New Zealand Institute for Advanced Technology

Statement of Performance Expectations

Te Tauākī o Ngā Tūmanakohanga Whakatutuki

For the partial year from 12 January 2026 - 30 June 2026

2025/26

New Zealand Institute for Advanced Technology | Statement of Performance 2025/2026 | presented to the House of Representatives pursuant to section 149E of the Crown Entities Act 2004

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Foreword
Kupu whakataki

NZIAT's purpose is to drive economic transformation and better lives for New Zealanders through advanced technology. This document outlines NZIAT's role, mission, vision and initial actions to form the company, alongside our planned activity.

While 2025/26 is an establishment year, NZIAT is being built from the outset as an active, mission-led public investor, using early investment decisions and platform development to shape long-term economic impact.

Our Mission is: "From frontier research to frontier companies for a prosperous New Zealand"

Our ambition is to quadruple the contribution to New Zealand's GDP from the advanced technology sector over the next 10 years.

Our mission is closely aligned to the Government's science system reform goal for a simpler, more strategic science, innovation and technology system that turns ideas into solutions that benefit New Zealand.

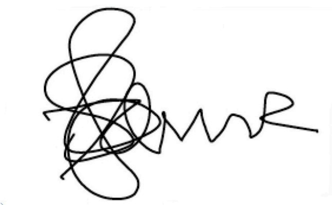
NZIAT sits alongside the three new future-focused science organisations, but with a difference. It advances its objectives through funding and working with others to undertake research, rather than undertaking the research directly. Our ability to engage, influence and get the investment incentives right are at the top of our agenda.

Our vision is that New Zealand becomes a world leader among small, advanced economies in our application of advanced technology to solve big problems.

We are cognisant of the significant opportunity in front of us. New Zealand faces a persistent productivity challenge and is under-invested in advanced technology research compared with other small, advanced economies.

Peer economies invest heavily in applied research institutes that bridge universities and industry in areas such as artificial intelligence, advanced materials, quantum technologies and clean energy.

New Zealand has advanced technology capabilities that can make the shifts our country needs.



Stephen O'Connor
Establishment Chair

29 June 2026

Statement of responsibility

Te tauāki noho haepapa

This Statement of Performance Expectations reflects our proposed performance targets and forecast financial information for the period 12 January 2026 to 30 June 2026. It is produced in accordance with the requirements of section 149E of the Crown Entities Act 2004.

During this period the company is operating with the support of the Ministry of Business, Innovation and Employment (MBIE), with guardrails in place to provide appropriate levels of confidentiality.

We recommend reading this document alongside the SPE for 2026/2027 to gain a more comprehensive understanding of NZIAT's priorities and functions. We intend to complete our first Statement of Intent by 12 January 2027.

The forecast financial statements and underlying assumptions in this document have been authorised as appropriate for issue by the Board of NZIAT in accordance with its role under the Crown Entities Act 2004.

The Board acknowledges responsibility for the information and prospective financial statements contained in this Statement of Performance Expectations

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Stephen O'Connor
Establishment Chair

29 June 2026

Our role
Ko wai mā mātou

NZIAT is a Crown-owned company that drives economic transformation and better lives for New Zealanders through advanced technology.

NZIAT's shareholding Ministers are the Minister of Finance and the Minister of Science, Innovation and Technology (Minister of SI&T), who is the Responsible Minister. It is led by the NZIAT Board appointed by Cabinet. The Ministry of Business, Innovation and Employment (MBIE) is both the policy and monitoring lead agency for NZIAT.

NZIAT contributes to the Science, Innovation and Technology (SI&T) pillar of the Government's Going for Growth strategy.

NZIAT focuses on accelerating economic growth through cutting-edge advanced technology science and innovation that unlock new economic opportunities across sectors such as health, energy, transport, and the space industry.

NZIAT is intended to become a Public Research Organisation (PRO), following the enactment of the Research, Science, Innovation and Technology Bill. Its function differs from other future PROs in that it invests in other people and organisations to undertake its research priorities.

Our Strategic Framework
Tō mātou anga rautaki

Our strategic framework currently consists of our vision, purpose, mission, ambition and functional priorities and performance framework for this financial year (see the Performance Framework, page 17).

We will be developing this initial framework for the Statement of Intent, which will provide NZIAT's 4-year strategic direction.

