for all councils through the BOPLASS renewal. The BOPLASS collective insurance programme continues to deliver substantial benefits to all councils, in both the insurance rates and the level of cover provided.

International underwriters were particularly impressed with the use of Light Detection and Ranging (LiDAR) data by BOPLASS councils to better understand their risks. Our work was described by them as ‘world leading’. Earlier this year, the final LiDAR data for the Bay of Plenty region was captured and delivered ahead of schedule. This essential data assists councils in better understanding the ground terrain in their regions, preparing for severe weather events, and planning for climate change.

New technology has also been a focus for BOPLASS, with scoping of Oblique Aerial Imagery undertaken as an additional option to standard aerial imagery. This data helps provide more detailed information than traditional imagery, allowing a better understanding of the regions’ vegetation, landscape and topography.

We welcomed two directors to the governance table in 2022/23. Firstly, the Board welcomed Stace Lewer from Ōpōtiki District Council, replacing our long-serving director, Aileen Lawrie, now Chief Executive Officer at Thames-Coromandel District Council. Stace has worked in local government for 22 years including Whakatāne District Council and as the Engineering & Services Group Manager at Ōpōtiki District Council.

More recently, the Board welcomed Julie Gardyne from Taupō District Council, replacing Gareth Green, now the Chief Executive Officer at New Plymouth District Council. Julie has a particular interest in economic development and has worked across a variety of private sector and local government roles.

On behalf of the Board, I wish to acknowledge both Aileen’s and Gareth’s significant contribution to the company and thank them for their assistance and support during their tenure as BOPLASS directors.

During 2022/23 BOPLASS has continued to deliver significant value to the shareholding councils for a modest investment. We would like to thank the various individuals within all of the councils who have supported and assisted with the achievements of the company.



Craig O’Connell  
**Chair**



<b>Nature of Business:</b>	Shared Service Provider
<b>Registered Office:</b>	91 Willow Street, Tauranga 3110
<b>Telephone:</b>	+64 7 577 7342
<b>Email:</b>	<a href="mailto:contact@boplass.govt.nz">contact@boplass.govt.nz</a>
<b>Website:</b>	<a href="https://www.boplass.govt.nz">https://www.boplass.govt.nz</a>
<b>Incorporation Number:</b>	2074873
<b>Incorporation Date:</b>	14 January 2008
<b>IRD Number:</b>	98-965-361
<b>Directors:</b>	Craig O'Connell Fiona McTavish Julie Gardyne Geoff Williams Martin Grenfell John Holyoake Nedine Thatcher-Swann Russell George Stephanie O'Sullivan Stace Lewer
<b>Shareholders:</b>	Bay of Plenty Regional Council Gisborne District Council Kawerau District Council Opotiki District Council Rotorua Lakes Council Taupo District Council Tauranga City Council Western Bay of Plenty District Council Whakatane District Council
<b>Auditor:</b>	BDO Tauranga
<b>Bankers:</b>	ANZ Bank
<b>Solicitors:</b>	Cooney Lees and Morgan

## Statement of Intent and Performance

The company has complied with section 64 of the Local Government Act 2002 (LGA) and has had the Statement of Intent for 2023-2026 and associated budget formally adopted by the directors by resolution on 23 June 2023.

### Performance Targets 2023-2026

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

Targets <u>2023-2026</u>	How	Measure
Ensure supplier agreements are proactively managed to maximise benefits for BOPLASS councils.	Manage and/or renegotiate existing contracts.	Contracts are reviewed annually to test for market competitiveness. New suppliers are awarded contracts through a competitive procurement process involving two or more vendors where applicable.
Investigate new Joint Procurement initiatives for goods and services for BOPLASS councils.	Procure from sources offering best value, service, continuity of supply and/or continued opportunities for integration.	A minimum of four new procurement initiatives investigated. Initiatives provide financial savings of greater than 5% and/or improved service levels to the participating councils.
Identify opportunities to collaborate with other LASS in Procurement or Shared Service projects where alliance provides benefits to all parties.	BOPLASS to regularly engage with other LASS to identify and explore opportunities for further inter-regional collaboration.	Quarterly reporting on engagement and a minimum of one new collaborative initiative undertaken annually.
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.	Increase usage of the Collaboration Portal by providing support and training material for new and existing users. Proactively market the benefits to councils.	Number of active users to increase by 5% per year.
Communicate with each shareholding council at appropriate levels.	Actively engage in obtaining political support for identified projects.	Information provided to elected members, and feedback sought, on BOPLASS projects, benefits to local communities, and value added to each council.
Ensure current funding model is appropriate.	Review BOPLASS expenditure and income and review council contributions and other sources of funding.	Performance against budgets reviewed quarterly. Company remains financially viable.

## Statement of Intent and Performance continued

The following is a report of performance against targets set in the Statement of Intent for 2022/25.

Target <u>2022/23</u>	Result	Narration
<p>Ensure supplier agreements are proactively managed to maximise benefits for BOPLASS councils.</p> <p>Manage and/or renegotiate existing contracts.</p> <p>Contracts are reviewed annually to test for market competitiveness.</p> <p>New suppliers are awarded contracts through a competitive procurement process involving two or more vendors where applicable.</p>	<p>Achieved</p>	<p>Contracts negotiated and/or renewed for:</p> <p><u>Cyber Insurance</u> – BOPLASS was able to again maintain councils’ cyber insurance policies with Berkshire Hathaway by working closely with councils to ensure all underwriter requirements were met and demonstrated. Through the collective approach, BOPLASS was able to secure the renewal on favourable terms and with an increased policy limit across the collective group. <i>Cyber cover is an annual agreement that requires going to market every year.</i></p> <p><u>GIS software and services</u> – Geocortex Essentials Geocortex Analytics NZ Archaeological Association <i>Contracts renegotiated and renewed – no alternative suppliers.</i></p> <p><u>FME software</u> – significant price increase negated by negotiating two-year extension of current agreement under the same terms and pricing. <i>Sole NZ provider</i></p> <p><u>X-Tools</u> - With the agreement of councils’ GIS managers, a decision was made to discontinue the XTools maintenance licence as it was purchased from Russia. This supported the NZ Government’s position on trade sanctions and the absence of this software did not have an undue impact on council operations.</p> <p><u>LiDAR Capture</u> – the capture of LiDAR data was completed this year across the BOP region ahead of schedule. The early provision of this updated data helps councils with catchment mapping, understanding and preparing for natural hazards, and better planning for climate change.</p> <p><u>My Everyday Wellbeing</u> – BOPLASS renewed the annual subscription for the staff online wellbeing platform with the supplier continuing to provide pricing for all participating councils as a single entity. Increased participation from MW LASS, Co-Lab and BOPLASS councils resulted in further financial savings for the collective.</p>



		<p><u>Print Media Copyright Agency (PMCA)</u> – a collective contract providing savings, for all BOPLASS councils has been renewed with PMCA for councils’ print and media copyright services. <i>Sole NZ provider of print and media copyright services.</i></p> <p><u>ESRI Enterprise Licensing Agreement</u> – Core GIS software used in all BOPLASS councils. BOPLASS Enterprise Agreement renegotiated and renewed for a further 3-year term with no increases. Retained the same structure, with all councils continuing to participate under a collective MOU. <i>No alternative provider in NZ.</i></p> <p><u>n3 (previously known as GSB)</u> – Collective purchasing group membership negotiated by BOPLASS. Councils achieving significant savings on membership costs and trade pricing through the group scheme. Agreement renewed for another year at same rates. <i>Sole NZ provider.</i></p> <p><u>Media Monitoring Services</u> – BOPLASS continues to manage a collective media monitoring service with Isentia that provides automatic monitoring and reporting of broadcast, print and social media based upon council requirements. The single BOPLASS portal provides substantial savings to councils while also providing a significant reduction in internal resource requirements. This service has proven to be invaluable for councils during the pandemic and weather events. <i>Service to be put to tender in 2023-24.</i></p> <p><u>Inter-Council Network (ICN)</u> – Review, redesign and renegotiation of suppliers and services – the ICN is a shared service high-capacity fibre network connecting the majority of BOPLASS councils. A review of ICN contracts was undertaken in 2021 to deliver further cost reductions. Since then, further reviews have been conducted with some service costs reduced. This was balanced out by additional services as requested from councils.</p> <p><u>Zoom Video Conferencing Services</u> – Zoom video conference services continue to provide BOPLASS councils with a centralised account management and shared infrastructure. The collective contract was renewed through BOPLASS. <i>VC infrastructure upgrades underway.</i></p> <p><u>Standards NZ</u> – BOPLASS has renewed the agreement with Standards NZ for discounted access to the full Standards catalogue at significantly reduced pricing for all BOPLASS councils. <i>No alternative provider in NZ.</i></p>
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		<p><u>Antenno</u> – this LG community engagement tool is used by the majority of BOPLASS councils. Uptake in the Waikato and MW LASS regions has recently increased. By working in conjunction with the other two LASS a discounted fee was negotiated for any further LASS councils wishing to take up the service.</p> <p><u>Health &amp; Safety Management Software</u> – BOPLASS has negotiated with the collective H&amp;SMS provider on behalf of BOPLASS and Waikato councils for an improvement to reporting systems and an alternative fee structure.</p> <p><u>IPWEA Membership</u> - The Institute of Public Works Engineering Australasia (IPWEA) agreement was renewed in 2022 to provide a single BOPLASS portal to allow all constituent councils to access the full IPWEA online catalogue at heavily reduced pricing. The standards are used by all councils for a variety of engineering purposes. The collective agreement provides for unrestricted access for all councils at a significantly lower cost than under individual arrangements. <i>No alternative provider in NZ.</i></p> <p><u>Aerial Imagery</u> – BOPLASS coordinates a regional imagery programme across the region. Two new tenders were run for orthophotography services this year with contracts awarded to AAM NZ for the BOP region and a TCC interim flying programme, including specific requirements for the capture of high growth areas and high specification 8-Pulse LiDAR.</p> <p><u>GIS Training</u> – BOPLASS coordinated specialised GIS ArcPro training across the BOPLASS councils. Substantial savings were achieved through the collective training while also helping to bring all councils up to similar skill levels.</p>
<p>Investigate new Joint Procurement initiatives for goods and services for BOPLASS councils.</p> <p>Procure from sources offering best value, service, continuity of supply and/or continued opportunities for integration.</p> <p>A minimum of four new procurement initiatives investigated. Initiatives provide financial savings of greater than 5% and/or improved service levels to the participating councils.</p>	<p>Achieved</p>	<p>The new procurement initiatives which have been investigated during the year are as follows:</p> <p><u>MFDs (Photocopiers/Printers)</u> – Joint procurement for a multi-function device provider resulted in Canon NZ being appointed as preferred provider to the BOPLASS councils. The outcome through the group approach included very competitive pricing, with further savings achieved through bundled services and shared software solutions across the councils. The procurement process maintained a strong focus on achieving broader outcomes, with Canon demonstrating support for local businesses and communities, working with Māori/Pasifika communities through Ākina and Amotai, and practicing sustainable and environmental processes.</p>

