



COVERSHEET

Minister	Hon Dr Shane Reti	Portfolio	Science, Innovation and Technology
Title of Cabinet paper	Orders in Council to establish the New Zealand Institute for Advanced Technology Limited	Date to be published	2 April 2026

List of documents that have been proactively released

Date	Title	Author
February 2026	Orders in Council to establish the New Zealand Institute for Advanced Technology Limited	Office of Minister of Science, Innovation and Technology
February 2026	Ombudsmen (New Zealand Institute for Advanced Technology Limited) Order 2026	Parliamentary Counsel Office
February 2026	Crown Entities (New Zealand Institute for Advanced Technology Limited) Order 2026	Parliamentary Counsel Office
12 February 2026	Orders in Council to establish the New Zealand Institute for Advanced Technology Limited LEG-26-MIN-0008 Minute	Cabinet Office

Information redacted

YES / NO (please select)

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IN CONFIDENCE

Office of the Minister for Science, Innovation and Technology
Chair, Cabinet Legislation Committee

**Orders in Council to establish the New Zealand Institute for
Advanced Technology Limited**

Proposal

- 1 I propose that Cabinet authorise the submission to the Executive Council of the following two Orders in Council, establishing the New Zealand Institute for Advanced Technology Limited (NZIAT):
 - 1.1 Crown Entities (New Zealand Institute for Advanced Technology Limited) Order 2026.
 - 1.2 Ombudsmen (New Zealand Institute for Advanced Technology Limited) Order 2026.

Policy

Cabinet agreed to establish public research organisations, including NZIAT

- 2 In November 2024, Cabinet agreed to reform the science, innovation and technology (SI&T) system to ensure that it is delivering impact and driving economic growth (ECO-24-MIN-0242 and CAB-24-MIN-0504.02). This included agreeing to transition the Crown Research Institutes (CRIs) into three public research organisations (PROs) and create one PRO focused on advanced technologies, later designated the NZIAT.
- 3 NZIAT is designed to contribute to New Zealand's economic growth by connecting industry, innovators and scientists through investments in advanced technology research that will provide commercial value.
- 4 In June 2025, Cabinet agreed to create a SI&T Bill, anticipated to be introduced to Parliament in the first half of 2026, which will give effect to the SI&T system reforms and transition the CRIs to PROs (ECO-25-MIN-0088 and CAB-25-MIN-0187). At that time, Cabinet also agreed that PROs would be Crown entity companies.
- 5 I now consider it necessary to establish NZIAT as a Crown entity company in advance of the SI&T Bill being enacted (REQ-0017011). Establishing NZIAT as a Crown entity company now will enable it to operate as intended on the timeframe presented to Cabinet (ECO-25-SUB-0088), and to keep momentum on advanced technology research investments the Government has already made under NZIAT's name through the Ministry of Business, Innovation and Employment (MBIE). I consider the Crown Entities Act 2004 provides myself and the Minister of Finance, as Shareholding Ministers, with suitable oversight of the NZIAT's early operations.

IN CONFIDENCE

Proposed Orders in Council giving effect to Cabinet's decision to establish NZIAT