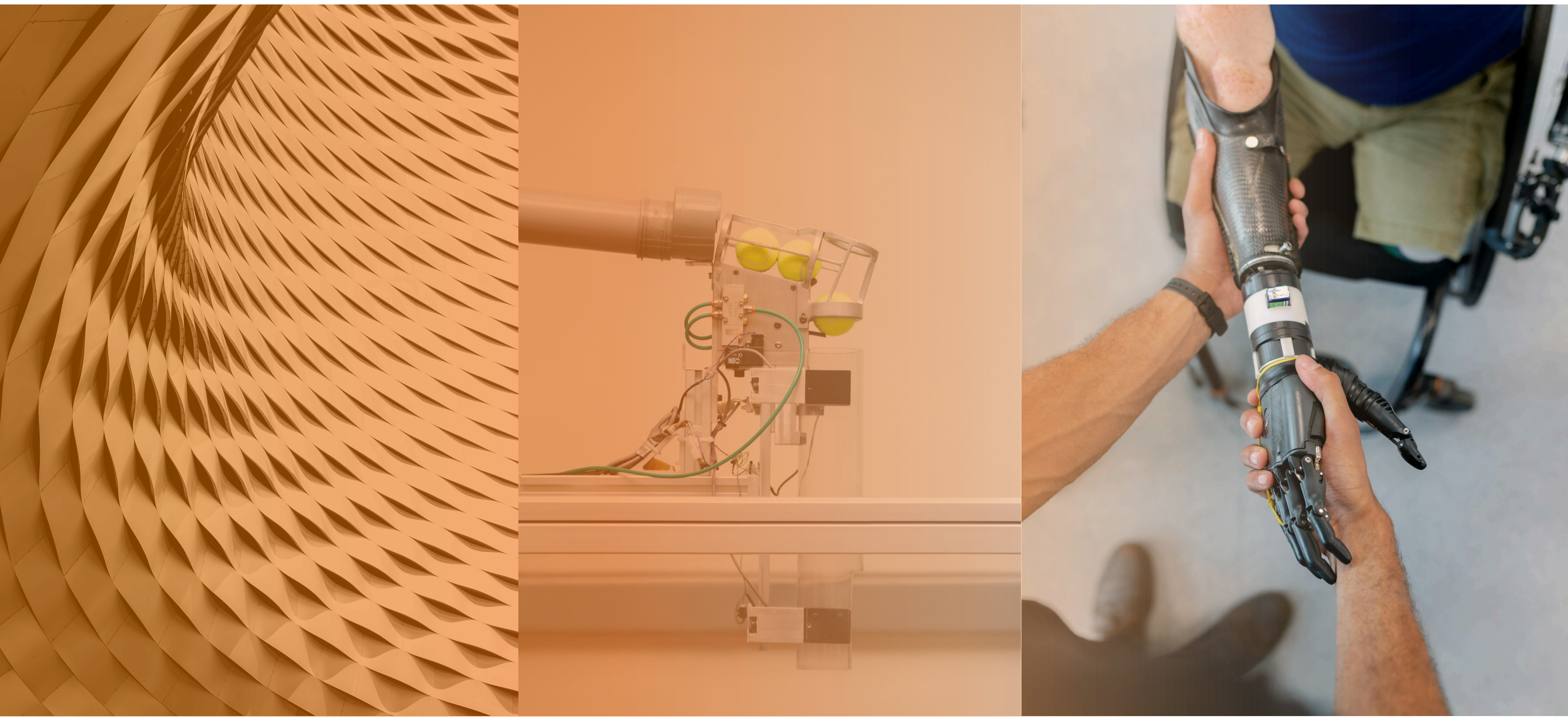
NZIAT received an extension for up to six-months from NZIAT's legal establishment date (its incorporation on 12 January 2026) to provide the Minister of SI&T with its draft Statement of Intent.

We anticipate completing a Statement of Intent for 2026 – 2030 by 12 January 2027.

We have received and responded to a Letter of Expectations for the 2026/27 financial year from the shareholding Ministers. We acknowledge that we will:

- align to the new Government Science Priorities to ensure national coherence and to drive system-wide outcomes for New Zealand; and
- demonstrate adaptability in our research portfolio, to ensure continued relevance to both sector stakeholders and emerging technology areas.

In responding to the shareholding Ministers' Letter of Expectations, the Board has emphasised NZIAT's role as an active, mission-led investor, the importance of building investment models that extend beyond platforms, and the need to focus early effort on strategic outcomes.



Our Functions: What we do

Ā mātou mahi

As our strategic framework is still in development, for this year, we focus on our three core functions. Our functions guide the direction of the organisation. The following functions are central to NZIAT's objective to undertake research on advanced technology priorities that support economic growth and positions New Zealand to build long-term capability and competitiveness in the global innovation system:

Active Investment	We invest in world leading applied research that generates highly valuable new knowledge in advanced technology domains and enable the sector to innovate, develop new solutions and build global competitiveness.
Trusted Intelligence	We systematically gather, analyse, and apply data, insights, and evidence to inform decision-making, guide portfolio investment, and enhance organisational and sector performance.
Catalyst	We align science and technology efforts with national priorities, strengthening the sector, transforming the capabilities of and opportunities for researchers, industry, entrepreneurs and investors.