		<p><u>Oblique Aerial Imagery</u> – BOPLASS investigated collaborative opportunities for the capture of Oblique Aerial Imagery for the BOPLASS councils. The imagery provides a more effective visual experience than traditional vertical imagery and is particularly useful for discerning features in the landscape. Delivered through a tailored online viewer and using a subscription-based model through BOPLASS negates the need for councils to store and manage the data. <i>One council has trialled the solution and negotiations with the provider are underway for group pricing.</i></p> <p><u>Infrastructure Insurance</u> – the international placements for BOPLASS councils’ infrastructure insurance are only provided on a 12-month term and all placements need to be procured annually. This involves identifying and negotiating with alternative markets every year and often undertaking placements through new or different insurers. Negotiations for councils’ infrastructure insurance were undertaken in late 2022 through direct engagement with the London markets and Lloyds syndicates. The size of the collective BOPLASS account allows us to undertake this direct engagement. Despite the restricted capacity and the underwriters become more risk adverse, very good outcomes were achieved for all councils, in both insurance rates and the level of cover achieved. Insurance markets remain cautious about the risk they are prepared to write but have demonstrated confidence in the BOPLASS programme due to the quality of information provided and our historical relationship.</p> <p><u>Social Listening Services</u> – Although BOPLASS manages a media monitoring contract on behalf of the councils, the growth in social media (and decline in traditional media) requires specific tools for identifying and analysing online conversations about councils’ brand, to help better understand our communities and their feedback through these channels. <i>A collective procurement process has been initiated.</i></p> <p><u>Crime Prevention Co-funding</u> – BOPLASS successfully secured co-funding from the Ministry of Social Development (MSD) to undertake crime prevention initiatives and programmes within the Bay of Plenty. BOPLASS councils identified the key areas as installation of CCTV equipment and monitoring services; and Crime Prevention through Environmental Design (CPTED) projects. <i>\$1M co-funding has been received and the below projects initiated.</i></p>
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		<p><u>CCTV Monitoring</u> – BOPLASS has worked with councils to identify opportunities for improved CCTV coverage and to collaborate with CCTV monitoring. Joint procurement of systems and technologies are being undertaken as well as shared project management resource. <i>Project is still underway.</i></p> <p><u>Crime Prevention through Environmental Design (CPTED)</u> – To support further crime reduction initiatives, BOPLASS is working with councils on the effective use of the environmental design to reduce criminal opportunity, with designs also fostering positive social interaction within community spaces. <i>Project is still underway.</i></p> <p><u>24/7 Emergency Communications</u> – The BOPLASS IT Managers group have reviewed the harsh lessons learned about telecommunication interruptions in the aftermath of Cyclone Gabrielle. They have undertaken a project to identify improved technologies for councils’ usage that are not reliant on traditional methods of delivery. Starlink has been identified as a reliable solution during severe weather events and investigations are underway to determine the opportunities for councils to share membership and/or hardware or leverage improved pricing through collective procurement. <i>Project is still underway.</i></p> <p><u>New service for ICN</u> – Following a redesign of some aspects of the Inter-Council Network (ICN) new links were required. BOPLASS engaged with suitable vendors and Spark were appointed to provision this service. Discounted rates were achieved on behalf of the councils. Procurement was undertaken for the addition of a service in Whakatāne for a new council site and reinstatement of a service to provide backup/redundant services for councils between Whakatāne and Tauranga.</p> <p><u>Waste Operator and Licensing Data System (WOLDS)</u> – The second phase of this project has been initiated with procurement underway for a WOLDS service provider including the provision of an Information Management System. This BOPLASS led project covers all BOPLASS and Co-Lab councils, with a number of other councils expressing interest in participating once the service is established. A single shared service provides the opportunity for standardisation across all regions, improved waste data, and savings through a centralised service. <i>Project is still underway.</i></p>
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		<p><u>NAMS+ Subscription</u> – BOPLASS negotiated discounted rates for NAMS+ subscription used by council asset managers.</p> <p><u>Electronic Signing</u> – BOPLASS has led a project undertaking investigation into a shared agreement for DocuSign for councils. <i>Project is still underway.</i></p>
<p>Identify opportunities to collaborate with other LASS in Procurement or Shared Service projects where alliance provides benefits to all parties.</p> <p>BOPLASS to regularly engage with other LASS to identify and explore opportunities for further inter-regional collaboration.</p> <p>Quarterly reporting on engagement and a minimum of one new collaborative initiative undertaken annually.</p>	<p>Achieved</p>	<p>BOPLASS continues to work closely with MW LASS and Co-Lab with the LASS leads engaging regularly and formally meeting on a quarterly basis.</p> <p>Shared services projects being undertaken by other LASS have been offered to BOPLASS councils, with the board making a decision to utilise these opportunities to avoid any duplication of services where we can work with other LASS.</p> <p>Some of the shared service projects offered to BOPLASS councils include:</p> <ul style="list-style-type: none"> <li>• Debt Management Central</li> <li>• Archives Central</li> <li>• Building Consent services</li> </ul> <p>BOPLASS is leading or managing, on behalf of other LASS:</p> <ul style="list-style-type: none"> <li>• Waste Operator and Licensing Data System</li> <li>• Postal services</li> <li>• Courier services</li> <li>• H&amp;S management system</li> <li>• Staff wellbeing portal</li> <li>• Regional contractor database</li> <li>• Occupational Health Services</li> </ul> <p><u>Broader Outcomes in Procurement</u> – The BOPLASS Procurement Group have identified the need to develop a framework around broader outcomes in procurement. To assist this process, BOPLASS are also working closely with Co-Lab and MW LASS for extended understanding, sharing of best practice, and to explore the opportunity for establishing a standard framework across the three regions.</p> <p>In conjunction with this shared work, MWLASS are leading a specific project on social procurement and sharing the outputs with the other two LASS.</p> <p><u>Health &amp; Safety training</u> – BOPLASS and Co-Lab have established aligned contracts with H&amp;S trainers. To provide improved market leverage and ensure the best value is delivered to all councils, it was agreed to tender for service as a collective covering all BOPLASS and Co-Lab councils. This project is being led by Co-Lab on behalf of both LASS.</p>

		<p><u>Managing Conflict &amp; Aggressive Behaviour</u> – The BOPLASS Health &amp; Safety Advisory Group identified an increase in aggressive behaviour across all BOPLASS councils. Working in collaboration with Waikato councils allowed the group to share resources between regions ensuring best practice was shared and to reduce the duplication of effort to the benefit of all parties.</p> <p><u>SHE Prequalification</u> – Co-Lab have funded full access to the SHE prequalification database and extended this access to cover BOPLASS councils opting into the scheme.</p> <p><u>Insurance Markets Joint Communications</u> – To ensure an aligned approach to insurance renewals, and leverage maximum benefits from an aggregated approach, LASS leads collaborated to develop joint underwriter communications that emphasised the geographical spread of assets and the diversity of risk across the greater region. The communications also highlighted risk management and resiliency work undertaken by LASS councils that had proved to perform well through recent events. Continued collective messaging and leveraging of our underwriter relationships remains critical to reinstalling confidence within the markets we engage with.</p> <p><u>Insurance Forum</u> – BOPLASS hosted and coordinated an insurance forum to cover key insurance topics in local government. The forum was well attended by councils from throughout the upper and central North Island.</p> <p><u>Engagement with other LG collaborative groups:</u> Taranaki councils have formed an informal corporate services group to collaborate and share information across the district. BOPLASS and Co-Lab presented to the group on how our formal arrangements work and the benefits achieved, both within the LASSes and inter-regionally. An offer has been made to include Taranaki councils in any BOPLASS contracts that will be beneficial to all parties.</p> <p>A similar presentation and offer were provided to the Canterbury Mayoral Forum (10 TAs and the regional council), with the group expressing strong interest in utilising the MahiTahi Portal and widening their collaboration</p>
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	Achieved	Projects continue to be added to the MahiTahi LG Collaboration Portal, increasing 5% from 88 to 93 this year. Over time, usage of the dedicated project area has declined, with project activity increasing but now being mainly run from within specific Teams or Channels within the Portal. Given this change in usage, and the

