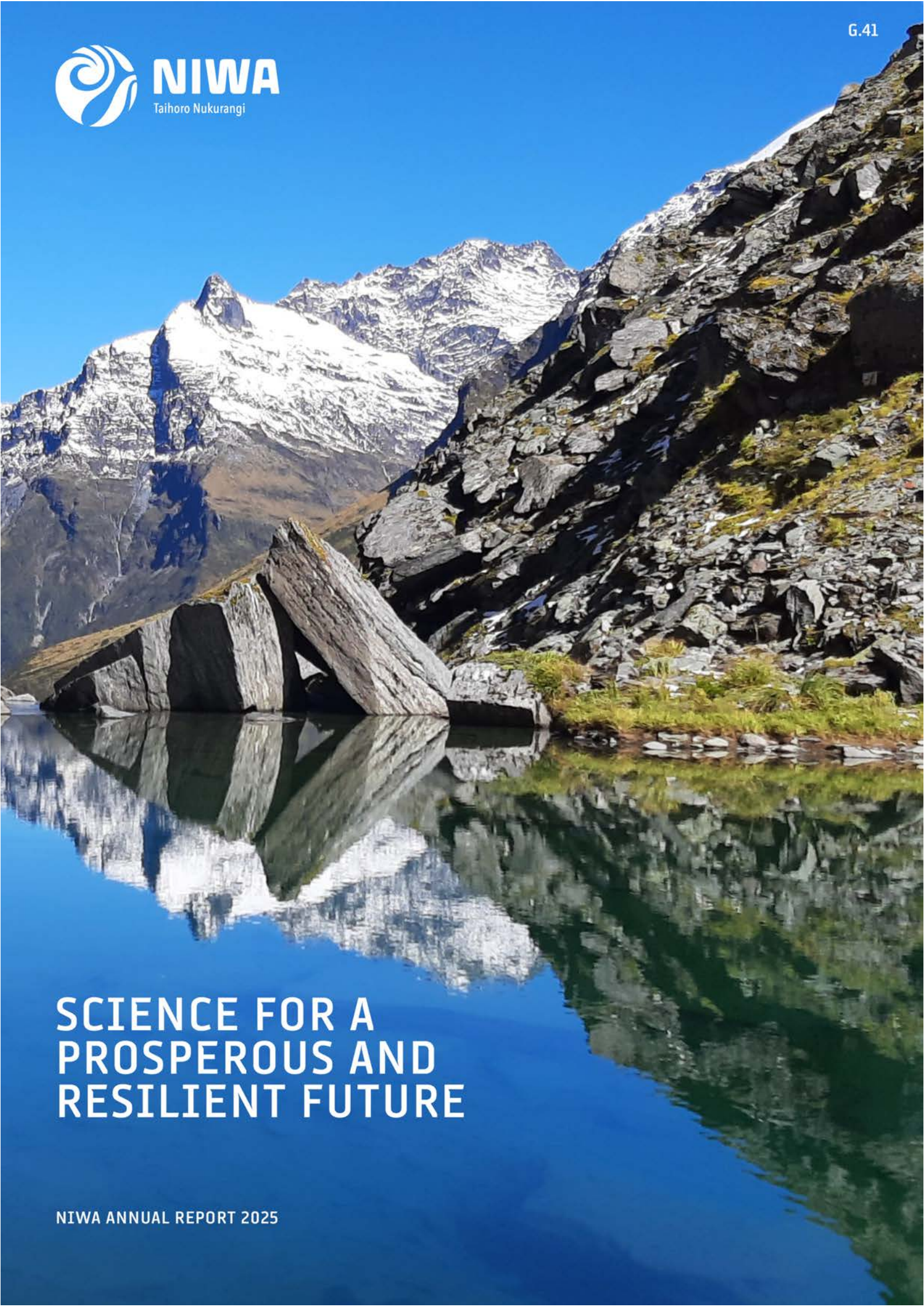




SCIENCE FOR A PROSPEROUS AND RESILIENT FUTURE

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Presented to the House of Representatives pursuant to section 44 of the Public Finance Act 1989.

This document fulfils our annual reporting responsibilities under the Crown Research Institutes Act 1992.

The Annual Report is available digitally at: www.niwa.co.nz/about/annual-reports



NIWA
Annual Report
2024/25

CHAIRMAN AND CEO'S REPORT

NIWA Annual Report 2024/25

The 2024/25 year has been one of significant transition and achievement for NIWA, marked by robust scientific delivery, major capital investments, and the successful completion of our merger into Earth Sciences New Zealand. Despite a challenging economic environment, NIWA has demonstrated resilience and adaptability, maintaining its commitment to scientific excellence.

Financial Performance

NIWA achieved full-year revenue of \$176.2M, \$1.9M above budget, a result considered very pleasing given the lower-than-budgeted revenues secured at the end of the second quarter and the broader economic headwinds. Total expenditure for the year was well controlled, resulting in an operating surplus of \$5.2M and a net loss of \$(0.2)M, both ahead of budget expectations. These results reflect the organisation's ongoing focus on productivity, revenue growth, and cost control.

Major Capital Investments

A key highlight of the year was the successful deployment and integration of the Generation IV Supercomputer, Cascade. This system, now central to NIWA's forecasting infrastructure and scientific innovation, has delivered substantial improvements in computational efficiency and energy use, positioning Earth Sciences NZ at the forefront of environmental computing in the Southern Hemisphere.

The arrival of our newest research vessel, *Kaharoa II* was another major feature. The 36m vessel is fitted with state-of-the-art equipment and its capabilities have exceeded our expectations. It has become a new international benchmark for research vessels.

The commercialisation of haku kingfish at NIWA's Ruakākā facility has continued to progress, with production levels increasing and products now being exported to Australia, the US and Canada. This initiative, in collaboration with industry and government partners, is supporting New Zealand's aquaculture sector and contributing to international food security discussions.

Science System Reforms

The year saw the successful merger of NIWA and GNS Science into Earth Sciences NZ, effective 1 July 2025. This transition involved the disestablishment of the NIWA Board and the establishment of the Earth Sciences NZ Board. The integration process included mapping of capabilities, assets, and services, and the development of a comprehensive workplan to ensure a smooth transition. Significant progress was also made on the integration of MetService, with workstreams established to align operational processes and enhance national weather forecasting capabilities.

Organisational Achievements and Impact

Over its 33-year history, NIWA has made a profound impact on New Zealand's environment, society, and economy – celebrating milestones such as:

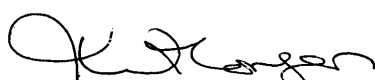
- Investment of over \$600M in science assets and facilities.
- Completion of more than 45,000 science projects and 130,000 field trips, with a project completion rate of 96–98% on time and within budget.
- Deployment of over 20% of the world's active Argo ocean monitoring floats, supporting global weather and climate prediction.
- Pioneering research in climate, marine, and freshwater science, including the world's longest continuous record of greenhouse gas measurements at Baring Head, Wellington.
- Major contributions to marine biosecurity, river management, and the development of national environmental indices.

Looking Ahead

While the economic landscape remains challenging, NIWA's strong foundation, innovative mindset, and commitment to collaboration help ensure continued success for Earth Sciences NZ. The Board and management remain focused on delivering value to stakeholders, advancing scientific excellence, and supporting a prosperous and resilient future for New Zealand in the face of environmental and societal challenges.



David Smol
Chair
28 August 2025



John Morgan
Chief Executive

OUR MISSION

To support the wellbeing of Aotearoa New Zealand's people and business through

- effective responses to climate change
- improved management of the environment
- sustainable use of natural resources

OUR AIM

To deliver the science that will enable Aotearoa New Zealand to meet its environmental challenges and thrive in a rapidly changing world

We will innovate, generate new knowledge, and apply our science to

- provide industry opportunities
- transition to a low carbon economy
- adapt to a changing climate
- improve the health of our waterways and oceans
- care for our unique biodiversity

To achieve these advancements

- we will partner with Māori
- embrace new technologies
- support major science infrastructure
- collaborate with other science organisations and the sectors that apply our science products and services

OUR SCIENCE

Will support the realisation of these national outcomes by applying innovative technology across multidisciplinary teams

CLIMATE

New Zealand's pre-eminent provider of atmospheric and climate science

- Climate change and variability
- High-precision weather forecasting
- Weather-related hazard forecasting
- Adaptation and mitigation

230 Science staff

New Zealand's largest team of climate scientists

\$42M Annual investment

In weather and climate research

6,500 Climate stations

The National Climate Database with information from 6,500 climate stations covering New Zealand, South-West Pacific and Antarctica

\$18M Supercomputer

Enabling precise, highly localised forecasts

FRESHWATER

Supporting the sustainable management of our freshwater resources

- Freshwater quality and quantity
- Biodiversity and biosecurity
- Sustainable use
- Flood forecasting

240 Science staff

New Zealand's largest team of freshwater scientists

\$40M Annual investment

Increasing knowledge of water quantity and quality

A national flood forecasting service

Providing river flow forecasts for 50,000 catchments nationwide

500 Hydrological monitoring stations

A nationwide network of water and soil moisture monitoring stations

MARINE

Understanding, managing and maximising the benefits of our marine estate

- New Zealand's marine estate
- Fisheries stock assessment
- Sustainable use of marine resources
- Biodiversity and biosecurity
- High-value finfish aquaculture

260 Science staff

New Zealand's largest team of ocean scientists

\$67M Annual investment

In coast and ocean, fisheries and aquaculture science

Northland Aquaculture Centre

New Zealand's leading science facility for aquaculture R&D with an experimental Recirculating Aquaculture System to demonstrate the viability of commercial-scale production of high-value species on land

State-of-the-art research vessels

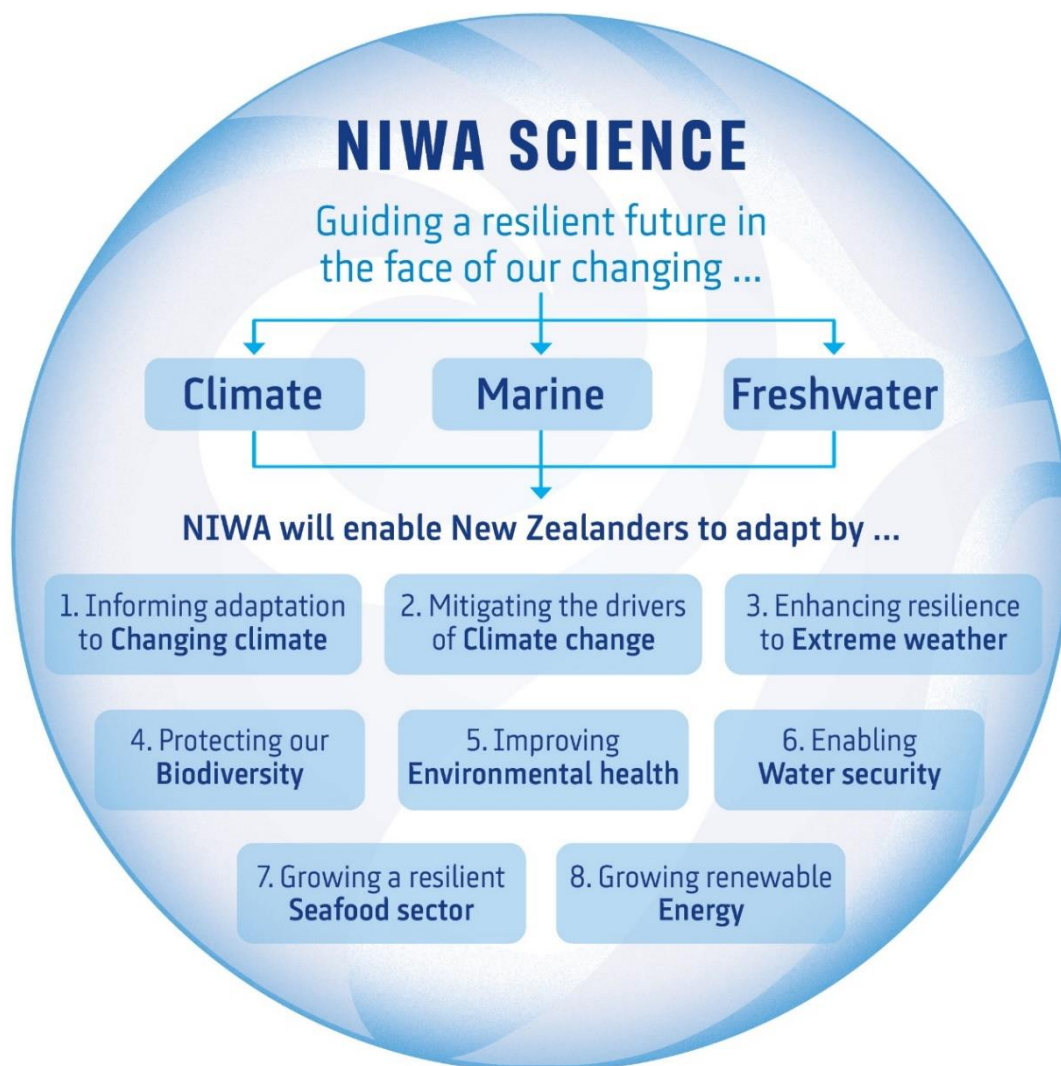
Supporting the New Zealand science community

NATIONAL OUTCOMES

We will innovate, generate new knowledge, and apply our science to address eight key areas of Government priority. These National Outcomes are:

1. Informing adaptation to changing climate
2. Mitigating the drivers of climate change
3. Enhancing resilience to extreme weather
4. Protecting our biodiversity
5. Improving environmental health
6. Enabling water security
7. Growing a resilient seafood sector
8. Growing renewable energy

NIWA'S SCIENCE STRATEGY

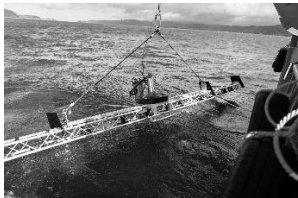


STATEMENT OF CORE PURPOSE OUTCOMES

The information in this section of the Annual Report demonstrates how NIWA is delivering on its expected outcomes.