Initial Priorities
Ngā aronga matua tuatahi

This SPE reflects our proposed activities, performance targets and forecast financial information for the year ending 30 June 2026.

The SPE has four priorities for this year, against which NZIAT performance is measured. For these activities, NZIAT will utilise its operational funding from Output Class 1 (see Table 1, page 12). Our focus is on establishing our core functions and operational delivery in specific areas. NZIAT plans to hold Output Class 4 Capital Injection as cash reserves. Output Classes 2 and 3 are not funded in the 2025/6 financial year.

The priorities reflect the scope of operational funding received in this financial year and preparatory work required for NZIAT's 2026/27 full year of operation.

Building an active investment strategy

The Government has announced an initial direction for NZIAT's investment in advanced technologies. In 2025/26 the Government announced two major investments in science platforms:

Future Magnetic and Materials Technologies: The platform host, Paihau – Robinson Research Institute (RRI), based at Te Herenga Waka /Victoria University of Wellington, is known for world-leading expertise in superconductors, magnets and materials technologies that have many applications, including developing portable MRI machines and building smaller, faster engines. This investment is managed by MBIE until 2026/27, when the contract will transition to NZIAT at an appropriate point.

Artificial intelligence (AI): MBIE launched a Phase 1 request for proposals for internationally leading-edge AI research that makes sense for New Zealand to undertake, creates highly productive, knowledge-intensive firms and opens new market possibilities for New Zealand. Of the proposals submitted, 5 proposals received funding to advance the concept provided in a closed Phase 2 contest for platform funding. In the last quarter of 2025/26, NZIAT will be deciding which provider/s will receive platform investment from 2026/27.

The Government also launched a discovery phase to explore a **national quantum technologies (QT) research platform**. NZIAT now leads this discovery, exploring New Zealand's domestic QT capabilities and international opportunities for commercialisation, to see whether and how further investment can support cutting-edge research and commercial opportunities.

NZIAT inherits the work on these initial platforms and will seek to amplify the benefits. We will continue to work alongside MBIE, as the policy lead and the monitoring agency, to ensure there is a smooth transition of these responsibilities over 2025/26 and 2026/27.

NZIAT is building its approach to operate as an active, mission-led portfolio investor. It will deploy a range of investment mechanisms from 2026/27 – including, where appropriate, stakes in ventures – to build a strong pipeline of advanced technologies from research through to commercial impact.

NZIAT views increased industry research and development, leading to scalable commercial outcomes, as a core component of its portfolio and a critical driver of long-term economic transformation. Investment decisions will remain responsive to Government priorities and the funding allocations and settings established through Research Funding New Zealand (RFNZ).

NZIAT will actively manage and, where necessary, reprioritise its portfolio over time to ensure public funds and assets are directed to where they generate the greatest value and impact.

An intelligence approach that informs future priorities

Our intelligence approach is in development. We want NZIAT to be known as a trusted source of advice on advanced technology investment.

NZIAT's intelligence work will be informed by the Prime Minister's Science Innovation and Technology Advisory Council's (PMSITAC) recent report on the Government Science Priorities, published in March 2026. The PMSITAC report sets out recommendations to refocus government's science investment, signalling a clear shift towards clear national research priorities and proposing a reallocation of funding to strengthen New Zealand's capability in advanced technologies, such as artificial intelligence, aerospace and synthetic biology. NZIAT will draw on this direction to help align the science system with future economic opportunities, strengthen public value from investment, and ensure ongoing responsiveness to emerging challenges.

Catalysing the advanced technology sector

Effort will be directed toward becoming an effective part of the broader science system, particularly building relationships with researchers, other PROs and universities, investors and industry – both nationally and internationally.

We are engaging with key stakeholders to test our initial thinking on our investment strategy and to identify the tools NZIAT will need to effectively mobilise intelligence and support the advanced technology sector's capability to grow. We envisage that NZIAT activities will facilitate the development of world-class capability in advanced technology fields – growing it here and attracting that talent from overseas.

We will also be looking for opportunities to engage with and advise RFNZ on the prioritisation of funding for advanced technology, and assist the PMSITAC to develop, maintain, and regularly refresh a shared view of New Zealand's critical technologies.

Operational excellence

NZIAT is being built as a lean organisation, with most of the funding it will receive in 2026/27 being invested in advanced technology research and development undertaken by others. A readiness test will be conducted to stress test its operational system and embed a continuous improvement approach.

Governance and management foundations have been established, with progress underway to recruit the permanent Chief Executive and identify other critical roles for its first full year of operation in 2026/27.