<p>increase breadth of BOPLASS collaboration.</p> <p>Increase usage of the Collaboration Portal by providing support and training material for new and existing users.</p> <p>Proactively market the benefits to councils.</p> <p>Number of listed projects to increase by 5% per year.</p> <p>Number of active users to increase by 5% per year.</p>		<p>difficulty of monitoring individual Channels, this target has been removed for future years.</p> <p>Continued promotion of the MahiTahi LG Collaboration Portal has seen a 13% increase in registered users with numbers increasing from 429 to 485.</p> <p>On-boarding and training material has been helpful in creating a smooth transition for any new members.</p> <p>The Regional Software Holdings Limited migration has resulted in exponential growth, with the Te Uru Kahika hub (regional and unitary councils) now hosted within the same environment as the MahiTahi Collaboration Portal. Both the MahiTahi LG Collaboration Portal and Te Uru Kahika sit side-by-side, with regional council users able to interact on both platforms.</p> <p>A Teams environment was developed for Entity B of the Affordable Water Reform in order to provide a secure workspace and assist the group with communications and collaboration. The development of this Team was conducted in conjunction with the Entity B stakeholders and a third-party Teams developer.</p>
<p>Communicate with each shareholding council at appropriate levels.</p> <p>Meeting with members of Executive Leadership Team.</p> <p>At least one meeting per year.</p>	<p>Achieved</p>	<p>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.</p> <p>Engagement with individual ELT members was regularly undertaken but formal meetings with all executive teams was unable to be completed with all councils this year.</p>
<p>Ensure current funding model is appropriate.</p> <p>Review BOPLASS expenditure and income and review council contributions and other sources of funding.</p> <p>Performance against budgets reviewed quarterly. Company remains financially viable.</p>	<p>Achieved</p>	<p>The sources of BOPLASS funding and the viability of the funding model are regularly reviewed with financial reporting provided to the BOPLASS Board.</p> <p>Council contributions were levied with annual council contributions now CPI adjusted.</p> <p>Contributions were received from activities producing savings.</p> <p>Vendor rebates collected.</p> <p>An annual contribution from Co-Lab, MW LASS, Regional Software Holdings (RSHL) and BOPLASS councils is received for membership of the MahiTahi Local Government Collaboration Portal.</p> <p>Monthly and quarterly performance reviewed.</p> <p>Financial statements and budget variances reported and reviewed at Board meetings.</p> <p>Financial position year end 30 June 2023: -\$22,979 deficit.</p>

## Statement of Intent and Performance continued

The following is a report of performance against targets set in the Statement of Intent for 2021/22 and is provided for comparative purposes.

Target <u>2021/22</u>	Result	Narration
<p>Ensure supplier agreements are proactively managed to maximise benefits for BOPLASS councils.</p> <p>Manage and/or renegotiate existing contracts.</p> <p>Contracts are reviewed annually to test for market competitiveness.</p> <p>New suppliers are awarded contracts through a competitive procurement process involving two or more vendors where applicable.</p>	Achieved	<p>Contracts negotiated and/or renewed for:</p> <p><u>Zoom Video Conferencing Services</u> – Renewed group enterprise agreement. Zoom video conference services continue to provide BOPLASS councils with centralised account management and shared infrastructure.</p> <p><i>Enterprise contract renegotiated and renewed. No alternative providers.</i></p> <p><u>GIS software and services</u> –</p> <ul style="list-style-type: none"> <li>• FME</li> <li>• Geocortex Essentials &amp; Geocortex Analytics</li> <li>• X-Tools</li> <li>• NZ Archaeological Association</li> <li>• RetroLens</li> </ul> <p><i>Contracts renegotiated and renewed – no alternative suppliers</i></p> <p><u>Print Media Copyright Agency (PMCA)</u> – a collective contract providing savings for all BOPLASS councils has been renewed with PMCA for councils’ print and media copyright services.</p> <p><i>Sole NZ provider of print and media copyright services.</i></p> <p><u>Health &amp; Safety Management Software</u> – BOPLASS manages a collective agreement for H&amp;SMS across BOPLASS and Waikato councils. A change of ownership with the incumbent supplier saw a decline in service levels and BOPLASS engaged with the supplier to address the service shortfalls or seek an alternative supplier. Given the number of councils under the collective agreement, improvements were quickly undertaken by the vendor and improved service levels established.</p> <p><i>Project still ongoing.</i></p> <p><u>Media Monitoring Services</u> – BOPLASS continues to manage a collective media monitoring service with Isentia that provides automatic monitoring and reporting of broadcast, print and social media based upon council requirements. The single BOPLASS portal provides substantial savings to councils while</p>



		<p>also providing a significant reduction in internal resource requirements.  <i>Service to be put to tender in 2022-23.</i></p> <p><u>ESRI Enterprise Licensing Agreement</u> – Core GIS software used in all BOPLASS councils. BOPLASS Enterprise Agreement renewed at no increase in cost to councils.  <i>No alternative provider in NZ.</i></p> <p><u>n3 (previously known as GSB)</u> – Purchasing group membership negotiated by BOPLASS. Councils achieving significant savings on membership costs and trade pricing through the group scheme. Agreement renewed for another year at same rates.  <i>Sole NZ provider.</i></p> <p><u>Health and Safety Training provider</u> – BOPLASS renewed the collective agreement with Vertical Horizonz for H&amp;S training across the BOPLASS councils. The agreement provides tailored training and discounted rates. (WCLASS have aligned their contract dates with BOPLASS, providing for opportunities to procure collectively at the end of the new contract term.)</p> <p><u>Standards NZ</u> – BOPLASS has renewed the agreement with Standards NZ for discounted access to the full Standards catalogue at significantly reduced pricing for all BOPLASS councils.  <i>No alternative provider in NZ.</i></p> <p><u>Inter-Council Network (ICN)</u> – Review, redesign and renegotiation of suppliers and services – the ICN is a shared service high-capacity fibre network connecting the majority of BOPLASS councils. A review of ICN contracts was undertaken to deliver further cost reductions, along with the addition of new links for councils. Kordia were appointed to replace Vocus. The resultant contract will provide an improvement in service levels and financial savings for all participating councils. Migration of services to Kordia has been initiated.</p> <p><u>MFDs (Photocopier/printers)</u> – Due to the variable print volumes through Covid lockdowns and the subsequent high level of working from home, BOPLASS negotiated with our incumbent provider to extend the current agreement for a further 16 months. The Variation Agreement included benefits such as retaining existing equipment, providing flexibility through the pandemic disruption, and further discounts to print rates.  <i>A full tender will be undertaken in 2022 when councils should have an improved understanding of volumes and requirements.</i></p>
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		<p><u>IPWEA Membership</u> - The Institute of Public Works Engineering Australasia (IPWEA) agreement was renewed in 2021 to provide a single BOPLASS portal to allow all constituent councils to access the full IPWEA online catalogue at heavily reduced pricing. The standards are used by all councils for a variety of engineering purposes. The collective agreement provides for unrestricted access for all councils at a significantly lower cost than under individual arrangements.</p> <p><i>No alternative provider in NZ.</i></p>
<p>Investigate new Joint Procurement initiatives for goods and services for BOPLASS councils.</p> <p>Procure from sources offering best value, service, continuity of supply and/or continued opportunities for integration.</p> <p>A minimum of four new procurement initiatives investigated. Initiatives provide financial savings of greater than 5% and/or improved service levels to the participating councils.</p>	<p>Achieved</p>	<p>The new procurement initiatives which have been investigated during the year are as follows:</p> <p><u>Postal Services</u> – Joint procurement for councils’ mail services resulted in DX Mail being appointed as preferred supplier. The BOPLASS-led process covered BOPLASS, Co-Lab, MW LASS and Hawke’s Bay councils. Savings for all councils will be substantial, particularly for councils with high volumes of urban mail. The contract also provides sustainability and efficiency benefits for councils.</p> <p><u>Courier Services</u> – In conjunction with the Postal services tender a process was managed to identify opportunities for savings with courier services across the BOPLASS, Co-Lab and MW LASS councils. BOPLASS engaged with DIA and ACC to facilitate access to the ACC syndicated contract for courier services. This provides a substantial saving for all councils over their incumbent providers and the alignment with the mail provider offers efficiencies within council mailrooms.</p> <p><u>Infrastructure Insurance</u> – Given the current restricted capacity in the international insurance markets, councils’ insurance is only provided on a 12-month term and all placements need to be procured annually. This involves identifying and negotiating with alternative markets every year and often undertaking placements through different insurers. Negotiations for councils’ infrastructure insurance were undertaken in late 2021 through direct engagement with London underwriters and Lloyds syndicates. Very good outcomes were achieved for all councils – both in insurance rates and the cover achieved. Insurance markets remain cautious about the risk they are prepared to write but have confidence in the BOPLASS programme due to the quality of information provided and our historical relationship.</p>