Our purpose, set out in our Statement of Core Purpose, is to: • enhance the economic value and sustainable management of Aotearoa New Zealand’s aquatic resources and environments • provide understanding of climate and the atmosphere • increase resilience to weather and climate hazards to improve the safety and wellbeing of New Zealanders	We are expected to fulfil our purpose through the provision of research and transfer of technology and knowledge in partnership with key stakeholders and partners, including industry, government and Māori, to achieve six key outcomes: 1. Increase economic growth through the sustainable management and use of aquatic resources 2. Grow renewable energy production through developing a greater understanding of renewable aquatic and atmospheric energy resources 3. Increase the resilience of New Zealand and South-West Pacific islands to tsunami and weather and climate hazards, including drought, floods and sea-level change 4. Enable New Zealand to adapt to the impacts and exploit the opportunities of climate variability and change and mitigate changes in atmospheric composition from greenhouse gases and air pollutants 5. Enhance the stewardship of New Zealand’s freshwater and marine ecosystems and biodiversity 6. Increase understanding of the Antarctic and Southern Ocean climate, cryosphere, oceans and ecosystems and their longer-term impact on New Zealand
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Increase economic growth through the sustainable management and use of aquatic resources

PROJECT	KEY ACHIEVEMENTS	SECTOR IMPACT
<i>Haku kingfish commercialisation</i> 	NIWA's experimental commercial-scale Recirculating Aquaculture System (RAS) based at Ruakākā continues to increase production and 4,000kg of Haku kingfish are now being harvested per week. The fish are gaining recognition in both domestic and international markets through ongoing testing and evaluation. At present, fish are processed in Whangārei and distributed through five seafood distributors to restaurants throughout New Zealand.	Production could ramp up much higher in the hands of an independent operator, conducting business from part of NIWA's current site and reaching upwards of 3,000 tonnes. The long-term vision is to see RAS established elsewhere in New Zealand, boosting the regions who recognise the lucrative, yet environmentally sustainable, farming methods.
<i>Swathcam</i> 	NIWA researchers have developed SwathCam, a nine-metre metal frame with video cameras and lights to provide crystal-clear visibility of the country's underwater environment. The camera system was designed for understanding seafloor habitats, and it can also be used for estimating fish species' abundance and sizes.	The system was first employed during a survey of underwater habitats in the Hauraki Gulf Marine Park last year with almost 300 sites surveyed, delivering incredible imagery and a rich set of data. The system is less invasive than other methods of estimating fish abundance, such as trawling, and is more able to distinguish between species, compared to other technologies such as acoustics.
<i>Kaharoa II gears up for new role</i> 	NIWA's research vessels <i>Kaharoa</i> and <i>Kaharoa II</i> worked alongside each other this year to intercalibrate fisheries survey results for ongoing comparability of trawl survey results. Surveys are carried out by NIWA to inform stock assessments and help fisheries managers to understand current fish stocks and describe the effects of different management decisions.	The intercalibration was vital to ensure continuity of the valuable time series built up by <i>Kaharoa</i> over the past four decades – which are crucial to New Zealand's marine resource management. From 2026 and beyond, <i>Kaharoa II</i> will monitor the abundance and distribution of New Zealand inshore fish species, monitoring such as for a range of important species, such as snapper, tarakihi, red gurnard and John dory.

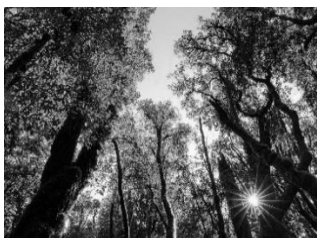
Grow renewable energy production through developing a greater understanding of renewable aquatic and atmospheric energy resources

PROJECT	KEY ACHIEVEMENTS	SECTOR IMPACT
<i>Operational nowcasting for wind and solar power in New Zealand</i> 	Our nowcasting system, called NZNOW, provides access to accurate forecasts to help integrate wind and solar generation into the grid. NZNOW rapidly updates to meet the demand of the energy market, generating predictions of solar and wind power at 30-minute increments out to 24 hours, and updating every 30 minutes. The tool is a hybrid machine-learning physics modelling system, that takes in observations from Earth Science New Zealand's large observation network and satellite data, and blends them with high-resolution weather modelling in real time to provide accurate forecasting at a select number of sites across New Zealand.	Scaling up solar and wind power is essential for New Zealand to become carbon neutral by 2050. However, wind and solar power can be highly variable. Having confidence in the predictability of supply is therefore critical to the uptake of intermittent generation sources of wind and solar power.
<i>Understanding snowmelt for more accurate hydroelectric inflow forecasts</i> 	A new approach to predicting snow storage and melt aims to support the hydroelectricity industry by improving lake inflow forecasting. Robust river flow and lake inflow forecasts rely on accurate estimates of runoff into river catchments – and an important part of this runoff is due to snowmelt. The project relies on hydrometeorological and snow data from NIWA's high-elevation weather stations.	This research aims to improve generation efficiency and increase security of supply for the hydroelectric sector. In turn, this will help support the government target of 50% of New Zealand's total energy coming from renewable sources by 2035.
<i>Ensemble forecast-based modelling to help balance hydroelectric generation and capacity</i> 	A project in Contact Energy's Clutha hydroelectric catchment on new 'ensemble forecasts' is combining weather forecasts from several different models to calculate the most likely future river flows. Outputs show expected flows six days ahead as well as highest probability flows (between 25% and 75%) and the full range of possibilities. Rainfall measured at our weather stations and river flows recorded upstream feed into the forecasting, meaning it is continually updated to take account of near real-time conditions.	The research aims to improve rainfall and hydro forecasting for the catchment, to better predict flow rates through key hydroelectric infrastructure. The probability-based forecasts help Contact Energy balance generation and capacity across different sites – leading to better decisions for the overall scheme and the company's wider assets.

Increase the resilience of New Zealand and South-West Pacific islands to tsunami and weather and climate hazards, including drought, floods and sea-level change

PROJECT	KEY ACHIEVEMENTS	SECTOR IMPACT
<i>What if Cyclone Gabrielle veered toward Auckland?</i> 	In 2023, Cyclone Gabrielle devastated Tairāwhiti and Hawke's Bay. What if it had tracked toward Auckland instead? For Auckland Council, national grid operator Transpower New Zealand and energy company Vector Limited, NIWA simulated five different cyclone paths to see what the impact could be. The modelling showed that strong winds could have seen many fallen trees, while high storm surge could have resulted in erosion and damage, particularly along Auckland's eastern coast.	Climate change means severe weather events are becoming more frequent and more intense. This modelling helped Transpower and Vector find out where critical energy infrastructure might be impacted so they can better prepare and build resilience. Earth Sciences NZ is now working on how this approach can be used in other locations and sectors across New Zealand.
<i>Tuvalu training supports climate resilience</i> 	NIWA technical assistance is valued by Pacific partners and embedded in numerous Pacific climate resilience initiatives. One of these is the Enhancing Climate Information and Services for 5 Pacific Island Atolls project supported by the Green Climate Fund, which focuses on strengthening climate early warning systems and resilience across Tuvalu, Marshall Islands, Cook Islands, Niue, and Palau. NIWA's responsibilities include installing automatic weather stations, providing maintenance training, and delivering climate services training.	In December 2024, NIWA conducted a four-day climate data and services training course in Tuvalu with government stakeholders involved in climate early warning. The training introduced the Tuvalu Met Service to monitoring tools and climate data dashboards developed by NIWA, and explored ways to improve and operationalise them. The training received excellent feedback and led to an online follow-up in February 2025. Similar training has been provided in Tonga, Fiji, and Kiribati, with upcoming support planned for the Cook Islands under the Australian and New Zealand-funded Climate and Oceans Support Program in the Pacific.
<i>First-of-its-kind tool reveals shallow groundwater elevations</i> 	A new online tool identifies areas at risk from water table rises, showing areas that could be exposed to shallow groundwater hazards, right now, based on existing groundwater measurements. High shallow groundwater can cause flooding and waterlogging that damage infrastructure and reduce agricultural productivity, while also leading to salinisation that degrades soil and water quality.	The Shallow Groundwater Screening Tool, which identifies areas at threat, will help hazard and land-use decision-makers understand the scale of the problem and which areas are likely to be the most vulnerable. Further updates from the NIWA-led Future Coasts Aotearoa research programme, which includes NIWA, Kōmanawa Solutions, GNS Science and the University of Canterbury, are in development. These will include forecasts of rising water tables due to sea-level rise, as well as assessments of groundwater salinity risks from seawater intrusion.

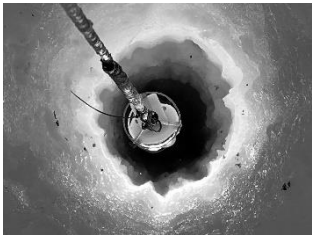
Enable New Zealand to adapt to the impacts and exploit the opportunities of climate variability and change and mitigate changes in atmospheric composition from greenhouse gases and air pollutants

PROJECT	KEY ACHIEVEMENTS	SECTOR IMPACT
<i>MethaneSAT programme suggests global emissions differences</i> 	The MethaneSAT satellite captured 97 measurements over a range of different agricultural areas worldwide, including 11 over New Zealand, in the past year. In addition, more than 200 agricultural targets across North America were studied using MethaneAIR – a sister instrument flown on aircraft – with more flights scheduled. Two ground-based validation campaigns were also carried out in the past year – in Waikato and Canterbury – contributing critical data to the project. Unfortunately, contact with the satellite was lost in early July – but this will not hinder completion of the research programme.	Preliminary results from MethaneAIR suggest important differences between emissions from intensive farming systems such as those in North America and New Zealand's pasture-based systems, which may not be fully reflected in current emissions reporting. Further measurements and analysis of data already collected are expected to contribute crucial information to support reductions in methane emissions globally.
<i>Differentiating methane from farm animals and adjacent wetlands</i> 	A new method to verify whether methane emissions on farms have come from agricultural practices or adjacent wetlands is enabling correct source attribution. A large field campaign in the Wairarapa used mobile platforms (instruments mounted on drones and vehicles) to find methane plumes and collect air samples for isotope analysis. The technology is based on the different isotopes – or molecular signatures – of methane. Beyond agriculture, the team is also testing to what degree isotope techniques can pinpoint the relative contributions of different emitters within single wastewater facilities, to provide more granular information to the operators.	The research is critical to ensure farmers won't bear the carbon cost of misattributed emissions. Correct attribution of methane emissions can help farmers better manage emissions on their land and recognise the value of wetlands as carbon stocks. The aim is to give New Zealand's farmers and waste operators a clear view of what's happening, and a verifiable way to make meaningful improvements.
<i>Native forests sink more carbon than expected</i> 	Results from CarbonWatch NZ, a five-year Endeavour Programme that ended late last year, revealed that our native forests are absorbing more carbon dioxide (CO₂) than previously thought. Using advanced modelling and NIWA's supercomputer, researchers examined 10 years of data and found native forests absorb around 171 million tonnes of CO₂ per year. Earlier estimates ranged from a net 24 to 118 million tonnes per year. The research follows a 2017 pilot study, which also suggested native trees in Fiordland absorbed more CO₂ than expected. The new study shows the carbon sink is more widespread than thought, particularly across the South Island, with greater uptake of CO₂ extending up the West Coast.	Forests – both native and exotic – play a key role in absorbing carbon dioxide through photosynthesis. But previous studies may have underestimated the amount of CO₂ our native forests take up – implying they were roughly carbon neutral. Further research is needed to better understand why environments with native trees are taking up more CO₂ than thought, and what this could mean for our efforts to reduce greenhouse gas emissions and achieve domestic and international targets.

Enhance the stewardship of New Zealand's freshwater and marine ecosystems and biodiversity

PROJECT	KEY ACHIEVEMENTS	SECTOR IMPACT
<i>Suction dredging to remove Caulerpa incursion on Kawau Island</i> 	NIWA, working with Ngāti Manuhiri, Biosecurity New Zealand, Auckland Council, and Bay Underwater, trialled suction dredging to control the invasive seaweed <i>Caulerpa</i> incursion at Kawau Island in the Hauraki Gulf. NIWA dive and Remote-Operated-Vehicle (ROV) surveys found the fast-growing green alga had spread beyond the 1.27-hectare treated area. Results showed that the suction dredging method was effective at removing the weed; however, small fragments remained and indicate follow-up treatment is required for eradication.	First found in New Zealand in 2021, the exotic seaweed <i>Caulerpa</i> poses a serious threat to marine ecosystems, as well as recreational, cultural, and commercial activities. NIWA is part of a multi-agency response to the incursion, providing scientific expertise to Biosecurity New Zealand, with the NIWA study delivering critical advice on the costs, efficacy, and efficiency of the ongoing treatment and management of smothering weed, which has now invaded other islands of the Hauraki Gulf.
<i>Fish passage is ramping up</i> 	During the summer of 2025 NIWA, with the support of Australasian Fish Passage Services, constructed five innovative rock ramp fishways at critical instream barriers in Northland, Hawke's Bay and Taranaki.	First trialled in New Zealand on the West Coast in 2023, these robust rock ramps have proven effective at helping inanga and other native fish navigate instream barriers, while also providing flood protection and stream grade control. Their nature-inspired design, featuring large ridge rocks embedded for stability, has attracted wide stakeholder interest, with further ramps planned for installation during the summer of 2026. The success of these ramp systems, particularly in high-energy rivers prone to flash flooding, demonstrates the effectiveness of good engineering combined with expert knowledge of fish ecology.
<i>Stopping the gold clam: it's now or never</i> 	The spread of the invasive freshwater gold clam (<i>Corbicula fluminea</i>) poses a serious threat to native biodiversity, infrastructure, and recreational waters in New Zealand. A five-year Endeavour-funded programme led by NIWA was launched in 2024 to develop effective and culturally-attuned management strategies. The programme aims to establish control methods, assess the clam's ecological, social, cultural, and economic impacts, and predict its spread to enable early detection and intervention.	Initial research has concentrated on developing a comprehensive understanding of gold clam ecology and their direct effects. For example, field studies in Lakes Karāpiro and Maraetai have examined the abundance and depth distribution of the clam and native kākahi (freshwater mussels, <i>Echyridella menziesii</i>) and lab research has focused on the impacts high densities of clams may have on native aquatic plants. Research also focused on the urgent need to inform management protocols, including the Corbicula Check Clean Dry initiative for MPI. These studies are crucial for protecting New Zealand's aquatic environments by preventing further spread of this invasive pest.