We will have strong regard for the Government's enduring Letter of Expectations to Crown Entities (April 2024). Our organisational strategy will focus on managing our cost drivers and understanding performance against key outcomes. We will track costs and ensure expenses adhere to the approved funding envelope, as per the Funding Agreement. We will provide timely quarterly reports to MBIE on progress to-date and priorities for the coming quarter. Our proportionate, risk-based approach to research security will be developed, including partner due diligence and IP protection.

Financial sustainability
Te toitūtanga pūtea

This section outlines NZIAT's approach to financial sustainability from 1 April 2026, when it received funding, until 30 June 2026.

NZIAT Multi-Category Appropriation

NZIAT's Funding (Revenue) comes from a non-departmental Multi-Category Appropriation (MCA) "Science, Innovation and Technology: New Zealand Institute for Advanced Technology Limited" established in Vote Business, Science and Innovation.

The single overarching purpose of the NZIAT appropriation is to undertake research on advanced technology priorities and provide innovation and science services. This appropriation is intended to achieve an increase in the creation, application, and commercial uptake of advanced technologies that contribute to New Zealand's economic growth.

NZIAT has four reportable classes of output, funded through Vote: Business, Science and Innovation (see Table 1). Of these output classes, NZIAT received funding for two of the output classes for 2025/26: Operations and Capital Injection.

Table 1: Scope of funding for NZIAT as per the MCA

Title	Type	Scope
1. Advanced Technology Operations	Non-Departmental Output Expense	This category is limited to operational funding to support the administration and provision of advice, research, science and innovation funding mechanisms and services.
2. Enabling Industry Innovation and Research and Development	Non-Departmental Output Expense	This category is limited to funding for innovation services to businesses related to the provision of research and technical expertise, grants and access to facilities.
3. Advanced Technology Research Platforms	Non-Departmental Output Expense	This category is limited to funding for advanced technology research platforms, and related commercial arrangements.
4. Advanced Technology Capital Injection	Non-Departmental Capital Expense	This category is limited to capital expenditure to invest in the New Zealand Institute for Advanced Technology Limited.

2025/2026 funding for NZIAT operations and capital only

NZIAT received Government funding to deliver specific products, programmes and funds (outputs) via a Funding Agreement with MBIE from 1 April 2026.

For 2025/26, the Funding Agreement provided for NZIAT Category 1: Advanced Technology Operations and Category 4: Advanced Technology Capital Injection only (see Table 2).

Income from other sources is not anticipated in the 2025/2026 financial year. In future, NZIAT may receive other funding, including Government funding from other sources, public funding and revenue from commercial activities.

Table 2: Funding and forecasted expenses (Multi-Category Appropriation)

OUTPUT CLASSES	Budget 2025/26 $ million
1. Advanced Technology Operations	4.650
2. Enabling Industry Innovation and Research and Development	Nil
3. Advanced Technology Research Platforms	Nil
Total Revenue	**4.657**
Expenses (Net of Other Revenue)	(2.701)
Net Surplus (deficit)	1.949
4. Advanced Technology Capital Injection	2.000

The MCA includes a Capital Injection provided by way of shares:

- shares were set at $1 per share (standard Crown entity convention), and
- 2 million shares were issued on the incorporation of NZIAT, with each shareholding Minister holding 1 million shares.

The $2 million capital injection was calculated to provide up to 3 months liquidity to cover operational expenses and a modest amount of funds to support one-off set-up costs. Its purpose is to provide establishment funding and balance-sheet liquidity consistent with standard Crown entity company practice.

Forecasted Financial Performance

NZIAT anticipates its expenditure against its revenue for 2025/26 as follows:

Cost and funding (Multi-Category Appropriation)

	25/26 SPE
	For the year ending 30 June 2026
Revenue	
Crown Revenue - Appropriation	4.650
Revenue - Other	7.000
Total Revenue	**4.657**
Expenses	2.708
Net surplus (deficit)	**1.949**

The forecasted 2025/26 underspend will be carried forward into 2026/27 to support the delivery of NZIAT's investment strategy.

For the 2025/26 financial year, the funding in this appropriation is separated into two categories.

Category 1 - Advanced technology operations

This category is limited to operational funding to support the administration and provision of advice, research, science and innovation funding mechanisms and services

Cost and funding

	25/26 SPE ($000)
Revenue	
Crown Revenue - Appropriation	4.657
Total Revenue	**4.657**
Expenses	2.708
Net surplus (deficit)	**1.949**

Category 4 - Advanced technology capital injections

This category is limited to capital expenditure to invest in the New Zealand Institute for Advanced Technology Limited

Cost and funding

	25/26 SPE ($000)
Equity funding	
Crown capital injection (equity)	2,000
Total	**2,000**

NZIAT will support the Government's economic programme through prudent fiscal management of our assets and finances, and careful management of capital expenditure and investments to demonstrate value add.

