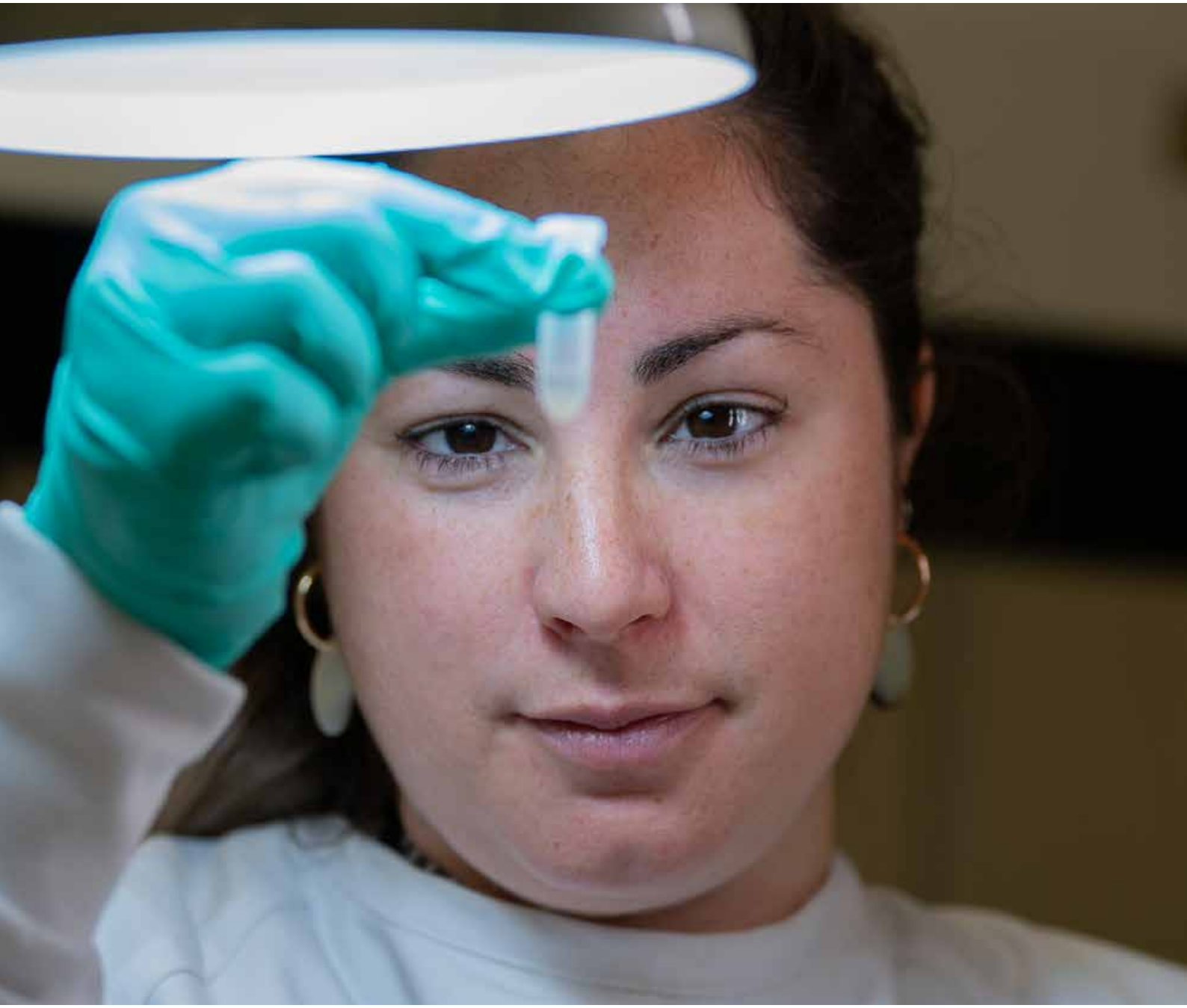
ESR Annual Report 2024–25

Institute of Environmental Science
and Research Limited



PHF Science

New Zealand Institute
for Public Health and
Forensic Science

ESR

Science for Communities
He Pūtaiao, He Tāngata

ESR protects and enhances the wellbeing of people living in New Zealand.