Increase understanding of the Antarctic and Southern Ocean climate, cryosphere, oceans and ecosystems and their longer-term impact on New Zealand

PROJECT	KEY ACHIEVEMENTS	SECTOR IMPACT
<i>Massive hidden floods beneath the ice contributing to melting of Antarctic ice shelves</i> 	For the first time water has been directly observed flowing out from beneath the West Antarctic Ice Sheet, revealing how massive, hidden floods beneath the ice are contributing to the melting of the continent's largest ice shelves. The team completed the first close-up observation of these watercourses meeting the ocean in cavities under the ice shelf. Using hot water drilling, a 500-metre-deep borehole was made through the Kamb Ice Stream using a range of NIWA's specialist ocean equipment.	Understanding these hidden systems is crucial to improving climate models and predicting sea-level rise more accurately. The Ross Ice Shelf and others like it play a critical role in slowing the flow of inland glaciers to the sea. Their decline will significantly accelerate global sea-level rise. The New Zealand-led team was a collaboration of NIWA, GNS, Victoria University, and the University of Otago, as well as researchers in the UK and the US, including Cornell University.
<i>Voyage goes furthest south yet</i> 	The RV <i>Tangaroa</i> ventured further south than ever before this summer on its 16th voyage to Antarctica to help understand the impacts of climate change on the Ross Sea, and the impacts on the rest of the globe. Working through low sea-ice conditions, about 250 stations were sampled and more than 2,500 biological specimens were collected to help study how the changing ocean is impacting marine life.	Each voyage contributes to our growing understanding of the region across many areas of science, and this year the vessel went right up to the Ross Ice Shelf to study a critical heat and salt corridor key to melt in the region. The Natural History Museum in London has compared samples taken from this voyage with historic voyages like Shackleton's <i>Endurance</i> voyage to study the impact of the climate crisis - showing concerning signs of ocean acidification.
<i>Argo gets an upgrade</i> 	Over 100 robotic floats were deployed this year as far as Chile by <i>Kaharoa II</i> to capture data throughout the world's oceans as part of the International Argo programme, which provides researchers around the world with vital data on ocean currents and climate systems. Two new biogeochemical Argo floats with extra sensors were also deployed during this year's Antarctic voyage, allowing us to understand this critical environment.	The latest round of deployments continues NIWA's 20-year contribution to the programme, alongside the Scripps Institution of Oceanography, the University of Washington, and CSIRO. Since the early 2000s, our scientists have been part of the programme and recent data shows that full-depth ocean warming has occurred south of the Chatham Islands at around five times the global rate.

NIWA

SUSTAINABILITY

Taking environmental responsibility

NIWA is committed to environmental sustainability, by working with others to deliver solutions that impact on, influence or contribute to the sustainable management of natural resources. We aim to operate with the lowest possible environmental footprint and are committed to the continuous improvement of our systems and processes to support this.

NIWA has been certified Toitū carbonreduce to ISO14064-1 since 2022. The programme provides a platform to both accurately collate and report on our greenhouse gas emissions, and to identify targets and projects to reduce emissions. We now have a baseline year and six years of verified emissions inventories, allowing us to understand and manage our emissions more thoroughly.

Total emissions (tCO₂-e)*



*tCO₂-e = tonnes carbon dioxide equivalent

Emissions are reported to ISO 14061-1:2018 and Toitū requirements.

FY2425 Category 1-2: 9,758.02 tCO₂-e;

Category 3-6: 1,974.47 tCO₂-e; all measured emissions: 11,732.5 tCO₂-e.

In years prior to the 2018–19 (FY19) baseline, sustainability initiatives were successfully operationalised to reduce emissions at both national and site levels. These included reducing energy consumption by 50% in the High Performance Computing Facility and renewable energy consumption and solar panels at regional sites, as well as significant investment in virtual machine technology, file sharing platforms and conferencing systems which allow all staff to work collaboratively without travelling to other NIWA sites.

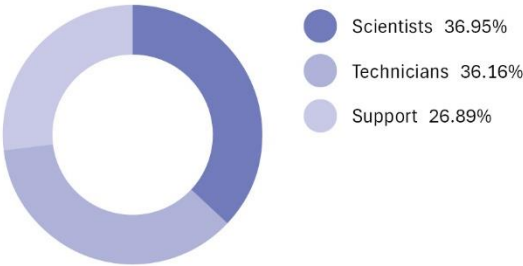
We actively follow reduction, recycling and diversion processes at our sites for the various resources we consume and waste materials we produce. Vessel fuel consumption, and therefore emissions, have long been reduced by a reduction in vessel speed while maintaining safe operations and meeting survey requirements, along with fitting new, efficient engines. Reporting accuracy, constrained air travel, and our vehicle fleet replacement strategy, amongst other reduction activities continue, while two of our main regions are now in Green Star 5 properties as part of our Future Property Programme.

Operational emissions intensity (tCO₂-e/\$M revenue) has been verified to have decreased 7% against the base year. Our carbon emissions were reduced through COVID-19, but then rebounded, in part with a return of fieldwork and travel activity. Some such emissions are unavoidable through NIWA carrying out scientific research and providing services, advice and solutions for the benefit of New Zealand. Last year, there was an overall increase in science activities, including increased production at our Northland Aquaculture Centre’s Recirculating Aquaculture System (RAS). The RAS is designed to establish the commercial viability of on-land aquaculture, which offers superior environmental performance such as reduced water requirements and environmental footprint. We also had increased field work, full utilisation of the enhanced Hamilton laboratory suite, and increased vessel use with three ocean-going vessels operating during the year as well as a highly successful voyage to Antarctica. One ocean-going vessel has now been retired from the fleet.

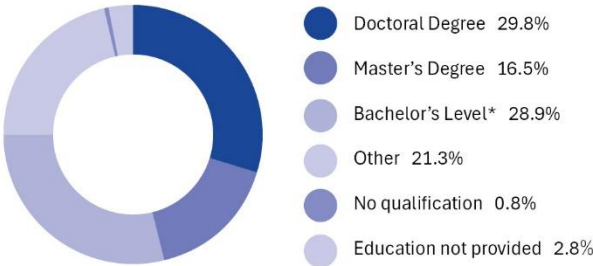
We remain committed to reducing our carbon footprint, and are focused on ensuring we are innovative in building lower emissions into planning and delivering excellent science.

NIWA BY THE NUMBERS

ROLES

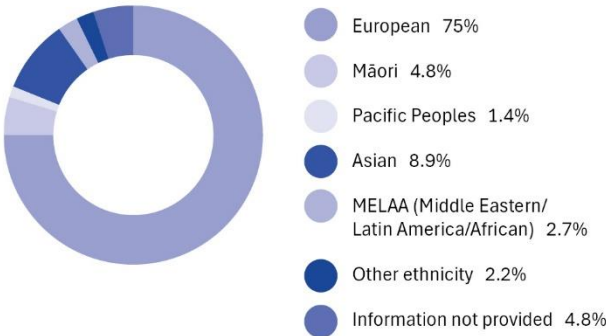


HIGHEST QUALIFICATION



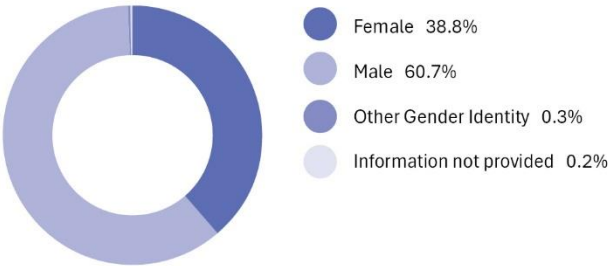
*Includes Graduate Certificates and Diplomas, Bachelors (Honours) and Postgraduate Certificates and Diplomas.

ETHNICITY*

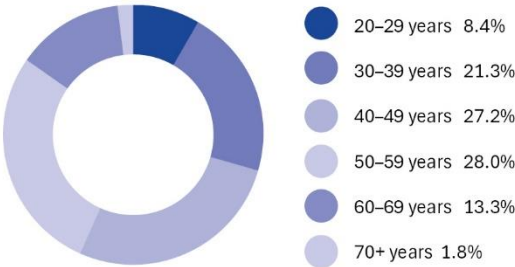


*Please note that some employees identified with more than one ethnicity and some staff did not provide this voluntary information. The percentages represented are based on ethnicities reported.

GENDER



AGE



Location	Headcount	FTE
Auckland	83	78.43
Bream Bay	31	31
Christchurch	111	103.95
Wellington	214	207.56
Hamilton	94	90.08
Regions	51	47.83
Vessels Wellington	57	57
Unidata Perth	13	12.80
Total	654	628.65

TURNOVER

Turnover to the end of June for the NIWA Group was 10.72%.

PSA MEMBERSHIP

250

HEADCOUNT

654

EMPLOYMENT STATUS

Permanent 95.6%
Fixed Term 4.4%

WORKING ARRANGEMENTS

87% of staff work full time, 13% of staff work part time.

DISABILITIES

6.1% of NIWA staff identified that they have a form of disability.

PERSONAL DEVELOPMENT LEAVE (NIWA SCIENCE)

3 days of Personal Development Leave is provided for staff members, excluding those on management employment agreements.

LEVEL PROMOTIONS

Level Promotions 33

RECRUITMENT

18 permanent appointments
7 fixed term appointments

PERFORMANCE

TARGETS 2024/25

NIWA will measure its performance against the outcomes and operating principles in its Statement of Core Purpose using the following set of indicators.

Financial Indicators

Measure	Calculation	Reporting frequency	Target 2024/25	Actual 2024/25
Operating margin	Earnings Before Interest, Tax, Depreciation, Amortisation and Fair-value (EBITDAF)/Revenue	Annual	13.1%	14.9%
Profit per FTE	EBITDAF/FTEs	Annual	\$35,000	\$41,800
Quick ratio	Current assets less inventory less prepayments/Current liabilities less revenue received in advance	Quarterly	0.83	1.28
Interest coverage	EBITDAF/Interest paid	Quarterly	0.3	4.95
Profit volatility	Standard deviation of EBITDAF for past five years/ Average EBITDAF for the past five years	Annual	33.4%	26.2%
Forecasting risk	Five-year average of return on equity less forecast return on equity	Annual	2.6%	3.6%
Adjusted return on equity	NPAT excluding fair value movements (net of tax)/Average of share capital plus retained earnings	Quarterly	(1.7%)	(0.1%)
Revenue growth	% change in revenue	Annual	(10.5%)	(11.3%)
Capital renewal	Capital expenditure/Depreciation expense plus amortisation expense	Annual	152.7%	163.2%

Organisational Performance Indicators – 2024/25 at a glance

Measure	Calculation	Reporting frequency	Target 2024/25	Actual 2024/25
End-user collaboration*	Revenue per FTE from commercial sources	Quarterly	\$138,000	\$130,900
Research collaboration*	Publications with collaborators	Quarterly	85%	93%
Technology & knowledge transfer*	Commercial reports per scientist FTE	Quarterly	1.0	1.6
Science quality*	Impact of scientific publications	Annually	2.5	4.83
Operational efficiency*	Revenue per FTE	Quarterly	\$271,000	\$280,300
Operational delivery	% projects delivered on time	Annually	>90%	100%
Strategic progress	% annual KPIs achieved	Annually	>90%	100%

*Ministry of Business, Innovation & Employment generic indicators.

FINANCIAL SUMMARY

YEAR ENDED 30 JUNE \$000	2025	2024	2023	2022	2021
Revenue and other gains	176,206	198,758	186,036	170,233	176,887
– Research	74,065	94,216	101,063	95,614	109,111
– Commercial science	101,904	102,646	84,972	74,618	67,775
– Change in fair value of biological assets	234	1,895	–	–	–
– Other income	3	1	1	1	1
Profit before interest and income tax	5,161	3,795	7,474	8,902	22,490
Profit before income tax	96	848	7,764	8,958	22,594
Profit for the year	(190)	(5,787)	5,938	6,470	16,263
Capital expenditure	34,472	52,546	45,270	40,817	23,080
Adjusted return on average equity (%)*	(0.1)	(4.3)	4.4	5.0	13.9
Return on average equity (%)	(0.1)	(3.7)	3.8	4.3	11.6

*The 'adjusted return on average equity' uses a valuation basis comparable to that used by other Crown Research Institutes. This valuation basis arose from the transition to New Zealand Equivalents to International Financial Reporting Standards in 2006/07 and reverses the effect of the revaluation of certain land and buildings.

Actual performance versus Statement of Corporate Intent (SCI)

YEAR ENDED 30 JUNE \$000	2025 Actual	2025 SCI	2024 Actual
Revenue and other gains	176,206	174,275	198,758
Operating expenses, depreciation, and amortisation	171,045	172,663	194,963
Profit before income tax	96	(3,180)	848
Profit for the year	(190)	(2,294)	(5,787)
Average total assets	287,577	273,820	264,828
Average shareholders' funds	153,397	156,192	156,937
Profitability			
Operating profit margin (%) (EBITDA/revenue)	14.9	13.1	11.8
Adjusted return on average equity after tax (%) (net surplus/adjusted average equity)	(0.1)	(1.7)	(4.3)
Return on average equity after tax (%) (net surplus/average equity)	(0.1)	(1.5)	(3.7)
Return on assets (%) (EBIT/average total assets)	1.8	0.6	1.4
Profit volatility (%) (non-adjusted ROE)	26.2	33.4	24.8
Forecasting risk (%)	3.6	2.6	3.7
Liquidity and efficiency			
Current ratio	1.1	0.7	0.5
Quick ratio	1.3	0.8	0.6
Financial leverage			
Debt to average equity (%)	34	21	23
Gearing (%)	34	18	23
Proprietorship (%) (average shareholders' funds/total assets)	53	57	55

OVERVIEW OF GROUP FINANCIAL PERFORMANCE

The 2024/25 financial year presented significant challenges, driven primarily by the reduction in revenue following the conclusion of the National Science Challenges. This was further compounded by continuing inflationary pressures, making it a particularly demanding year. However, the measures implemented by the Board and management at the end of 2023/24, including a comprehensive restructuring programme and tighter cost management proved critical in navigating these pressures. While operating in a difficult environment, these initiatives enabled the Company to stabilise its financial position and exceed its key financial objectives for the year.

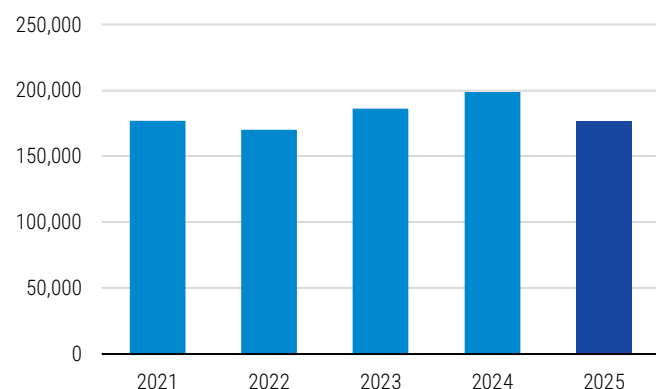
Revenue and other gains

NIWA achieved revenue and other gains of \$176.2 million for the year. While this outcome was \$22.6 million lower than the prior year, it was \$1.9 million higher than the budget set out in NIWA's Statement of Corporate Intent.