Summary of Financial Performance

	25/26 SPE
For the year ending 30 June 2026	**($000)**
Crown Revenue	4.65
Interest Received	7
Total Income	4.657
Operating Costs	2.708
Grant expense	0
Total Expenditure	2.708
Net surplus (deficit)	1.949

NZIAT Performance Framework

Te anga mahi whakatutuki

This section sets out the funding and performance expectations for 2025/26. We will report our performance against these expectations in NZIAT's Annual Report. Our performance framework is derived from NZIAT's initial thinking on its strategic direction and operating model.

Figure 1: NZIAT's Performance Framework for 2025/26

<table>
<tr><td colspan="4">Government Mandate (Our purpose)
"To drive economic transformation and better lives for New Zealanders through advanced technology."</td></tr>
<tr><td colspan="2">Our mission
"From frontier research to frontier firms for a prosperous New Zealand"</td><td colspan="2">Our ambition
Quadruple the contribution to New Zealand's GDP from the advanced technology sector over the next 10 years.</td></tr>
<tr><td colspan="4">The outcome we seek (our vision)
New Zealand becomes a world leader among small, advanced economies in our application of advanced technology to solve big problems.</td></tr>
<tr><td colspan="4">Impacts (what we will achieve) *
Not assessed in 2025/26. See NZIAT's Statement of Intent for the 4-year Performance Framework plan.</td></tr>
<tr><td>Active Investment
Increased industry R&D and commercial outcomes support a pipeline of advanced technology research.</td><td>Catalyst
Increase in active advanced technology talent participating in NZIAT-supported platforms, projects and commercialisation pathways.</td><td>Trusted Intelligence
NZIAT is a trusted source of advice on advanced technology investment.</td><td>Operational Excellence
NZIAT operates efficiently and effectively as a lean company.</td></tr>
<tr><td colspan="4">Outputs for the 2025/26 year (what we do)</td></tr>
<tr><td>Receive independent advice on the 2026/2027 AI investment.</td><td>Identify and implement tools NZIAT needs to support the growth of the advanced technology sector capability.</td><td>Progress the discovery process for the quantum technologies platform.</td><td>Identify critical roles for the year 2026/27 and start recruitment.</td></tr>
<tr><td colspan="4">Inputs in 2025/26 (what we must manage well)</td></tr>
<tr><td>Define NZIAT's investment strategy.</td><td>Relationships with universities, PROs, other research institutes, key industry players, and MBIE.</td><td>Methods and pathways for the provision of intelligence advice.
Relationships with shareholding Ministers, PMSITAC and RFNZ.</td><td>Crown appropriation: $2 million capital injection and $4.65 million operating funding.</td></tr>
</table>

** This performance framework will develop further following the work to develop NZIAT's Statement of Intent 2026 - 2030, which is due to be finalised by 12 January 2027. The impacts shown in this framework represent NZIAT's intended future-state only and are not assessed in 2025/26.*

Our Performance measured by output class

NZIAT's performance measures for 2025/26 align with the two output classes funded in this financial year (Category 1: Advanced Technology Operations and Category 4: Capital Injection) and build on the non-financial performance measures for the NZIAT MCA.

Some performance measures related to Output Class 1: Operations and Output Class 4: Capital Injection are reflected in the 2025/26 Estimates of Appropriations. These performance measures are shown in **bold.**

For measures that continue into 2026/27, a benchmark for the impacts will be identified in the year 2026/2027 and may result in adjustments to the measures in future years.

Output Class 1 – Advanced Technology Operations

Output Class 1 funds NZIAT's core operating capability, including the leadership, staff, systems, governance, intelligence and engagement functions required to administer funding, provide advice, manage investment activity, and operate effectively as a Crown-owned company. This output class supports NZIAT's organisational establishment and ongoing operational delivery, but does not fund programmes, platforms, or other investments, which sit in other output classes.

SPE No.	Performance Measures for Output Class 1	Target 2025/26	Measurement and Evidence
1.1	**Number of full-time equivalent staff working for NZIAT reaches critical threshold (transitional)***	**20**	**Payroll and HR establishment records**
1.2	**Permanent Chief Executive recruitment underway****	**Achieved - Process initiated by 30 June 2026)**	**Board-approved recruitment plan; search firm engagement**
1.3	Risks to cost drivers identified and actively managed	Achieved - Risk register approved and reviewed at least once by 30 June 2026)	Board minutes and financial reports
1.4	Cost tracking and budget adherence within approved envelope	100% of appropriation	Audited financial statements
1.5	Quarterly financial and performance reports provided to MBIE in accordance with the Funding	100% - 2 reports delivered one month after quarter end.	Submission dates recorded by MBIE

Notes:
* Number of full-time equivalent staff working for NZIAT reaches a critical threshold: This is a transitional measure for the NZIAT MCA overall, and for the 2025/26 establishment period only. NZIAT operational funding was calculated on up to 20 FTE and the definition of what constitutes a "critical threshold" will be set out in the Data Dictionary.
** Permanent Chief Executive underway: This is a transitional measure for the 2025/26 establishment year only. A permanent Chief Executive appointment is critical for the success of NZIAT.

