



COVERSHEET

Minister	Hon Dr Shane Reti	Portfolio	Science, Innovation and Technology
Title of Cabinet paper	Science System Advisory Group Report A pathway to the future: New Zealand's science and innovation system	Date to be published	06 October 2025

List of documents that have been proactively released

Date	Title	Author
29 May 2025	Cabinet Paper - Science, Innovation and Technology Reforms	Office of the Minister for Science, Innovation and Technology
29 May 2025	Regulatory Impact Statement - Driving economic growth through Science, Innovation and Technology	MBIE
4 June 2025	Minute of Decision - ECO-25-MIN-0088	Cabinet Office

Information redacted

YES /NO

Commercial Information, Confidential advice to Government, Confidentiality, Negotiations

Any information redacted in this document is redacted in accordance with MBIE's policy on Proactive Release and is labelled with the reason for redaction. This may include information that would be redacted if this information was requested under Official Information Act 1982. Where this is the case, the reasons for withholding information are listed below. Where information has been withheld, no public interest has been identified that would outweigh the reasons for withholding it.

In Confidence

Office of the Minister of Science, Innovation and Technology
Economic Policy Committee

Science, Innovation and Technology Reforms

Proposal

1. This paper provides an overview of the science, innovation and technology (SI&T) reforms (the reforms) that will underpin New Zealand's future economic growth and seeks agreement to issue drafting instructions for the aspects of the reforms requiring legislation.

Relation to government priorities

2. The Innovation, Technology and Science pillar of our Growing for Growth economic plan sets out to reform and modernise the SI&T system. The Prime Minister announced the reforms in January this year. They will contribute to our goals of:
 - 2.1 lifting economic growth;
 - 2.2 positioning New Zealand for the future; and
 - 2.3 improving the lives of everyday New Zealanders.

Executive Summary

3. Cabinet agreed late last year to reform the SI&T system (ECO-24-MIN-0242 and CAB-24-MIN-0504.02) to ensure that the SI&T system is delivering impact and driving economic growth.
4. I intend to introduce a Science, Innovation and Technology Bill (the Bill) Confidential advice to Government to support the reforms. The reforms will refocus the system on delivering value and opportunity, driving new ideas to market, and ensuring New Zealand competes and wins on the global stage. They will:
 - 4.1 **enable priorities to be set for SI&T expenditure.** The new Science, Innovation and Technology Advisory Council will report directly to the Prime Minister;
 - 4.2 **rationalise how decisions are made to allocate SI&T funding.** I intend to establish a single National Research Funding Council to replace the Marsden Council, the Science Board, and eventually, the Health Research Council and I intend to return to Cabinet for a decision in quarter three of this year;
 - 4.3 **simplify the landscape of research providers** and amplify delivery for economic growth. Crown Research Institutes will be re-constituted as three Public Research Organisations. A new public research organisation will focus on advanced technology research;
 - 4.4 **disestablish Callaghan Innovation** as an innovation agency and provide for the management of the Gracefield Innovation Quarter in the event a commercial solution, Confidential advice to Government cannot be completed before Callaghan Innovation is disestablished; and
 - 4.5 make it easier for research organisations to **commercialise research** and lift our competitiveness around **advanced technologies**.

5. I am proposing that the Bill comes into force Confidential advice to Government and replaces the Research, Science and Technology Act 2010, the Crown Research Act 1992 and the Callaghan Innovation Act 2012.

Why we need to reform the science, innovation and technology system

6. New Zealand's future depends on growth in jobs, incomes, exports, and opportunity for every New Zealander. Science, innovation and technology are the engine rooms of growing economies. For too long, our SI&T system has been fragmented, complicated, and slow to keep pace with the world's best. Too much energy has been spent on bureaucracy and duplication instead of science delivering better economic outcomes for New Zealand.
7. Too many of our science investments are spread thinly and struggle to make an impact. We have too many organisations, competing for the same resources, with overlapping functions and muddled priorities. The result is a system that's hard to navigate for business, researchers, and investors alike. Most of all, it doesn't deliver the economic drive that New Zealand needs to succeed.
8. The reforms are about one thing: getting New Zealand growing again. We are taking bold, practical action to refocus the entire system on what really matters—delivering value and opportunity, driving new ideas to market, and ensuring New Zealand competes and wins on the global stage.
9. Decisions about what science is important will be made to align with the government's goals for growth, innovation, and resilience. The Prime Minister's Science, Innovation and Technology Advisory Council will set clear, transparent strategy and priorities for our SI&T expenditure.
10. We are simplifying the landscape of science organisations. Seven separate Crown Research Institutes will be re-cast as three resilient, future-facing public research organisations. A new, fourth public research organisation, will focus on advanced technologies—the industries that will transform New Zealand's future, and something our system has lacked to date. As we decided late last year, Callaghan Innovation will be disestablished, freeing up resources and clearing away unnecessary overlap.
11. Dozens of small pools of funding spread across a patchwork of agencies will be realigned to be strategic, at scale, and focused on national growth priorities. I intend to establish a single National Research Funding Council to replace the Marsden Council and Science Board, and the Health Research Council's funding roles. This body will coordinate science funding to both public research organisations Confidential advice to ensuring a laser focus on growing our economy with world-leading science.
12. Taxpayers deserve to know whether our science dollar is making the biggest difference. A simpler system can be more easily held to account for delivering growth. The National Research Funding Council will keep a tight rein on our vital science funding, making sure scarce taxpayer dollars are going to only the very best projects – science that will make a real difference to our future.
13. We want our researchers to benefit from their ideas and intellectual property and to make it easier for businesses, researchers, and global partners to connect with New Zealand's top talent and biggest opportunities. A new approach to how the system treats intellectual property will make it easier for new ideas generated within our research organisations to commercialised. We will back individual scientists, as well as our science organisations, to take their ideas to the world, and grow the next generation of Rocket Labs, Xeros, and Fisher & Paykels.