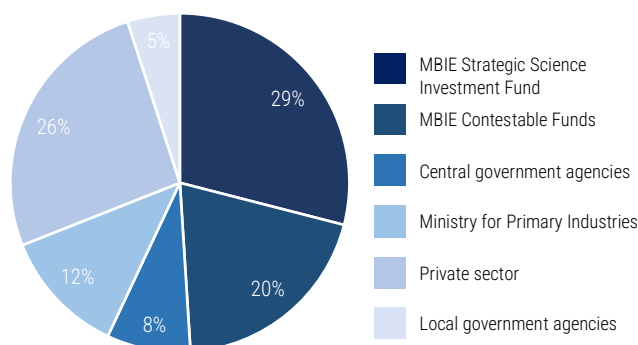
NIWA's MBIE-funded research revenue was \$17.9 million lower than the prior year, reflecting the conclusion of the National Science Challenges. Commercial revenue, sourced both domestically and overseas, fell \$3.0 million, while the change in fair value of biological assets was \$1.6m lower than the prior year (due to the prior year being the first year of production in the Recirculating Aquaculture System).

Operating revenue and other gains

(\$ in thousands)



Revenue by source

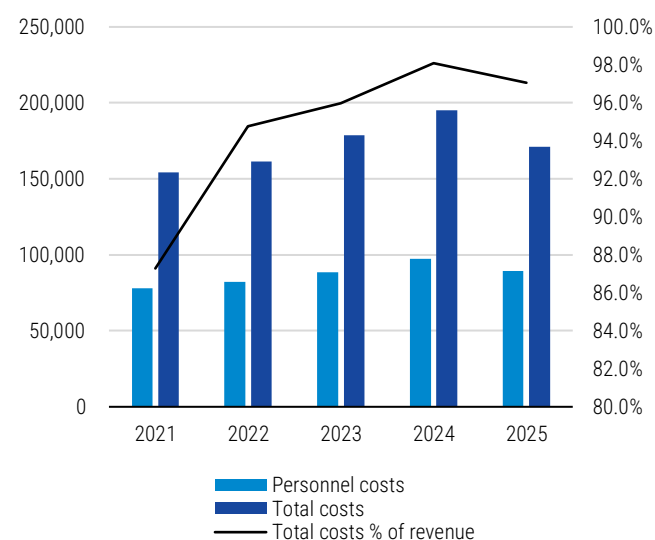


The share of NIWA's revenue arising from research funding sourced from the Ministry of Business, Innovation and Employment was 49%, comprising \$50.6 million SSIF funding and \$34.9 million contestable and other contracts. This share was down 4% compared with the prior year. Applied science services accounted for the remaining 51% of NIWA's revenue, up 4% on the prior year.

Expenditure

Year-on year, operating expenses decreased by \$23.9 million. Of that reduction, \$8.2 million related to employee benefits expense, reflecting the impact of business restructuring actions. Research collaboration expenses fell by \$18.2 million largely due to lower subcontractor activity following the conclusion of the National Science Challenges.

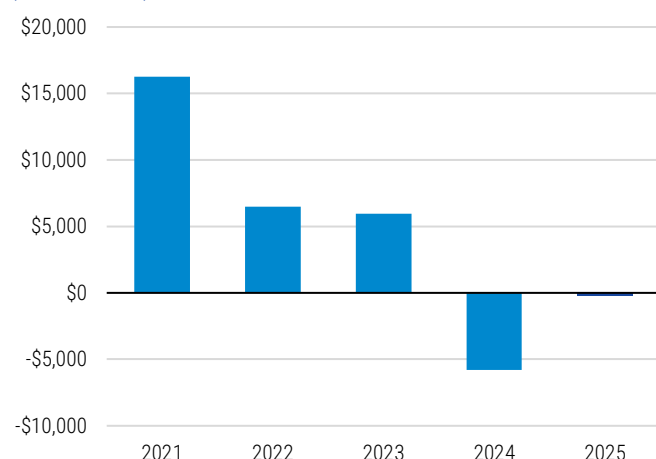
Operating expenses (including depreciation and amortisation) were below budget by \$1.6 million.



Profitability

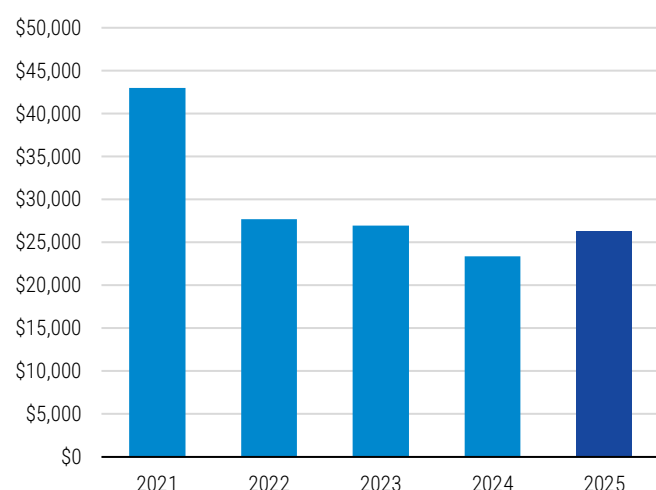
NIWA delivered profit before tax of \$0.1 million and profit after tax of \$(0.2) million during 2024/25. Compared with the previous year, these results reflect a reduction of \$0.7 million and an increase of \$5.6 million respectively. (The after-tax loss in the prior year reflected a one-time non-cash deferred tax expense of \$(6.2) million as a consequence of changes to the tax treatment of depreciation on buildings.) The result exceeded budget objectives by \$3.1 million before tax and \$2.1 million after tax.

Net profit after tax (\$ in thousands)



NIWA also closely monitors its Earnings before Interest, Tax, Depreciation and Amortisation (EBITDA), as this measure assists in understanding the Company's capacity to fund future investments and carry debt. NIWA achieved EBITDA of \$26.3M for the year against a budget of \$22.8 million.

EBITDA (\$ in thousands)



NIWA's fundamental financial performance metric is adjusted return on equity, which enables comparison between CRIs on an equivalent basis. The Company delivered an adjusted ROE of (0.1)% this year, ahead of the budget target of (1.7)% and the (4.3)% achieved in the previous year. This improvement reflects actions undertaken to ensure the Company's continuing financial sustainability.

Capital management and cash

Cash flows

The following table summarises NIWA's cash flows this year and last year:

	2025	2024	Change
Net cash flows from operating activities	12.084m	3.983m	8.101m
Net cash flows from investing activities	(34.780)m	(41.294)m	6.514m
Net cash flows from financing activities	18.919m	34.739m	(15.820)m
Net increase/(decrease) in cash	(3.777)m	(2.572)m	(1.205)m

Net cash flows from operating activities

Net cash inflows from operating activities increased by \$8.1 million to \$12.1 million in 2024/25. This year-on-year change was due both to improved cash profit and to movements in working capital items.

Net cash flows from investing activities

Net cash outflows from investing activities were \$6.5 million lower than the prior year at \$34.8 million. This year-on-year change reflects costs incurred for the new research vessel RV *Kaharoa II* in 2023/24, partially offset by costs associated with the purchase of the new High-Performance Computer in 2024/25.

Net cash flows from financing activities

Net cash inflow from financing activities fell from \$34.7 million in 2023/24 to \$18.9 million in 2024/25, reflecting the completion of major capital investments funded by prior debt drawdowns. The Company paid no dividend during the year as was signalled in the previous year's Statement of Corporate Intent. This reflects the need for ongoing material capital investments designed to ensure that our science facilities remain fit for purpose for the coming decades.

Capital spending

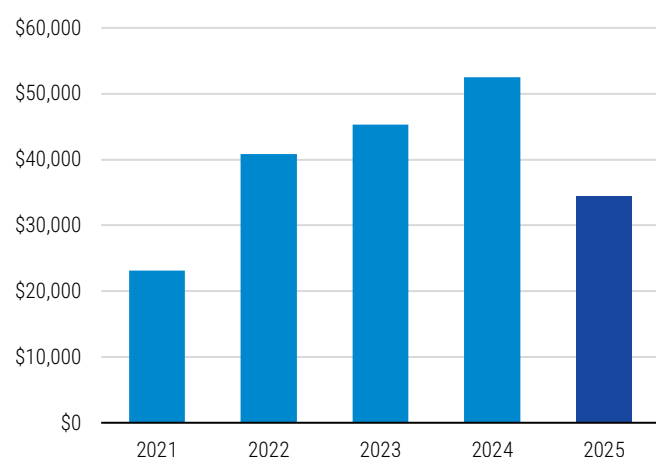
The following table summarises NIWA's capital expenditure this year and last year:

	2025	2024	Change
Land, buildings & improvements	0.905m	2.790m	(1.885)m
Equipment	9.536m	12.268m	(2.732)m
ICT equipment	21.558m	1.526m	20.033m
Vessel equipment	1.917m	34.489m	(32.573)m
Other	0.180m	1.473m	(1.293)m
Intangible software	0.352m	–	0.352m
Total capital spending	34.448m	52.546m	(18.098)m

Total capital expenditure was \$34.4 million during the year, down from \$52.5 million during the prior year. In 2022/23, a further \$12.5m was recorded as a prepayment but could be considered in substance as equivalent to capital spending. This related to initial payments in relation to the construction of NIWA's ocean-going research vessel RV *Kaharoa II* and was reflected as an investing activity in the cash flow statement. Adjusting for this, by adding the \$12.5 million back to 2022/23 and removing it from 2023/24, the actual capital spending reduced by \$5.6 million year-on-year.

Capital expenditure

(\$ in thousands)



Capital structure and liquidity

Shareholders' equity at 30 June 2025 was \$153.3 million (2024: \$153.5 million) which was \$1.7 million below the level forecast in the SCI budget. Total assets at year-end were \$288.2 million (2024: \$286.9 million). As at 30 June 2025, the Company's net debt was \$52.8 million (2024: \$29.6 million).

NIWA's liquidity is primarily supported by operating cash flows. Additionally, the Company has access to financing facilities of \$70.5 million (2024: \$50.5 million) provided by its bank. As of 30 June 2025, \$55.5 million had been drawn from these facilities (2024: \$36 million).

Dividends

As foreshadowed in the Company's Statement of Corporate Intent, the Directors of NIWA have once again decided not to declare a dividend in respect of the 2025 year. This is in the light of a series of significant capital investments which have been made in recent years and will continue to be required to maintain and build the Company's capability and financial sustainability for the future. These investments include renovating or replacing the physical infrastructure and facilities at three of the Company's main sites.

FINANCIAL STATEMENTS

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

YEAR ENDED 30 JUNE \$000	Notes	2025 Actual	2025 SCI Budget	2024 Actual
Revenue and other gains	1			
Revenue		175,969	174,273	196,862
Change in fair value of biological assets	13	234	–	1,895
Other gains		3	2	1
Total revenue and other gains		176,206	174,275	198,758
Operating expenses	2			
Employee benefits expense		(89,198)	(86,300)	(97,405)
Other expenses		(60,718)	(65,161)	(77,981)
Total operating expenses		(149,916)	(151,461)	(175,386)
Profit before interest, income tax, depreciation, and amortisation (EBITDA)		26,290	22,814	23,372
Depreciation	4, 5	(20,356)	(20,352)	(18,814)
Amortisation	7	(773)	(850)	(763)
Profit before interest and income tax (EBIT)		5,161	1,612	3,795
Interest income		251	15	273
Finance expense	5	(5,316)	(4,807)	(3,220)
Net interest and other finance income/(expense)		(5,065)	(4,792)	(2,947)
Profit before income tax		96	(3,180)	848
Income tax expense	10	(286)	886	(6,635)
Profit for the year		(190)	(2,294)	(5,787)
Other comprehensive (loss)/income				
Items that may be reclassified to profit or loss:				
Foreign currency translation differences of foreign operations		(56)	–	31
Total comprehensive income for the year		(246)	(2,294)	(5,756)
Profit attributable to:				
Owners of the Parent		(190)	(2,294)	(5,787)
Profit for the year		(190)	(2,294)	(5,787)
Total comprehensive income attributable to:				
Owners of the Parent		(246)	(2,294)	(5,756)
Total comprehensive income for the year		(246)	(2,294)	(5,756)

The accompanying 'Notes to the financial statements' are an integral part of, and should be read in conjunction with, these financial statements. SCI Budget information is unaudited.

STATEMENT OF CHANGES IN EQUITY

YEAR ENDED 30 JUNE 2025 \$000			Share capital	Retained earnings	Non-controlling interest	Foreign currency translation reserve	Total equity
	Notes						
Balance at 1 July 2024			24,799	129,004	–	(283)	153,520
Profit for the year			–	(190)	–	–	(190)
Other comprehensive (loss)/income			–	–	–	(56)	(56)
Total comprehensive income/(loss)			–	(190)	–	(56)	(246)
Investment in subsidiary	14		–	–	–	–	–
Balance at 30 June 2025			24,799	128,814	–	(339)	153,274

YEAR ENDED 30 JUNE 2024 \$000			Share capital	Retained earnings	Non-controlling interest	Foreign currency translation reserve	Total equity
	Notes						
Balance at 1 July 2023			24,799	135,334	534	(314)	160,353
Profit for the year			–	(5,787)	–	–	(5,787)
Other comprehensive (loss)/income			–	–	–	31	31
Total comprehensive income/(loss)			–	(5,787)	–	31	(5,756)
Investment in subsidiary	14		–	(543)	(534)	–	(1,077)
Balance at 30 June 2024			24,799	129,004	–	(283)	153,520

The accompanying 'Notes to the financial statements' are an integral part of, and should be read in conjunction with, these financial statements.

Share capital

The Group has authorised issued and fully paid capital of 24,798,700 ordinary shares (2024: 24,798,700 ordinary shares). All shares carry equal voting and distribution rights and have no par value.

STATEMENT OF FINANCIAL POSITION

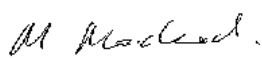
AS AT 30 JUNE \$000	Notes	2025 Actual	2025 SCI Budget	2024 Actual
Equity				
Share capital		24,799	24,799	24,799
Equity reserves		128,475	130,248	128,721
Shareholders' interest		153,274	155,047	153,520
Non-controlling interest		–	–	–
Total equity		153,274	155,047	153,520
Non-current liabilities				
Provision for employee entitlements	3	893	717	959
Term Loan		55,500	–	–
Lease liabilities	5	40,042	40,960	39,600
Deferred tax liability	11	6,535	–	6,947
Total non-current liabilities		102,970	41,677	47,506
Current liabilities				
Payables and accruals		6,896	17,484	16,751
Term Loan		–	33,575	36,000
Revenue in advance		12,625	15,904	16,100
Provision for employee entitlements	3	11,924	11,380	16,477
Taxation payable		–	–	–
Lease liabilities	5	553	–	558
Forward exchange derivatives		–	–	–
Total current liabilities		31,998	78,343	85,886
Total equity and liabilities		288,242	275,067	286,912
Non-current assets				
Property, plant, and equipment	4	213,780	206,897	199,050
Identifiable intangibles	7	849	(2,051)	803
Deferred tax asset	11	186	(146)	182
Right-of-use asset	5	38,814	39,123	39,373
Prepayments		750	261	418
Total non-current assets		254,379	244,084	239,826
Current assets				
Cash and cash equivalents		2,662	493	6,448
Other short-term investments		–	–	–
Forward exchange derivatives		1	651	–
Receivables	8	14,140	16,685	24,465
Prepayments		4,301	2,894	2,810
Tax Receivable		588	218	1,474
Assets held for sale		–	–	–
Uninvoiced receivables		5,227	6,613	5,426
Inventory	9	4,816	3,429	4,568
Biological Assets	13	2,128	–	1,895
Total current assets		33,863	30,983	47,086
Total assets		288,242	275,067	286,912

The accompanying 'Notes to the financial statements' are an integral part of, and should be read in conjunction with, these financial statements. SCI Budget information is unaudited.