Output Class 4 – Advanced Technology Capital Injection

Output Class 4 provides equity funding to support NZIAT's establishment, financial resilience and balance-sheet strength, rather than funding delivery or investment activity.

SPE No.	Performance Measures for Output Class 4	Target 2025/26	Measurement and Evidence
4.1	Percentage of capital spent within programme scope including retained capital for financial resilience*	100% compliance	Audited financial statements; Funding Agreement compliance assessment

* This is a transitional measure for the 2025/26 establishment period only. The $2 million capital injection was calculated to provide up to 3 months liquidity to cover operational expenses and a modest amount of funds to support one-off set-up costs.

Measurement sources

Responsibility for measuring and reporting will sit with NZIAT, through its annual report and associated Data Dictionary.

NZIAT will, where appropriate, report on progress towards these measures in its quarterly reporting to MBIE.

Prospective Financial Statements

Ngā Tauākī Pūtea Matapae

The prospective financial statements are presented in accordance with generally accepted accounting principles and the Crown Entities Act 2004. They comply with Public Benefit Entity FRS No 42 – Prospective Financial Statements and other applicable financial reporting standards, as appropriate for Public Sector Public Benefit entities.

The prospective financial statements have been prepared based on Crown policies and NZIAT outputs at the time the statements were finalised. This is forecast information and therefore the actual results achieved for the period will vary from the information presented, due to external factors.

The prospective financial statements rely on the Forecast 2025/26 assumptions. The NZIAT Board, which is responsible for the preparation of these prospective financial statements, believes the assumptions adopted at the time of preparation (April 2026) provide the best estimate of the future financial performance and state of NZIAT for the year ended 30 June 2026.

Prospective Statement of Comprehensive Revenue and Expense

For the year ending 30 June 2026	**2025/26**
$(000)	**Budget**
Income	
Revenue from Crown	4.650
Other Revenue	0.007
	4.657
Expenditure	**2025/26**
Personnel costs	419
Other expenses	2.289
Depreciation and amortisation	0
Grant expense	0
Total Expenditure	**2.708**

Surplus / Deficit from Operations	**1.949**
Other Revenue	
Enabling Industry Innovation & Research Development	0
Advanced Technology Research Platforms	0
Total Grants funding	
Grants made - Enabling Industry Innovation & Research Development	0
Grants made - Advanced Technology Research Platforms	0
Total Grants expense	0
TOTAL SURPLUD/DEFICIT	**1.949**

Prospective Statement of Equity

For the year ending 30 June	**2025/26**
$(000)	**Budget**
Retained Earnings	
Start of period	0
Surplus / Deficit	1.949
Capital Injection	2
End of period	**3.949**

Prospective Statement of Financial Position

For the year ending 30 June	2025/26
($000)	**Budget**
Equity	
Contributed Capital	2
Accumulated Surplus	1.949
Total Equity	3.949
Current Assets	
Bank	4.079
Accounts receivable	
Sundry debtors	
Interest accrued on term deposits	
Prepayments	
Total Current Assets	**4.079**

Fixtures & Fittings Accumulated depreciation	
Office equipment	
Office equipment Accumulated depreciation	
Website Development Costs	
Website Development Costs Accumulated depreciation	
Total Assets	**4.079**

Current Liabilities	
Accounts Payable	0.009
Withholding tax	(0.001)
Fringe benefit tax payable	
Sundry accruals	
Sundry provision	
Revenue in advance	
Suspense account	
Employee Entitlements	
GST	0.122
Total Current Liabilities	**0.130**
Total Fixed Liabilities	**0**
Total Liabilities	**0.130**
Net Assets (Assets less liabilities)	**3.949**

Prospective Statement of Cash Flows

For the year ending 30 June	**2025/26**
($000)	**Budget**
Cashflows from operating activities	
Receipts from Crown - operating	4.650
Receipts from Other Revenue	0.007
Total Income	**4.657**
Cash was applied to employees	419.000
Cash was applied to suppliers	2.289
Cash was applied to Grant expenses	0.000
Total Expenditure	**2.708**
Net cashflows from operating activities	**1.949**
Cashflow from Investing activities	**(2.000)**
Cashflow from financing activities	**2.000**
Net increase (decrease) in cash and cash equivalents	**1.949**
Cash and cash equivalents at the beginning of the year	0.000
Cash and cash equivalents at the end of the year	**1.949**

Statement of underlying assumptions

In preparing these prospective financial statements, NZIAT has made judgements, estimates and assumptions concerning the future. These judgements, estimates and assumptions may differ from actual results.