14. Put simply, these reforms are about getting New Zealand growing again—creating the jobs, innovations, and opportunities that will provide a better life for every New Zealander, now and for generations to come.
15. An overview of how the changes made by these reforms will drive economic growth is provided in Annex One. Annex Two provides a view the future SI&T system and the current. The timeline for transitioning to the future state is provided in Annex Three.

We have made the substantive decisions to progress the reforms

16. Last year we agreed to a package of initiatives to reform the SI&T system (ECO-24-MIN-0242 and CAB-24-MIN-0504.02), including:
 - 16.1 to establish a Prime Minister’s Science, Innovation and Technology Advisory Council to advise Minister’s on priorities for the SI&T system;
 - 16.2 establish three public research organisations via the amalgamation of the seven Crown Research Institutes;
 - 16.3 establish a new public research organisation to focus on advanced technologies;
 - 16.4 the purpose and functions of public research organisations;
 - 16.5 disestablish Callaghan Innovation and transfer its most important activities to other parts of the system;
 - 16.6 develop a national intellectual property management policy for research in universities and public research organisations, based on the model used by Waterloo University in Canada where inventors own the intellectual property they generate.
17. The above initiatives, other than the intellectual property management policy, are best supported through legislation.
18. We have not yet made decisions about establishing a National Research Funding Council or the organisation of SI&T funding. I intend to return to Cabinet in quarter three with recommendations on these matters. The proposed legislation is enabling and does not foreclose on the decision we will make at that time.

Setting priorities for the system

19. The Prime Minister recently announced the Prime Minister’s Science, Innovation and Technology Advisory Council. I propose to formalise the Advisory Council in legislation so its advice carries weight and influence within the system.
20. The role of the Advisory Council is distinct from that of the Prime Minister’s Chief Science Advisor and departmental science advisors. The Advisory Council will focus on priorities for the SI&T system (for example, advice on the prioritisation of public investment in science to support economic growth). The role of the science advisors is more focused on providing scientific advice (for example, coordinating science advice across Government in the event of a natural disaster).

Rationalising decision-making on science, innovation and technology funding

21. I propose to reduce the number of bodies responsible for making decisions to allocate SI&T funding to research providers, such as universities and public research organisations, and ensure that funding decisions align with Government priorities, such as economic growth.
22. I plan to establish a National Research Funding Council to replace the Marsden Council and Science Board, and the funding role of the Health Research Council. A separate decision will

be needed to amend or repeal the Health Research Council Act 1990 and I propose this is addressed separately.

23. The Bill will carry over and update much of the funding regime from the Research, Science and Technology Act 2010. Decisions are needed around establishing a National Research Funding Council and the design of our funding levers. I intend to provide advice to Cabinet on these in quarter three this year.

Public research organisations will be Crown companies to better support commercialisation outcomes



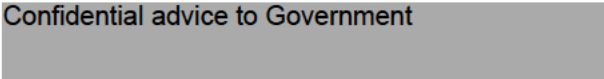
24. Public research organisations will deliver science and innovation for economic growth, by providing technologies, products and ways of working that create value and grow competitive advantage. Their research will be commercialised and used by our industries. They will also provide:
- 24.1 public good research and data needed to support the future resource management system and adaptation; and
 - 24.2 underpinning stewardship science, data, monitoring and services to support well-functioning markets, look after our natural capital and increase resilience to, and economic recovery from, natural hazards.
25. Legislation is needed to transition Crown Research Institutes into public research organisations, to require public research organisations to implement Government policy, and to provide Government with sufficient levers to influence and monitor public research organisations.
26. I intend to strengthen the economic focus in our previously agreed purpose for public research organisations so it reads:
- “To undertake research that supports economic growth and positions New Zealand for the future.”*

I am proposing that public research organisations are Crown companies

27. We previously agreed, in-principle and subject to further policy advice, that public research organisations would be Crown agents. Based on further advice from officials, which I have test with some key private sector entities, I recommend public research organisations should be Crown entity companies, as Crown Research Institutes currently are, but with a strengthened ability for Government to influence company direction.
28. Analysis has highlighted that the company form is better than the agent model for commercialising science, creating spin-outs, and entering joint ventures and licencing agreements. As a company, public research organisations will have the financial flexibility to retain income and invest in capital programmes, while maintaining responsive cultures, legal structures, and decision-making processes to support commercial relationships and partnerships.
29. Confidential advice to Government [REDACTED] The Crown Research Institutes and their commercial customers stressed that a lack of speed kills deals and the closer an entity is to the Crown, the slower it moves.
30. The Crown Research Institutes and their customers strongly prefer the company form. A Crown company has greater potential to generate commercial returns relative to a Crown Agent. More revenue from commercial activities and spin-outs will reduce fiscal risk.