- 6 The Crown Entities Act 2004 includes a schedule (Schedule 2) that specifies all the Crown entity companies and specifies whether those companies are exempt from sections 161, 162, 163, 164, and 165 of the Crown Entities Act 2004. Under section 9 of the Crown Entities Act 2004 the Governor-General may, by Order in Council, amend Schedule 2 to:
- 6.1 add the name of a Crown entity company (section 9(1)(b)); and
- 6.2 exempt a company from any or all of sections 161, 162, 163, 164, and 165 of the Crown Entities Act 2004 (section 9(1)(h)).
- 7 By inserting a reference to the NZIAT into Schedule 2 of the Crown Entities Act 2004, the Crown Entities (New Zealand Institute for Advanced Technology Limited) Order 2026 will make the NZIAT a Crown entity company to which the provisions of that Act apply.
- 8 I am seeking agreement to exempt the NZIAT from sections 161, 162, 163, 164 and 165 of the Crown Entities Act 2004 to enable the NZIAT to fulfil Cabinet's intention for PROs to undertake research and commercial activities that support economic growth. The relevant activities include acquiring financial products, borrowing, giving indemnities and guarantees, and entering derivative transactions.
- 9 These exemptions are necessary to provide NZIAT with the commercial flexibility required to participate in multiparty contracts, consortia and joint venture arrangements, including with foreign companies, and to manage financial risks and opportunities in a manner consistent with international best practice for advanced technology institutes.
- 10 The alternative option to providing these exemptions through adding the entity to Schedule 2 of the Crown Entities Act, is for an entity to seek approval from the shareholding ministers for each transaction as the opportunity arises. I consider that case by case approval would add administrative burden for the NZIAT, ministers' offices and the monitor (MBIE), and introduce delays to the taking of opportunities. Therefore, this alternative option would substantially compromise the likelihood of overall success of the NZIAT.
- 11 These exemptions are entirely consistent with, and go no further than, the exemptions previously provided to the CRIs, which have been a critical aid to their work, and I intend for the same exemptions to be provided to all PROs through the SI&T Bill.
- 12 The exemptions do not foreclose Ministerial interest or direction and will be matched with risk mitigations. I will outline in my letter of expectations to NZIAT that I expect it will operate under enhanced monitoring arrangements for its establishment period, including comprehensive and regular reporting on all activities relying on the exemptions, pre-notification to MBIE of activities that reach specific thresholds, and that NZIAT provide for independent expert review where relevant. I will expect that procurement integrity and conflict management will be rigorously upheld. These measures will balance the flexibility required for NZIAT to operate effectively in the advanced technology sector with the accountability necessary to protect public value.

13 Further detail on the reason for each exemption is summarised below.

Section 161 – Acquisition of Financial Products

14 Exemption from section 161 will allow NZIAT to acquire financial products as part of multiparty contracts, consortia or joint venture arrangements (which may include international partners). This flexibility is essential for NZIAT to align incentives with co-investors (such as industry, banks and venture capital firms) in advanced technology research with a commercial objective and support New Zealand to develop niche specialisations in advanced technology.

Section 162 – Borrowing

15 An exemption from section 162 is necessary for NZIAT to access finance tools often required in multiparty contracts, joint ventures and consortia. Such borrowing capacity is a standard expectation in commercial arrangements and enables NZIAT to manage timing risks.

Section 163 – Guarantees and Indemnities:

16 Exemption from section 163 will enable NZIAT to provide guarantees or indemnities with the flexibility that is often required in contractual, joint venture and consortia arrangements, to provide some certainty to partners that they or their subsidiaries will deliver as negotiated. This will be especially important given the international nature of advanced technology research and commercial opportunities, the need for NZIAT to be adaptable, and the intent to leverage co-investment with private entities.

Section 164 – Use of Derivatives:

17 NZIAT's participation in cross-border collaborations and milestone-based contracts will often involve foreign currency payments and timing uncertainties. Exemption from section 164 will allow NZIAT to use derivatives to prudently manage these financial risks and stabilise cash flows.

Section 165 – Net Surplus Payable:

18 Retaining surpluses is vital for NZIAT to reinvest in its capability, co-fund collaborative projects, and maintain strategic reserves to meet multi-year obligations arising from multiparty contracts, consortia and joint ventures arrangements. Exemption from section 165 will ensure that NZIAT can fulfil its mandate to facilitate the translation of advanced technology research into commercial opportunities, rather than being required to maximise short term annual remittances to the Crown.

Ensuring NZIAT is subject to the Ombudsmen Act 1975 and Official Information Act 1982

19 The Ombudsmen Act 1975 includes a part (Part 2 of Schedule 1) that specifies certain organisations are subject to the Ombudsmen Act 1975 and, consequently, the Official Information Act 1982. Under section 32(2)(a) of the Ombudsmen Act 1975 the Governor-General may, by Order in Council, amend Part 2 of Schedule 1 by including therein the name of any organisation.