Ka tiaki, ka whakapiki hoki a ESR i te oranga O te tangata e noho ana ki Aotearoa.

Cover photo: Andrea Grana (Postdoctoral Scientist-Genomics, Health Security) looking at an eppendorf tube holding a sample.

Presented to the House of Representatives pursuant to section 16 of the Crown Research Institutes Act 1992.

The Institute of Environmental Science and Research Limited (ESR) was renamed as the New Zealand Institute for Public Health and Forensic Science Limited (PHF Science) on 1 July 2025. As a Crown Research Institute, it was incorporated in June 1992 and is wholly owned by the New Zealand Government. The two shareholding Ministers appoint a Board of Directors to govern the organisation. ESR has science facilities in Auckland, Wellington (Porirua and Wallaceville) and Christchurch.

ISSN: 1179-4418 (print version)
ISSN: 1178-8275 (online version)

Published October 2025.

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Chair and Chief Executive's overview

Inā kei te mohio koe ko wai koe,
I anga mai koe i hea, kei te mohio koe.
Kei te anga atu ki hea.

If you know who you are and where you are from, then you will know where you are going.

This whakatauki conveys what has been a year of resetting, refocussing and embracing new opportunities for ESR.

Change to the science sector had been well signalled as we entered the 2024/25 year. In January 2025, the Government announced that, as part of a wider reform of the science system, ESR would transition into a Public Research Organisation (PRO). And so on 30 June 2025 we farewelled the Institute of Environmental Science and Research, or ESR, after 33 years, and from 1 July became the New Zealand Institute for Public Health and Forensic Science – PHF Science for short.

In farewelling ESR as an organisation, we want to acknowledge the impact, importance and innovative nature of the of the science we have delivered, not only in the last year but over the course of decades. These deep roots allow us to stay grounded in our key purpose of delivering impactful science for New Zealand, even as we pursue our PRO journey as PHF Science.

Resetting

Prior to the confirmation of the science sector changes, ESR also undertook a significant organisational shift in 2024/25.

Our leadership team changed in size and personnel, and our organisation reduced to rescale our activities for a post-pandemic world. ESR had grown significantly to support New Zealand's response to COVID-19, and in 2024/25 we needed to readjust, especially in our health laboratories and disease surveillance. But the reset did not mean ESR went back to its pre-COVID size and scope. The achievements of ESR's team in delivering wastewater testing, genome sequencing and surveillance systems and infrastructure were recognised, with ongoing funding significantly increased from pre-COVID levels to maintain new functions and strengthen our preparedness for future public health emergencies.

Refocussing

More broadly, our focus has been on aligning the work of ESR to ensure the organisation is well placed to help deliver stronger economic growth and greater resilience for New Zealand. We know that scientists are among the most trusted professionals in New Zealand, placing us in a key role to help communities understand a range of social and environmental issues and introduce new technologies and innovations to the public.

We have focused on core priorities that build on our existing strengths and reputation to strengthen our contribution to science in New Zealand and deliver greater impact, developing a new interim Statement of Core Purpose, driving our 'Lift and Lift' transition programme and creating our new name and brand.

While 2024/25 has been about refocussing as an organisation, delivering against our core function – providing evidence-based, impactful science – remained at our usual high level. Some of ESR's science outlined in this report includes:

- the exploration of environmental DNA and its application for both criminal investigations and public health
- supporting global public health responses through the launch of SHIVERS-VI, which will provide research and surveillance intelligence on how immunity gaps influence the spread of influenza in later outbreaks
- testing for antimicrobial resistant organisms in waterways to better understand the threat to human health, and
- strengthening forensic capability in the Pacific region and delivering consultancy services in Australia and globally.