31. The Bill will include the purpose and functions of public research organisations, a set of operating principles, and a requirement for public research organisations to give effect to their Statements of Purpose. It will also provide for: the Minister to appoint advisors to support their Boards; and a stronger monitoring and reporting framework than that for Crown Research Institutes.
32. The proposed operating principles are provided in Annex Four. They:
 - 32.1 include the updated purpose of public research organisations of *undertaking research that supports economic growth and positions New Zealand for the future*; and
 - 32.2 require public research organisations to aggressively pursue opportunities for innovation and commercial outcomes; respond to government priorities; promote excellence and capability; partner with industry and investors on science and commercialisation; and be efficient and financially viable while supporting public-good science.
33. Public research organisations will be required to give effect to the legislated operating principles. We can expect the operating principles to be reflected in the Statement of Purpose and accountability documents of each public research organisation.
34. Statements of Purpose will be regularly revised to reflect Government priorities and Chief Executive Officer terms will be limited to ensure public research organisations maintain a system-centric rather than institutional focus.

Gracefield Innovation Quarter

35. Callaghan Innovation is based at the Gracefield Innovation Quarter (GIQ) in the Hutt Valley. GIQ hosts several tenants which will persist after Callaghan is disestablished including the Measurement Standards Laboratory and Robinson Research Institute.
36. GIQ is a long-standing burden on the Crown and cannot continue as is. 
Confidential advice to Government 
37. Confidential advice to Government  GIQ will continue to operate after Callaghan Innovation is disestablished in June 2026. I propose to repurpose the Callaghan Innovation's legal entity to manage GIQ ahead of decisions on its long-term future. This avoids transferring ownership to a new entity.

Ensuring our intellectual property policy supports commercialisation outcomes

38. Cabinet has agreed to introduce a national intellectual property policy based on the model developed by Waterloo University in Canada. Waterloo vests ownership of intellectual property in the researchers who created it. The intention is to encourage greater innovation by allowing researchers to directly benefit from the commercialisation of their intellectual property.
39. Waterloo University's intellectual property policy is an important contributor to its success, but other factors are also critical. I will bring options for consideration to the relevant Going for Growth Ministers in June, and report back to Cabinet with recommendations in quarter three.

Legislation to support the reforms

40. The parts of the reforms best supported by legislation are:
- 40.1 the Prime Minister's Science, Innovation and Technology Advisory Council to ensure enduring influence;
 - 40.2 funding decision making bodies to be rationalised and required to respond to Government priorities;
 - 40.3 Crown Research Institutes to be transitioned to public research organisations, with stronger steering mechanisms;
 - 40.4 Callaghan Innovation to be dis-established as an innovation agency, and its most important activities transferred to other parts of the SI&T system; and
 - 40.5 Gracefield Innovation Quarter to be managed in the event a commercial solution is not completed before Callaghan Innovation is disestablished.
41. Details of what the Bill will address are provided in Annexes Four and Five.

Cost-of-living Implications

42. These proposals have no immediate or direct cost-of-living implications.

Financial Implications

43. In November and December 2024 Cabinet noted that the reforms would be funded by reprioritising funding from existing appropriations (ECO-24-MIN-0242 and CAB-24-MIN-0504.02). A decision on funding the reforms and the implication of reprioritising funding has been considered in the Budget 2025 process and a further series of planned Fiscally Neutral Adjustments throughout 2025 will agree changes that give effect to Cabinet decisions.

Legislative Implications

44. Legislation is the best mechanism to advance some parts of the reforms. If agreed by Cabinet, the proposals will be given effect through the:
- 44.1 Science, Innovation and Technology Bill, which is likely to be an omnibus bill; and
 - 44.2 repeal or amendments to other legislation including the Research Science and Technology Act 2010, Crown Research Institutions Act 1992, Callaghan Innovation Act 2012, Crown Entities Act 2004, Tax Administration Act 1994, Income Tax Act 2007, and the Measurement Standards Regulations 2019.
45. The Measurement Standards Regulations 2019 (Regulations) will need to be amended to:
- 45.1 refer to the new host rather than Callaghan Innovation; and
 - 45.2 remain consistent with international standards, notably minor updates to prefixes for New Zealand's units of measurements.
46. The proposed Act will bind the Crown. MBIE will work with the Parliamentary Counsel Office to prepare legislation to give effect to the proposals and will be responsible for the administration of the legislation.

Impact Analysis

Regulatory Impact Statement

47. An internal MBIE quality assurance panel has reviewed the regulatory impact statement on Driving Economic Growth through SI&T.
48. The panel considers the regulatory impact statement partially meets the quality assurance criteria, and notes that while the main limitation of the impact assessment was the limited consultation that was able to be conducted on the regulatory proposals, the analysis is sufficiently comprehensive to inform decision makers.

