



Minister for Science, Innovation and Technology

Science, Innovation and Technology Portfolio

Vote Business, Science and Innovation

Report in relation to selected non-departmental appropriations for the year ended 30 June 2026

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Foreword

Ministers are responsible for reporting the financial and non-financial performance of non-departmental appropriations to Parliament. This report provides information about the year-end performance results of non-departmental appropriations that have not been included in any other reports to Parliament. This report provides the 1 July 2025–30 June 2026 results of the relevant non-departmental appropriations for the Science, Innovation and Technology portfolio within Vote Business, Science and Innovation.

The relevant appropriations are:

Non departmental output expenses:

- Endeavour Fund
- Gene Technology Regulatory Functions
- Health Research Fund
- Marsden Fund
- Partnered Research Fund
- Student Grant
- Innovation Trailblazer Grant 2023-2028
- New to R&D Grant 2023-2028
- Founder and Startup Support
- Supporting Industry Research Connection and Commercialisation

Non- departmental other expenses

- Catalyst Fund
- Research and Development Tax Incentive In-Year Payments Loans write-offs

Non-departmental Capital Expenditure

- New Zealand Institute for Earth Science Limited Acquisition of MetService 2026-27



Hon Penny Simmonds

Minister for Science, Innovation and Technology

18/18 2026

Statements of Performance

Non-Departmental Output Expense

Endeavour Fund (M84) (A17)

Scope of Appropriation

This appropriation is limited to research, science or technology and related activities that have the potential for excellence and long-term impact for New Zealand's economy, society or environment.

What is intended to be achieved with this Appropriation

This appropriation is intended to achieve investment in the highest quality, investigator-led research proposals to impact areas of future value, growth and critical needs for New Zealand.

Assessment of Performance

Non-Financial

Performance Measure	2024/25 Actual Result	2025/26 Total Standard	2025/26 Actual Result
Percentage of contracts that have been monitored and performance assessed within agreed timeframes	100%	100%	Achieved

Commentary

All contracts report and are assessed annually, with high-risk contracts monitored more frequently through regular discussion with contact holders.

294 contracts monitored and performance assessed in FY 25/26

Financial

Expenses (\$000)	2024/25 Actual	2025/26 Estimates	2025/26 Supplementary Estimates	2025/26 Actual
Total Appropriation	244,853	245,124	247,617	243,142

Commentary

This appropriation increased by \$2.493 million to \$247.617 million in 2025/26, primarily due to a \$2.893 million expense transfer from 2024/25 to meet anticipated Endeavour Fund contract variation costs.

This was partially offset by a \$0.4million fiscally neutral transfer to fund an independent evaluation of the Endeavour Fund.

This appropriation was underspent by \$4.475 million (2%) in 2025/26, mainly due to project timing and investment profile changes, with up to \$4 million transferred to 2026/27 to support future commitments.

Gene Technology Regulatory Functions (M84) (A17)

Scope of Appropriation

This appropriation is limited to the provision of gene technology regulatory functions.

What is intended to be achieved with this Appropriation

This appropriation is intended to achieve the establishment of a new Gene Technology regulator and regime to accelerate the research, development, commercialisation and uptake of Gene Technologies in New Zealand. The updated rules intend to support our scientists and industry in using gene technologies to make advancements in healthcare and climate change, protect our unique environment, lift our agricultural productivity, and boost exports for economic growth

Assessment of Performance

Non-Financial

Performance Measure	2024/25 Actual Result	2025/26 Budget Standard	2025/26 Actual Result
Gene Tech Regulator function is established by 30 June 2026	Achieved	Achieved	Not Achieved

Commentary

Progression of primary legislation to second reading has been delayed pending government decisions on next steps.

Financial

Expenses (\$000)	2024/25 Actual	2024/25 Estimates	2025/26 Supplementary Estimates	2025/26 Actual
Total Appropriation	876	6,700	6,157	6,038

Commentary

This appropriation decreased by \$543,000 to \$6.157 million for 2025/26 due to a fiscally neutral adjustment of \$2.543 million to Vote Agriculture, Biosecurity, Fisheries and Food Safety to allow the Ministry for Primary Industries to establish, resource and commence a fit-for-purpose review, reform and modernisation programme for Gene Technology per an agreed memorandum of understanding.

This decrease is partially offset by a Cabinet decision of \$2 million to fund the establishment cost for ICT systems critical for the new gene technology regulator within the Environmental Protection Authority.

Actual expenditure for financial year 2025/2026 was \$6.038 million, which was largely in line with the appropriation, resulting in a minor variance of \$0.119 million (2%).