Embracing new opportunities

As we evolve from ESR into PHF Science, we will proactively pursue opportunities to collaborate and

Senior Scientist Jo Kingsbury in the laboratory.

work with our science, research and agency partners to deliver impactful science that enables better outcomes for New Zealand and its people.

As PHF Science we will continue to protect New Zealanders by helping to identify and support responses to major events, whether they are caused by infectious disease outbreaks, food- or water-borne pathogens or the harms caused by illicit drugs.

Building on our strengths, we will grow our research partnerships and commercial initiatives to accelerate the delivery of real-world solutions. We will continue to develop our expertise in forensic science, diseases, contaminants and hazards that harm people, as well as in tools such as genomics, artificial intelligence and data science to support faster and more effective responses.

We will keep investing in our people, the heart of our organisation, to deliver impactful science for New Zealand every day. Above all, we are committed to being a trusted, customer-focused organisation that:

- delivers science for the public good
- innovates for economic growth and resilience, and
- improves wellbeing for our communities and beyond.

This is a moment of transformation, and we are excited about the opportunities ahead.

As we close the chapter on ESR, and open the next as PHF Science, we extend our sincere thanks to our staff both past and present, and our science, research, agency partners and funders for all their efforts to ensure the wellbeing of New Zealanders continues to be supported by excellent science.

Professor Sarah Young
Board Chair

Sir Ashley Bloomfield KNZM
Chief Executive Officer

Who we are

Science serving New Zealand

ESR is New Zealand's Crown Research Institute with a vital national role in **public health** (including environmental monitoring) and **forensic science**.

Our vision is to enhance the wellbeing of New Zealanders by innovating and applying world-class diagnostic and analytical expertise.

We provide scientific leadership, expert intelligence, policy-ready science and essential services that support informed decision-making. By building scientific resilience, we help strengthen both community wellbeing and national preparedness.

Through close collaboration with leading researchers and domain experts, ESR addresses complex challenges using a **multidisciplinary approach.**

As a science leader, we are committed to research that delivers benefits for **Māori,** including through **Māori-led and co-designed research** that builds enduring partnerships and delivers meaningful outcomes for Māori communities.

Our national role in **infectious disease surveillance** and **pandemic preparedness** positions us as a key contributor to both national and global health resilience. We continue to be a leader in **genomics science**, delivering benefits to public health, the economy and the environment in areas that impact on human health – such as antimicrobial resistance and food safety. Our work also ensures New Zealand's **food safety standards** meet international expectations and protects consumers from contamination. We also play a vital role in analysing and ensuring the safety of **freshwater and groundwater** contributing to long-term environmental health that safeguards the health and wellbeing of our communities.

ESR's radiation science team supports the safe use of ionising radiation across New Zealand.

As part of the Government's science sector reforms, the Institute for Environmental Science and Research Limited (ESR) changed its name to the **New Zealand Institute for Public Health and Forensic Science Limited (PHF Science) on 1 July 2025**. As this Annual Report covers the period before the name change, the organisation is referred to herein as ESR, although PHF Science is referred to in places such as current website links and future initiatives.

In forensic science, ESR develops cutting-edge tools to help mitigate drug harm and enhance public health and justice outcomes.

We work closely with central and local government agencies, including the Ministry of Health, Ministry for Primary Industries, New Zealand Police, Ministry of Business, Innovation and Employment, Ministry of Foreign Affairs and Trade, Ministry for the Environment, other Crown Research Institutes, universities and regional councils. As a Pacific nation, we also seek partnerships across the region to build scientific capability and resilience.

Our thought leadership ensures that ESR's science continues to detect, protect and connect. With deep specialist expertise, a future-focused approach, and strong academic partnerships, ESR remains well positioned to help New Zealand navigate emerging challenges and seize new opportunities.

Year in review

At the launch of ESR's 'digital twin' of New Zealand at the National Library of New Zealand. See story on page 20.

