



COVERSHEET

Minister	Hon Penny Simmonds	Portfolio	Science, Innovation and Technology
Title of Cabinet paper	Research, Science, Innovation, and Technology Bill: Approval for Introduction	Date to be published	19 October 2026

List of documents that have been proactively released

Date	Title	Author
September 2026	Research, Science, Innovation, and Technology Bill: Approval for Introduction	Office of the Minister of Science, Innovation and Technology
17 September 2026	Research, Science, Innovation, and Technology Bill: Approval for Introduction LEG-26-MIN-0195 Minute	Cabinet Office

Information redacted

YES / ~~NO~~ *(please select)*

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Some information has been withheld for the reason of legal professional privilege.

[In Confidence]

Office of the Minister of Science, Innovation and Technology

Cabinet Legislation Committee

Research, Science, Innovation, and Technology Bill: Approval for Introduction

Proposal

- 1 This paper seeks approval for the introduction of the Research, Science, Innovation, and Technology Bill (the Bill). The Bill is attached as Appendix One to this paper.

Policy

- 2 The Government is reforming the Science, Innovation and Technology (SI&T) system under the *Innovation, Science and Technology* pillar in the *Going for Growth* agenda.
- 3 The objective of the reforms is to maximise the value of public investment and create a more dynamic and strategically focused SI&T system that can respond to priorities and keep pace with technological advances to grow the New Zealand economy.

Background

- 4 On 18 November 2024, 16 December 2024 and 9 June 2025, Cabinet agreed to a package of proposals to reform the SI&T system [CAB-24-MIN-0445, CAB-24-MIN-0504.02 and CAB-25-MIN-0187 refer]. These actions were to:
 - 4.1 establish a Prime Minister's Science, Innovation and Technology Advisory Council;
 - 4.2 enable funding bodies to be rationalised and required to respond to Government policies and priorities;
 - 4.3 progress work to establish the bioeconomy, earth science, health and forensic science services, and advanced technologies public research organisations (PROs);
 - 4.4 disestablish Callaghan Innovation and redistribute its most important functions to other parts of the system and to stop others; and
 - 4.5 create a Bill that gives effect to the package of proposals.

- 5 On 17 November 2025, Cabinet agreed to proposals relating to transitioning health research funding from Health Research of New Zealand (HRC) to Research Funding New Zealand (RFNZ) as part of the SI&T system reforms, specifically to disestablish HRC and redistribute its responsibilities to RFNZ, MBIE and the Ministry of Health.

Ministerial decisions made under Cabinet authorisation

- 6 Cabinet authorised the Minister of Science, Innovation and Technology to make decisions on some aspects of the SI&T system reforms and the Bill [CAB-24-MIN-0445 and CAB-24-MIN-0445 refer].
- 7 Cabinet authorised the Minister of Health and the Minister of Science, Innovation and Technology [CAB-25-MIN-0409 refers] to make decisions in relation to the disestablishment of HRC in the Bill [CAB-25-MIN-0409 refers]. No Ministerial decisions have yet been made under this authorisation.
- 8 The full details of Cabinet authorisations and the list of Ministerial decisions made under Cabinet authorisation is provided at Appendix Two.

Current state of the SI&T system reforms

- 9 The SI&T system reforms have been progressing well. The Government has:
- 9.1 established the Prime Minister's Science, Innovation and Technology Advisory Council;
 - 9.2 amalgamated seven Crown Research Institutes (CRIs) into three CRIs, and established the New Zealand Institute for Advanced Technology (NZIAT) as a new Crown entity company;
 - 9.3 established Invest New Zealand to increase levels of foreign direct investment into high-potential sectors;
 - 9.4 established Research Funding New Zealand as the new funding board to replace the Science Board and Marsden Council under existing legislation;
 - 9.5 created a funding system that better aligns research funding to the areas of highest priority for Government; and
 - 9.6 transferred some Callaghan Innovation activities to the new CRIs and the Ministry of Business, Innovation and Employment (MBIE).