Climate Implications of Policy Assessment

49. The Climate Implications of Policy Assessment (CIPA) team has been consulted and confirms that the CIPA requirements do not apply to this policy proposal, as the threshold for significance is not met.

Population Implications

50. The proposals should not have a disproportionate impact on particular population groups.

Human Rights

51. I consider the proposals are consistent with the New Zealand Bill of Rights Act 1990 and the Human Rights Act 1993. Consistency with those Acts will be discussed with the Ministry of Justice during the drafting process.

Use of external resources

52. External resources (outside of Government) were used in the development of this policy.

Consultation

53. The following agencies were consulted or informed: Ministries of Foreign Affairs and Trade, Primary Industries, Health, Pacific Peoples, Justice, Education, Housing and Urban Development, and Environment; Departments of Prime Minister and Cabinet, Inland Revenue, Conservation; and Te Puni Kōkiri, Treasury, National Emergency Management Agency, Public Service Commission, and the NZ Intelligence Community.
54. Agencies broadly supported the Reform direction. Their feedback tended to focus on the implementation and design aspects. I have addressed these points where they are directly relevant to the legislation this paper is intended to advance.

Communications

55. I am not proposing to issue a media release about the matters proposed in this paper.

Proactive Release

56. This paper will be proactively released (subject to redactions in line with the Official Information Act 1982) within 30 business days of final Cabinet decisions. MBIE may need to share the paper with Callaghan Innovation or the Crown Research Institutes to support their work towards their future states.

Recommendations

The Minister for Science, Innovation and Technology (the Minister) recommends that the Committee:

1. **note** that in November and December 2024, Cabinet agreed to a suite of policies that would strengthen the science, innovation and technology system and its contribution to New Zealand's economic growth (ECO-24-MIN-0242 and CAB-24-MIN-0504.02);
2. **note** I intend to progress legislation change to support the science, innovation and technology reforms;
3. **agree** to create a Science, Innovation and Technology Bill (the Bill) that gives effect to a package of proposals enabling:
 - 3.1. the Prime Minister's Science, Innovation and Technology Advisory Council to be provided for within a legislative framework;
 - 3.2. funding decision making bodies to be rationalised and required to respond to Government priorities;
 - 3.3. Crown Research Institutes to be transitioned to public research organisations, with stronger steering mechanisms;
 - 3.4. Callaghan Innovation to be dis-established as an innovation agency; and
 - 3.5. Gracefield Innovation Quarter to be managed in the event a commercial solution is not completed before Callaghan Innovation is disestablished.
4. **agree** to the proposals in Annexes Four and Five;
5. **agree** to recommend that Cabinet rescind the in-principle decision that public research organisations be Crown agents (CAB-24-MIN-0504.02);
6. **agree** to update the purpose of public research organisations to be to undertake research that supports economic growth and positions New Zealand for the future;
7. **note** the Bill has a Confidentiality
8. **agree** that the Bill will bind the Crown;
9. **agree** that the Bill provide for the policy detail for all consequential and related amendments to legislation that are needed to give effect to the recommendations in this paper;
10. **agree** that, if required, the Measurement Standards Regulations 2019 be amended ahead of the Bill to enable the transfer of the Measurement Sciences Laboratory to its new host and make minor updates to remain consistent with international standards;
11. **invite** the Minister to issue drafting instructions to the Parliamentary Counsel Office to give effect to the recommendations in this paper;
12. **authorise** the Minister to make decisions on minor and technical matters that may arise during the drafting process;
13. **authorise** the Minister to make decisions, consistent with the proposals in the recommendations in this paper, on any issues that arise, including decisions:

IN C O N F I D E N C E

- 13.1. on what matters should carry over and updates to the Research, Science and Technology Act 2010 and the Crown Research Institutes Act 1992;
 - 13.2. to support the amalgamation of Crown Research Institutes, such as addressing tax issues (for which the Minister of Revenue will be consulted);
 - 13.3. on the transition of existing Crown Research Institutes to public research organisations, including consolidation if necessary (for which the Minister of Finance will be consulted, in their role as shareholding Minister);
 - 13.4. on operating principles, governance, and the scope of immunity, for public research organisations;
 - 13.5. on the transfer of Callaghan Innovation's responsibilities to public research organisations and MBIE; and
 - 13.6. on legislative provisions for the Callaghan Innovation legal entity that will have responsibility for the Gracefield Innovation Quarter, including any exemptions from sections 161 to 165 of the Crown Entities Act 2004; and
14. **authorise** the Minister to release the draft legislation to Crown Research Institutes and Callaghan Innovation pre-introduction and on an in-confidence basis subject to legal professional privilege.

Authorised for lodgement.

Hon Dr Shane Reti

Minister for Science, Innovation and Technology

.../...

Annex One: Driving economic growth through reform of our science, innovation and technology system

These reforms are about Going For Growth as we create a system that enables our world-class scientists, universities and research organisations to drive new ideas to market and ensure New Zealand competes and wins on the global stage.

Our science, innovation and technology delivery organisations will have a relentless focus on commercialisation and economic value for New Zealand.