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- 20 By inserting a reference to the NZIAT into Part 2 of Schedule 1 of the Ombudsmen Act 1975, the Ombudsmen (New Zealand Institute for Advanced Technology Limited) Order 2026 will explicitly make the NZIAT subject to the Ombudsmen Act 1975 (and consequently subject to the Official Information Act 1982).
- 21 This paper therefore recommends that the Cabinet Legislation Committee authorises submitting two Orders in Council to the Executive Council that would:
- 21.1 amend the Crown Entities Act 2004 under section 9(1)(b) of the Crown Entities Act 2004 by including NZIAT in Schedule 2;
 - 21.2 amend the Crown Entities Act 2004 under section 9(1)(h) of the Crown Entities Act 2004 by exempting NZIAT from sections 161, 162, 163, 164, and 165 of the Crown Entities Act 2004; and
 - 21.3 amend the Ombudsmen Act 1975 under section 32(2)(a) of the Ombudsmen Act 1975 by including NZIAT in Part 2 of Schedule 1.
- 22 These Orders in Council are routine administrative steps to give effect to Cabinet's decisions and do not require new policy proposals.

Timing and 28-day rule

- 23 A waiver of the 28-day rule is not sought. The Orders in Council will come into force on 20 March 2026, 28 days after notification of it has been provided in the Gazette.
- 24 The NZIAT is being established in stages, enabling governance, investment and other functions to stand up in suitable order. Two recent steps were the submission of Board members to the Appointments and Honours Committee meeting on 2 December 2025, confirmed by Cabinet on 8 December 2025, and the incorporation of NZIAT with the Companies Office on 12 January 2026.

Compliance

- 25 The Orders in Council comply with:
- 25.1 the principles of the Treaty of Waitangi;
 - 25.2 advice from the Treaty Provisions Officials Group;
 - 25.3 the rights and freedoms contained in the New Zealand Bill of Rights Act 1990 or the Human Rights Act 1993;
 - 25.4 the principles and guidelines set out in the Privacy Act 2020;
 - 25.5 relevant international standards and obligations;
 - 25.6 the Legislation Guidelines (2021 edition).
- 26 There are no statutory prerequisites for making these orders.

Regulations Review Committee

- 27 I do not consider that there are grounds for the Regulations Review Committee to draw the Orders in Council to the attention of the House of Representatives under Standing Order 327.

Certification by Parliamentary Counsel

- 28 The Parliamentary Counsel Office has certified the proposed Orders in Council as being in order for submission to Cabinet.

Impact Analysis

Regulatory Impact Statement

- 29 The Ministry for Regulation has determined that this proposal is exempt from the requirement to provide a Regulatory Impact Statement on the grounds that it has no or only minor economic, social, or environmental impacts.
- 30 The Orders in Council also note that MBIE produced a relevant regulatory impact statement on 3 April 2025 for the SI&T reforms which has been published.

Climate Implications of Policy Assessment

- 31 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.

Proactive release

- 32 I propose that this paper is proactively released no later than 30 business days following Cabinet decisions.

Use of External Resources

- 33 These proposals have been developed with the use of external resources. To meet short-term capacity demands that could not be reasonably foreseen and that require immediate action, one contractor engaged in the broader policy work to establish NZIAT has provided review of this paper.

Consultation

- 34 MBIE consulted with the Parliamentary Counsel Office, the Treasury, Ministry for Regulation and Ministry of Justice on this paper. The Office of the Ombudsman was consulted on the intent of the relevant Order in Council.

Recommendations

I recommend that the Cabinet Legislation Committee:

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- 1 **note** that in November 2024, Cabinet agreed to reform the science, innovation and technology (SI&T), including the establishment of a public research organisations focused on advanced technologies (CAB-24- MIN-0504.02).
- 2 **agree** to establish the New Zealand Institute of Advanced Technology Limited (NZIAT) as a Crown entity company in advance of the Science, Innovation and Technology Bill (the SI&T Bill) being enacted;
- 3 **agree** to exempt NZIAT from sections 161, 162, 163, 164, and 165 of the Crown Entities Act 2004;
- 4 **agree** to make NZIAT subject to the Ombudsmen Act 1975;
- 5 **note** that the appended two Orders in Council will give effect to the decisions referred to in paragraphs 1-4 above to establish the NZIAT:
 - 5.1 Crown Entities (New Zealand Institute for Advanced Technology Limited) Order 2026;
 - 5.2 Ombudsmen (New Zealand Institute for Advanced Technology Limited) Order 2026;
- 6 **authorise** the submission to the Executive Council of the Orders in Council in paragraph 5 above;
- 7 **note** that the Orders in Council will come into force on 20 March 2026, allowing compliance with the 28-day rule.

