



Dear Jennifer,

Further expectations regarding the disestablishment of Callaghan Innovation

I write to convey further expectations in relation to the disestablishment of Callaghan Innovation as part of the Government's science reforms. This letter builds on the letter I sent to you on 24 January 2025.

Research and Development Solutions

My previous letter to you communicated my intention that funding for any Callaghan Innovation activities not expressly set out in that letter would cease from 30 June 2025.

It remains my intention to reprioritise the funding currently allocated to provision of research and development services through the Biotechnologies Group and the Applied Technologies Groups of the Callaghan Innovation Research and Development Solutions Division to other purposes in the science, innovation and technology system.

Following further consideration, I intend funding for the Applied Technologies services will continue until 30 September 2025. My understanding is that this extension to funding would enable Callaghan Innovation to manage a smoother wind down of these activities.

I also intend for funding for Biotechnologies services to continue until 30 June 2027. My expectation is that the Biotechnologies Group will continue to operate within Callaghan Innovation until the formal disestablishment of Callaghan Innovation, at which time the Biotechnologies Group will transfer to the Bioeconomy Public Research Organisation. I expect this will be on or around 30 June 2026. I intend to provide funding at an appropriate level to fully cover expected total costs, before commercial revenue.

This extended funding is to provide the Biotechnologies Group with sufficient time to become commercially viable and operate sustainably independent of direct government funding. If by June 2027, the Biotechnologies Group cannot maintain operations solely from the commercial revenue it generates, it will be at the discretion of the Board of the Bioeconomy PRO to continue operation of these activities after that date. I expect that if not commercially sustainable, it will be wound down at that point in time.

Nothing in this letter alters the expectations I have previously communicated to you regarding the Measurement Standards Laboratory and Glycosyn.

Clarification of other matters

In my prior letter I communicated my expectation that the Board would prepare for transfer to either MBIE or a relevant public research organisation a prescribed list of activities currently provided through Callaghan Innovation. I wish to clarify that up until the point of transfer of these activities, I expect Callaghan Innovation to continue to administer these programmes as it would under normal circumstances, in accordance with the relevant legislation and Ministerial directions. Please also assure any providers or recipients of support under those programmes that are

transferring that any funding agreements or contracts entered by Callaghan Innovation will be honoured by the receiving entity on behalf of government.

I encourage you to continue working with colleagues across the Crown Research Institutes and wider science, innovation and technology system, to facilitate connections that might see capabilities (be that people and/or equipment) from within Callaghan Innovation might be employed by or sold to or otherwise move to other parts of the system as Callaghan Innovation is preparing for disestablishment. I must reiterate that, where capabilities are moved, regrettably government funding for these capabilities will not come with them as funds need to be reprioritised elsewhere.

I appreciate the continuing cooperation and dedication from you, the members of the Callaghan Innovation Board, the Executive Leadership Team, and Callaghan Innovation staff as we continue to navigate this process.

Please share this letter with your staff and customers as you see fit to assist in communicating and clarifying the path ahead as Callaghan Innovation is disestablished.

I would be happy to meet with you to discuss these expectations further.

A handwritten signature in black ink, appearing to read 'S. Reti', written in a cursive style.

Hon Dr Shane Reti

Minister of Science, Innovation and Technology