- 10 Legal professional privilege
- [Redacted text]

- 11 Legal professional privilege
- [Redacted text]

12 Legal professional privilege

Purpose of the Bill

- 13 Legislation is required to formalise and give effect to Cabinet’s previous policy decisions relating to the SI&T system reforms, establishing the legislative framework for the new system arrangements. Legal professional privilege
- 14 The Bill is needed to implement key elements of the reform programme that cannot be achieved through administrative means alone, including establishing new statutory bodies, defining their functions and responsibilities, and providing for the disestablishment or transition of existing entities. The Bill will support the long-term effectiveness of the reforms by:
- 14.1 making the SI&T system reforms enduring through the establishment of new institutional arrangements and providing greater certainty for the sector;
 - 14.2 reducing the financial burden on the Crown associated with the continued operation of Callaghan Innovation; and
 - 14.3 transitioning CRIs to PROs, creating institutions that are better aligned with government priorities and remains sufficiently adaptable to our future needs.
- 15 To achieve this, the Bill will specifically:
- 15.1 formally enable the Prime Minister to establish a Science, Innovation and Technology Advisory Council to advise on the government priorities and policies for research, science, innovation, and technology in New Zealand;
 - 15.2 provide for a funding board to make decisions on the allocation of funding appropriated for the purposes of research, science, innovation and technology (or related activities);
 - 15.3 specify that the current CRIs and NZIAT are now PROs, and provide for their objective, functions, operating principles and operation;
 - 15.4 continue and rename Callaghan Innovation as Gracefield Innovation Quarter Holdings, and provide for its amended functions;
 - 15.5 disestablish HRC and to alternatively provide for ethical and scientific review of research proposals; and
 - 15.6 repeal the Callaghan Innovation Act 2012, the Crown Research Institutes Act 1992, the Health Research Council Act 1990 and the Research, Science, and Technology Act 2010.

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I seek further policy decisions on several items consistent with the intent of Cabinet decisions

- 16 I seek Cabinet's approval to several policy decisions relating to:
- 16.1 the requirement for PROs to act consistently with existing Treaty settlement obligations;
 - 16.2 the requirement for the Minister of Science, Innovation and Technology to consult and consider Treaty related obligations when deciding on transfers;
 - 16.3 the ability for an Order in Council to be made by the Governor-General, on recommendation by the Minister of Science, Innovation and Technology, to disapply section 47 of the Commerce Act 1986 in relation to transfers;
 - 16.4 other transfer-related clauses regarding transfers between PROs and from the Crown to PROs;
 - 16.5 limited immunity from civil liability for employees and directors of PROs and PRO subsidiaries in particular instances; and
 - 16.6 a temporary function for Gracefield Innovation Quarter Holdings to either sell or wind down GlycoSyn Technologies.
- 17 These provisions are consistent with the overarching policy intent and have no new fiscal implications for the Crown. The provisions have been developed in consultation with relevant parties and stakeholders to ensure they are targeted to address specific limitations and concerns. They are fit for purpose, not expected to be used often and unlikely to result in unintended consequences.

PROs required to act consistently with Treaty settlement obligations

- 17.1 In June 2025, Cabinet agreed that the Bill should reflect the Crown's existing obligations under Treaty of Waitangi settlements in relation to land and management of taonga species in PRO collections and research [CAB-25-MIN-0187 refers]. This was to reflect that PROs are not part of the Crown and therefore are not generally subject to Treaty settlement obligations, but their work can support the Crown's obligations.
- 17.2 Further policy work, consultation with Ministry of Justice (MoJ) and Treaty Provisions Oversight Group (TPOG), as well as Ministerial approval have expanded this so PROs must act consistently with existing Treaty settlement obligations. PROs routinely engage with a range of taonga further than just 'taonga species', including research to do with water and taonga materials like Earth Science New Zealand's collection of pounamu, so it is appropriate to extend this provision to cover Treaty settlement generally.
- 17.3 PROs have welcomed more recognition of the Treaty in the legislation. However, they have expressed that it may be difficult to meet these new obligations in practice, so they would like to work with MBIE to develop the necessary level of detail and approaches about how this will work in practice.

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The Minister of Science, Innovation and Technology required to consult and consider Treaty-related obligations when deciding on transfers

- 17.4 As Cabinet agreed in June 2025, the Bill enables the Minister to adjust the scope and activities of PROs and sets out a consistent approach to transferring different activities, assets and liabilities from the Crown to PROs and between PROs [CAB-25-MIN-0187 refers].
- 17.5 The Bill therefore aims to address how transfers trigger Crown obligations, including those related to the Treaty of Waitangi, competition, and procedural fairness. While I believe these clauses are consistent with Cabinet's decisions, I require Cabinet's approval for some clauses.
- 17.6 I seek approval for the Minister of Science, Innovation and Technology, when considering a transfer, to consult iwi, hapū, or other Māori groups that have an interest in the transfer, consult with the Minister for Treaty of Waitangi Negotiations and the Minister for Māori-Crown Relations: Te Arawhiti, and take into account any interests and how those interests may be provided for.
- 17.7 I believe this is consistent with Cabinet's approved approach to Treaty clauses [CAB-26-MIN-0048.01 refers], in that it is specific and defined and does not go further than the standard of 'take into account', both of which support consistency and certainty of Treaty clauses. This replaces the approach of section 10 under the Crown Research Institutes Act 1992, where the Minister is required to have regard to principles of the Treaty when transferring land or an interest in land, which was intended to protect Māori interests in land while being less administratively burdensome than the approach for State Owned Enterprises.
- 17.8 It may also help to avoid Waitangi Tribunal and High Court claims challenging the transfers because the Minister of Science, Innovation and Technology did not adequately engage with Treaty obligations, which would reduce the effectiveness of the Minister of Science, Innovation and Technology's ability to transfer from the Crown to PROs and between PROs. As a Minister of the Crown, the Minister of Science, Innovation and Technology must act consistently with the Treaty. As noted above, PROs welcome the recognition of engagement with Māori in the Bill.