For and on behalf of the Board:



David Smol
Chair



Mary-Anne Macleod
Deputy Chair

Authorised for issue on 28 August 2025

STATEMENT OF CASH FLOWS

YEAR ENDED 30 JUNE \$000	Notes	2025 Actual	2025 SCI Budget	2024 Actual
Cash flows from operating activities				
Cash was provided from:				
Receipts from customers and grants		182,971	181,523	176,953
Dividends received		3	–	1
Interest received		251	15	273
Cash was disbursed to:				
Payments to employees and suppliers		(166,009)	(152,561)	(168,070)
Interest paid	5	(5,316)	(4,830)	(3,219)
Taxation refund/ (paid)		184	2,292	(1,955)
Net cash inflow from operating activities	12	12,084	26,439	3,983
Cash flows from investing activities				
Cash was provided from:				
Sale of property, plant, and equipment		110	–	183
Term deposits maturing		–	–	–
Cash was applied to:				
Purchase of property, plant, and equipment		(34,071)	(29,186)	(40,000)
Purchase of intangible assets		(819)	(850)	(400)
Investments in Subsidiaries		–	–	(1,077)
Investments in other term deposits		–	–	–
Net cash outflow from investing activities		(34,780)	(30,036)	(41,294)
Cash flows from financing activities				
Cash was provided from:				
Term Borrowings		19,500	4,084	36,000
Cash was applied to:				
Payment for lease principal		(581)	(494)	(1,261)
Net cash inflow from financing activities		18,919	3,590	34,739
Increase/(decrease) in cash and cash equivalents		(3,777)	(7)	(2,572)
Effects of exchange rate changes on the balance of cash held in foreign currency		(9)	–	11
Opening balance of cash and cash equivalents		6,448	500	9,009
Closing cash and cash equivalents balance		2,662	493	6,448
Comprising:				
Cash at bank and on hand		1,927	493	5,587
Short-term deposits		735	–	861
Closing cash and cash equivalents balance		2,662	493	6,448

The accompanying 'Notes to the financial statements' are an integral part of, and should be read in conjunction with, these financial statements. SCI Budget information is unaudited

NOTES TO THE FINANCIAL STATEMENTS

1. Revenue and other gains

YEAR ENDED 30 JUNE \$000	2025	2024
Research		
Strategic Funding	50,552	50,552
Rendering of services	23,513	43,664
Commercial Science		
Rendering of services	88,143	93,563
Sale of goods	13,761	9,083
Change in fair value of biological assets	234	1,895
Dividends	3	1
Total revenue and other gains	176,206	198,758

The accounting policies associated with the Group's operating revenues are as follows:

Contracts with customers

Revenue from contracts with customers is recognised in accordance with the five-step model set out in NZ IFRS 15:

1. Identify the contract with a customer
2. Identify the performance obligations in the contract
3. Determine the transaction price
4. Allocate the transaction price to the performance obligations in the contract
5. Recognise revenue as or when a performance obligation is satisfied.

Key estimates and assumptions

Satisfaction of a performance obligation generally occurs as or when control of the outputs of the obligation is passed to the customer. Judgement is required to identify whether a performance obligation is satisfied over time or at a point in time, as well in applying methods for measuring progress towards the satisfaction of performance obligations. These judgements represent key assumptions concerning the future that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Generally, control for services is transferred, and revenue recognised, over time as the service is provided. The Group uses the 'percentage-of-completion method' to determine the appropriate amount of revenue to recognise in a given period. The stage of completion is measured by reference to the labour and non-labour costs incurred up to the end of the year as a percentage of total estimated costs for each contract. Contract duration is typically 1-5 years and revenue is recognised over time as service is rendered. The customer pays a fixed amount over the contract term in accordance with the payment frequency specified in the contract.

The Group recognises revenue from the sale of goods when control of the goods has passed to the customer, the associated costs and possible return of goods can be estimated reliably, there is no continuing management involvement with the goods, and there is a high probability that a significant reversal in the revenue recognised will not occur. Revenue from the sale of goods is measured at the fair value of the consideration received or receivable, net of returns and allowances. The timing of the transfer of control varies depending on the individual terms of the sales agreement.

The Group does not expect to have any significant contracts where the period between the transfer of the promised goods or services to the customer and payment by the customer exceeds one year. As a consequence, the Group does not adjust any of the transaction prices for the time value of money as this is considered to not have a material impact.

Government grants

Government grants are recognised under NZ IAS 20 when there is a reasonable assurance that the Group will comply with the conditions attached to the grant, and that the grant will be received.

Government grants related to costs are deferred and recognised in profit or loss over the period in which the Group incurs the costs for which the grant is intended to compensate.

Government grants relating to the purchase of property, plant and equipment are included in non-current liabilities as revenue in advance and they are credited to profit or loss on a straight-line basis over the expected lives of the related assets.

A government grant that becomes receivable as compensation for expenses or losses already incurred, or for the purpose of giving immediate financial support to the Group with no future related costs, is recognised in profit or loss in the period in which the grant becomes receivable.

Strategic funding

NIWA and the Crown are parties to a Strategic Science Investment Fund – Programmes Investment Contract (SSIF Contract) under which the Crown contracts NIWA to perform research activities that support NIWA's Statement of Core Purpose (SCP). Specific SCP outcomes, and their associated delivery programmes, are agreed annually with Shareholding Ministers and documented in NIWA's Statement of Corporate Intent.

For financial reporting purposes this Strategic Funding is treated as a Government Grant in terms of NZ IAS 20. Strategic Funding received and recognised during the year was \$50.552 million exclusive of GST (2024: \$50.552 million). All Strategic Funded projects were completed during the year.

Contract balances

Contract assets

A contract asset is the right to consideration in exchange for goods or services transferred to the customer, conditional on something other than the passage of time. If the Group performs under a contract by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration that is conditional.

Contract assets are classified as 'Uninvoiced receivables' in the Statement of Financial Position.

Contract liabilities

A contract liability is the obligation to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Group transfers goods or services, a contract liability is recognised. Contract liabilities are recognised as revenue when the Group performs under the contract.

Contract liabilities are classified as 'Revenue in advance' in the Statement of Financial Position.

YEAR ENDED 30 JUNE \$000	2025	2024
Revenue recognised that was included in the contract liability balance at the beginning of the year		
Rendering of services	13,016	30,985

2. Operating expenses

Employee benefits

YEAR ENDED 30 JUNE \$000	2025	2024
Defined contribution plans	3,274	3,837
Defined benefit plans	324	–
Termination benefits	233	3,683
Other employee benefits	85,367	89,885
Total employee benefits expense	89,198	97,405

Other expenses

YEAR ENDED 30 JUNE \$000	2025	2024
Materials and supplies	14,907	15,242
Research collaboration	8,624	26,794
Property occupancy costs	7,222	7,601
Information technology	9,497	9,699
Remuneration of directors	398	319
Foreign currency (gain)/loss	32	(229)
Movement within loss allowance provision	(1)	47
Change in the fair value of derivatives	(1)	651
Other expenses	19,819	17,584
Total other expenses	60,497	77,708

Auditor's remuneration

YEAR ENDED 30 JUNE \$000	2025	2024
Auditor's remuneration comprises:		
Fees to PWC for audit of the financial statements (Group)	214	194
Fees to Hall Chadwick for audit of the financial statements (Subsidiary)	–	41
Fees to PWC for audit related services	9	8
Total auditor's remuneration	223	243

3. Employee entitlements

Liabilities for wages and salaries, including non-monetary benefits and annual leave, long service leave, retirement leave, and training leave are recognised when it is probable that settlement will be required, and they are capable of being measured reliably. Provisions, in respect of employee benefits, are measured using the remuneration rate expected to apply at settlement. Employee benefits are separated into current and non-current liabilities. Current liabilities are those benefits that are expected to be settled within 12 months from balance date.

Provisions made in respect of employee benefits which are not expected to be settled within 12 months are measured at the present value of the estimated future cash outflows to be made by the Group in respect of services provided by employees up to the reporting date.

The provisions for long service leave, retirement leave, and training leave are dependent upon several factors that are determined by the expected employment period of employees, current remuneration, and the timing of employees' use of the benefits. Any changes in these assumptions will impact on the carrying amount of the liability. The employment period used to determine the appropriate long service leave liability is based upon historical average length of service. The training leave liability is based upon typical historical usage of the benefit.

AS AT 30 JUNE \$000	2025	2024
Remuneration		
Salary accrual	3,647	7,394
Annual leave	7,962	8,780
Training leave	178	190
Long service leave	655	647
Retirement leave	375	425
Total employee entitlements	12,817	17,436
Comprising:		
Current	11,924	16,477
Non-current	893	959

4. Property, plant and equipment

Property, plant and equipment is stated at cost less accumulated depreciation to date, less any impairment losses.

Expenditure incurred on property, plant and equipment is capitalised where such expenditure will increase or enhance the future economic benefits provided by an asset's existing service potential. Expenditure incurred to maintain future economic benefits is classified as repairs and maintenance.

The gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sale proceeds and the carrying amount of the asset and is recognised in the statement of profit or loss and other comprehensive income.

Key estimates and assumptions

The useful lives of items of property, plant and equipment are key assumptions concerning the future that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Property, plant and equipment items, except for freehold land and work in progress, are depreciated on a straight-line basis at rates estimated to write off their cost over their estimated useful lives. Determining the appropriate useful life of property, plant and equipment requires management judgement over factors including the expected period during which an item is expected to be capable of service performance, the likelihood of technical obsolescence, future utilisation plans, and the effect of the regulatory environment.

The estimated useful lives of the Group's property, plant and equipment assets are as follows:

Category	Useful life
Buildings and leasehold improvements	5–50 years
Vessels	20–31 years
Plant and equipment	8–10 years
Other assets	
IT equipment	3–8 years
Office equipment	5 years
Furniture and fittings	10 years
Motor vehicles	6 years
Small boats	10 years

The Group reviews the estimated useful lives of property, plant and equipment items, and assesses those assets for indicators of impairment, during each annual reporting period.

YEAR ENDED 30 JUNE 2025 \$000	Land	Buildings	Vessels	Plant & equipment	Other assets	Work in progress	Total
Cost							
Balance at 1 July 2024	19,125	85,633	76,898	149,480	63,448	23,623	418,207
Additions	–	–	–	–	401	34,105	34,506
Adjustments	–	(98)	–	(760)	–	–	(858)
Transfers	–	703	1,549	9,355	1,344	(12,951)	–
Disposals	–	(623)	–	(904)	(1,746)	–	(3,273)
Foreign currency adjustment	–	1	–	8	9	–	18
Balance at 30 June 2025	19,125	85,616	78,447	157,179	63,456	44,777	448,600
Accumulated depreciation and impairment losses							
Balance at 1 July 2024	–	39,354	29,731	101,172	48,900	–	219,157
Depreciation	–	2,187	2,687	8,382	5,522	–	18,778
Disposals	–	(551)	–	(870)	(1,688)	–	(3,109)
Transfers	–	–	1	212	(213)	–	–
Foreign currency adjustment	–	–	(3)	(2)	(1)	–	(6)
Balance as at 30 June 2025	–	40,990	32,416	108,894	52,520	–	234,820
Net book value at 30 June 2025	19,125	44,626	46,031	48,285	10,936	44,777*	213,780

YEAR ENDED 30 JUNE 2024 \$000	Land	Buildings	Vessels	Plant & equipment	Other assets	Work in progress	Total
Cost							
Balance at 1 July 2023	19,125	66,339	41,995	123,240	60,294	79,974	390,967
Additions	–	8	187	–	219	51,727	52,141
Transfers	–	33,140	36,982	31,386	6,570	(108,078)	–
Disposals	–	(13,857)	(2,264)	(5,141)	(3,647)	–	(24,909)
Foreign currency adjustment	–	3	(2)	(5)	12	–	8
Balance at 30 June 2024	19,125	85,633	76,898	149,480	63,448	23,623	418,207
Accumulated depreciation and impairment losses							
Balance at 1 July 2023	–	51,118	30,222	98,560	46,713	–	226,613
Depreciation	–	2,085	1,773	7,475	5,791	–	17,124
Disposals	–	(13,849)	(2,264)	(4,949)	(3,513)	–	(24,575)
Transfers	–	–	–	86	(91)	–	(5)
Foreign currency adjustment	–	–	–	–	–	–	–
Balance as at 30 June 2024	–	39,354	29,731	101,172	48,900	–	219,157
Net book value at 30 June 2024	19,125	46,279	47,167	48,308	14,548	23,623*	199,050

*The Work in Progress balance as at 30 June 2025 primarily comprises the cost of the Group's new supercomputer together with the cost of design work so far undertaken in respect of the proposed redevelopment of NIWA's research centres in Christchurch and Wellington. The supercomputer is close to completion and is expected to be available for service shortly after the balance date. The property redevelopments are now being considered in the context of the amalgamation of NIWA with GNS (refer note 18). The continued recognition of the previous expenditure as part of property, plant and equipment is based on the expectation that the proposed redevelopments will proceed and will be similar to the design work completed to date. Changes to the plans for redevelopments may result in write-off of any past expenditure that does not contribute to the eventual redevelopments.

5. Right-of-use asset and lease liability

The Group's leases relate to buildings and land. These leases are recognised as a right-of-use asset and a corresponding liability. Each lease payment is allocated between the lease liability and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The right-of-use asset is depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis.

Assets and liabilities arising from a lease are initially measured on a present-value basis. Lease liabilities include the net present value of fixed payments.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be determined, the Group's incremental borrowing rate is used, being the rate that the Group would have to pay to borrow the funds necessary to obtain an asset of similar value in a similar economic environment, with similar terms and conditions.

Right-of-use assets are measured at cost, comprising the amount of the initial measurement of lease liability. These assets are subsequently depreciated using the straight-line method from the commencement date to the end of the lease term.