	<p><u>My Everyday Wellbeing</u> – Staff online wellbeing platform used extensively across local government. Negotiated for BOPLASS councils to be treated as a single entity. Added Co-Lab and MW LASS councils into same enterprise membership. Negotiated 12-month subscription providing savings to the collective group.</p> <p><u>Rapid Antigen Tests (RATs)</u> – BOPLASS engaged with other LASS and CCOs to aggregate volumes to leverage improved pricing. Several RATs orders were placed on behalf of BOPLASS, Co-Lab, MW LASS and council CCOs. The volume of the collective order resulted in heavily discounted pricing and priority service.</p> <p><u>GIS Training</u> – BOPLASS coordinated specialised GIS ArcPro training across the BOPLASS councils, providing substantial savings through the collective training and also helping to bring all councils up to similar skill levels.</p> <p><u>High-Volume Print</u> – The benefits of councils collaborating in high-volume print services are being investigated. Councils currently use a variety of solutions ranging from in-house commercial print equipment/print rooms to outsourced models. <i>Investigation still under action.</i></p> <p><u>Cyber Insurance</u> – The renewal of councils’ cyber insurance policies was facilitated by BOPLASS through a collective programme. Insurers have become much more selective in their placements and local government are viewed as a high-risk client. BOPLASS were able to bring Berkshire Hathaway Specialty Insurance onto the programme who thoroughly analysed councils’ IT systems and security. Despite an initial rejection of cover for some councils, BOPLASS was able to provide further information to the insurers, resulting in the collective approach being reinstated and all councils able to secure cover at a reduced cost. <i>Cyber cover is an annual agreement that requires going to market every year.</i></p> <p><u>Aerial Imagery</u> – As part of the BOPLASS regional imagery programme, three tenders were run for orthophotography services this year. Separate contracts were awarded to AAM NZ for the eastern BOP region and TCC interim flying programmes. The flying and imagery for TCC included specific requirements for the capture of high growth areas. A separate procurement process was undertaken for Gisborne District Council with the contract awarded to Aerial Surveys.</p>
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<p>Identify opportunities to collaborate with other LASS in Procurement or Shared Service projects where alliance provides benefits to all parties.</p> <p>BOPLASS to regularly engage with other LASS to identify and explore opportunities for further inter-regional collaboration.</p> <p>Quarterly reporting on engagement and a minimum of one new collaborative initiative undertaken annually.</p>	<p>Achieved</p>	<p>BOPLASS has led several InterLASS projects this year or worked together with other LASS to develop inter-regional benefits:</p> <ul style="list-style-type: none"> <li>• Waste Operator Licencing Data System</li> <li>• Courier Services</li> <li>• Mail Services</li> <li>• H&amp;S Management System</li> <li>• H&amp;S training providers</li> <li>• Occupational Health Services</li> <li>• Rapid Antigen Tests purchasing</li> <li>• Staff Wellbeing Portal</li> <li>• Regional Contractor Database</li> <li>• Risk Management Practices</li> <li>• Collaborative Policy Development</li> <li>• Insurance Renewals Standardisation</li> <li>• Debt Recovery Services</li> </ul> <p>BOPLASS continues to work closely with MW LASS and Co-Lab with the LASS leads aiming to meet on a quarterly basis. Several joint procurement projects have been completed and further opportunities identified.</p> <p>Projects being undertaken by other LASS are offered to BOPLASS councils on a commercial basis.</p>
<p>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.</p> <p>Increase usage of the Collaboration Portal by providing support and training material for new and existing users.</p> <p>Proactively market the benefits to councils.</p> <p>Number of listed projects to increase by 5% per year.</p> <p>Number of active users to increase by 10% per year.</p>	<p>Achieved</p>	<p>Projects continue to be added to the MahiTahi Collaboration Portal, increasing from 53 to 88 this year.</p> <p>Continued promotion of the MahiTahi Collaboration Portal has seen a 10.5% increase in registered users with numbers increasing from 388 to 429.</p> <p>On-boarding and training material has been helpful in creating a smooth transition for any new members.</p> <p>Working with the DIA, the MahiTahi Collaboration Portal now includes secure areas to support Local Transition Groups working collectively on the Three Waters project.</p> <p>Regional Software Holdings Limited are migrating the regional sector Special Interest Groups to be hosted in a similar collaborative environment as the MahiTahi Collaboration Portal. Technical aspects of the migration are being supported by BOPLASS.</p>
<p>Communicate with each shareholding council at appropriate levels.</p> <p>Meeting with each Executive Leadership Team.</p> <p>At least one meeting per year.</p>	<p>Not Achieved</p>	<p>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.</p> <p>Formal meetings with all council executive teams were unable to be completed this year. Staff absences,</p>

		travel restrictions and increased workloads meant not all councils could be covered. See Covid Disclosure p. 47.
<p>Ensure current funding model is appropriate.</p> <p>Review BOPLASS expenditure and income and review council contributions and other sources of funding.</p> <p>Performance against budgets reviewed quarterly. Company remains financially viable.</p>	Achieved	<p>The sources of BOPLASS funding and the viability of the funding model are regularly reviewed with financial reporting provided to the BOPLASS Board.</p> <p>Council contributions levied.</p> <p>Contributions received from activities producing savings.</p> <p>Vendor rebates collected.</p> <p>Monthly and quarterly performance reviewed.</p> <p>Financial statements reported and reviewed at Board meetings.</p> <p>Financial position year end 30 June 2022: \$6,244 surplus.</p>

**Building Blocks**

BOPLASS Ltd has been built on a number of principles and activities and these are the building blocks of our success.

*You will find examples in text boxes scattered through the document.*



**PART TWO – ACCOUNTABILITY STATEMENTS**



## Statement of Responsibility


The following pages 24-47 outline the financial statements and notes for year ended 30 June 2023 for BOPLASS Limited.


The directors believe that proper accounting records have been kept that enable, with reasonable accuracy, the determination of the financial position of the company and facilitate compliance of the financial statements with the Financial Reporting Act 1993.

The directors consider that they have taken adequate steps to safeguard the assets of the company, and to prevent and detect fraud and other irregularities. Internal control procedures are also considered to be sufficient to provide reasonable assurance as to the integrity and reliability of the financial statements.

The directors are pleased to present the financial statements of BOPLASS Ltd for the twelve months ended 30 June 2023.

For and on behalf of the Board of Directors:

Signed:  Craig O'Connell – Chair Date: 29 September 2023

Signed:  Fiona McTavish – Director Date: 29 September 2023

### MahiTahi Local Government Collaboration Portal



A portal for registration of council projects, collaboration opportunities and identification of potential project partners. Also includes collaboration areas for staff to engage with their peers within other councils.



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New Zealand

## INDEPENDENT AUDITOR'S REPORT

### TO THE SHAREHOLDERS OF BOP LASS LIMITED'S FINANCIAL STATEMENTS AND PERFORMANCE INFORMATION FOR THE YEAR ENDED 30 JUNE 2023

The Auditor-General is the auditor of BOP LASS Limited (the company). The Auditor-General has appointed me, Donna Taylor, using the staff and resources of BDO Tauranga, to carry out the audit of the financial statements and performance information of the company on his behalf.

#### Opinion

We have audited:

- the financial statements of the company on pages 27 to 47, that comprise the statement of financial position as at 30 June 2023, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year ended on that date and the notes to the financial statements that include accounting policies and other explanatory information and
- the performance information of the company on pages 7 to 21.

In our opinion:

- the financial statements of the company on pages 27 to 47:
  - present fairly, in all material respects:
    - its financial position as at 30 June 2023; and
    - its financial performance and cash flows for the year then ended; and
  - comply with generally accepted accounting practice in New Zealand in accordance with Public Benefit Entity Simple Format Reporting- Accrual (Public Sector); and
- the performance information of the company on pages 7 to 21 presents fairly, in all material respects, the company's actual performance compared against the performance targets and other measures by which performance was judged in relation to the company's objectives for the year ended 30 June 2023.

Our audit was completed on 29 September 2023. This is the date at which our opinion is expressed.

The basis for our opinion is explained below. In addition, we outline the responsibilities of the Board of Directors and our responsibilities relating to the financial statements and the performance information, we comment on other information, and we explain our independence.

#### Basis for our opinion

We carried out our audit in accordance with the Auditor-General's Auditing Standards, which incorporate the Professional and Ethical Standards and the International Standards on Auditing (New Zealand) issued by the New Zealand Auditing and Assurance Standards Board. Our responsibilities under those standards are further described in the Responsibilities of the auditor section of our report.

We have fulfilled our responsibilities in accordance with the Auditor-General's Auditing Standards.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**PARTNERS:** Fraser Lellman CA Janine Hellyer CA Paul Manning CA Donna Taylor CA Linda Finlay CA Michael Lim CA

BDO New Zealand Ltd, a New Zealand limited company, is a member of BDO International Limited, a UK company limited by guarantee, and forms part of the international BDO network of independent member firms. BDO New Zealand is a national association of independent member firms which operate as separate legal entities.



## **Responsibilities of the Board of Directors for the financial statements and the performance information**

The Board of Directors is responsible on behalf of the company for preparing financial statements that are fairly presented and that comply with generally accepted accounting practice in New Zealand. The Board of Directors is also responsible for preparing the performance information for the company.

The Board of Directors is responsible for such internal control as it determines is necessary to enable it to prepare financial statements and performance information that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements and the performance information, the Board of Directors is responsible on behalf of the company for assessing the company's ability to continue as a going concern. The Board of Directors is also responsible for disclosing, as applicable, matters related to going concern and using the going concern basis of accounting, unless the Board of Directors intends to liquidate the company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors' responsibilities arise from the Local Government Act 2002.

## **Responsibilities of the auditor for the audit of the financial statements and the performance information**

Our objectives are to obtain reasonable assurance about whether the financial statements and the performance information, as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit carried out in accordance with the Auditor-General's Auditing Standards will always detect a material misstatement when it exists. Misstatements are differences or omissions of amounts or disclosures, and can arise from fraud or error. Misstatements are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decisions of shareholders, taken on the basis of these financial statements and the performance information.

We did not evaluate the security and controls over the electronic publication of the financial statements and the performance information.

As part of an audit in accordance with the Auditor-General's Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. Also:

- We identify and assess the risks of material misstatement of the financial statements and the performance information, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- We obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- We evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.
- We evaluate the appropriateness of the reported performance information within the company's framework for reporting its performance.
- We conclude on the appropriateness of the use of the going concern basis of accounting by the Board of Directors and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists we are required to draw attention in our auditor's report to the related disclosures in the financial statements and the performance information or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- We evaluate the overall presentation, structure and content of the financial statements and the performance information, including the disclosures, and whether the financial statements and the

performance information represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Board of Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Our responsibilities arise from the Public Audit Act 2001.