Disapply section 47 of the Commerce Act 1986 for transfers

- 17.9 As part of policy work on the transfer regime, and informed by the work for Earth Science New Zealand to acquire MetService, I have identified that some transfers may affect competition in the markets PROs operate in. One purpose of the reforms regarding PROs was to reduce non-constructive competition between organisations, which led to merging CRIs and developing the future-looking transfer regime in the Bill and to enable the Minister of Science, Innovation and Technology to make transfers as they see fit. However, we still want to preserve existing competition so private entities and other public research entities are still able to compete in the relevant markets.

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- 17.10 The Minister of Science, Innovation and Technology therefore needs to consider competition when they are deciding to make a transfer. Clause 69 allows an Order in Council to be made by the Governor-General, on recommendation by the Minister of Science, Innovation and Technology, to disapply section 47 of the Commerce Act 1986, and requires the Minister of Science, Innovation and Technology to first consult the Minister who is responsible for the administration of the Commerce Act 1986.
- 17.11 I believe this is an adequately limited provision that aligns with Cabinet's approval to create a transfer regime and allows transfers to be effective.

Other clauses outlining the consequences of transfers

- 17.12 I would like Cabinet's approval of clauses outlining the consequences of transfers further than what is carried over from the Crown Research Institutes Act 1992, including extending the clauses to transfers between PROs and covering future transfers. This includes process matters that affect the consequences of transfers, for instance:
- 17.12.1 allowing PRO Chief Executives to agree that directions, rights, liabilities, contracts, entitlements, engagements and property of a transferring PRO will or will not become the rights, liabilities, contracts, engagements and property of the recipient PRO;
 - 17.12.2 an assumption that the above will transfer unless PRO Chief Executives agree otherwise, to make it clear; and
 - 17.12.3 ensuring that the holding of information by a recipient PRO does not prevent the transferring PRO from continuing to hold and use any information for the purpose of performing its functions.
- 17.13 This is consistent with Cabinet's authorisation that allows me to decide what to carry over from the Crown Research Institutes Act 1992 but expands on the authority.

Limited immunity from civil liability for directors and employees of PRO and PRO subsidiaries

- 17.14 In June 2025, Cabinet agreed that PROs, their employees and directors, will be provided with limited immunity from liability for good faith performance of certain public good functions required under law that relate to emergency situations, such as providing weather, earthquake, volcanic or pandemic preparedness warnings [CAB-25-MIN-0187 refer].
- 17.15 However, I now consider that immunity from civil liability should be limited to PRO employees, PRO directors, and any PRO subsidiary employees and directors. I do not wish to extend civil immunity to the PRO, PRO subsidiary, or any other person acting on behalf of the PRO.

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17.16 I seek agreement to expand on what Cabinet agreed, to cover:

17.16.1 situations where employees and directors of PROs and PRO subsidiaries provide advice and information on hazardous events, rather than only related to future emergency situations as well as in a crisis response. Rather than only related to emergency situations, which may include advice to inform whether a state of emergency should be announced, this could include advice to inform ongoing risk management, for instance whether a certain area is flood or fire-prone; and

17.16.2 situations where a PRO has been directed under clause 51 by the Minister of Science, Innovation and Technology in a state of emergency, and an employee or director of a PRO or PRO subsidiary acts to give effect to that Ministerial direction.

17.17 PROs would prefer the limited immunity is extended to the entity itself, but this provision is consistent with, and in fact much narrower in scope, than similar protections commonly provided section 121 of the Crown Entities Act 2004 for the employees and directors of statutory entities and in section 104 of the Public Service Act 2020 for public service employees. In each case, an adversely affected person or entity could still legally pursue the government, the statutory entity or the PRO, respectively.