Health Research Fund (M84) (A17)

Scope of Appropriation

This appropriation is limited to research and research applications with the primary purpose of improving the health and well-being of New Zealanders.

What is intended to be achieved with this Appropriation

This appropriation is intended to achieve an improvement in the health and well-being of New Zealanders through health research.

Assessment of Performance

Non-Financial

Performance Measures	2024/25 Actual Result	2025/26 Budgeted Standard	2025/26 Actual Result
Number of contracts funded in the previous financial year by the Health Research Council that meet the Health Research Council's definition of 'transformative' research	19	8-12	15
The percentage of funding contracts that have been administered and monitored by MBIE and performance assessed within agreed timeframes	100%	100%	100%

Commentary

This budget standard was revised for 2025/26 and outyears from "10-20" to "8-12" to reflect the reduction in funding for the Health Research Fund. With a decrease in funding, we expect this number to reduce in the 26/27 year.

Financial

Expenses (\$000)	2024/25 Actual	2025/26 Estimates	2025/26 Supplementary Estimates	2025/26 Actual
Total Appropriation	115,434	107,660	107,660	107,660

Commentary

Actual expenditure for financial year 2025/2026 was \$107.660 million, which was in line with the appropriation.

Marsden Fund (M84) (A17)

Scope of Appropriation

This appropriation is limited to excellent investigator-led research.

What is intended to be achieved with this Appropriation

This appropriation is intended to achieve an improvement in investigator-led research in areas of science, engineering, mathematics, social sciences and the humanities.

Assessment of Performance

Non-Financial

Performance Measures	2024/25 Actual Result	2025/26 Budgeted Standard	2025/26 Actual Result
Percentage of proposals supported by the fund that have potential to result in economic benefit to New Zealand	New measure	45% or more	50%

Commentary

This is a new measure which was introduced for the 2025 funding round. This fund is being wound down with a final round run in 2026. The Royal Society will manage existing contracts until they mature in 2030. This measure will not be reported on again.

Financial

Expenses (\$000)	2024/25 Actual	2025/26 Estimates	2025/26 Supplementary Estimates	2025/26 Actual
Total Appropriation	78,545	78,545	78,545	78,545

Commentary

Actual expenditure for financial year 2025/2026 was \$78.545 million, which was in line with the appropriation.

Partnered Research Fund (M84) (A17)

Scope of Appropriation

This appropriation is limited to the co-funding of research commissioned by users, and the application of research by users.

What is intended to be achieved with this Appropriation

This appropriation is intended to achieve greater connections between researchers and end users.

Assessment of Performance

Non-Financial

Performance Measures	2024/25 Actual Result	2025/26 Budgeted Standard	2025/26 Actual Result
Percentage of contracts that have been monitored and performance assessed within agreed timeframes	100%	100%	100%

Commentary

Contract monitoring is ongoing throughout the year, and reports are assessed when received by Ministry of Business, Innovation and Employment (MBIE) according to individual contract requirements.

Financial

Expenses (\$000)	2024/25 Actual	2025/26 Estimates	2025/26 Supplementary Estimates	2025/26 Actual
Total Appropriation	21,880	21,178	21,478	21,207

Commentary

This appropriation increased by \$300,000 to \$21.478 million in 2025/26, reflecting an expense transfer from 2024/25 following delays in payments to a Research Partnerships Programme while a new work programme was developed and implemented in response to monitoring findings.

Actual expenditure for financial year 2025/2026 was \$21.207 million, which was largely in line with the appropriation, resulting in a minor variance of \$0.271 million (1%).

Student Grant (M84) (A17)

Scope of Appropriation

This appropriation is limited to funding for students to work in research and development active businesses.

What is intended to be achieved with this Appropriation

This appropriation is intended to achieve the support for an increase in business's Research & Development capability and give students the opportunity to improve their skills in a commercial environment.

Assessment of Performance

Non-Financial

Performance Measures	2024/25 Actual Result	2025/26 Budgeted Standard	2025/26 Actual Result
Number of organisations with active Student Grants this financial year	476	500	455

Commentary

There was a reduction in the number of smaller R&D organisations applying for the student grant, meaning our year-end result is lower than the standard.

Financial

Expenses (\$000)	2024/25 Actual	2025/26 Estimates	2025/26 Supplementary Estimates	2025/26 Actual
Total Appropriation	16,499	15,000	15,000	13,307

Commentary

This appropriation was underspent by \$1.693 million (11%) in 2025/26, mainly due to lower-than-forecast uptake of Student Grant Programme funding.