### **Other Information**

The Board of Directors is responsible for the other information. The other information comprises the information included on pages 1 to 6, 22 to 23 and 47, but does not include the financial statements and the performance information, and our auditor's report thereon.

Our opinion on the financial statements and the performance information does not cover the other information and we do not express any form of audit opinion or assurance conclusion thereon.

In connection with our audit of the financial statements and the performance information, our responsibility is to read the other information. In doing so, we consider whether the other information is materially inconsistent with the financial statements and the performance information or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on our work, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### **Independence**

We are independent of the company in accordance with the independence requirements of the Auditor-General's Auditing Standards, which incorporate the independence requirements of Professional and Ethical Standard 1: *International Code of Ethics for Assurance Practitioners* issued by the New Zealand Auditing and Assurance Standards Board.

Other than the audit, we have no relationship with, or interests in, the company.



Donna Taylor  
BDO Tauranga  
On behalf of the Auditor-General  
Tauranga, New Zealand

## Financial Statements – Statement of Financial Position

STATEMENT OF FINANCIAL POSITION - AS AT 30 JUNE 2023			
BOP LASS LTD	Notes	BOP LASS Ltd	
		2022/23 Actual	2021/22 Actual
<b>ASSETS - CURRENT</b>			
Bank accounts and cash	10	445,751	370,585
Short Term Investments	10	250,000	550,000
Debtors and Other Receivables	11	1,813,692	153,287
Prepayments	12	171,055	116,891
<b>Total Current Assets</b>		<b>2,680,500</b>	<b>1,190,763</b>
<b>ASSETS - NON-CURRENT</b>			
Intangible Assets	13	7,055	9,340
Plant and Equipment	14	16,855	22,762
<b>Total Non-Current Assets</b>		<b>23,910</b>	<b>32,101</b>
<b>TOTAL ASSETS</b>		<b>2,704,410</b>	<b>1,222,864</b>
<b>LIABILITIES - CURRENT</b>			
Creditors and Accrued Expenses	15	459,207	281,151
Employee Costs Payable	16	40,554	31,070
Income in Advance	17	2,176,128	858,574
Borrowings	18	0	0
<b>Total Current Liabilities</b>		<b>2,675,889</b>	<b>1,170,795</b>
<b>TOTAL LIABILITIES</b>		<b>2,690,891</b>	<b>1,170,795</b>
<b>TOTAL ASSETS less TOTAL LIABILITIES</b>		<b>28,520</b>	<b>52,070</b>
<b>EQUITY</b>			
Accumulated Deficits	19	(70,482)	(46,932)
Share Capital	19	99,002	99,002
<b>TOTAL EQUITY</b>		<b>28,520</b>	<b>52,070</b>

The notes and Statement of Accounting Policies form part of these financial statements.

For and on behalf of the Board of Directors:

Signed:



Craig O'Connell – Chair

Date: 29 September 2023

Signed:



Fiona McTavish – Director

Date: 29 September 2023



## Financial Statements – Statement of Financial Performance

STATEMENT OF FINANCIAL PERFORMANCE - FOR THE YEAR ENDED 30 JUNE 2023				
BOP LASS LTD	Notes	BOP LASS Ltd		
		2022/23 Actual	2022/23 Budget	2021/22 Actual
<b>REVENUE</b>				
Council Contribution	2	328,507	313,792	306,140
Project Revenue	2	1,583,738	1,295,700	1,632,054
Interest Revenue	3	14,936	4,300	9,425
Other Income	2.5	0	0	50,000
<b>Total Revenue</b>		<b>1,927,181</b>	<b>1,615,592</b>	<b>1,997,619</b>
<b>EXPENSES</b>				
Depreciation and Amortisation	4	8,191	8,350	7,355
Employee Related Costs	5	319,349	289,520	312,989
Directors Costs	6	19,393	21,000	18,000
Finance Cost	7	0	500	0
Other Expenses	8	1,603,799	1,296,222	1,647,109
<b>Total Expenses</b>		<b>1,950,730</b>	<b>1,615,592</b>	<b>1,985,454</b>
<b>Surplus/(Deficit) before tax</b>		<b>(23,549)</b>	<b>0</b>	<b>12,165</b>
Income Tax Expense/(Benefit)	9	0	0	5,921
<b>Surplus/(Deficit) after tax</b>		<b>(23,549)</b>	<b>0</b>	<b>6,244</b>

The notes and Statement of Accounting Policies form part of these financial statements.  
 Explanations of major variances against budget are provided in note 25.

### Media Monitoring

A shared media monitoring portal provides councils with improved visibility of community feedback through monitoring of press and social media.



## Financial Statements – Statement of Cashflows

STATEMENT OF CASHFLOWS - FOR THE YEAR ENDED 30 JUNE 2023			
BOP LASS LTD	Notes	BOP LASS Ltd	
		2022/23 Actual	2021/22 Actual
<b>CASHFLOWS FROM OPERATING ACTIVITIES</b>			
Council Contribution		328,507	306,140
Other Revenue		0	50,000
Project Revenue		1,221,724	1,439,315
Interest Revenue		14,936	9,425
Tax Paid - RWT (net)		0	0
Goods and Services Tax (net)		0	(8,669)
<b>Total Cash Provided</b>		<b>1,565,167</b>	<b>1,796,211</b>
Employee Related Costs		(301,800)	(299,491)
Payments to Suppliers		(1,694,384)	(1,722,774)
Interest Paid		0	0
Tax Paid - RWT (net)		(3,837)	3,019
Goods and Services Tax (net)		210,022	0
<b>Total Cash Applied</b>		<b>(1,789,999)</b>	<b>(2,019,246)</b>
<b>NET CASHFLOWS FROM OPERATING ACTIVITIES</b>		<b>(224,835)</b>	<b>(223,035)</b>
<b>CASHFLOWS FROM INVESTING ACTIVITIES</b>			
Acquisition of Investments		300,000	250,000
Purchase of Plant and Equipment		0	(25,096)
Purchase of Intangibles		0	0
<b>Total Investing Cash Applied</b>		<b>300,000</b>	<b>224,904</b>
<b>NET CASHFLOWS FROM INVESTING ACTIVITIES</b>		<b>300,000</b>	<b>224,904</b>
<b>CASHFLOWS FROM FINANCING ACTIVITIES</b>			
Proceeds from Loans		0	0
Repayment of Loans		0	0
<b>NET CASHFLOWS FROM FINANCING ACTIVITIES</b>		<b>0</b>	<b>0</b>
<b>NET INCREASE/(DECREASE) IN CASH</b>		<b>75,165</b>	<b>1,869</b>
<b>CASH AT BEGINNING OF THE YEAR</b>		<b>370,586</b>	<b>368,716</b>
<b>CASH AT END OF THE YEAR</b>	10	<b>445,751</b>	<b>370,586</b>

The GST component of operating activities reflects the net GST paid and received to and from the Inland Revenue Department. The GST component has been prepared on a net basis, as the gross amounts do not provide meaningful information for financial purposes.

The notes and Statement of Accounting Policies form part of these financial statements.



## Entity Information for the Year Ended 30 June 2023

### **LEGAL NAME**

BOPLASS Limited stands for Bay of Plenty Local Authority Shared Services.

### **TYPE OF ENTITY AND LEGAL BASIS**

BOPLASS Limited is incorporated in New Zealand under the Companies Act 1993.

### **COMPANY'S PURPOSE**

BOPLASS Ltd is based in Tauranga and is a joint venture between nine councils formed to provide shared services.

### **STRUCTURE OF COMPANY'S OPERATIONS INCLUDING GOVERNANCE ARRANGEMENTS**


The company is owned and controlled by the nine councils and comprises a Board of ten directors who oversee the governance of the company. A Chief Executive is responsible for the day-to-day operations of the company and reports to the Board, with two other staff supporting the Chief Executive in delivering against the company's objectives. The Board is made up of nine Chief Executives from participating councils and one independent director. Refer Statutory Disclosure note page 46 for list of councils.

### **MAIN SOURCE OF THE COMPANY'S CASH AND RESOURCES**

Annual operating contribution received from each of the nine councils and project commissions are the main source of funding.

### **OUTPUTS**

As per the Statement of Intent and Performance.



**All of Government (AoG) Procurement**

BOPLASS takes into account and supports opportunities available through All of Government purchasing arrangements.



## Statement of Accounting Policies

### Statement of Accounting Policies for the Year Ended 30 June 2023

#### ACCOUNTING POLICIES APPLIED:

##### **BASIS OF PREPARATION**

The Board has elected to apply PBE SFR-A (PS) *Public Benefit Entity Simple Format Reporting – Accrual (Public Sector)* on the basis that the company does not have public accountability (as defined) and has total annual expenses less than \$2 million.

All transactions in the financial statements are reported using the accrual basis of accounting. The financial statements are presented in New Zealand dollars (\$) and all values are rounded to the nearest dollar. The functional currency of BOPLASS Ltd is New Zealand dollars.

The financial statements are prepared on the assumption that the company will continue to operate in the foreseeable future.

##### **SIGNIFICANT ACCOUNTING POLICIES**

There have been no changes to accounting policies during the reporting period.

##### **GOODS AND SERVICES TAX**

The company is registered for GST. All amounts in the financial Statements are recorded exclusive of GST, except for debtors and creditors which are stated inclusive of GST.

##### **REVENUE RECOGNITION**

Revenue is measured at the fair value of the consideration received or receivable.

Contributions received from the nine shareholder councils are BOPLASS Limited's primary source of funding for the 12 months ended 30 June 2023.

Council contributions are recognised as revenue when they become receivable unless there is an obligation to return the funds if conditions of the contributions are not met. No such obligation is attached to the council contributions received for the twelve months ended 30 June 2023.