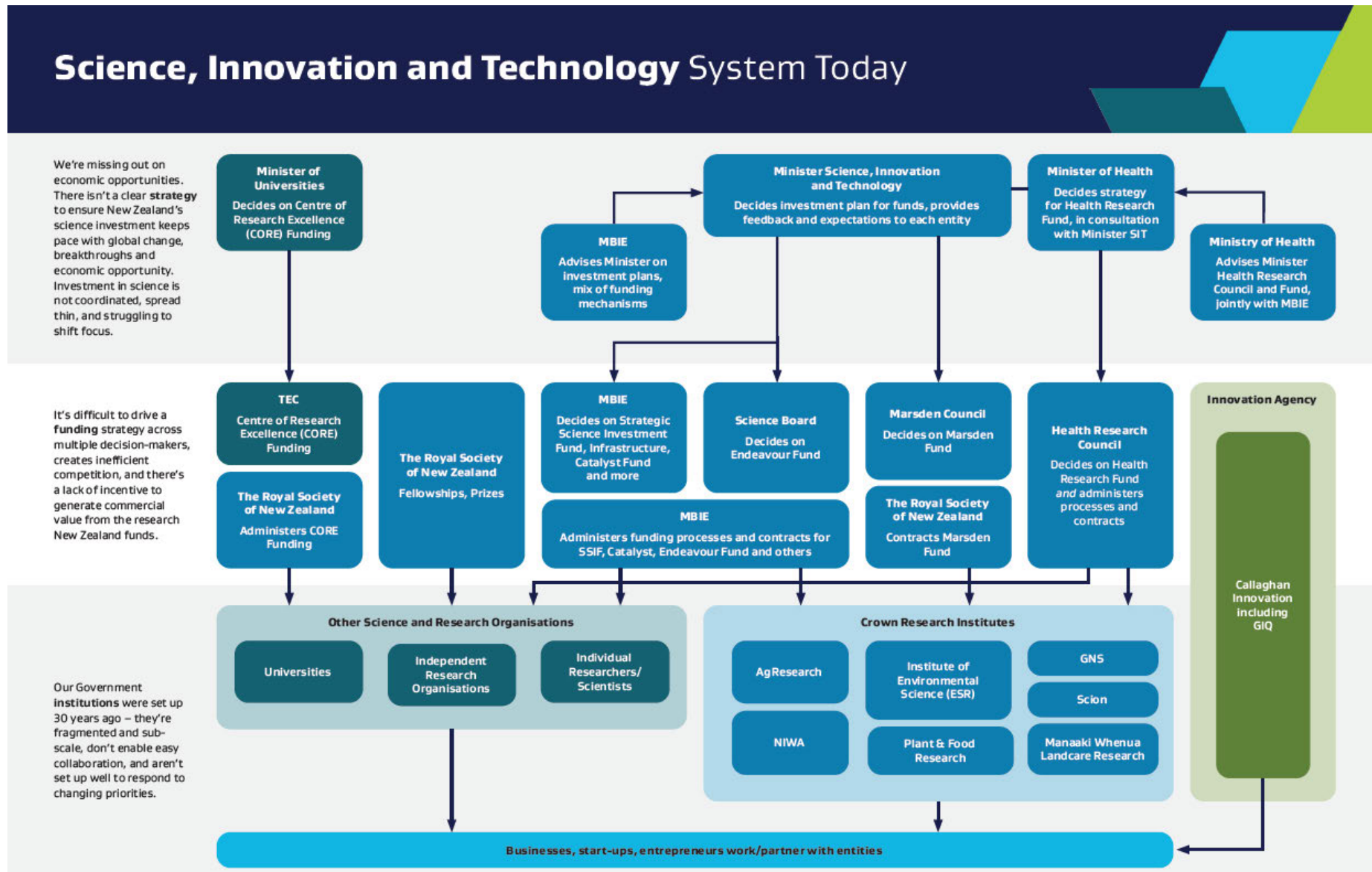
MINISTRY OF BUSINESS,
INNOVATION & EMPLOYMENT
HĀKINA WHAKATUTUKI

Te Kāwanatanga o Aotearoa
New Zealand Government

	STRATEGY	FUNDING	COMMERCIALISE AND DELIVER
THE PROBLEM	Our science investment isn't keeping pace with global change or breakthroughs – it is not coordinated, spread thin, and struggling to shift focus. We're missing out on economic opportunities as a result.	Our system has multiple decision-makers, creates inefficient competition, and there's a lack of incentive to generate commercial value from the research that New Zealand funds.	Our Government institutions were set up 30 years ago – they're fragmented and sub-scale, don't enable easy collaboration, and aren't set up well to respond to changing priorities.
WHAT WE ARE DOING	Clear strategy focused on driving economic growth and delivering value for New Zealand.	Funding directed to delivering on priorities and incentivising commercial outcomes.	Institutions and individuals more strongly incentivised to commercialise and deliver growth to the New Zealand economy and value to the private sector.
WHAT THIS LOOKS LIKE	<ul style="list-style-type: none"> › Prime Minister's Advisory Council identifies funding priorities <div>Confidential advice to Government</div>	<ul style="list-style-type: none"> › One decision-maker for funding: The new National Research Funding Council › Funds focused on delivering priorities › Funding for critical national interest science carved out. 	<ul style="list-style-type: none"> › CRIs merge, become Public Research Orgs › Institute of Advanced Technology established › Callaghan Innovation disestablished › More researcher-owned IP, rewarding New Zealanders who create, invent and take risks.
WHAT THIS WILL DELIVER BY 2030	Confidential advice to Government	Confidential advice to Government	<p>Increase in number and value of active start up and spin out companies.</p> <p>Critical national interest science delivered without disruption during sector transition.</p>