Implementing the Government's priorities

In January 2025, the Government initiated a significant reform of New Zealand's science system, with the announcement of the creation of four new Public Research Organisations (PROs). This transformation replaces the existing Crown Research Institutes with future-focused entities designed to strengthen the role of science in supporting economic growth and national resilience. Each organisation will focus on areas of critical importance to New Zealand.

For ESR, this means strengthening its role as a national leader in health security and forensic science, underpinned by research. It will ensure our science remains accessible, impactful and aligned with New Zealand's interests.

While legislation for the PROs is planned to come into effect in 2026, work commenced immediately to enable ESR to take on its new identity and responsibilities from 1 July 2025.

For ESR, therefore, 2024–2025 marked a period of significant change and progress as it commenced its transition as part of a reshaped science sector. Our work programme was refocused on delivering successful outcomes for public health through disease detection and response, and supporting public safety through forensic science services. These responsibility areas were also reflected in our new name, the **New Zealand Institute for Public Health and Forensic Science**, known as PHF Science.

Driving economic growth

ESR supports New Zealand's economic growth through supporting the health and safety of people and the continued development of specialist products such as STRmix™ and Lumi™. Our research also drives innovation by applying science to strengthen public health security and advance science related to climate change while integrating new technological developments. Through the delivery of high-impact, responsive science, ESR has continued to reinforce its role as a trusted partner in addressing complex national challenges.

Examples of this over the past year include:

- improving diagnostics for health and forensic science disciplines
- better utilisation and application of data and data systems, including artificial intelligence (AI)
- developing of new devices and tools to support our science delivery.

By leveraging cutting-edge practices and harnessing diagnostic and analytical expertise, we are developing forward-thinking solutions to empower strategic decision-making that supports economic growth for New Zealand.

Strengthening collaboration across the Science, Innovation and Technology system

We are expanding our partnerships with universities, other government agencies and international researchers, through collaborative research networks, to accelerate innovation and knowledge-sharing. These relationships are enabling ESR to respond and collaborate on emerging threats, disease outbreaks, environmental hazards and detailed forensic investigations.

Throughout the transition process, we have also continued to engage with communities to provide science-driven solutions that enhance public trust and awareness, particularly around the safety of food and water.

Investing in our people and capability

People are at the heart of our organisation. They are actively contributing to our transition and are committed to work on the big challenges facing New Zealand.

ESR remains dedicated to training and retaining top scientific talent by fostering continuous learning, professional development and knowledge-sharing. We partner with local and international universities, research institutions and industry leaders to develop our staff into a skilled, future-ready workforce. Our focus on diversity and inclusion ensures a broad range of perspectives, strengthening scientific excellence and innovation.

Our scientists and leaders are celebrated for their expertise, innovative mindset, and collaborative approach. Their contributions are fundamental to driving economic transformation and enhancing the wellbeing of New Zealanders.

We are committed to fostering a culture of growth and development, ensuring our people have the resources, support and opportunities they need to thrive. As a leading scientific institution, we empower our workforce to be adaptable, forward-thinking and responsive to emerging challenges.

Ammunition samples stored in petri dishes in an ESR forensic science laboratory.

Work in progress at the Kenepuru Science Centre, undergoing major redevelopment.

Future-proofing scientific infrastructure and capability

By investing in advanced research facilities, digital transformation and workforce development, ESR continues to enhance our research reputation. With the shift to the new PRO, we grow new opportunities for public and private sector collaboration and accelerate the translation of research into real-world applications.

The redevelopment of the Kenepuru Science Centre (KSC) is a major investment in modern science infrastructure to support PHF Science's role in protecting the health and wellbeing of New Zealanders.

The PC2 laboratories will support modern workflows, quality standards and compliance across our core capabilities. The laboratories have been designed as large, open-plan, flexible spaces to provide maximum utility and support changing needs and future developments in science. The laboratories will be supported by a range of work settings that will support interaction, collaboration and knowledge-sharing. An Innovation Hub provides a flexible space focused on information and innovation with space for training, teaching and new product development. Work on the building is proceeding to plan, with the external structure in place and utility services now in the process of installation. The construction is on schedule and within budget, with commissioning and relocation planned for early 2027.