Gracefield Innovation Quarter Holdings temporary function

17.18 GlycoSyn Technologies is a business unit of Callaghan Innovation which manufactures novel active pharmaceutical ingredients to treat disease and improve quality of life. It is currently subject to sale negotiations but there is no guarantee these will be successful.

17.19 In the event the current sale negotiations are not successful or the sale takes longer to complete than the commencement of the Bill, the Bill includes a function that enables Gracefield Innovation Quarter Holdings to either sell or wind down GlycoSyn. The function will be in force until either the earlier of GlycoSyn being sold, transferred or wound up or until one year post commencement of the Bill.

17.20 While I consider this additional function consistent with the intent of Cabinet's decisions, it is beyond the scope Cabinet explicitly agreed regarding the functions of Gracefield Innovation Quarter Holdings [CAB-25-MIN-0187 refers].

Regulatory analysis

18 Regulatory Impact Statements were prepared in accordance with Cabinet's previous impact analysis requirements and were submitted at the time that Cabinet approval was sought for the policies relating to the wider SI&T system reforms [CAB-25MIN-0187 refers] and the disestablishment of the HRC [CAB-25-MIN-0185 refers]. There are no new regulatory proposals in this paper, and therefore Cabinet's impact analysis requirements do not apply.

Consistency with principles of responsible regulation

- 19 A Consistency Accountability Statement (CAS) and Summary of Underpinning Analysis was prepared in accordance with requirements set out in the Regulatory Standards Act 2025 and the Cabinet Office circular *Expectations for Good Law-making* [CO (26) 2].
- 20 There were no inconsistencies identified with the principles of responsible regulation. The CAS is provided at Appendix Three.

Compliance

- 21 The Bill complies with:
- 21.1 the principles and guidelines set out in the Privacy Act 2020;
 - 21.2 relevant international standards and obligations; and
 - 21.3 the [Legislation Guidelines](#) (2021 edition), which are maintained by the Legislation Design and Advisory Committee. I note that the Bill includes a small number of provisions that warrant specific consideration, but I am satisfied these are appropriately justified in accordance with the Legislative Guidelines:
 - 21.3.1 There are provisions that have a retrospective effect to ensure employees of Callaghan Innovation that are contributors to the Government Superannuation Fund and that have transferred to CRIs prior to the commencement of the Bill continue to be contributors. They are to the benefit of those affected.
 - 21.3.2 Clause 69 empowers the Governor-General to make an Order in Council (secondary legislation) to disapply Section 47 of the Commerce Act 1986 (primary legislation) for PRO-related transfers. This is justified as there is a strong need for Government to enable PRO transfers, the provision has an appropriately limited scope, and it requires the Minister of Science, Innovation and Technology to consult with the Minister of Commerce and Consumer Affairs before recommending to the Governor-General that the Order in Council is made.

The principles of the Treaty of Waitangi and advice from the TPOG: PROs to act consistent with existing Treaty settlement obligations

- 22 TPOG advised that requiring PROs to act consistently with Treaty settlement obligations addresses only a limited aspect of the Crown's Treaty Obligations. They noted a risk that this could create an assumption that compliance with Treaty settlement commitments would address all relevant rights and interests of Māori groups.

- 23 However, TPOG also advised that requiring PROs to act in a manner that is consistent with the obligations arising under existing Treaty settlements would be broadly consistent with comparable provisions in other legislation, including:
- 23.1 section 7(1) Fast-track Approvals Act 2024;
- 23.2 section 11(1) Hauraki Gulf / Tīkapa Moana Marine Protection Act 2025; and
- 23.3 section 7 Local Government (Water Services) Act 2025.
- 24 TPOG advised that this approach is broadly consistent with the Treaty principle of redress, but does not fully address the Treaty principles of partnership and active protection.
- 25 The proposed provisions clarify that where PRO activities relate to Treaty settlements or could affect the Crown's ability to meet its commitments, they must act consistently with those obligations.
- 26 In addition, the Bill's monitoring, direction and accountability mechanisms provide the Minister of Science, Innovation and Technology with tools to influence how PROs support the Crown's broader Treaty obligations, including obligations arising from Treaty principles.

The principles of the Treaty of Waitangi and advice from the TPOG: Requirement for Minister to consult before making transfer decisions

- 27 The Bill requires the Minister to consult relevant iwi, hapū or Māori groups, and relevant Ministers, before making decisions to transfer activities.
- 28 I consider that these consultation requirements are broadly consistent with the Treaty principles of partnership and active protection. TPOG did not have an opportunity to directly advise on this provision.