MBIE 11623

Annex Two: The science, innovation and technology system before and after reform

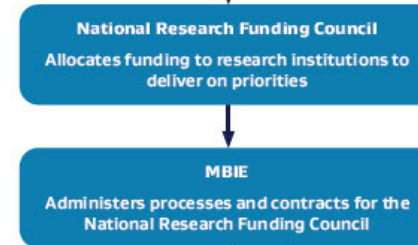


Science, Innovation and Technology Future State 1 July 2026

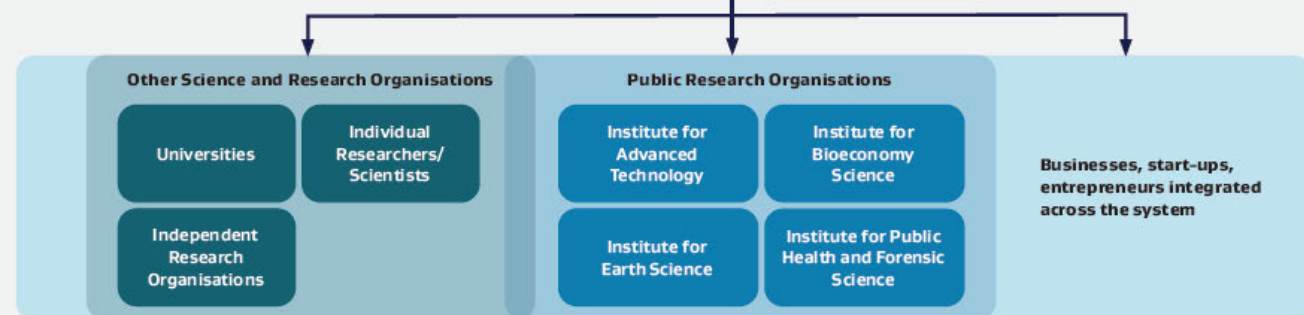
Clear **strategy** focused on driving economic growth and delivering value for New Zealand.



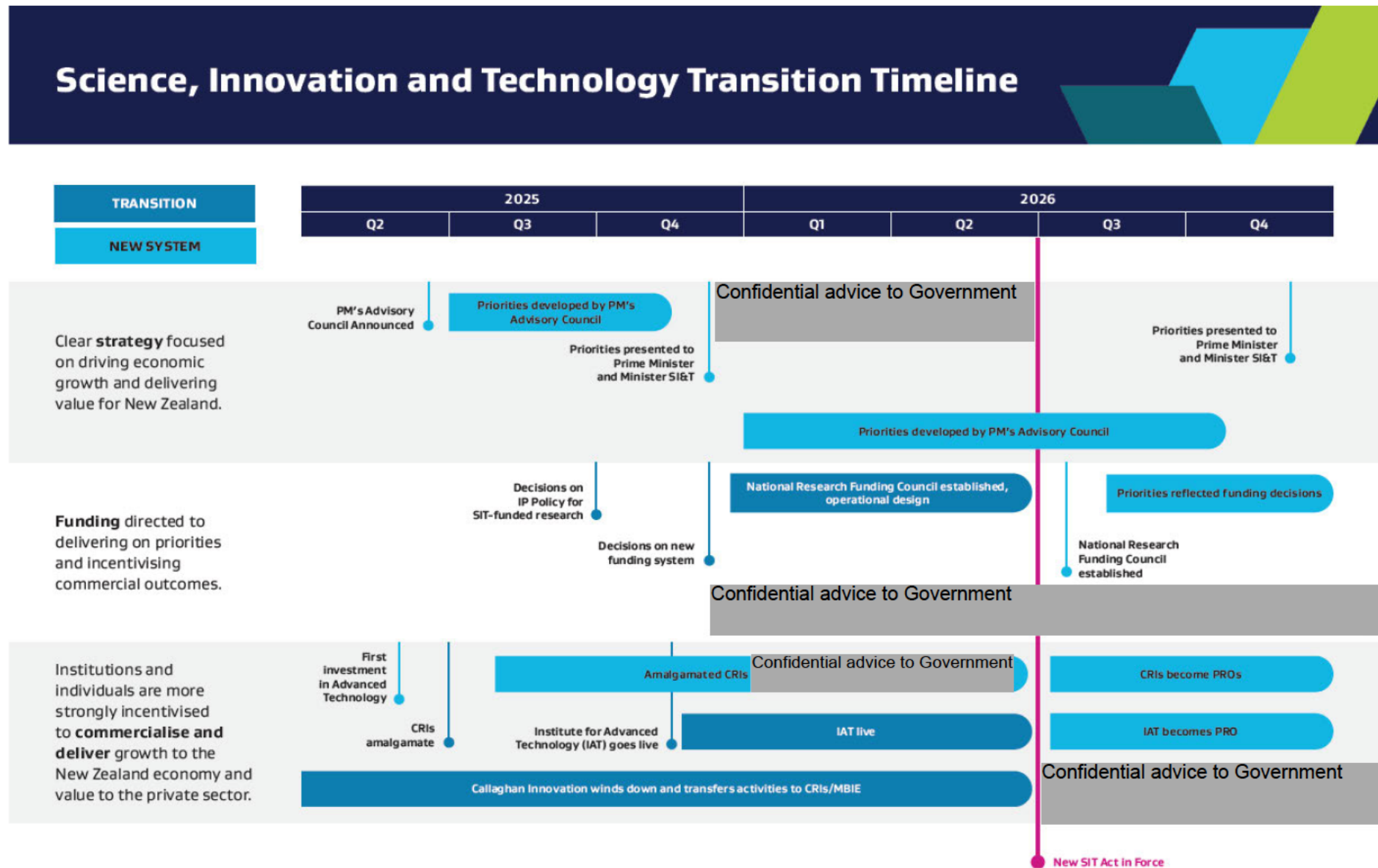
Funding directed to delivering on priorities and incentivising commercial outcomes.