Operating expenses: MBIE calculated the operating expenses based on growth in Full-time Equivalent (FTE) staff, costed at $400,000 per FTE (or $180,000 per FTE plus 110% overhead expenses). The FTE was estimated to increase over time to support the increased activity each year related to an increase in the number of advanced technology research platforms.

Capital expenditure

At the time of preparing these statements, NZIAT does not have Capex forecasted, and no assets have been identified that will be transferred to NZIAT. An assessment of whether NZIAT requires Capex over the next three years would need to be undertaken.

Other major assumptions

- Government will continue to fund NZIAT's core activities in the prospective year and for the following four planning years at least to the levels indicated in the prospective financial statement above.
- Shareholding Ministers will not require NZIAT to pay a dividend on their shareholding in the company.
- The prospective financial statements are based on estimates and forecasts, the effect of which may result in the actual financials varying from the information presented, and these variations may be material.
- The statements have been prepared on a going-concern basis.
- The total funding in the non-departmental Multi-Category Appropriation (MCA) "Science, Innovation and Technology: New Zealand Institute for Advanced Technology Limited" will be provided to NZIAT by way of an annual Funding Agreement with MBIE.

Statement of Accounting Policies

Reporting entity

New Zealand Institute for Advanced Technology Limited is a Crown Entity Company in terms of the Crown Entities Act 2004. The company is wholly owned on behalf of the Crown by the two shareholding Ministers – the Minister for Science, Innovation and Technology, and the Minister of Finance. New Zealand Institute for Advanced Technology Limited is a company registered under the Companies Act 1993.

NZIAT is a Public Benefit Entity (PBE) and as such the potential conflict between the pursuit of core public science objectives set out in NZIAT's constitution and more commercial company objectives is minimised.

Basis of preparation

The prospective financial statements have been prepared on a going concern basis, and the accounting policies have been applied consistently throughout the periods covered.
Statement of compliance

The prospective financial statements have been prepared in accordance with the requirements of the Crown Entities Act 2004, which includes the requirement to comply with Generally Accepted Accounting Practice in New Zealand (NZ GAAP).

The prospective financial statements have been prepared in accordance with Tier 1 PBE accounting standards and comply with PBE FRS42 Prospective Financial Statements.
The prospective financial statements for the year ended 30 June 2026 will be used in the Annual Report as the budgeted figures.

Presentation currency and rounding

The financial statements are presented in New Zealand dollars, and all values are rounded to the nearest thousand dollars ($000).

Significant accounting policies

The accounting policies set out below have been applied consistently to all periods presented in these financial statements.

Changes in accounting policies

Accounting policies are changed only if the change is required by a standard or interpretation or otherwise provides for more reliable and more relevant information. There are no changes to accounting policies.

Cost allocation

NZIAT produces four non-departmental output expenses – only those bolded received funding in this financial year. All costs are directly attributed to the bolded output expenses.

- **Advanced Technology Operations: This category is limited to operational funding to support the administration and provision of advice, research, science and innovation funding mechanisms and services.**
- Enabling Industry Innovation and Research and Development: This category is limited to funding for innovation services to businesses related to the provision of research and technical expertise, grants and access to facilities.
- Advanced Technology Research Platforms: This category is limited to funding for advanced technology research platforms, and related commercial arrangements.
- **Advanced Technology Capital Injection: This category is limited to capital expenditure to invest in the New Zealand Institute for Advanced Technology Limited.**

Revenue (Crown and other revenue)

NZIAT derives revenue from the Government through the Minister of Business, Innovation and Employment for specific purposes as outlined in its annual Funding Agreement.
Other revenue is derived from generating activities and interest from bank deposits. All revenue is measured at the fair value of the consideration receivable.

Goods and services tax (GST)

All items in the financial statements are exclusive of GST, with the exception of receivables and payables, which are stated with GST included. Where GST is irrecoverable as an input tax, then it is recognised as part of the related asset or expense.

Taxation

Income tax expense comprises both current tax and deferred tax and is calculated using tax rates that have been enacted or substantively enacted by the balance date.

Current tax is the amount of income tax payable based on the taxable profit for the current year, plus any adjustments to income tax payable in respect of prior years.

Deferred tax is the amount of income tax payable or recoverable in future periods in respect of temporary differences and unused tax losses. Temporary differences are differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the entity expects to recover or settle the carrying amount of its assets and liabilities.

Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which the deductible temporary differences or tax losses can be utilised.