Payments associated with short-term leases and leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less. Low-value assets comprise small storage spaces.

Reconciliation of right-of-use asset balance

YEAR ENDED 30 JUNE \$000	2025	2024
Right-of-use asset net book value opening balance	39,373	19,216
Lease modifications and additions	1,019	25,359
Disposals	–	(3,512)
Depreciation	(1,577)	(1,690)
Foreign currency adjustment	(1)	–
Right-of-use asset net book value closing balance	38,814	39,373
Represented by:		
Cost	48,372	47,352
Accumulated depreciation	(9,558)	(7,979)
Right-of-use asset net book value closing balance	38,814	39,373

Reconciliation of lease liabilities

YEAR ENDED 30 JUNE \$000	2025	2024
Net present value of future lease liability opening balance	40,158	20,721
Additions and modifications	1,019	25,351
Disposals	–	(4,661)
Interest for the year*	2,377	1,804
Lease payments made	(2,952)	(3,058)
Foreign currency adjustment	(7)	1
Net present value of future lease liability closing balance	40,595	40,158
Current lease liability	553	558
Non-current lease liability	40,042	39,600
Total lease liabilities closing balance	40,595	40,158

* The total finance expense of \$5,316k shown in the statement of profit or loss and other comprehensive income for 2025 comprises the lease interest of \$2,377k shown in the table above, together with loan interest payments of \$2,939k.

Lease liabilities maturity analysis

AS AT 30 JUNE 2025 \$000	Minimum lease payments	Interest	Present value
Within one year	2,946	(2,393)	553
One to five years	11,072	(9,046)	2,026
Beyond five years	46,815	(8,799)	38,016
Total lease liabilities at 30 June 2025	60,833	(20,238)	40,595

AS AT 30 JUNE 2024 \$000	Minimum lease payments	Interest	Present value
Within one year	2,928	(2,370)	558
One to five years	10,510	(9,186)	1,324
Beyond five years	57,795	(19,519)	38,276
Total lease liabilities at 30 June 2024	71,233	(31,075)	40,158

Lease-related expenses included in the statement of profit or loss and other comprehensive income

YEAR ENDED 30 JUNE \$000	2025	2024
Depreciation	1,577	1,690
Short-term and low-value leases	340	395
Interest on leases	2,377	1,804
Total lease-related expenses	4,294	3,889

6. Heritage assets

NIWA has one collection and three databases that have been defined as heritage assets. Heritage collection assets are those assets held for the duration of their physical lives because of their unique scientific importance, and heritage databases are maintained as an incidental part of existing business operations.

The nature of these heritage assets, and their significance to the science NIWA undertakes, makes it necessary to disclose them. In the directors' view, the cost of these heritage assets cannot be assessed with any reliability, and accordingly these assets have not been recognised for financial reporting purposes.

NIWA has the following heritage assets:

Type	Description
Marine Benthic Biology Collection	A national reference collection of marine invertebrates.
National Climate Database	A national electronic database of high-quality climate information, including temperatures, rainfall, wind, and other climate elements.
Water Resources Archive Database	A national electronic database of river and lake locations throughout New Zealand, including levels, quality, and flows.
New Zealand Freshwater Fish Database	A national electronic database of the occurrence of fish in the fresh waters of New Zealand, including major offshore islands.

7. Identifiable intangibles

Purchased identifiable intangible assets, comprising copyrights and software, are stated at cost less accumulated depreciation to date, less any impairment losses.

Internally generated identifiable intangible assets, which arise from development costs that meet the recognition criteria, are recognised as an asset in the statement of financial position. Capitalisation is limited to the amount which, taken together with any further related costs, is likely to be recovered from future economic benefits. Any excess is recognised as an expense.

All other development and research costs are expensed as incurred.

Subsequent to initial recognition, internally generated intangible assets are stated at cost less accumulated amortisation to date, less any impairment losses, on the same basis as purchased identifiable intangible assets.

Key estimates and assumptions

The useful lives of identifiable intangible assets are key assumptions concerning the future that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Identifiable intangible assets are amortised on a straight-line basis at rates estimated to write off their cost over their estimated useful lives. Determining the appropriate useful life of identifiable intangible assets requires management judgement over factors including the expected period during which an item is expected to be capable of service performance, the likelihood of technical obsolescence, and future utilisation plans.

The estimated useful lives of the Group's identifiable intangible assets are as follows:

Category	Useful life
Copyrights	5 years
Development costs	5 years
Software	3 years

The Group reviews the estimated useful lives of identifiable intangible assets, and assesses those assets for indicators of impairment, during each annual reporting period.

YEAR ENDED 30 JUNE 2025 \$000	Software	Copyrights	Development costs	Work in progress	Total
Cost					
Balance as at 1 July 2024	12,373	215	377	30	12,995
Additions	472	–	–	352	824
Disposals	(206)	–	(24)	–	(230)
Transfers	295	–	–	(295)	–
Foreign Currency Adjustment	(1)	–	(2)	(1)	(4)
Balance as at 30 June 2025	12,933	215	351	86	13,585
Accumulated amortisation and impairment losses					
Balance as at 1 July 2024	11,722	215	255	–	12,192
Amortisation	754	–	19	–	773
Disposals	(206)	–	(24)	–	(230)
Foreign Currency Adjustment	1	–	–	–	1
Balance as at 30 June 2025	12,271	215	250	–	12,736
Net book value as at 30 June 2025	662	–	101	86	849

YEAR ENDED 30 JUNE 2024 \$000	Software	Copyrights	Development costs	Work in progress	Total
Cost					
Balance as at 1 July 2023	12,038	215	377	63	12,693
Additions	404	–	–	–	404
Disposals	(98)	–	–	–	(98)
Transfers	33	–	–	(33)	–
Foreign Currency Adjustment	(4)	–	–	–	(4)
Balance as at 30 June 2024	12,373	215	377	30	12,995
Accumulated amortisation and impairment losses					
Balance as at 1 July 2023	11,089	215	223	–	11,527
Amortisation	731	–	32	–	763
Disposals	(98)	–	–	–	(98)
Foreign Currency Adjustment	–	–	–	–	–
Balance as at 30 June 2024	11,722	215	255	–	12,192
Net book value as at 30 June 2024	651	–	122	30	803

8. Receivables

Receivables are stated at amortised cost using the effective interest rate, less an allowance for expected losses.

A loss allowance provision is established when the assessment under NZ IFRS 9 deems a provision is required. Changes in the carrying amount of the provision are recognised in the statement of profit or loss and other comprehensive income. Debts which are known to be uncollectable are written off against the provision, once approved by the Board of Directors.

AS AT 30 JUNE \$000	2025	2024
Trade receivables	14,138	24,464
Sundry receivables	2	1
Loss allowance provision	–	–
Total	14,140	24,465
Classified as:		
Non-current	–	–
Current	14,140	24,465
Total	14,140	24,465

Included in the Group's trade receivables balance at the end of the year is one Crown debtor's balance which equates to 12% of the Group's total receivables balance (2024: 24%). 98% of that debtor's balance is less than 60 days overdue and is deemed to be low credit risk (2024: 100%).

The Group considers that a large proportion of its customers have a low credit risk associated with them. Before providing any service or goods to a new customer on credit terms, a check is undertaken when deemed appropriate to verify the creditworthiness of the customer. The Group reserves the right to charge interest at a rate of 2% per month, calculated daily, on all invoices remaining unpaid at the due date.

Included in the Group's trade receivable balance are debtors with a carrying amount of \$794k (2024: \$392k) which are more than 60 days past due at the reporting date. The Group has not created a provision for this balance because the amounts are still considered recoverable. The Group does not hold any collateral over past due or impaired balances.

The Group has applied the simplified approach to providing for expected credit losses, which requires the recognition of a lifetime expected loss provision for trade receivables. To measure the expected credit losses, trade receivables have been grouped based on days past due. The expected loss rates are based on the payment profiles of customers on a lifetime basis and the

corresponding historical credit losses over a period of five years, adjusted for any significant known amounts that are not receivable. The total expected credit loss allowance provision has been determined as nil (2024: nil) for the Group.

AS AT 30 JUNE 2025 \$000	Expected Loss Rate	Gross Carrying Amount	Loss Allowance Provision
Current	0.0%	12,619	–
Past due 1 – 30 days	0.0%	529	–
Past due 31 – 60 days	0.0%	196	–
Past due 61 – 90 days	0.0%	660	–
Past due >90 days	0.0%	134	–
Total		14,138	–

9. Inventory

Inventory is stated at the lower of cost and net realisable value. The basis on which cost is calculated is first in first out (FIFO) for consumables, finished goods and work in progress; and weighted average for raw materials.

AS AT 30 JUNE \$000	2025	2024
Consumables	837	891
Raw materials	125	121
Finished goods	3,854	3,556
Total inventory	4,816	4,568

10. Income tax

The income tax expense for the year is the tax payable on the current year's taxable income, based on the income tax rate for each jurisdiction. This is then adjusted by changes in deferred tax assets and liabilities attributable to temporary differences between the tax bases of assets and liabilities and their carrying amounts in the financial statements, and changes in unused tax losses.

The income tax expense is determined as follows:

YEAR ENDED 30 JUNE \$000	2025	2024
Current tax	702	488
Deferred tax relating to temporary differences	(416)	6,147
Total income tax expense	286	6,635

Reconciliation of income tax expense

YEAR ENDED 30 JUNE \$000	2025	2024
Profit before income tax	96	848
Tax at current rate of 28%	27	237
Adjustments to taxation:		
Other non-deductible expenses / (Non-assessable income)	(60)	11
Australian-based subsidiary subject to foreign tax	42	28
Depreciation changes to buildings	–	6,312
(Over)/under provision in previous year	277	47
Income tax expense	286	6,635

11. Deferred tax liability and assets

Deferred tax is accounted for using the balance sheet liability method in respect of temporary differences arising from the carrying amount of assets and liabilities in the financial statements and the corresponding tax base of those items. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that sufficient taxable amounts will be available against which those deductible temporary differences can be utilised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset and liability giving rise to them are realised or settled, based on the tax laws that have been enacted or substantively enacted at balance date.

Current and deferred tax is recognised in profit or loss, except when it relates to items recognised in other comprehensive income or directly in equity, in which case the deferred or current tax is also recognised in other comprehensive income or directly in equity, or where it arises from the initial accounting for a business combination.

YEAR ENDED 30 JUNE 2025 \$000	Opening balance as at 1 July 2024	Credited/ (charged) to profit or loss	Closing balance as at 30 June 2025
Property, plant, and equipment	(7,685)	(213)	(7,898)
Uninvoiced receivables	(1,519)	56	(1,463)
Employee benefits	2,551	(406)	2,145
Unrealised forex gains/losses on creditors/debtors	198	(165)	33
Doubtful debts	–	–	–
Right of Use assets	(11,027)	158	(10,869)
Lease liability	11,247	121	11,368
Change in fair value of biological assets	(530)	465	(65)
Tax loss	–	400	400
R&D Tax credit (Australian-based subsidiary)	–	–	–
Total	(6,765)	416	(6,349)

YEAR ENDED 30 JUNE 2024 \$000	Opening balance as at 1 July 2023	Credited/ (charged) to profit or loss	Closing balance as at 30 June 2024
Property, plant, and equipment	(680)	(7,005)	(7,685)
Uninvoiced receivables	(2,696)	1,177	(1,519)
Employee benefits	2,309	242	2,551
Unrealised forex gains/losses on creditors/debtors	36	162	198
Doubtful debts	–	–	–
Right of Use assets	(2,866)	(8,161)	(11,027)
Lease liability	3,281	7,966	11,247
Change in fair value of biological assets	–	(530)	(530)
R&D Tax credit (Australian-based subsidiary)	–	–	–
Total	(616)	(6,149)	(6,765)

In accordance with the Income Tax Act 2007 the Group is not required to establish or maintain an imputation credit account by virtue of its classification as a Crown Research Institute.

12. Cash and cash flows

12a Cash and cash equivalents and other short-term investments

Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, and other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Other short-term investments consists of deposits with financial institutions with maturities over three months which are presented as a separate line item in the statement of financial position.

12b Reconciliation of the profit for the year to net cash from operating activities

YEAR ENDED 30 JUNE \$000	2025	2024
Profit for the year	(190)	(5,787)
Add/(less) non-cash items		
Net (gain)/loss on disposal of property, plant and equipment	82	(994)
Depreciation and impairment	20,356	18,814
Amortisation of identifiable intangibles	773	763
Net foreign currency (gain)/loss	(47)	20
Change in fair value of biological assets	(234)	(1,895)
Increase/(decrease) in deferred tax	(416)	6,149
Add/(less) movements in working capital		
Increase/(decrease) in payables and accruals and revenue in advance	(12,960)	(14,226)
Increase/(decrease) in employee entitlements	(4,619)	3,983
Decrease/(increase) in receivables and prepayments	8,502	(7,550)
Decrease/(increase) in inventory and uninviced receivables	(49)	5,522
Increase/(decrease) in taxation payable and receivable	886	(1,469)
Increase/(decrease) in forward exchange derivatives	–	653
Net cash flows from operating activities	12,084	3,983

13. Biological assets

Biological assets consist of pre-harvest fish stock in tanks associated with the Company's experimental commercial-scale Recirculating Aquaculture System at its Northland Aquaculture Research Centre in Ruakākā. This stock is measured at fair value less estimated costs to sell, with any gain or loss resulting from the fair value measurement recognised in profit or loss.

The target live weight of the harvestable fish is 2.5kg. Once fish have reached this mass of 2.5kg, they are considered saleable and are transferred from the immature to mature biological assets accounts.

YEAR ENDED 30 JUNE 2025 \$000	Immature fish	Mature fish	Total
Opening balance as at 1 July 2024	1,284	611	1,895
Growth of biological assets and movement in fair value less estimated costs to sell	2,309	643	2,952
Reclassification from immature to mature	(1,855)	1,855	–
Sale of harvested produce	–	(2,719)	(2,719)
Closing balance as at 30 June 2025	1,738	390	2,128

YEAR ENDED 30 JUNE 2024 \$000	Immature fish	Mature fish	Total
Opening balance as at 1 July 2023	–	–	–
Growth of biological assets and movement in fair value less estimated costs to sell	2,218	206	2,424
Reclassification from immature to mature	(934)	934	–
Sale of harvested produce	–	(529)	(529)
Closing balance as at 30 June 2024	1,284	611	1,895

Determining fair value

The pre-harvest fish stock has been valued with reference to its stage of development, the length of the growth cycle, the number in the water, total biomass in the water, and the fair value per kg at the point of harvest. The fair value per kg at the point of harvest is determined with reference to market prices achieved during the three months preceding balance date. This method of valuation falls into Level 2 on the fair value hierarchy.