Project revenue is recognised when the sale of goods or services is sold to the customer.

Interest revenue is recorded as it is earned during the year.



### **EMPLOYEE RELATED COSTS**

Wages, salaries, and annual leave are recorded as an expense as staff provide services and become entitled to wages, salaries and leave entitlements.

Performance payments are recorded when the employee is notified that the payment has been granted.

Superannuation contributions are recorded as an expense as staff provide services.

### **ADMINISTRATION, OVERHEADS AND PROJECT EXPENDITURE COSTS**

These are expensed when the related service has been received.

### **LEASE EXPENSES**

Lease payments are recognised as an expense on a straight-line basis over the lease term.

### **BANK ACCOUNTS AND CASH**

Bank accounts and cash comprise cash on hand, cheque or savings accounts, and deposits held at call with banks.

### **DEBTORS AND OTHER RECEIVABLES**

Debtors are initially recorded at the amount owed. When it is likely the amount owed (or some portion) will not be collected, a provision for impairment is recognised and the loss is recorded as a bad debt expense.

### **PLANT AND EQUIPMENT**

Plant and equipment is recorded at cost, less accumulated depreciation and impairment losses.

For an asset to be sold, the asset is impaired if the market price for an equivalent asset falls below its carrying amount. For an asset to be used by the company, the asset is impaired if the value to the company in using the asset falls below the carrying amount of the asset.

Depreciation is provided on a diminishing value basis over the estimated useful life, at the same rate as is allowed by the Income Tax Act 1994.

The useful lives for associated depreciation rates of other assets have been estimated using the diminishing value basis as follows:

Office equipment	5 years	20%
Computer equipment/ICN	4 years	25%





## **INTANGIBLE ASSETS**

Acquired computer software licenses are capitalised on the basis of the costs incurred to acquire and bring to use the specific software. Costs associated with maintaining computer software are recognised as an expense when incurred.

The carrying value of an intangible asset with a finite life is amortised on a diminishing value basis over its estimated useful life, at the same rate as is allowed by the Income Tax Act 1994. This charge is recognised as an expense.

The useful lives for associated amortisation rates of major classes of intangible assets have been estimated using the diminishing basis as follows:

2021 Computer Software	2 years	50%
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## **CREDITORS AND ACCRUED EXPENSES**

Creditors and accrued expenses are measured at the amount owed.

## **EMPLOYEE COSTS PAYABLE**

A liability for employee costs payable is recognised when an employee has earned the entitlement.

These include salaries and wages accrued up to balance date and annual leave earned but not yet taken at balance date. A liability and expense for long service leave and retirement gratuities is recognised when the entitlement becomes available to the employee.

## **INTEREST BEARING LOANS AND BORROWINGS**

Loans & Borrowings are recognised at the amount borrowed from the lender.

Interest costs and interest accrued are recognised as an expense when incurred.

## **INCOME TAX**

Tax expense is calculated using the taxes payable method. As a result, no allowance is made for deferred tax. Tax expense includes the current tax liability and adjustments to prior year tax liabilities.

## **BUDGET FIGURES**

The budget figures are derived from the Statement of Intent as approved by the Board at the beginning of the financial year. The budget figures have been prepared in accordance with Tier 3 standards, using accounting policies that are consistent with those adopted by the Board in preparing these financial statements.



## **COMMITMENT AND CONTINGENT LIABILITIES**

Commitments and contingencies are disclosed exclusive of GST.

## **EQUITY**

Equity is measured by the value of total assets less total liabilities.

## **TIER 3 PBE ACCOUNTING STANDARDS APPLIED**

BOPLASS Ltd has applied Tier 3 Accounting Standards in preparing its Financial Statements to:

- Property, plant and equipment to show intangible assets separate from property, plant & equipment.
- Debtors and prepayments reported separately.

### **Print Services**

A collective contract with Canon for photocopiers and printers has delivered significant savings to the group. It has also provided a common technology platform supporting the development and delivery of further shared services.



## Notes to Financial Statements

### NOTE 2: COUNCIL CONTRIBUTION / PROJECT REVENUE

	Notes	BOP LASS Ltd		
		2022/23 Actual	2022/23 Budget	2021/22 Actual
<b>Core Revenue</b>				
Council Contribution		328,507	313,792	306,140
				<b>306,140</b>
<b>Project Revenue</b>				
Rebates	*	622	2,500	3,188
Aerial Photography Revenue	**	741,188	400,000	688,275
Video Conferencing Revenue	***	22,472	15,000	26,145
Revenue - ICN	****	127,595	130,000	142,596
Recoveries	*****	654,611	700,000	735,151
Collaboration Portal Revenue	*****	37,250	50,000	36,700
				<b>1,632,054</b>
<b>TOTAL CORE AND PROJECT REVENUE</b>		<b>1,912,245</b>	<b>1,611,292</b>	<b>1,938,194</b>

- \* Rebates for Services contracted by BOPLASS Ltd are received from NZ Post Ltd and a final from CSG.
- \*\* Aerial Photography revenue is offset by Aerial Photography expenditure paid by BOPLASS Ltd on behalf of the councils. Refer to Note 8.
- \*\*\* Video Conferencing Revenue is offset by Video Conferencing expenditure.
- \*\*\*\* ICN Revenue is offset by ICN expenditure.
- \*\*\*\*\* Recovery Revenue is offset by recovery expenditure refer to Note 8. This is the recovery of BOPLASS project or procurement costs incurred on behalf of the participating councils.
- \*\*\*\*\* Collaboration Portal Revenue is offset by Collaboration Portal expenditure.

### NOTE 2.5: OTHER INCOME

	Notes	BOP LASS Ltd		
		2022/23 Actual	2022/23 Budget	2021/22 Actual
<b>Other Income</b>				
LINZ Grant	*	0	0	50,000
Reimbursement		0	0	0
<b>TOTAL OTHER INCOME</b>		<b>0</b>	<b>0</b>	<b>50,000</b>

- \* A one-off \$50,000 contribution to the BOPLASS aerial imagery programme received from LINZ.

### NOTE 3: INTEREST REVENUE

	Notes	BOP LASS Ltd		
		2022/23 Actual	2022/23 Budget	2021/22 Actual
<b>Core Revenue</b>				
Interest Revenue - Current account		6,039	200	640
<b>Project Revenue</b>				
Interest Revenue - Aerial Trust account		8,897	4,100	8,784
<b>TOTAL INTEREST REVENUE</b>		<b>14,936</b>	<b>4,300</b>	<b>9,425</b>



#### NOTE 4: DEPRECIATION AND AMORTISATION EXPENSE

	Notes	BOP LASS Ltd		
		2022/23 Actual	2022/23 Budget	2020/21 Actual
<b>Core Expenditure</b>				
Intangibles	*	2,285	7,700	3,138
Plant and Equipment	**	5,906	650	4,217
<b>TOTAL DEPRECIATION AND AMORTISATION EXPENSE</b>		<b>8,191</b>	<b>8,350</b>	<b>7,355</b>

\* Intangibles refer to note 13.

\*\* Plant and Equipment refer to note 14.

#### NOTE 5: EMPLOYEE RELATED COSTS

	Notes	BOP LASS Ltd		
		2022/23 Actual	2022/23 Budget	2021/22 Actual
<b>Core Expenditure</b>				
Salary and Wages		275,060	265,670	271,338
Superannuation	*	20,379		18,813
Direct Personnel Overheads	**	23,910	23,850	22,837
<b>TOTAL EMPLOYEE RELATED COSTS</b>		<b>319,349</b>	<b>289,520</b>	<b>312,989</b>


\* Superannuation includes employer contributions to Kiwisaver.

\*\* Direct Personnel Overheads include ACC, Fringe Benefit Tax, staff training costs and other staff support costs.

#### NOTE 6: DIRECTORS COSTS

	Notes	BOP LASS Ltd		
		2022/23 Actual	2022/23 Budget	2021/22 Actual
<b>Core Expenditure</b>				
Directors Costs (Fees & Travel)	*	19,393	21,000	18,000
<b>TOTAL DIRECTORS COSTS</b>		<b>19,393</b>	<b>21,000</b>	<b>18,000</b>

\* Craig O'Connell is the only independent paid Director, commenced February 2015. The other nine Directors are the Chief Executives of participating Councils and do not receive any remuneration from BOPLASS.



### Insurance

Collaboration with insurance has provided improved service levels and substantial premium savings for all councils.



## NOTE 7: FINANCE COST

	Notes	BOP LASS Ltd		
		2022/23 Actual	2022/23 Budget	2022/23 Actual
<b>Core Expenditure</b>				
Interest on Borrowings	*	0	500	0
<b>TOTAL FINANCE COST</b>		<b>0</b>	<b>500</b>	<b>0</b>

\* Interest on Tauranga City Council loan refer to Note 18.