The rights and freedoms contained in the New Zealand Bill of Rights Act 1990 and the Human Rights Act 1993

- 29 The Ministry of Justice is currently vetting the Bill to determine if it complies with the rights and freedoms contained in the New Zealand Bill of Rights Act 1990 and the Human Rights Act 1993.
- 30 The Bill references the Protection of Personal and Property Rights Act 1988 in relation to funding board members. Section 19 of the New Zealand Bill of Rights Act 1990 may be engaged if a member subject to a temporary property order were permanently removed from office. The Bill mitigates this risk by providing that such a member is placed on leave of absence, rather than having their appointment terminated.

Consultation

- 31 This paper and the Bill have been consulted with:

- 31.1 relevant government departments or other public bodies, including the Department of the Prime Minister and Cabinet (and the Policy Advisory Group); the Treasury; the Ministry for Regulation; the Department of Conservation; the Ministry of Education; the Ministry of Health; the Ministry for Primary Industries; the Ministry of Cities, Environment, Regions and Transport; the National Emergency Management Agency; the Ministry of Foreign Affairs and Trade; the Ministry for Pacific Peoples; the Ministry of Defence; Te Puni Kōkiri; the Ministry of Social Development; Inland Revenue; MoJ and Te Tari Whakatau; Callaghan Innovation; Earth Sciences New Zealand; the Bioeconomy Science Institute; New Zealand Institute for Advanced Technology; Public Health and Forensic Science and the Government Superannuation Fund Authority; and
- 31.2 the government caucus.
- 32 The Public Service Commission was informed of the Bill but were unable to undertake a review on the machinery of government at this stage.
- 33 Departmental feedback was generally supportive of the Bill and its introduction. Specific feedback related to GlycoSyn Technologies, and PRO-related provisions around the Treaty, transfer of activities, accountability and information-sharing arrangements, and the implementation of the PRO accountability framework and operating principles. As a result of the consultation, minor technical amendments were made to the Bill to ensure provisions were consistent with policy intent.
- 34 While relevant private sector organisations and the public have not been consulted on the Bill, they have been extensively consulted on the SI&T system reform through the public consultation processes of the Science System Advisory Group and Te Ara Paerangi – Future Pathways.

Binding on the Crown

- 35 The act resulting from the Bill will bind the Crown as agreed by Cabinet [CAB-25-MIN-0088 refers].

Creating new agencies or amending law relating to existing agencies.

- 36 The Bill will not create new agencies but will amend legislation relating to existing agencies, specifically:
- 36.1 CRIs, as the Crown Research Institutes Act 1992 will be repealed and the entities will transition to PROs;
- 36.2 HRC, as the Health Research Council Act 1990 will be repealed and consequently HRC will be disestablished with responsibilities distributed to RFNZ, MBIE and the Ministry of Health; and
- 36.3 Callaghan Innovation, as the Callaghan Innovation Act 2012 will be repealed but the entity will be continued and renamed to Gracefield Innovation Quarter Holdings with new functions and remain as a Crown entity for the purposes of section 7 of the Crown Entities Act 2004.

- 37 The Ombudsmen Act 1975 and the Official Information Act 1982 will be amended to reflect the changes above. These acts will also apply to any entity or body created in under the Bill, including the funding board (RFNZ), the Prime Minister's Science, Innovation and Technology Advisory Council, PROs and Gracefield Innovation Quarter Holdings.

Allocation of decision-making powers

- 38 The Bill does not change the allocation of decision-making powers between the executives, the courts and the tribunals.

Associated regulations

- 39 Certain provisions will require Orders in Council or on a backstop date to bring them into effect, specifically:
- 39.1 section 20 relating to the allocation of RSI&T funding for research involving certain activities;
 - 39.2 subpart 1 of Part 5 relating to the disestablishment of the HRC; and
 - 39.3 section 104 relating to the repeal of the Health Research Council Act 1990.
- 40 Section 2(4) enables the Governor-General by Order in Council to bring Subpart 2 of Part 4 into force to the disestablish Gracefield Innovation Quarter Holdings following the sale or transfer of the Gracefield Innovation Quarter property.
- 41 Section 30 enables the Governor-General by Order in Council, on the recommendation by the Minister of Science, Innovation and Technology, to amend Schedule 3 regarding Crown entity companies and PROs.
- 42 Section 69 enables the Governor-General by Order in Council, on the recommendation by the Minister of Science, Innovation and Technology, to provide that section 47 of the Commerce Act 1987 does not apply in relation to an acquisition by a PRO of particular assets or shares.
- 43 In Schedule 4, certain clauses enable the Governor-General by Order in Council to give effect to the Minister of Science, Innovation and Technology's intent on transfer of Crown assets and liabilities to PROs, specifically:
- 43.1 clause 7 regarding the continuation of certain statutory terms and conditions following the transfer of goods, services and land;
 - 43.2 clause 8 regarding the transfer of Crown land; and
 - 43.3 clause 12 regarding the transfer of assets and liabilities.