Authorised for lodgement

Hon Dr Shane Reti

Minister for Science, Innovation and Technology

IN CONFIDENCE

IN CONFIDENCE

Order 1 (Attached separately. To be inserted)

IN CONFIDENCE

IN CONFIDENCE

Order 2 (Attached separately. To be inserted)

IN CONFIDENCE

Ombudsmen (New Zealand Institute for Advanced Technology Limited) Order 2026

Order in Council

At Wellington this day of 2026

Present:
in Council

This order is made under section 32(2)(a) of the Ombudsmen Act 1975 on the advice and with the consent of the Executive Council.

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Order

1 Title

This order is the Ombudsmen (New Zealand Institute for Advanced Technology Limited) Order 2026.

2 Commencement

This order comes into force on 20 March 2026.

3 Principal Act

Clause 4 amends the Ombudsmen Act 1975.

4 Schedule 1 amended

In Part 2 of Schedule 1, insert in its appropriate alphabetical order:

New Zealand Institute for Advanced Technology Limited

Clerk of the Executive Council.

Explanatory note

This note is not part of the order but is intended to indicate its general effect.

This order, which comes into force on 20 March 2026, adds the New Zealand Institute for Advanced Technology Limited to the list of organisations set out in Part 2 of Schedule 1 of the Ombudsmen Act 1975.

Regulatory impact statement

The Ministry of Business, Innovation, and Employment produced a regulatory impact statement for the science reforms on 3 April 2025 to help inform the decisions taken by the Government relating to the contents of this instrument.

A copy of this regulatory impact statement can be found at—

- <https://www.mbie.govt.nz/document-library>
- <https://www.regulation.govt.nz/our-work/regulatory-impact-statements/>

Issued under the authority of the Legislation Act 2019.

Date of notification in *Gazette*:

This order is administered by the Ministry of Business, Innovation, and Employment.

Crown Entities (New Zealand Institute for Advanced Technology Limited) Order 2026

Order in Council

At Wellington this day of 2026

Present:
in Council

This order is made under section 9(1)(b) of the Crown Entities Act 2004 on the advice and with the consent of the Executive Council.

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	3
	New item inserted into Schedule 2 of Crown Entities Act 2004

Order

1 Title

This order is the Crown Entities (New Zealand Institute for Advanced Technology Limited) Order 2026.

2 Commencement

This order comes into force on 20 March 2026.

3 Principal Act

This order amends the Crown Entities Act 2004.

4 Schedule 2 amended

In Schedule 2, insert in its appropriate alphabetical order the item set out in the Schedule of this order.

Schedule
New item inserted into Schedule 2 of Crown Entities Act 2004

cl 4

Name	Exemption from acquisition of financial products, borrowing, guarantee, and derivative rules				Exemption from section 165 (net surplus payable to Crown)
	s 161	s 162	s 163	s 164	
New Zealand Institute for Advanced Technology Limited	✓	✓	✓	✓	✓

Clerk of the Executive Council.

Explanatory note

This note is not part of the order but is intended to indicate its general effect.

This order, which comes into force on 20 March 2026, adds the New Zealand Institute for Advanced Technology Limited to the list of Crown entity companies set out in Schedule 2 of the Crown Entities Act 2004.

Regulatory impact statement

The Ministry of Business, Innovation, and Employment produced a regulatory impact statement on 3 April 2025 to help inform the decisions taken by the Government relating to the contents of this instrument.

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Issued under the authority of the Legislation Act 2019.

Date of notification in *Gazette*:

This order is administered by the Treasury.