Non-financial measures

YEAR ENDED 30 JUNE 2025 TONNES	Immature fish	Mature fish	Total
Opening balance as at 1 July 2024	90	42	132
Growth of biological assets	123	32	155
Reclassification from immature to mature	(113)	113	–
Sale of harvested produce	–	(166)	(166)
Closing balance as at 30 June 2025	100	21	121

YEAR ENDED 30 JUNE 2024 TONNES	Immature fish	Mature fish	Total
Opening balance as at 1 July 2023	–	–	–
Growth of biological assets	169	–	169
Reclassification from immature to mature	(79)	79	–
Sale of harvested produce	–	(37)	(37)
Closing balance as at 30 June 2024	90	42	132

14. Subsidiaries

The Group financial statements incorporate the financial statements of the Company and entities (including special purpose entities) controlled by the Company. Control is achieved where the Company has the power (including the ability to use the power) to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

All intra-group transactions, balances, income, and expenses are eliminated in full on consolidation.

The subsidiaries of the Group and their activities are listed below:

Name	Country	Principal activities	Ownership
NIWA Vessel Management Ltd	New Zealand	Vessel charters for scientific research	100%
Unidata Pty Ltd	Australia	Supplier of environmental technology products	100%
NIWA Aquaculture Solutions Ltd	New Zealand	Experimental commercial-scale production of high value finfish	100%

All subsidiaries have a balance date of 30 June.

During the year the Company did not acquire or dispose of a stake in any subsidiary.

15. Related party transactions

The Government of New Zealand (the Crown) is the ultimate shareholder of the NIWA Group. No transactions with other New Zealand Government-owned entities are considered related party transactions in terms of NZ IAS 24. No related party debts have been written off or forgiven during the year. Any business the NIWA Group has transacted in which a director or an employee has an interest has been carried out on a commercial basis. Any potential conflict is recorded in the minutes of Board meetings for directors and a separate interest register for employees. The interests register containing all relevant interests is updated on a regular and timely basis.

Key management personnel compensation

YEAR ENDED 30 JUNE \$000	2025	2024
Short-term benefits	4,031	4,019

The table above includes the remuneration of the Chief Executive, Executive Team and the Board of Directors.

16. Financial Instruments and Risk Management

The classification of financial assets and liabilities depends on the purpose for which the financial assets and liabilities were incurred. Management

determines the classification of the Group's financial assets and liabilities at initial recognition.

Financial assets

Classification

The Group classifies its financial assets in the following measurement categories: those to be measured at amortised costs, and those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss). The classification depends on the Group's business model for managing the financial assets and the contractual terms of the cash flow.

For assets measured at fair value, gains and losses will be recorded in either profit or loss, or other comprehensive income. For investments in debt instruments, this will depend on the business model in which the investment is held. For investments in equity instruments, this will depend on whether the Group has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income.

The Group reclassifies debt investments when, and only when, its business model for managing those assets changes.

Measurement

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss (FVPL), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVPL are expensed in profit or loss.

Financial assets and liabilities at fair value through profit or loss – Derivative financial instruments

This category has two sub-categories: financial assets held for trading, and those designated at fair value through profit or loss at inception. A financial asset is classified in this category if acquired principally for the purpose of selling in the short term, or if so designated by management.

Derivatives are also categorised as held for trading, unless they are designated as hedges. Assets in this category are classified as current assets if they are either held for trading or are expected to be realised within 12 months of the balance sheet date. After initial recognition, they are measured at their fair values. Gains or losses on re-measurement are recognised in the statement of profit or loss and other comprehensive income.

Financial Assets at Amortised Cost

The Group classifies its financial assets at amortised cost only if both of the following criteria are met:

- The asset is held to collect the contractual cash flows, and
- The contractual terms give rise to cash flows that are solely payments of principal and interest.

Impairment of financial assets

The Group assesses, on a forward-looking basis, the expected credit losses associated with its assets carried at amortised cost and fair value through other comprehensive income. The impairment methodology applied depends on whether there has been a significant increase in credit risk. Note 8 details how the Group determines whether there has been a significant increase in credit risk.

For trade receivables only, the Group applies the simplified approach permitted by NZ IFRS 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

Capital management

The Group has the following requirements imposed upon it under the Crown Research Institutes Act 1992:

- to operate in a financially responsible manner so that sufficient operating funds are generated to maintain financial viability;
- to provide an adequate rate of return on shareholders' funds; and
- to operate as a going concern.

The Group's policy is to maintain a strong capital base to maintain shareholder and creditor confidence and to sustain future development of the business.

The Group's policies in respect of capital management and allocation are reviewed regularly by the Board of Directors.

The overdraft and flexible credit facilities available from ANZ Bank (refer note 16 subsection 'Financing facilities') are not subject to financial covenants.

Capital refers to the equity and borrowings of the Group.

There have been no material changes in the Group's management of capital during the year.

Fair value of financial instruments

The carrying value of all financial instruments is considered to approximate fair value.

All the Group's forward exchange derivatives are classified as being within level 2 of the fair value hierarchy as defined by NZ IFRS 13 Fair Value Measurement (2024: the same). Their fair value is determined with reference to quoted rates for identical instruments on active markets.

Credit risk

Credit risk is the risk that a third party will default on its obligations to NIWA and the Group, causing a loss.

In the normal course of business, the Group incurs credit risk from trade receivables, uninviced receivables, and transactions with financial institutions (cash and short-term deposits and derivatives).

The Group has a credit policy that is used to manage this risk. As part of this policy, limits are placed on the amounts of credit extended to third parties, and care is taken to ensure the creditworthiness of third parties dealt with. All credit risk exposures are monitored regularly.

The Group does not require any collateral or security to support financial instruments, because of the quality of financial institutions and counterparties it deals with. There are no significant concentrations of credit risk, other than with the New Zealand Government, which the Group does not consider represents a material credit risk.

The exposure to the Group to credit risk as at 30 June 2025 was \$22,029k (total exposure to credit risk, comprising cash and cash equivalents \$2,662k, uninviced receivables \$5,227k, and receivables net of provisions \$14,140k) (2024: \$24,465).

Further analysis on the receivables balance can be found in note 8.

The Group has not renegotiated the terms of any financial assets which would result in the carrying amount no longer being past due or avoid a possible past due status.

The Group's maximum exposure to credit risk by geographic region is as follows:

AS AT 30 JUNE \$000	2025	2024
New Zealand	18,997	37,580
Australia	585	2,012
USA	1,177	233
Other Asia Pacific countries	566	626
Other regions	703	92
Provision for doubtful debts	–	–
Total exposure to credit risk	22,028	40,543

Interest rate risk

Interest rate risk is the risk that cashflows will fluctuate because of changes in market interest rates. This could affect the return on investments as well as the cost of debt.

The interest rates on the Group's investments and debt facilities are as follows:

YEAR ENDED 30 JUNE \$000	2025	2024
Investments		
Cash (on call)	3.25%	5.50%
Other short-term investments	Not held	Not held
Debt facilities		
Overdraft facility	6.14%	8.39%
Flexible credit facility	6.60%–4.33%	6.61%–6.74%

The directors do not consider there is any significant exposure to interest rate risk.

Currency risk

The Group undertakes transactions in foreign currencies from time to time, and, resulting from these activities, exposures in foreign currency arise. It is the Group's policy to hedge foreign currency trading transaction risks economically as they arise. To manage these exposures, the Group may use financial instruments such as forward foreign exchange contracts.

The Group's exposure to foreign currency-denominated non-derivative financial instruments was as follows, based on notional amounts:

AS AT 30 JUNE 2025 \$000	AUD	EUR	USD	FJD	GBP	CAD	SGD
Cash balances	798	4	91	4	35	7	6
Trade receivables	397	–	172	67	137	–	103
Trade payables	(158)	(53)	(57)	–	(1)	(1)	–
Statement of financial position exposure	1,037	(49)	206	71	171	6	109

AS AT 30 JUNE 2024 \$000	AUD	EUR	USD	FJD	GBP	CAD	SGD
Cash balances	1,802	11	36	13	9	6	44
Trade receivables	1,030	–	145	65	–	–	24
Trade payables	(73)	(11)	(167)	–	–	(2)	–
Statement of financial position exposure	2,759	–	14	78	9	4	68

NIWA has a regularly reviewed treasury management policy in place which ensures the appropriate management of currency risk.

Liquidity risks

Liquidity risk represents the Group's ability to meet its contractual obligations. The Group evaluates its liquidity requirements on an ongoing basis. In general, the Group generates sufficient cash flows from its operating activities to meet its obligations arising from its financial liabilities and has credit lines in place to cover potential shortfalls.

Payables and accruals of \$3.63million (2024: \$9.94 million) have a contractual maturity of less than one year. This is based upon the earliest date on which the Group can be required to pay.

Financing facilities

The Group has access to financing facilities made available by ANZ Bank with a total value of \$70.5 million (2024: \$50.5 million). This was drawn down by \$55.5 million at 30 June 2025 (2024: \$36.0 million). The total facility of \$70.5 million relates to an overdraft facility of \$0.5 million (on-call) and a flexible credit facility of \$70.0 million. In addition, the Group has access to financial and performance guarantee facilities with limits of \$0.2 million and \$0.6m respectively.

The facility is unsecured and there are no financial covenants.

17. Capital commitments

AS AT 30 JUNE \$000	2025	2024
Commitments for future capital expenditure		
Contracted, but not provided for	716	502

18. Subsequent events

On 1 July 2025, National Institute of Water and Atmospheric Research Limited ('NIWA') amalgamated with Institute of Geological and Nuclear Sciences Limited ('GNS') by way of a short-form amalgamation in accordance with the Companies Act 1993. The amalgamation occurred after the reporting date and is therefore identified as a non-adjusting subsequent event.

The amalgamation is part of the reform of New Zealand's science, innovation and technology system, as announced by the Prime Minister on 23 January 2025.

This amalgamation resulted in NIWA, under its new name of New Zealand Institute for Earth Science Limited ('Earth Sciences NZ'), continuing as the legal entity, and assuming all assets, liabilities, rights, and obligations of the amalgamating companies. The amalgamation is accounted for as a common control transaction and will not result in any gain or loss. The carrying values of the transferred balances were recognised by Earth Sciences NZ on 1 July 2025.

This event does not affect the recognition or measurement of assets and liabilities as at 30 June 2025.

PREPARATION DISCLOSURES

Reporting entity

National Institute of Water and Atmospheric Research Limited ('NIWA' or 'the Company') and its subsidiaries form the consolidated Group ('the NIWA Group' or 'the Group'). NIWA is a profit-oriented company registered in New Zealand under the Companies Act 1993. The financial statements for the NIWA Group are presented in accordance with the requirements of the Crown Research Institutes Act 1992, the Crown Entities Act 2004, the Public Finance Act 1989, the Companies Act 1993, and the Financial Reporting Act 2013.

Nature of activities

The NIWA Group conducts research and applied science in water and atmospheric sciences in New Zealand and internationally.

Basis of preparation

The measurement basis adopted in the preparation of these financial statements is historical cost, except for biological assets and financial instruments as identified in specific accounting policies above.

The presentation currency of the Group and functional currency used in the preparation of these financial statements is New Zealand dollars.

All amounts disclosed in the financial statements and notes have been rounded to the nearest thousand New Zealand dollars unless otherwise stated.

Accounting policies are selected and applied in a manner that ensures that the resulting financial information meets the concepts of relevance and reliability, ensuring that the substance of the underlying transaction or event is reported. The accounting policies have been applied in preparing the financial statements for the year ended 30 June 2025 and the comparative information for the year ended 30 June 2024.

The 2024 Statement of Corporate Intent (SCI) Budget that is used for comparative information is not audited.

Statement of compliance

The financial statements have been prepared in accordance with New Zealand generally accepted accounting practice (NZ GAAP). They comply with New Zealand Equivalents to International Financial Reporting Standards (NZ IFRS) and other applicable financial reporting standards appropriate for profit-oriented entities.

The financial statements comply with International Financial Reporting Standards Accounting Standards (IFRS Accounting Standards).

Goods and services tax (GST)

The financial statements are prepared on a GST-exclusive basis, except for receivables and payables, which are stated GST-inclusive.

Foreign currencies

Transactions

Transactions in foreign currencies are converted to the functional currency of the Group, being New Zealand dollars, by applying the spot exchange rate between the functional currency and the foreign currency at the date of the transaction. At the end of each year, monetary assets and liabilities are translated to New Zealand dollars using the closing rate of exchange at balance date, and any exchange gains or losses are recognised in the statement of profit or loss and other comprehensive income.

Translation of foreign operations

On consolidation, revenues and expenses of foreign operations are translated to New Zealand dollars at the average exchange rates for the year. Assets and liabilities are converted to New Zealand dollars at the rates of exchange ruling at balance date. Exchange rate differences arising from the translation of the foreign operations are recognised in other comprehensive income and accumulated as a separate component of equity in the Group's foreign currency translation reserve. Such exchange differences are reclassified from equity to profit or loss (as a reclassification adjustment) when the foreign operation is disposed of.

Adoption of new and revised standards

There are no standards that are not yet effective and that would be expected to have a material impact on the Group.

AUDITOR'S REPORT

Independent Auditor's Report



To the readers of National Institute of Water and Atmospheric Research Limited's Group Financial Statements For The Year Ended 30 June 2025.

The Auditor-General is the auditor of National Institute of Water and Atmospheric Research Limited Group (the Group). The Auditor-General has appointed me, Troy Florence, using the staff and resources of PricewaterhouseCoopers, to carry out the audit of the financial statements of the Group on his behalf.

Opinion

We have audited the financial statements of the Group on pages 2 to 20 that comprise the statement of financial position as at 30 June 2025, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year ended on that date and the notes to the financial statements that include material accounting policies and other explanatory information.

In our opinion, the financial statements of the Group

- present fairly, in all material respects
 - its financial position as at 30 June 2025; and
 - its financial performance and cash flows for the year then ended; and
- comply with generally accepted accounting practice in New Zealand in accordance with New Zealand equivalents to International Financial Reporting Standards (NZ IFRS) and International Financial Reporting Standards Accounting Standards (FRS Accounting Standards).

Our audit was completed on 28 August 2025. This is the date at which our opinion is expressed.

The basis for our opinion is explained below. In addition, we outline the responsibilities of the Board of Directors and our responsibilities relating to the financial statements, we comment on other information, and we explain our independence.

Basis for our opinion

We carried out our audit in accordance with the Auditor-General's Auditing Standards, which incorporate the Professional and Ethical Standards and the International Standards on Auditing (New Zealand) issued by the New Zealand Auditing and Assurance Standards Board. Our responsibilities under those standards are further described in the Responsibilities of the auditor section of our report.