Institutions and individuals are more strongly incentivised to **commercialise and deliver** growth to the New Zealand economy and value to the private sector.



Annex Three: Transition to future state



Annex Four: Operating principles for public research organisations

The activities of public research organisations will be guided by their purpose, the operating principles, their Statements of Purpose, and any other direction issued by the Minister.

The purpose and operating principles will be specified in legislation, while the Statements of Purpose will be issued by Order in Council and reviewed from time to time to ensure alignment with Government priorities.

Proposed principles

The purpose of public research organisations is to undertake research and commercial activities that support economic growth. Each public research organisation will:

1. Aggressively pursue opportunities that drive innovation, and commercial outcomes to grow the New Zealand economy.
2. Respond to Government's science priorities.
3. Pursue science excellence.
4. Develop, attract and retain critical skills and capability for the New Zealand science, innovation and technology system.
5. Promote innovation and commercial outcomes by:
 - a. Partnering with industry, investors, innovators and users, both locally and internationally, on science and commercialisation.
 - b. Allowing researchers and innovators to directly benefit from the commercialisation of their ideas.
 - c. Rapidly redirecting investment from less promising ventures to high-potential opportunities, embracing a "fast fail" approach.
6. Support scientific research, critical data, collections and infrastructure for the public good.
7. Use resources efficiently.
8. Be financially responsible, viable, and resilient.
9. Report on performance across all activities and priorities with clear goals and milestones.
10. Protect the integrity and security of sensitive research and technology and meet ethical standards.

Annex Five: Decisions to support drafting instructions

The Bill will carry over and update the Research, Science and Technology Act 2010 and Crown Research Institute Act 1992, and repeal the Callaghan Innovation Act 2012.

The issue	I propose the Bill will:
<p>Priority setting and strategy</p> <p>The Prime Minister’s Science, Innovation and Technology Advisory Council will play a prime role in the setting of priorities for the SI&T system.</p> <p>A legal framework is required to ensure the Council’s advice has influence.</p>	<p>Enable the Prime Minister, on recommendation from the Minister of SI&T, to establish a Prime Minister’s Science, Innovation and Technology Advisory Council to advise Ministers on priorities for the SI&T system and other matters in its terms of reference.</p> <p>Require the Minister of SI&T to consider the advice of the Prime Minister’s Science, Innovation and Technology Advisory Council and decide what actions to take, which may include:</p> <ul style="list-style-type: none"> • determining if the advice (with or without modification) should become Government policy for which a Ministerial direction may be issued to public research organisations; and • incorporating the advice (with or without modification) into requirements for SI&T funding decisions.
<p>Decision-making on SI&T funding</p> <p>Decisions on SI&T funding must align with Government priorities.</p> <p>A legislative platform is needed for future Cabinet decisions on who and how funding decisions are made.</p>	<p>Carry over and update provisions relating to independent funding decisions in the Research, Science and Technology Act 2010.</p> <p>Clarify that a funding board established by the Minister:</p> <ul style="list-style-type: none"> • must make funding decisions that align with SI&T priorities; • must develop approaches to ensure the funding areas for which they are responsible align with SI&T priorities; and • can make funding decisions when proposals are generated from either contestable or non-contestable funding processes. <p>Include minor changes to clarify the role of a board relative to the department administering it.</p>
<p>Public research organisations: Purpose and operating principles</p> <p>A clear purpose and set of operating principles, emphasising public research organisations’ roles in supporting economic growth, are needed.</p>	<p>Provide for public research organisations and that their purpose will be to:</p> <p><i>“To undertake research that supports economic growth and positions New Zealand for the future.”</i></p> <p>Include the operating principles for public research organisations in Annex Four.</p>