Deferred tax is not recognised if a temporary difference arises from the initial recognition of goodwill or from the initial recognition of an asset and liability in a transaction that is not a business combination, and at the time of the transaction, affects neither accounting profit nor taxable profit.

Deferred tax is recognised on taxable temporary differences arising on investments in subsidiaries and associates, and interests in joint ventures, except where the company can control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

Current tax and deferred tax are charged or credited to the statement of financial performance, except when it relates to items charged or credited directly to equity, in which case the tax is dealt with in equity.

Accounts receivable
Accounts receivable are stated at expected fair value and measured at amortised cost less any provision for impairment.

Cash and cash equivalents
Cash and cash equivalents in the balance sheet comprises cash at bank, in hand and short-term deposits with an original maturity of three months or less that are readily convertible to known amounts of cash.

Non-current assets
Property, plant and equipment will be stated at fair value. Where a revaluation results in a debit balance in the revaluation reserve, the debit balance will be expensed in the Statement of Financial Position.

To the extent that a revaluation gain reverses a loss previously charged to the Comprehensive Statement of Revenue and Expense, the gain is credited to the Comprehensive Statement of Revenue and Expense.

Other non-current assets such as prepayments are recorded in NZIAT's Statement of Financial Position. These are payments received for services in one period but are recognised in the Statement of Financial Position in future periods.

Impairment of assets
At each balance sheet date, NZIAT assesses whether there is any objective evidence that any group of non-current assets is impaired. Any impairment losses are recognised in the Comprehensive Statement of Revenue and Expense.

Depreciation and amortisation
Depreciation is provided on a straight-line basis on all property, plant and equipment other than freehold land, at rates that will write off the cost of the assets to their estimated residual values over their useful lives. The useful lives of major classes of assets have been estimated as follows:

- Buildings at 5 to 50 years
- Leasehold improvements at Term of lease
- Plant and equipment at 5 to 20 years
- Motor vehicles at 5 years
- Computer hardware at 3 to 5 years
- Furniture, fittings and other at 5 to 10 years

Note at this stage there are no Assets transferred to NZAIT. The categories above are indicative if / when Assets are acquired.

Capital work in progress is not depreciated. The total cost of a project is transferred to the relevant fixed asset account when it is completed and begins its productive life. It is then depreciated over its estimated economic life.

Intangible assets
Software, both acquired and developed, is included under intangible assets. Also under this category are capital contribution payments made to suppliers for co-sitting rights which relate to future periods in accordance with the contractual terms.

Amortisation
The carrying value of an intangible asset with a finite life is amortised on a straight-line basis over its useful life.

The useful lives of major classes of assets have been estimated as follows:

- Computer software at 2 to 5 years
- Capital contribution at Term of Contract

Note at this stage there are no Assets transferred to NZAIT – But the categories above are indicative if / when Assets may be acquired.

Employee entitlements
Provision is made for the company’s liability for annual and long service leave. Annual leave is calculated on an actual entitlement basis at average current rates of pay over the past year in accordance with the Holidays Act 2003, whilst the long service leave provision is calculated on an actuarial basis. A provision for sick leave is not provided for as NZIAT does not carry forward sick leave into future periods.

Superannuation schemes
Obligations for contributions to KiwiSaver are accounted for as defined contribution superannuation schemes and are recognised as an expense in the Income Statement as incurred.

Provisions
NZIAT recognises a provision for future expenditure of uncertain amount or timing when there is a present obligation (either legal or constructive) as a result of a past event, and it is probable that expenditures will be required to settle the obligation, and a reliable estimate can be made of the amount.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the obligation.

Leases
NZIAT has no finance leases.

Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased items are classified as operating leases.

Payments under these leases are recognised as expenses in the periods in which they are incurred. RNZ leases its motor vehicles and the majority of its premises.

Financial instruments
NZIAT is party to financial instruments as part of its normal operations. These financial instruments include bank accounts, short-term deposits, debtors, creditors and loans.

All financial instruments are recognised in the statement of financial position and all revenues and expenses in relation to financial instruments are recognised in the Income Statement. All financial instruments are shown at their fair value.

Cash flow statement
Cash and cash equivalents mean current bank accounts and demand/call deposits. Operating activities are those activities relating to the purchase and supply of goods and services. Investing activities are those activities relating to the acquisition and disposal of non-current assets. Financing activities comprise those activities that change the equity and debt capital structure of the company.

Foreign currency transactions
Foreign currency transactions are converted into New Zealand dollars at the spot rate at the date of the transaction. These transactions are settled immediately; consequently, no exchange gain or loss is recognised. NZIAT also enters into foreign exchange contracts (FECs) to cover significant overseas purchases. These are defined as financial derivatives under PBE standards and the fair value of FECs are determined on the basis of quoted market rates.

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