Other instruments

- 44 The Bill does not include any provision empowering the making of other instruments that are deemed to be legislative instruments or disallowable instruments.

Definition of Minister/department

- 45 The Bill relies on the definitions for “department” and “Minister” in section 13 of the Legislation Act 2019. The Bill defines “chief executive” as meaning “the chief executive of the department”.

Commencement of legislation

- 46 The Bill will come into force on the day after the date of Royal assent, except for:
- 46.1 section 20 relating to the allocation of RSI&T funding for research involving certain activities;
 - 46.2 subpart 1 of Part 5 relating to the disestablishment of the HRC;
 - 46.3 section 104 relating to the repeal of the Health Research Council Act 1990; and
 - 46.4 subpart 2 of Part 4 relating to the disestablishment of Gracefield Innovation Quarter Holdings.
- 47 Provisions referred to in paragraphs 46.1, 46.2 and 46.3 will on commence on a date set by Orders in Council so that Government can mitigate the disruption of the provision of services and responsibilities. These provisions will come into force one year later if Orders in Council are not made by this time.
- 48 Provisions referred to in paragraph 46.4 will commence on a date set by an Order in Council to enable future decision making regarding the Gracefield Innovation Quarter site without a primary legislation amendment process. There are safeguards in the case that Government decides to retain Gracefield Innovation Quarter Holdings in the longer term, meaning that an Order in Council cannot disestablish Gracefield Innovation Quarter Holdings after ten years.
- 49 The explanatory note to the Bill sets out the reasons for commencing these provisions by Order in Council.

Parliamentary stages

- 50 I propose that the Bill be introduced and referred to the Economic Development, Science and Innovation select committee for consideration.

Proactive Release

- 51 I propose to proactively release this paper within 30 business days subject to any redactions consistent with the Official Information Act 1982.

Recommendations

I recommend that the Cabinet Legislation Committee:

Further decisions

- 1 **agree** that the Research, Science, Innovation, and Technology Bill (the Bill) provide for:
 - 1.1 the requirement for Public Research Organisations (PROs) to act consistently with existing Treaty settlement obligations;
 - 1.2 the requirement for the Minister of Science, Innovation and Technology to consult and consider Treaty-related obligations when deciding on transfers;
 - 1.3 the ability for an Order in Council to be made by the Governor-General, on recommendation by the Minister of Science, Innovation and Technology, to disapply section 47 of the Commerce Act 1986 in relation to transfers;
 - 1.4 other transfer-related clauses regarding transfers between PROs and from the Crown to PROs;
 - 1.5 limited immunity from civil liability for employees and directors of PROs and PRO subsidiaries in particular instances; and
 - 1.6 a temporary function for Gracefield Innovation Quarter Holdings to either sell or wind down GlycoSyn Technologies;

Ministerial decisions made under Cabinet authorisation

- 2 **note** the Ministerial decisions made under Cabinet authorisation as set out in Appendix Two;

Approval and introduction of the Bill

- 3 **note** that the Bill holds a category four priority on the 2026 Legislation Programme, which is to be passed before the 2026 General Election if possible;
- 4 **note** that the Bill will give effect to a package of proposals to reform the SI&T system to maximise the value of public investment and create a more dynamic and strategically focused SI&T system that can respond to priorities and keep pace with technological advances to grow the New Zealand economy;
- 5 **approve** the Bill for introduction, subject to the final approval of the government caucus and sufficient support in the House of Representatives; and
- 6 **agree** that the government propose that the Bill be referred to the Economic Development, Science and Innovation committee for consideration.