Progress so far

Over the past year, our transition priorities included:

- establishing a dedicated transition programme to guide ESR's transformation, ensuring structured planning, resource allocation, and accountability with clear milestones and success indicators to track progress and ensure the transition remains on schedule
- fostering open and transparent communication with staff, ensuring they are engaged, informed and supported throughout the transition. We have also actively engaged with government agencies, industry partners, iwi and research institutions to strengthen relationships and collaboration opportunities
- creating ESR's new name, PHF Science, and brand to reflect our new role as a PRO, ensuring it aligns with our mission of delivering high-impact science for the public good emphasising trust, innovation and collaboration, and reinforcing our leadership in health security and forensic science and research
- actively participating in government-led and research-sector transition initiatives, ensuring alignment with the Government's national science priorities, and developing innovation strategies by working collaboratively with other PROs, universities and public sector agencies to share expertise and best practices.

This transition will support our ability to deliver impactful, evidence-based science that meets national priorities and global challenges, ensuring a stronger, more resilient New Zealand.

Delivering on our strategic intentions

ESR provides leadership and policy-ready intelligence to support New Zealand to make the right decisions when timing is critical.

This includes testing and service delivery to support health security, law enforcement and food and water safety analysis. Meanwhile, our research and innovation activities build on our deep understanding of the sectors we serve to make an even greater difference.

Work is carried out in the five domain outcome areas of:

- Science for innovation – developing new and innovative diagnostic tools
- Science for detection, protection and security
- Partnerships for stronger science
- Science for sustainable health
- Scientists for the future.

Our performance against these domain outcomes is aligned to and reported against the following strategic focus areas:

- Public health emergency preparedness and response
- Climate change – health impacts
- New technology impacts especially AI and data science
- Building partnerships both international and domestic
- Diversified and stronger revenue streams
- Accelerate workforce development and opportunities.

As well as the following overarching priority area:

- To deliver greater impact with and for Māori and be a leading Te Tiriti-partnered CRI.

Progress against the domain outcomes and strategic focus areas are reported over the following pages.

In the Whole Genome Sequencing Laboratory.

ESR strategy on a page

Treaty of Waitangi *Enabling Te Tiriti, Māori leadership and mātauranga Māori*

Vision

Enhanced wellbeing for New Zealanders through innovating and applying our diagnostic and analytic expertise

Purpose

ESR protects and enhances the wellbeing of people living in New Zealand

Domains
Outcomes
(5–8 years)

Science for innovation
Developing new and innovative diagnostic tools

Science for detection, protection and security
Surveillance and technology for detecting infectious disease, pathogens in food and water, forensics and drug detection

Partnerships for stronger science
We are a trusted partner and work productively across the sector to accelerate and communicate our science for Aotearoa New Zealand

Science for sustainable health
We provide solutions and prepare New Zealand for resilience to future health and wellbeing challenges

Scientists of the future
Developing and supporting our current and future scientists to advance their capabilities and build an agile, collaborative and adaptable workforce

Strategic Focus Areas
(1–3 years)

- To deliver greater impact with and for Māori and be a leading Te Tiriti-partnered CRI
  Impact: Increased Māori partnership, participation and leadership
- Public health emergency preparedness and response
  Impact: Reduced mortality and impact on the health system from disease and contamination
- Climate change – health impacts
  Impact: Informed intelligence to reduce the impact of climate change on human health
- New technology impacts especially AI and data science
  Impact: Informed technology uptake and use to improve intervention decision making
- Building partnerships both international and domestic
  Impact: Enhanced aligned science capability to deliver innovative solutions with global reach
- Diversified and stronger revenue streams
  Impact: Diversified revenue sources on commercial terms that ensure financial profitability
- Accelerate workforce development and opportunities
  Impact: A strong capable workforce that enables ESR to thrive and prosper

Values

Our team spirit
Mahi tahi
Great people working together as one team

Our quality counts
Mahi rangatira
Standing out through our excellence and world class expertise

We do the right thing
Mahi pono
Upholding integrity and independence no matter what

We push boundaries
Mahi auaha
Meeting challenges with fresh thinking and creative approaches

Making a difference

ESR has been a trusted science organisation both nationally and internationally, with a reputation driven by the delivery of integrated, high-quality science solutions.