Innovation Trailblazer Grant 2023-2028 (M84) (A17)

Scope of Appropriation

This appropriation is limited to providing funding for businesses to undertake innovation activities that are not research and development.

What is intended to be achieved with this Appropriation.

This appropriation is intended to support non -Research & Development activities associated with innovation that have the potential to create spill-overs to the rest of the economy.

Assessment of Performance

Non-Financial

Performance Measures	2024/25 Actual Result	2025/26 Budgeted Standard	2025/26 Actual Result
Number of new Ārohia Innovation Trailblazer Grant applications received during the financial year	94	195	49
Number of organisations with active Ārohia Innovation Trailblazer Grants this financial year	216	100	74

Commentary

This Grant was paused in December 2025 as part of the transfer of Callaghan Innovation programmes to MBIE. Following this a decision was made to close the grant altogether.

Financial

Expenses (\$000)	2024/25 Actual	2025/26 Estimates	2025/26 Supplementary Estimates	2025/26 Actual
Total Appropriation	17,424	12,004	12,104	12,873

Commentary

The appropriation was overspent by \$0.769 million (6%) in 2025/26.

This is a multi-year appropriation that expires by 30th June 2028 and the overspend will be absorbed by the remaining funding in 2026/27.

New to R&D Grant 2023-2028 (M84) (A17)

Scope of Appropriation

This appropriation is limited to funding for private businesses to undertake research and development and capacity building activity.

What is intended to be achieved with this Appropriation.

This appropriation is intended to encourage businesses without Research & Development capabilities and experience to build Research & Development programmes and provide a smooth transition to the Research & Development Tax incentive once the businesses has established its Research & Development programme.

Assessment of Performance

Non-Financial

Performance Measures	2024/25 Actual Result	2025/26 Budgeted Standard	2025/26 Actual Result
Number of organisations with active New to Research and Development Grants this financial year	134	48	213

Commentary

The standard was exceeded and performance improved on the previous years, due to improvements made to grant settings and eligibility requirements over the past 24 months, resulting in the product being better aligned to business needs.

Financial

Expenses (\$000)	2024/25 Actual	2025/26 Estimates	2025/26 Supplementary Estimates	2025/26 Actual
Total Appropriation	30,730	15,121	29,845	15,498

Commentary

The expenses relate to claims made on the past contracts and the recent rise in active New to R&D grants is not reflected in this table. The perceived underspend will roll over into next year.

Founder and Startup Support (M84) (A17)

Scope of Appropriation

This appropriation is limited to funding for start-up support programmes.

What is intended to be achieved with this Appropriation.

This appropriation is intended to achieve the development and growth of new technology focussed business start-ups.

Assessment of Performance

Non-Financial

Performance Measures	2024/25 Actual Result	2025/26 Budgeted Standard	2025/26 Actual Result
Net promoter score to Founder Start-Up support services	+64	+50	+76
Number of organisations or individuals that received a Founder Start-Up support service this financial year.	207	150	162

Commentary

The result exceeded the target due to an overall uplift in the quality of the providers' programmes following increased collaboration and shared learning among Founder and Start-up Support providers. The number of startups supported exceeded the target due to one provider creating extra capacity in their programmes to meet demand.

Financial

Expenses (\$000)	2024/25 Actual	2025/26 Estimates	2025/26 Supplementary Estimates	2025/26 Actual
Total Appropriation	2,860	2,717	2,717	2,715

Commentary

Actual expenditure for financial year 2025/2026 was \$2.715 million, which was in line with the appropriation.

Supporting Industry-Research Connection and Commercialisation (M84) (A17)

Scope of Appropriation

This appropriation is limited to supporting the ongoing operation of innovation programs.

What is intended to be achieved with this Appropriation

This appropriation is intended to achieve the facilitation of industry connections to research, technical expertise and facilities.

Assessment of Performance

Non-Financial

Performance Measures	2024/25 Actual Result	2025/26 Budgeted Standard	2025/26 Actual Result
The operational and funding arrangements of the Bioresource Processing Alliance are fully transferred and integrated to the Bioeconomy Science Institute by 30 June 2026	New Measure	Achieved	Achieved

Commentary

This appropriation was established during 2025/26 to facilitate industry connections to research, technical expertise and facilities.

Financial

Expenses (\$000)	2024/25 Actual	2025/26 Estimates	2025/26 Supplementary Estimates	2025/26 Actual
Total Appropriation	-	-	4,632	4,632

Commentary

This appropriation was established during 2025/26 for \$4.632 million to facilitate industry connections to research, technical expertise and facilities.