## NOTE 8: OTHER EXPENSES

	Notes	BOP LASS Ltd		
		2022/23 Actual	2022/23 Budget	2021/22 Actual
<b>Core Expenditure</b>				
Audit Fees	*	21,277	21,300	21,277
Administration Expenses	**	18,049	17,500	14,814
Consultancy	***	8,400	5,300	8,250
General Costs	****	9,985	10,600	5,320
Insurance		10,950	10,500	9,860
Crime Prevention		13,163	0	0
		<b>81,824</b>	<b>65,200</b>	<b>59,521</b>
<b>Project Expenditure</b>				
Aerial Photography	*	741,188	400,000	688,275
Video Conferencing	**	19,360	14,100	26,145
Inter Council Network (ICN)	**	115,910	124,800	108,582
Recoveries	***	618,870	665,000	742,601
Collaboration Portal Opex	****	26,647	27,122	21,985
		<b>1,521,975</b>	<b>1,231,022</b>	<b>1,587,588</b>
<b>TOTAL OTHER EXPENSES</b>		<b>1,603,799</b>	<b>1,296,222</b>	<b>1,647,109</b>

### Core

- \* Audit Fees for 2023 are \$21,277
- \*\* Administration Expenses
- \*\*\* Consultancy includes tax advice for both 2022 and 2023
- \*\*\*\* Accommodation & Travel, Bank Fees, Conferences, General Expenses, Health & Safety, Legal, Subscriptions

### Project

- \* BOPLASS Ltd has a contract for aerial photography on behalf of the councils. This expenditure is offset from the revenue received from the councils. BOPLASS Ltd is acting on behalf of the councils.
- \*\* ICN Expenses. This expenditure is offset from the revenue received from the councils. BOPLASS Ltd is acting on behalf of the councils.
- \*\*\* Recoveries - This expenditure is offset from the revenue received from the councils for project work.
- \*\*\*\* Collaboration Portal Opex - to assist in accelerating growth of shared service strategies and projects throughout local government in New Zealand by increasing visibility of councils' opportunities to collaborate.



**NOTE 9: INCOME TAX EXPENSE**

	Notes	BOP LASS Ltd	
		2022/2023 Actual	2021/2022 Actual
<b>Components of tax expense</b>			
Current Tax Expense		0	0
Adjustments to current tax in prior years		0	5,921
Tax Expense		0	0
<b>INCOME TAX EXPENSE</b>		<b>0</b>	<b>5,921</b>
<b>Relationship between tax expense and accounting profit</b>			
Net surplus (deficit) before Taxation*		(23,550)	12,165
Tax calculation @ 28%		(6,594)	3,406
Plus/(Less) Taxation effect of:		0	0
Non-deductible Expenditure		328,507	278,706
Imputation credit adjustment		0	0
Non-taxable (income)/expenditure		(328,507)	(278,436)
Prior Period Adjustment		0	5,921
Group loss offset		0	0
Tax Losses not recognised		0	0
Deferred tax adjustment		(6,594)	(3,676)
<b>TOTAL INCOME TAX EXPENSE</b>		<b>0</b>	<b>5,921</b>

Tax credit of \$7,025.20 are available to carry forward and offset against any future taxable income.

**Joint Procurement**

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.



**NOTE 10: BANK ACCOUNTS, CASH AND OTHER FINANCIAL ASSETS**

	Notes	BOP LASS Ltd	
		2022/23 Actual	2021/22 Actual
Cash at Bank - Current account		439,819	361,609
Cash at Bank - Aerial Trust account		5,932	8,976
Term Deposit 182 days		250,000	550,000
<b>TOTAL BANK ACCOUNTS AND CASH</b>		<b>695,751</b>	<b>920,585</b>

**NOTE 11: DEBTORS AND OTHER RECEIVABLES**

	Notes	BOP LASS Ltd	
		2022/23 Actual	2021/22 Actual
Debtors – Other		1,734,157	3,457
Goods and Services		0	22,999
Accrued Revenue		67,758	118,890
Tax (Payable) / Receivable		11,777	7,941
<b>TOTAL DEBTORS AND OTHER RECEIVABLES</b>		<b>1,813,692</b>	<b>153,287</b>

Debtors are non-interest bearing and receipt is normally 30-day terms. Therefore, the carrying figure of debtors approximates their fair value.

**NOTE 12: PREPAYMENTS**

	Notes	BOP LASS Ltd	
		2021/22 Actual	2021/22 Actual
Under 1 Year		171,055	116,891
<b>TOTAL PREPAYMENTS</b>		<b>171,055</b>	<b>116,891</b>

**Coalition of the Willing**

BOPLASS councils work within an opt-in principle, meaning projects initially advance with willing and active participants.



## NOTE 13: INTANGIBLE ASSETS

	Notes	BOP LASS Ltd	
		2022/23 Actual	2021/22 Actual
<b>Computer Software</b>			
<b>Cost</b>			
Cost at beginning of Year		79,174	79,174
Current Year Additions		0	0
Current Year Disposals		0	0
<b>Cost Balance at Year End</b>		<b>79,174</b>	<b>79,174</b>
<b>Accumulated Amortisation and Impairment</b>			
Cost at beginning of Year		(69,835)	(66,696)
Amortisation Expense		(2,284)	(3,139)
Impairment Losses			
<b>Accumulated Amortisation and Impairment Balance at Year End</b>		<b>(72,119)</b>	<b>(69,835)</b>
<b>Carrying Amounts</b>			
Cost at beginning of Year		9,340	12,478
<b>Carrying Amount at Year End</b>		<b>7,055</b>	<b>9,340</b>

Amortisation Expense was at varying rates between 15% to 60%.

No impairment losses have been recognised for intangible assets.

## NOTE 14: PLANT AND EQUIPMENT

	Notes	BOP LASS Ltd	
		2022/23 Actual	2021/22 Actual
<b>Office and Computer Equipment</b>			
<b>Cost</b>			
Cost at beginning of Year		29,613	4,516
Current Year Additions		0	25,097
Current Year Disposals		0	0
<b>Cost Balance at Year End</b>		<b>29,613</b>	<b>29,613</b>
<b>Accumulated Depreciation and Impairment</b>			
Cost at beginning of Year		(6,852)	(2,635)
Depreciation Expense		(5,905)	(4,217)
Impairment Losses		0	0
Loss on Disposal of Asset		0	0
<b>Accumulated Depreciation and Impairment Balance at Year End</b>		<b>(12,757)</b>	<b>(6,852)</b>
<b>Carrying Amounts</b>			
Cost at beginning of Year		22,762	1,882
<b>Carrying Amount at Year End</b>		<b>16,855</b>	<b>22,762</b>

Office equipment has been depreciated over its life (5 years).

Computer equipment has been depreciated over its life (4 years).





#### NOTE 15: CREDITORS AND ACCRUED EXPENSES

	Notes	BOP LASS Ltd	
		2022/23 Actual	2021/22 Actual
ANZ Business Credit Card		0	3,887
Creditors		202,057	194,596
Accrued Expenses		25,691	25,497
Goods and Services Tax Payable		194,515	0
Retentions		36,944	57,172
<b>TOTAL CREDITORS AND ACCRUED EXPENSES</b>		<b>459,207</b>	<b>281,151</b>

ANZ Business Credit Card facilities were arranged primarily to pay international accounts for software to reduce the fees charged and to improve expense processes and reporting.

Creditors are non-interest bearing and are normally settled on 30-day terms. Therefore, the carrying value of creditors and other payables approximates their fair value.

#### NOTE 16: EMPLOYEE COSTS PAYABLE

	Notes	BOP LASS Ltd	
		2022/23 Actual	2021/22 Actual
Accrued Salaries and Wages		8,163	7,295
Annual Leave		23,357	11,222
PAYE		9,034	12,553
<b>TOTAL EMPLOYEE COSTS PAYABLE</b>		<b>40,554</b>	<b>31,070</b>

#### NOTE 17: INCOME IN ADVANCE

	Notes	BOP LASS Ltd	
		2022/23 Actual	2021/22 Actual
Income in Advance	*	2,176,128	858,574
<b>TOTAL INCOME IN ADVANCE</b>		<b>2,176,128</b>	<b>858,574</b>

\* Income in advance that relates to 2022/23 financial year:  
 \$9,850,000 relating to Crime Prevention  
 \$653,439 is for aerial photography  
 \$388,391 ESRI Licensing  
 \$49,999 is for Proof-of-Concept budget for OpsCom Projects  
 \$28,863 N3 Expenses  
 \$26,166 Geocortex  
 \$17,954 Solid Waste  
 \$16,050 MCA and IPWEA Subs  
 \$10,266 is for the Geospatial Web project



**NOTE 18: BORROWINGS**

	Notes	BOP LASS Ltd	
		2022/23 Actual	2021/22 Actual
Maturing in Under 1 Year		0	0
<b>TOTAL BORROWINGS</b>		<b>0</b>	<b>0</b>

BOPLASS Ltd has a reciprocal borrowing arrangement with Tauranga City Council which allows for the borrowing of funds and placement of excess funds. The current loan balance as at 30 June 2023 is \$NIL. Interest is accrued during each interest period. This loan facility is still available to BOPLASS Ltd.

Interest is calculated at current market rates. The loan from Tauranga City Council is unsecured.

**NOTE 19: EQUITY**

	Notes	BOP LASS Ltd	
		2022/23 Actual	2021/22 Actual
<b>Share Capital</b>			
Balance at beginning of Year		99,002	99,002
Fully Paid up Shares		0	0
<b>Balance at Year End</b>		<b>99,002</b>	<b>99,002</b>
<b>Accumulated Surpluses/(Deficit)</b>			
Balance at beginning of Year		(46,932)	(53,176)
Surplus/(Deficit) after Taxation		(23,550)	6,244
<b>Balance at Year End</b>		<b>(70,482)</b>	<b>(46,932)</b>

**Share Capital** - As at 30 June 2023, share capital comprised of thirty-one Ordinary Shares and twenty-two Non-Voting Shares.

The holders of the ordinary shares are entitled to receive dividends as declared from time to time, are entitled to one vote per share at meetings of the Company and rank equally regarding the Company's residual assets.

**Dividends** - No dividends have been paid or are proposed by the Company.

**NOTE 20: CONTINGENCIES**

BOPLASS Ltd have no contingencies at year end and that there were no contingencies for prior year.

**NOTE 21: EVENTS OCCURRING AFTER BALANCE DAY**

No events have occurred since balance date for BOPLASS Ltd.