Authorised for lodgement

I N C O N F I D E N C E

Hon Penny Simmonds

Minister of Science, Innovation and Technology

I N C O N F I D E N C E

Appendix Two: Ministerial decisions under Cabinet authorisation

- 1 On 18 November 2024 and 4 June 2025, Cabinet authorised me as the Minister of Science, Innovation and Technology to make decisions about:
 - 1.1 existing research and development and innovation-related funding products including transfer to other entities [CAB-24-MIN-0445 refers];
 - 1.2 minor and technical matters that may arise during the drafting process [CAB-25-MIN-0187 refers];
 - 1.2.1 any decisions that arise and are consistent with other Cabinet decisions, including decisions [CAB-25-MIN-0187 refers];
 - 1.2.2 on what matters should carry over and updates to the Research, Science and Technology Act 2010 and the Crown Research Institutes Act 1992;
 - 1.2.3 to support the amalgamation of CRIs, such as addressing tax issues (for which the Minister of Revenue will be consulted);
 - 1.2.4 on the transition of existing CRIs to PROs, including consolidation if necessary (for which the Minister of Finance will be consulted, in their role as shareholding Minister);
 - 1.2.5 on operating principles, governance, and the scope of immunity, for PROs;
 - 1.2.6 on the transfer of Callaghan Innovation's responsibilities to PROs and MBIE;
 - 1.2.7 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;
- 2 On 17 November 2025, Cabinet authorised me as the Minister of Science, Innovation and Technology and the Minister of Health [CAB-25-MIN-0409 refers] to make decisions:
 - 2.1 on minor and technical matters that may arise during the drafting process; and
 - 2.2 consistent with the other Cabinet decisions, that may arise during the drafting process.
- 3 Under authorisation by Cabinet, I and former Ministers of Science, Innovation and Technology made the following decisions:

Transfer of Callaghan Innovation functions

- 3.1 to transfer the following functions to the following entities:

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- 3.1.1 technical assessments and business engagement for the Research and Development Tax Incentive to MBIE;
- 3.1.2 that administration of and funding for Ārohia Innovation Trailblazer Grant, New to R&D Grant, R&D Student Grants and Founder and Start-up Support Programme to MBIE;
- 3.1.3 responsibility and funding for the Bioresource Processing Alliance and New Zealand Food Innovation Network to the Bioeconomy Science Institute;
- 3.1.4 following the assessment of the Research and Development Solutions Group's science capabilities that the Biotechnologies Group will be transferred to the Bioeconomy Science Institute, and the Applied Technologies Group be closed;
- 3.1.5 responsibility and funding for the Measurement Standards Laboratory to Earth Sciences New Zealand; and
- 3.1.6 responsibility and funding for the New Zealand Product Accelerator and the Technology Incubator Programme to the NZIAT;
- 3.2 to amend the Measurement Standards Regulations 2019 after commencement of the Bill for the transfer of the Measurement Standards Laboratory from Callaghan Innovation / Gracefield Innovation Quarter Holdings to Earth Science New Zealand after the Measurement Standards Laboratory is transferred.

Gracefield Innovation Quarter Holdings

- 3.3 that the minimum size of the board for Gracefield Innovation Quarter Holdings will be reduced from five to three members;
- 3.4 to retain the ability to appoint the Chief Executive (or delegate) of MBIE as a special adviser to the board of Gracefield Innovation Quarter Holdings;
- 3.5 to retain the exemptions under sections 161–165 of the Crown Entities Act 2004 for the Callaghan entity (Gracefield Innovation Quarter Holdings);

Public Research Organisations (PROs)

- 3.6 that the proposed amalgamations of CRIs should be tax-neutral for the CRIs, their subsidiaries, and part-owned entities, and should not disadvantage private-sector shareholders;
- 3.7 to provide transitional tax relief for CRIs, their subsidiaries, and part-owned entities, in legislation, to ensure that there are no unintended tax costs (or benefits) solely arising from the amalgamation of CRIs, including losing tax losses and imputation credits;

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- 3.8 that no unintended tax costs (or benefits) should arise, such as losing tax losses and imputation credits, when CRIs are deemed to be PROs under the Bill;
- 3.9 that as Crown entity companies PROs will retain the tax treatment of CRIs, so will be subject to income tax and Goods and Services Tax;
- 3.10 that no unintended tax costs or benefits should arise if Government chooses to make changes to PROs in the future, including amalgamations or transfers of activities;
- 3.11 to include the necessary legislative amendments in the Bill which is expected to come into effect by June 2026 to give effect to the decisions in the previous decisions;
- 3.12 adopt the standard Crown entity monitoring and accountability regime for PROs (Part 4 of the Crown Entities Act 2004);
- 3.13 carry over the recommended skills mix for boards under the CRI Act 1992, add international experience and science experience in fields relevant to each PRO's activities and update those requirements so that they apply for PROs;
- 3.14 maintain existing bespoke reporting requirements that support transparency of financial position additional to the Crown Entities Act 2004 requirements;
- 3.15 carry over from the Crown Research Institutes Act 1992, and update the Minister and Board roles;
- 3.16 adopt Crown Entities Act 2004 collective and individual board duties;
- 3.17 require PROs to be financially responsible over a longer time period;
- 3.18 maintain the provisions in the Crown Research Institutes Act 1992 that support PROs to be able to respond to market opportunities;
- 3.19 maintain the Crown Research Institutes Act 1992 provisions to make sure transaction such as contracts and obligations entered into are valid or enforceable;
- 3.20 maintain the Crown Research Institutes Act 1992 ability for the Minister of Finance and State Services to direct PROs to have regard to all-of-government policy, which is a lower requirement compared to the Crown Entities Act 2004 where Crown entities must give effect to this direction;
- 3.21 maintain option in the Crown Research Institutes Act 1992 for the Crown to provide compensation to PROs if PRO is directed;
- 3.22 maintain substance of requirements in Crown Research Institutes Act 1992 about transfer of assets from the Crown to CRIs;
- 3.23 that provisions carried over from the CRI Act 1992 are updated as necessary to align with the current statute book and best practice legislative design, including removing any redundant requirements;