Actual expenditure for financial year 2025/2026 was \$4.632 million, which was in line with the appropriation.

Non-Departmental Other Expenses

Catalyst Fund (M84) (A17)

Scope of Appropriation

This appropriation is limited to grants to support international science partnerships.

What is intended to be achieved with this Appropriation

This appropriation is intended to achieve improved international flows of people, ideas and investment through support of activities that initiate, develop and foster collaborations leveraging international science and innovation for New Zealand's benefit.

Assessment of Performance

Non-Financial

Performance Measures	2024/25 Actual Result	2025/26 Budgeted Standard	2025/26 Actual Result
Percentage of contracts that have been monitored and performance assessed within agreed timeframes	100%	100%	100%

Financial

Expenses (\$000)	2024/25 Actual	2025/26 Estimates	2025/26 Supplementary Estimates	2025/26 Actual
Total Appropriation	34,946	41,441	48,847	39,542

Commentary

This appropriation increased by \$7.406 million to \$48.847 million for 2025/26 due to:

- Expense Transfer \$6.406 million from 2024/25 to support international science, innovation and technology collaborations, aligning funding with partner countries' priorities and commitments,
- Expense Transfer \$1 million from 2024/25 to support New Zealand's participation in Horizon Europe and the associated domestic top-up scheme.

This appropriation was underspent by \$9.305 million (19%) in 2025/26, primarily due to delays in finalising several investment agreements, including initiatives with international partners. Up to \$8 million will be transferred to 2026/27 to align funding with partners' priorities and commitments.

Contract monitoring is ongoing throughout the year and reports are assessed when received by Ministry of Business, Innovation and Employment (MBIE) according to individual contract requirements.

Research and Development Tax Incentive In-Year Payments loans write-offs (M84) (A17)

Scope of Appropriation

This appropriation is limited to the write-off of loan principal amounts provided as in-year payments under the Research and Development Tax Incentive scheme.

What is intended to be achieved with this Appropriation

This appropriation is intended to achieve the write-offs of unrecoverable Research and Development Tax Incentives In-Year Payments loan debt.

Assessment of Performance

Non-Financial

Performance Measures	2024/25 Actual Result	2025/26 Budgeted Standard	2025/26 Actual result
Percentage of unrecoverable RDTI In Year-Payment's loan debt approved by Minister is written off by 30 June 2026	New Measure	100%	64.3%

Commentary

The Minister of Finance approved the write-off of \$1.12 million in unrecoverable debt. As at 30 June 2026, \$717,604 had been written off. The remainder relates to three loans made to two businesses that are subsidiaries of the same entity. While the head entity has entered liquidation, the subsidiaries have not formally been liquidated and therefore the requirements to write-off the debt have not been met

Financial

Expenses (\$000)	2024/25 Actual	2025/26 Estimates	2025/26 Supplementary Estimates	2025/26 Actual
Total Appropriation	-	-	3,660	718

Commentary

This appropriation was established during 2025/26 for \$3.660 million to write-off the loan principal amounts provided under the (now closed) In-Year Payments Temporary Loan Scheme operated alongside the Research and Development Tax Incentive scheme.

This appropriation was underspend by \$2.942 million (80%) in 2025/26, due to delays in write-offs under the RDTI *In-Year Payments Loan Scheme*. Funding will be carried forward to 2026/27 to meet expected write-off costs as cases are finalised.

Non-Departmental Capital Expenses

New Zealand Institute for Earth Science Limited Acquisition of MetService 2026-2027 (M84) (A17)

Scope of Appropriation

This appropriation is limited to the purchase of MetService shares by the New Zealand Institute for Earth Science Limited.

What is intended to be achieved with this Appropriation

This appropriation is intended to achieve the purchase or development of assets or shares in MetService by the New Zealand Institute for Earth Science Limited.

Assessment of Performance

Non-Financial

Performance Measures	2024/25 Actual Result	2025/26 Budgeted Standard	2025/26 Actual Result
MetService assets or shares purchased by the New Zealand Institute for Earth Science Limited is on track to be completed by 30 June 2027	New Measure	Achieved	To be reported by 30 June 2027

Financial

Expenses (\$000)	2024/25 Actual	2025/26 Estimates	2025/26 Supplementary Estimates	2025/26 Actual
Total Appropriation	-	5,000	5,000	-

Commentary

No expenditure was incurred in 2025/26 against the appropriation due to delays in the passage of the relevant legislation. As a result, the funding was not required in the year.

The underspend will be carried forward to 2026/27, being the final year of this multi-year appropriation, to enable implementation once the legislative requirements are met.