## NOTE 22: STATEMENT OF COMMITMENTS

	Notes	BOP LASS Ltd	
		2022/23 Actual	2021/22 Actual
Capital Commitments		0	0
<b>TOTAL CAPITAL COMMITMENTS</b>		<b>0</b>	<b>0</b>


This statement represents extraordinary or exceptionally large commitments for that type of expenditure within the normal course of business, which have been contractually entered. As at balance date, BOPLASS Ltd has no large commitments of this nature.

BOPLASS Ltd has a contractual agreement with AAM Limited and Aerial Surveys Ltd to provide aerial photos for the councils. This is treated as an operational expense in the BOPLASS Ltd accounts.

OPERATING LEASES AS LESSEE	Notes	BOP LASS Ltd	
		2022/23 Actual	2021/22 Actual
Not later than one year		0	0
Later than one year and not later than five years		0	0
Later than five years		0	0
<b>TOTAL OPERATING LEASES AS LESSEE</b>		<b>0</b>	<b>0</b>

The expense of \$115,910 for the Inter Council Network is recognised in the Statement of Financial Performance refer to Note 8. Participating councils are invoiced by BOPLASS Ltd on a quarterly basis to recover the costs of the Inter Council Network. The pricing is reviewable not less than annually and adjustments are to be made for market trends and for the number of councils participating.

RECOVERY OF OPERATING LEASES PAYMENTS FROM PARTICIPATING COUNCILS	Notes	BOP LASS Ltd	
		2022/23 Actual	2021/22 Actual
Not later than one year		0	0
Later than one year and not later than five years		0	0
Later than five years		0	0
<b>TOTAL OPERATING LEASES AS LESSOR</b>		<b>0</b>	<b>0</b>



### Video Conferencing

Distance and travel time are a significant cost. BOPLASS has assisted councils to implement video conferencing to make activities more efficient.



## NOTE 23: RELATED-PARTY TRANSACTIONS

Related-party disclosures have not been made for transactions with related parties that are within a normal supplier or client / recipient relationship on terms and conditions no more or less favourable than those that it is reasonable to expect the company would have adopted in dealing with the party at arm's length in the same circumstances.

### Related party required to be disclosed

Tauranga City Council provided accounting services to BOPLASS Ltd during the financial year to 30 June 2023 free of charge. An estimated value of the accounting services provided for the year is \$15,000.

## NOTE 24: STATEMENT OF PERFORMANCE AGAINST STATEMENT OF INTENT

The Equity Ratio is a good indicator of the level of leverage used by a company. The Equity Ratio measures the proportion of the total assets that are financed by stockholders and not creditors.

The calculation of equity ratio is:

2023: 1.05% (2022: 4.32%)

## NOTE 25: EXPLANATIONS OF MAJOR VARIANCES AGAINST BUDGET

BOP LASS Ltd	
Statement of Financial Performance	Variance against Budget
Aerial Photography Revenue and Expenditure (Note 2)	Due to favourable weather conditions, suppliers were able to complete more work than expected. As a result, revenue and expenses have increased proportionally.
Collaboration Portal (Note 2)	Collaboration Portal revenue and expenses have decreased proportionally through various cost saving activities.
ICN Expenditure (Note 8)	ICN expenditure has decreased due to the capital recognition of \$25,097 which will be depreciated over 4 years. (Note 14)
Video Conference Revenue and Expenditure (Note 2)	Fewer video conference services purchased, decreasing expenditure and revenue against budget.
Recoveries and Projects – Recoveries (Note 2)	Project timing is often impacted by reprioritisation of workstreams, with this affecting Project Recoveries and Expenditure. Both the expense and revenue remained proportional.
Interest Revenue (Note 3)	Increasing interest rates have resulted in the increase we see in bank interest.



**NOTE 26: BOPLASS CONTRACTUAL OFFSETTING REVENUE & EXPENDITURE TRANSACTIONS**

	BOP LASS Ltd 2022/23			
	Revenue	Expenditure	Net Operating Surplus/(Deficit)	Explanation
<b>Core</b>				
Council Contribution	328,507	0	328,507	BOPLASS Ltd receives funds from nine councils to fund administrative costs not related to projects. Includes CPI Adjustment.
Interest Revenue	6,039	0	6,039	Refer Note 3.
Other Income – Reimbursement	0	0	0	Refer Note 2.5.
Depreciation & Amortisation	0	8,191	(8,191)	Refer to Note 4.
Salary and Wages	0	275,060	(275,060)	Refer to Note 5.
Superannuation	0	20,379	(20,379)	Refer to Note 5.
Direct Personnel	0	23,910	(23,339)	Refer to Note 5.
Overheads				
Directors Fees & Costs	0	19,393	(19,393)	Refer to Note 6.
Administration Expenses	0	18,049	(18,049)	Refer to Note 8.
Audit Fees	0	21,277	(21,277)	Refer to Note 8.
Consultancy	0	8,400	(8,400)	Refer to Note 8.
Insurance	0	10,950	(10,950)	Refer to Note 8.
General	0	9,985	(9,985)	Refer to Note 8.
Crime Prevention	0	13,163	(13,163)	Refer to Note 8.
<b>Total</b>	<b>334,546</b>	<b>428,755</b>	<b>(93,639)</b>	
<b>Projects</b>				
Aerial Photography	741,188	741,188	0	Participating councils are invoiced by BOPLASS Ltd and AAM Ltd is paid as percentages of the work on the project are completed.
Interest Revenue related to Aerial Photography	8,897	0	8,897	Bank interest received on the BOPLASS Ltd Aerial Photography Trust account. Refer to Note 3.
Canon Video Conferencing	22,472	19,360	3,112	Councils pay BOPLASS Ltd an amount charged by Canon plus an administrative fee for BOPLASS Ltd maintaining a service and maintenance contract on behalf of the councils.
Inter Council Network	127,595	115,910	11,685	Participating councils are invoiced by BOPLASS Ltd on a quarterly basis to recover the cost for the Inter Council Regional Network Platform. ICN revenue includes recovery of other operating expenditure - ICN, interest on borrowings - ICN loan and BOPLASS Ltd administration fees.
Project Recoveries	654,611	618,870	35,741	BOPLASS charges an administration fee for management of the software purchase and recoveries.
Rebates	622	0	622	Rebates earned by BOPLASS from CSG Technology and NZ Post Ltd.



Collaboration Portal	37,250	26,647	10,603	The Portal is to assist in accelerating growth of shared service strategies and projects throughout local government in New Zealand by increasing visibility of councils' opportunities to collaborate. Membership Revenue lower than expected.
<b>Total</b>	<b>1,592,635</b>	<b>1,521,975</b>	<b>70,659</b>	

<b>Overall Total</b>	<b>1,927,181</b>	<b>1,950,730</b>	<b>(23,550)</b>	
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#### BOP LASS Ltd 2020/21

	BOP LASS Ltd 2021/22		
	Revenue	Expenditure	Net Operating Surplus/(Deficit)
<b>Core</b>			
Council Contribution	306,140	0	306,140
Interest Revenue	640	0	640
Other Income – Reimbursement	50,000	0	50,000
Depreciation & Amortisation	0	7,355	(7,355)
Salary and Wages	0	271,338	(271,338)
Superannuation	0	18,813	(18,813)
Direct Personnel Overheads	0	22,837	(22,837)
Directors Fees & Costs	0	18,000	(18,000)
Administration Expenses	0	14,814	(14,814)
Audit Fees	0	21,277	(21,277)
Consultancy	0	8,250	(8,250)
Insurance	0	9,860	(9,860)
General	0	5,320	(5,320)
Tax Expense	0	5,921	(5,921)
<b>Total</b>	<b>356,780</b>	<b>403,785</b>	<b>(47,005)</b>
<b>Projects</b>			
Aerial Photography	688,275	688,275	0
Interest Revenue related to Aerial Photography	8,784	0	8,784
Canon Video Conferencing	26,145	26,145	0
Inter Council Network	142,596	108,582	34,014
ESRI Enterprise Licence (Recoveries)	374,500	370,800	3,700
Other Recoveries	360,651	371,801	(11,151)
Rebates	3,188	0	3,188
Collaboration Portal	36,700	21,985	14,715
<b>Total</b>	<b>1,640,838</b>	<b>1,587,589</b>	<b>53,249</b>
<b>Overall Total</b>	<b>1,997,619</b>	<b>1,991,375</b>	<b>6,244</b>



## Statutory Disclosures as per section 211 (1) of the Companies Act (1993)

### NATURE OF BUSINESS

There has been no change in the nature of the business of the company during the year.

### DIRECTORS APPOINTED

Under the Shareholder Agreement directors are appointed by the constituent councils. Directors and their dates of appointment are as follows:

Independent director	Craig O'Connell	26 February 2015 Chair from 16 March 2016
Kawerau District Council	Russell George	14 January 2008
Bay of Plenty Regional Council	Fiona McTavish	30 June 2018
Western Bay of Plenty District Council	John Holyoake	19 July 2021
Rotorua Lakes Council	Geoff Williams	1 July 2013
Whakatane District Council	Stephanie O'Sullivan	19 November 2018
Tauranga City Council	Martin Grenfell	3 September 2018
Taupo District Council	Gareth Green	26 July 2016 until 24 March 2023
	Julie Gardyne	2 June 2023
Gisborne District Council	Nedine Thatcher-Swann	13 March 2017
Opotiki District Council	Aileen Lawrie	10 August 2010 until 26 July 2022
	Miles McConway (Acting)	16 August 2022 until 22 September 2022
	Stace Lewer	23 September 2022

### INTEREST REGISTER

There have been no disclosures of self-interest during the period.

### DIRECTORS REMUNERATION

In February 2015 the Board appointed an independent director. The independent director receives remuneration and is reimbursed for related expenses. No remuneration had been paid to other directors.

### DONATIONS

There were no donations made by the company during the period.