We have fulfilled our responsibilities in accordance with the Auditor-General's Auditing Standards.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of the Board of Directors for the financial statements

The Board of Directors is responsible on behalf of the Group for preparing financial statements that are fairly presented and that comply with generally accepted accounting practice in New Zealand.

The Board of Directors is responsible for such internal control as it determines is necessary to enable it to prepare financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board of Directors is responsible on behalf of the Group for assessing the Group's ability to continue as a going concern. The Board of Directors is also responsible for disclosing, as applicable, matters related to going concern and using the going concern basis of accounting, unless the Board of Directors has to cease operations, or has no realistic alternative but to do so.

The Board of Directors' responsibilities arise from the Crown Research Institutes Act 1992.

Responsibilities of the auditor for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements, as a whole, are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but it is not a guarantee that an audit carried out in accordance with the Auditor-General's Auditing Standards will always detect a material misstatement when it exists. Misstatements are differences or omissions of amounts or disclosures and can arise from fraud or error. Misstatements are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decisions of readers taken on the basis of these financial statements.

For the budget information reported in the financial statements, our procedures were limited to checking that the information agreed to the Group's statement of corporate intent.

We did not evaluate the security and controls over the electronic publication of the financial statements.

As part of an audit in accordance with the Auditor-General's Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. Also:

- We identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- We obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- We evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.
- We conclude on the appropriateness of the use of the going concern basis of accounting by the Board of Directors and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in

our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- We evaluate the overall presentation, structure and content of the financial statements, including the disclosures and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- We plan and perform the Group's audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the financial statements. We are responsible for the direction, supervision and review of the audit work performed for the purposes of the Group audit. We remain solely responsible for our audit opinion.
- We communicate with the Board of Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Our responsibilities arise from the Public Audit Act 2001.

Other Information

The Board of Directors is responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the financial statements and our auditor's report thereon. The other information we obtained prior to the date of this auditor's report comprised the Financial Summary and Actual performance versus Statement of Corporate Intent (SCI), the Preparation and Corporate governance disclosures, the Statement of Responsibility and the Directory. The remaining other information in the Annual Report is expected to be made available to us after that date.

Our opinion on the financial statements does not cover the other information and we do not express any form of audit opinion or assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

When we read the other information not yet received, if we conclude that there is a material misstatement therein, we are required to communicate the matter to the Directors and use our professional judgement to determine the appropriate action to take.

Independence

We are independent of the Group in accordance with the independence requirements of the Auditor-General's Auditing Standards, which incorporate the independence requirements of Professional and Ethical Standard 1: *International Code of Ethics for Assurance Practitioners (including International Independence Standards) (New Zealand)* (PES 1) issued by the New Zealand Auditing and Assurance Standards Board.

In addition to the audit we carried out an engagement in the area of agreed-upon procedures regarding payments received in accordance with a research agreement, which is compatible with those independence requirements. Other than the audit and this engagement, we have no relationship with, or interests in, the Group.

Troy Florence - PricewaterhouseCoopers

On behalf of the Auditor-General

Auckland, New Zealand

28 August 2025

CORPORATE GOVERNANCE DISCLOSURES

Board and committee meeting attendance

The table below shows director attendance at these Board meetings and committee member attendance at committee meetings. In addition, any director may attend any committee meeting.

Director	Board	¹ ALCR ² Committee	People & Culture ² Committee
Barry Harris (<i>Chair</i>)	9	1	1
Janice Fredric (<i>Deputy Chair</i>)	11	4	–
Mary-Anne MacLeod	9	–	3
Livia Esterhazy	10	2	3
Dean Moana	10	–	3
Peter Landon-Lane	11	4	–
Margaret Hyland	4	2	–
Total meetings held	11	4	3

1. Audit, Legislative Compliance, and Risk Committee

2. Only attendances by Committee members and the Board Chairman (who attends in an ex officio capacity) are recorded

Directors' remuneration

The total remuneration received or receivable by directors of NIWA during the year was:

YEAR ENDED 30 JUNE \$000	2025	2024
Barry Harris (<i>Chair</i>)	133	75
Janice Fredric (<i>Deputy Chair</i>)	58	46
Dr Tracey Batten (<i>ceased 30 June 2024</i>)	–	38
Margaret Hyland (<i>ceased 31 December 2024</i>)	23	38
Mary-Anne Macleod	46	48
Dean Moana	46	38
Livia Esterhazy	46	38
Peter Landon-Lane (<i>appointed 17 July 2024</i>)	44	–

Subsidiary company directors

The following people held office as directors of NIWA's subsidiary companies at 30 June 2025:

Subsidiary Company	Directors
NIWA Vessel Management Ltd	B Harris, T Batten, J Fredric, M Hyland, M-A Macleod, D Moana, L Esterhazy, P L-Lane
Unidata Pty Ltd	W Johnston ¹ , P Baker ¹ , M Saunders ²
NIWA Aquaculture Solutions Ltd	J Morgan ¹ , P Baker ¹

1. Employee of the Group's parent company

2. Employee of Unidata Pty Ltd

No fees were paid in respect of membership of subsidiary boards.

Insurance for directors and employees

The NIWA Group has insured its directors and employees against any costs or liabilities of the type referred to in s162(5) of the Companies Act 1993.

Auditors

In accordance with Section 21(1) of the Crown Research Institutes Act 1992, the Group's auditor is the Auditor-General. The Auditor-General has appointed Troy Florence of PricewaterhouseCoopers to conduct the audit on his behalf. The audit remuneration and fees paid for other services are detailed in note 2.

Interests register

The following are transaction types recorded in the interests register for the year.

Interested transactions

Any business the NIWA Group has transacted in which a director has an interest has been carried out on a commercial basis. Any potential conflict is recorded in the minutes of Board meetings. A register containing all relevant interests is updated on a monthly basis.

Directors' remuneration

Details of the directors' remuneration are provided in the 'Directors' remuneration' section above.

Use of company information by directors

Pursuant to section 145 of the Companies Act 1993 there were no recorded notices from directors requesting to use company information received in their capacity as directors that would not otherwise have been available to them.

Share dealings

During the year no director purchased, disposed of, or had recorded dealings of any equity securities of the NIWA Group.

Directors' loans

No loans by the NIWA Group to any director were made or were outstanding during the year.

Disclosure of directors' interests

No specific disclosures were made by directors pursuant to s140(1) of the Companies Act 1993. General disclosures of interest made by directors during the year pursuant to section 140(2) are as follows:

Director and Entity	Position
Barry Harris	
McFall Fuel Ltd	Chair
Rural Fuels Ltd	Chair
New Zealand Food Innovation (Waikato) Ltd	Chair
Waikato Regional Airport Ltd	Chair
WEL Networks Ltd	Chair
Titanium Park Ltd	Chair
New Power Ltd	Chair
Mary-Anne Macleod	
University of Waikato	Council Member
AgResearch	Director
Araneacattus Family Trust	Trustee
MacMacleod Limited	Director/Shareholder
DairyNZ Limited	Director
Environmental Protection Authority	Director
Various Regional Councils	Occasional Consultancy
Fire and Emergency New Zealand	Director
NZTA	Director (appointed 1 November 2024)
Janice Fredric	
Mainpower Ltd	Director
Lincoln University	Council Member
Civil Aviation Authority	Chair (until 24 July 2024)
Aviation Security Service	Chair (until 24 July 2024)
NZ Shipwreck Welfare Trust	Trustee
Tregynon Charitable Trust	Trustee
Timaru District Council – Audit & Risk Committee	Independent Member
Aurora Energy	Director
NZ Growth Capital Partners Ltd	Director (until 10 September 2024)
Aspire NZ Seed Fund Ltd	Director (until 10 September 2024)
Elevate NZ Venture Fund GP Ltd	Director (until 10 September 2024)
Green Power New Zealand Ltd	Director (appointed 21 August 2024)
Mt Cass Wind Farm Ltd	Director (appointed 21 August 2024)
Dean Moana	
Whangaokena ki Onepoto Takutai Trust	Trustee
NZ Food & Beverage Group Ltd	Director & Shareholder
Nga Hapu o Nga Rohe o Ngati Porou Takutai Trusts	Trustee Chair
The New Zealand Institute for Plant & Food Research Ltd	Director
Nati Growth Ltd, Nati Properties Ltd	Deputy Chair
Iwi Collective Partnership (ICP)	Director
Ngati Porou Seafoods Ltd	Director
Ngati Porou Fisheries Ltd	Director
Real Fresh Ltd Has changed name to Nati Properties Ltd	Director
ICP General Partner Ltd, Port Nicholson GP Ltd, Koura Inc GP Ltd	Director
Port Nicholson GP Ltd	Director
Koura Inc GP Ltd	Director
Ahi Mokopuna GP Ltd	Director
Akaroa Salmon NZ Ltd	Director
AsureQuality Ltd	Director
BV-AQ (Singapore) Holdings Pte Ltd	Director
Te Ohu Kai Moana Trustee Ltd	Director

Aotearoa Fisheries Ltd	Director
BV-AQ Aust Pty Ltd	Director
Margaret Hyland	
Scion Science Advisory Board	Advisor
Cirrus Materials Science	Director
Te Herenga Waka-University of Wellington	Vice-Provost (Research)
Research Trust of Victoria University of Wellington	Chair
Wellington UniVentures	Deputy Chair
Karori Sanctuary Trust (trading as Zealandia Te Māra a Tāne)	Trustee
Livia Esterhazy	
GNS	Director
HortNZ – A Lighter Touch	Programme Director
The Thrive Collective	Director
Nelson City Council	Husband, Nigel Philpott, is CEO
Peter Landon-Lane	
VentureFruit Global Limited	Chair (until 28 February 2025)
AsureQuality Ltd	Chair
ENZASunrising (Holdings) Ltd	Director

Employees' remuneration

The number of employees (not including directors) whose remuneration exceeded \$100,000 during the year, stated in brackets of \$10,000, was:

YEAR ENDED 30 JUNE 2025	2025
\$	
100,000 - 109,999	80
110,000 - 119,999	63
120,000 - 129,999	63
130,000 - 139,999	55
140,000 - 149,999	43
150,000 - 159,999	27
160,000 - 169,999	18
170,000 - 179,999	10
180,000 - 189,999	10
190,000 - 199,999	8
200,000 - 209,999	6
210,000 - 219,999	9
220,000 - 229,999	14
230,000 - 239,999	1
240,000 - 249,999	2
270,000 - 279,999	1
280,000 - 289,999	2
290,000 - 299,999	1
320,000 - 329,999	1
350,000 - 359,999	1
380,000 - 389,999	2
740,000 - 749,999	1

The remuneration reflected in the above table comprises base salary only. This excludes payments in respect of superannuation or in respect of the cessation of employment of employees.

In 2025, the Group made payments of \$3,610k for compensation or other benefits in respect of the cessation of employment of employees (2024: \$178k).

Executive Remuneration

Remuneration Components

The Group's Executive Team (ET), including the Chief Executive, receive fixed remuneration only. This consists of base salary and benefits, including KiwiSaver and insurance.

Chief Executive's remuneration

The Chief Executive's remuneration package that applied for 2025, together with the comparative information for the prior year, is as follows:

YEAR ENDED 30 JUNE \$000	2025	2024
Base salary	732,238	719,180
Benefits*	97,265	92,918
Total Remuneration	829,503	812,098

*Benefits include KiwiSaver, insurance, vehicle fuel expenses and, in 2025, cash-out of annual leave entitlement.

The Chief Executive is a member of KiwiSaver. As a member of this scheme, all Group staff, including the Chief Executive, are eligible to contribute and receive a matching company contribution up to a maximum of 5% of gross taxable earnings. In 2025, the Group's contribution was \$37,310.11 (2024: \$37,304).

A summary of the Chief Executive's total remuneration during the past five years is as follows:

YEAR ENDED 30 JUNE \$000	Total remuneration
2025	829,503
2024	814,923
2023	744,164
2022	715,406
2021	718,670

Executive Team remuneration

In addition to the Chief Executive, NIWA's Executive Team consists of nine members. The remuneration package for all Executive Team members combined (excluding the Chief Executive) that applied for 2025, together with the comparative information for the prior year, is as follows:

YEAR ENDED 30 JUNE \$000	2025	2024
Base salary	2,655,574	2,679,649
Benefits*	147,690	208,391
Total Remuneration	2,803,264	2,888,040

*Benefits include employer contributions to superannuation schemes (KiwiSaver or legacy government superannuation schemes, as applicable), insurance and wellness allowances.

Donations

Donations in the amount of \$1,000 were made during the year (2024: nil).

STATEMENT OF RESPONSIBILITY

The following statement is made in accordance with section 155 of the Crown Entities Act 2004.

1. The Board of the Company is responsible for the preparation of these financial statements and the judgements used therein.
2. The Board of the Company is responsible for establishing and maintaining a system of internal controls designed to provide reasonable assurance as to the integrity and reliability of financial reporting.
3. In the opinion of the Board, these financial statements reflect a true and fair view of the financial position and operations of the Group for the year ended 30 June 2025.

David Smol
Chair
28 August 2025

Mary-Anne Macleod
Deputy Chair

DIRECTORY

DIRECTORS

During the year ended 30 June 2025:

Barry Harris *Chair*
Janice Fredric *Deputy Chair*
Prof Margaret Hyland (*until 20 December 2024*)
Mary-Anne Macleod
Dean Moana
Livia Esterhazy
Peter Landon-Lane

From 1 July 2025:

David Smol *Chair*
Mary-Anne Macleod *Deputy Chair*
Prof Chris Bumby
Paul Connell
Peter Landon-Lane
Paul White

EXECUTIVE TEAM

John Morgan, Chief Executive
Dr Rob Murdoch, Deputy Chief Executive
Patrick Baker, Chief Financial Officer
Geoff Baird, General Manager, Communications & Marketing
Dr Mary-Anne Dehar, General Manager, People & Capability (*until December 2024*)
Megan Scott, General Manager, People & Capability
Warrick Johnston, General Manager, Technology & Innovation
Dr Helen Neil, General Manager, Operations
Marino Tahī, General Manager, Māori & Pacific Partnerships
Dr Alex Thompson, General Manager, Science

REGISTERED OFFICE AND ADDRESS FOR SERVICE

82 Wyndham Street
Auckland Central 1010
New Zealand

Private Bag 99940
Newmarket
Auckland 1149
New Zealand

AUDITOR

Troy Florence with the assistance of PricewaterhouseCoopers on behalf of the Auditor-General

BANKERS

ANZ Bank New Zealand Ltd
ASB Bank Limited
Westpac Institutional Bank

SOLICITORS

Meredith Connell

INSURANCE BROKER

Marsh Ltd

WEBSITE

www.niwa.co.nz



NIWA
Taihoro Nukurangi

Climate, Freshwater & Marine Science