The issue	I propose the Bill will:
<p>Public research organisations: Company form and governance</p> <p>Public research organisations need an entity form that facilitates technology transfer and commercial outcomes</p>	<p>Specify that public research organisations will Crown entity companies but with a strengthened ability for Government to influence company direction.</p> <p>Carry over and update relevant provisions from the Crown Research Institutes Act 1992, including carry over updating the power allowing the Prime Minister to direct public research organisations to assist where a state of emergency is declared.</p> <p>Introduce a new, related provision providing public research organisations, and their employees and directors, with immunity from liability for good faith performance of public good certain functions required under law that relate to emergency situations, such as providing weather, earthquake, volcanic or pandemic preparedness warnings.</p>
<p>Public research organisation: Steering and aligning with priorities</p> <p>The mechanisms to steer Crown Research Institutes are inadequate. A stronger set of mechanisms is needed to enable Government to effectively direct, communicate with, and review public research organisations.</p>	<p>Include:</p> <ul style="list-style-type: none"> • An ability for the Minister to confer and remove public research organisation status and transfer PRO activities; • An ability for the Minister to prepare a Statement of Purpose for each public research organisation, issued as secondary legislation, following consultation with affected organisations and relevant Ministers, and require public research organisations to give effect to these Statements; • Requirements that Statements of Purpose communicate government's intentions, outline specific objectives, areas of science, and expected ways of working, and be reviewed at least every five years; • An ability for the Minister, following appropriate consultation and in line with relevant restrictions in the Crown Entities Act 2004, to direct public research organisations on matters related to science priorities and government policy on efficiency, effectiveness and security. Public research organisations must give effect to those directions; • A limit on Chief Executive Officer terms to ensure public research organisations maintain a system-centric rather than institutional focus, and remain agile and responsive to Government priorities; • An ability for the Minister to appoint advisors to public research organisation boards; and • A strengthened monitoring, accountability and governance frameworks and processes that reflect Government's objectives for public research organisations and provide transparency about public research organisations' science activities, economic and other impact for New Zealand, funding, and financial performance.
<p>Public research organisations: Transitioning Crown Research Institutes to public research organisations</p> <p>Crown Research Institutes are on track to amalgamate on 1 July 2025. The three amalgamated Crown Research Institutes will be transitioned into public research organisations.</p>	<p>Give effect to the amalgamations in the event regulatory or other barriers prevent the Crown Research Institute boards from amalgamating on their own initiative.</p> <p>Deem Crown Research Institutes to be public research organisations and address operational matters relating to both the amalgamation of Crown Research Institutes, for example, tax issues, and the transition from Crown Research Institutes to public research organisation status.</p>

The issue	I propose the Bill will:
<p>Public research organisations: Treaty of Waitangi settlements</p> <p>The Crown has obligations around Treaty of Waitangi settlements that impact public research organisations.</p>	<p>Reflect the Crown's existing obligations under Treaty of Waitangi settlements in relation to land and management of taonga species in public research organisation collections and research.</p>
<p>Callaghan Innovation: disestablish as an innovation agency</p> <p>Cabinet has agreed to dis-establish Callaghan Innovation as an innovation agency and transfer its more important activities to other parts of the system.</p>	<p>Provide for:</p> <ul style="list-style-type: none"> the closure of Callaghan Innovation as an innovation agency; Negotiations [REDACTED] Commercial Information [REDACTED]
<p>Callaghan Innovation: residual assets and liabilities</p> <p>There could be outstanding issues at the time of Callaghan Innovation's disestablishment as an innovation agency.</p>	<p>Provide for MBIE to succeed to any of Callaghan Innovation's residual responsibilities [REDACTED] that have not been transferred to another agency and which do not concern Gracefield Innovation Quarter (GIQ).</p>
<p>Callaghan Innovation: Gracefield Innovation Quarter</p> <p>A commercial solution for Gracefield Innovation Quarter, [REDACTED] may not be completed before Callaghan Innovation is disestablished on 30 June 2026.</p>	<p>Provide for the continuation of the Callaghan Innovation entity, but with a redefined main objective and functions.</p> <p>The repurposed entity will remain a Crown agent and operate for the sole purpose of owning and operating GIQ and exploring solutions for its future. [REDACTED] Its functions will include:</p> <ul style="list-style-type: none"> explore solutions for the future of GIQ, including possible transfer of the ownership and/or operation of GIQ, in whole or in part, to another entity; report to the Minister on possible solutions for GIQ; implement solutions for GIQ, including executing any transfer to another entity; and own and/or operate GIQ, in whole or in part, unless ownership and/or operation of GIQ is transferred wholly to another entity. <p>Provide for arrangements for the continuing entity as authorised by the Minister of SI&T, including any exemptions from section 161–165 of the Crown Entities Act 2004 that enable it to acquire financial products, borrowing, guarantee, and derivative rules.</p> <p>Require the Minister for SI&T to:</p> <ul style="list-style-type: none"> Authorise decisions to [REDACTED] transfer part or all of GIQ elsewhere; and Initiate a process to disestablish the Callaghan Innovation entity if, and when, ownership and operation of GIQ is wholly transferred to another entity.