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- 3.24 to forward BRIEFING-REQ-0013849 to the Minister of Finance and Associate Minister of Finance, to inform them of the decisions;
- 3.25 that the Bill maintain the existing exemption from section 165 of the Crown Entities Act 2004 so that PROs are not required to return a surplus;
- 3.26 the Bill will not specify that PROs' must allow researchers and innovators to directly benefit from commercialisation;
- 3.27 include the following functions for PROs to:
 - 3.27.1 undertake excellent and high impact research intended to have long-term benefits to New Zealand, including economic, environmental and health benefits;
 - 3.27.2 provide public good research and science services needed to (a) inform key regulatory and policy decisions; and (b) support the effective operation and resilience of markets and the economy, environment and society.
 - 3.27.3 drive internationally competitive innovation; and
 - 3.27.4 encourage commercialisation and practical use of the research and technologies created;
- 3.28 include the following operating principles for PROs to:
 - 3.28.1 pursue opportunities that drive innovation and commercial outcomes to grow the New Zealand economy; and
 - 3.28.2 rapidly redirecting investment from less promising ventures to high-potential opportunities;
- 3.29 to include an additional operating principle that focuses on PROs collaborating more closely with one another;
- 3.30 reference Māori as a partner in the operating principles;
- 3.31 amend the clause outlining the Prime Minister's ability to direct PROs in a declared state of emergency to instead be held by the Minister of SI&T;
- 3.32 carry over and expand the options for the Crown to compensate PROs to cover situations where the Crown requires goods and services from a PRO, pending any feedback from Treasury;
- 3.33 to include the amendments to draft tax provision that retroactively provides the transitional tax relief outlined above in the Taxation (Annual Rates for 2025–26, Compliance Simplification, and Remedial Measures) Bill, rather than the proposed Bill;

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- 3.34 continue drafting based on the Cabinet agreed approach where PROs must act consistently with existing Treaty settlement obligations, including land and taonga;
- 3.35 that the Bill will update PROs' objective and functions to include arranging for another person to undertake research;
- 3.36 to not include an operating principle that requires PROs to "report on performance across all activities and priorities with clear goals and milestones";
- 3.37 that, for transfers between PROs and from the Crown to PROs, the Bill will adopt a specific, defined approach to addressing Treaty of Waitangi obligations, by requiring the Minister to consider defined matters and follow processes tailored to the various types of transfers, which is more consistent with the Cabinet Treaty principles clauses review;
- 3.38 that the approach will include standardised consultation expectations, requiring the Minister to consult, where relevant, with iwi, hapū, or other Māori entities with recognised rights or interests in the transfer and/or the Minister for Treaty of Waitangi Negotiations, if relevant to the transfer;

Research Funding New Zealand (RFNZ)

- 3.39 include additional provisions in the Bill so that, in respect of the RFNZ, the following apply in a manner equivalent to the Crown Entities Act 2004;
 - 3.39.1 member appointments (section 28(4));
 - 3.39.2 qualifications requirements (section 30); and
 - 3.39.3 ministerial directions to perform additional functions (section 112);
- 3.40 include additional provisions in the Bill so that RFNZ is subject to the Ombudsmen Act 1975 and section 16 and sections 24–31 of the Public Audit Act 2001;
- 3.41 include additional provisions to specify that RFNZ's funding decisions encompass the recipient, amount of funding, and key requirements of research being funded, etc; and to clarify that the responsible department (MBIE, or another department with the Minister's prior approval) is required to implement RFNZ's funding decisions by entering into funding agreements, and in doing so, the department may set appropriate terms and conditions with successful applicants;
- 3.42 that the Bill will include additional provisions to enable RFNZ to appoint advisory groups comprising external experts; and
- 3.43 that the Bill will include additional provisions to clarify MBIE's role as contract party and provider of support.

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