We achieved this by supporting well-balanced research programmes, projects and services that enhance scientific excellence and thought leadership. Our approach is strengthened through the use of advanced technologies and a strong emphasis on knowledge transfer.

These efforts fostered deeper collaboration and enabled the creation of innovative science solutions that support communities and build long-term resilience and sustainability, both for ESR and across the wider science, innovation and technology (SIT) system.

Progress against the domain outcomes has focused on the priority areas that support the Government's reforms for the SIT sector.

By evolving our capabilities and **innovating our science**, we drive economic growth and resilience, working with other science providers to deliver stronger impacts aligned with our domain outcomes.

We proactively developed and strengthened our innovation and commercialisation pipelines, which were essential for achieving new commercial pathways and supported by robust commercial infrastructure. This enabled us to deliver more impactful outcomes for communities both nationally and internationally.

This work was underpinned by our activities in health security and forensic science. This work remains focused on delivering the science that **detects and protects while providing security** for all systems areas ESR works with. This includes delivery of contracts with government agencies such as Health New Zealand | Te Whatu Ora, New Zealand Police and the Ministry for Primary Industries, and undertaking research that enhances our service delivery and supports these sectors.

These contracts deliver revenue, which supports public-interest science research and delivery. Through grant funding and service-level contracts, we continually strengthened our **partnerships for stronger science**. We continued to proactively identify and capitalise on commercial opportunities to improve ESR's financial resilience and generate economic benefits for New Zealand.

Our skilled workforce continued to drive innovation and knowledge creation, anticipating emerging challenges and opportunities. We maintained a strong focus on adaptability, resilience and forward-thinking approaches. This includes ongoing support for ESR's work on **sustainable health** – particularly in the areas of water safety monitoring and community engagement with iwi partners.

Our commitment to shaping the future workforce was underpinned by active involvement in training **scientists for the future**. We supported the development and capability of our scientific staff while also encouraging students and recent graduates by providing research opportunities, such as supervising students, hosting interns, and participating in educational initiatives, to help nurture the next generation of scientific talent.

Pipetting wastewater in an ESR laboratory.

Delivering on our strategic focus areas

To support the effective delivery of its domain outcomes, ESR identified six key focus areas and one overarching priority for delivery over the past year. These are outlined in the following sections.

Data highlight

Our scientists continue to add to knowledge for New Zealand across our expertise and focus areas:

117	Research papers published
54	Health papers
32	Environment papers
25	Forensic science papers
10	Computer, food science and social systems papers
27,909	Visits to ESR's digital library on its website, containing all research publications and reports

Public health emergency preparedness and response

ESR provides thought leadership, advanced capability and scientific excellence to support the development of sustainable, resilient systems for readiness and response. Our work focuses on infectious diseases, food safety, ionising radiation and the environmental factors that impact human health.

Impact: Reduced mortality and impact on the health system from disease and contamination

ESR's work contributes to reducing mortality and easing pressure on the health system by detecting, preventing, and responding to disease and environmental incidents. ESR does this as a support partner for the National Public Health Service and other health and security agencies who lead incident responses to outbreaks such as COVID-19, whooping cough and measles.

Performance measure	Actual 2025	Target 2025	Actual 2024
Percentage of surveillance delivered to the health sector on time for all notifiable diseases	90%	90%	New measure

ESR has continued to provide public health leadership, scientific expertise and service excellence in the areas of wastewater epidemiology, genomic sequencing, microbiology and virology, public health surveillance, intelligence and data and digital systems. This covers work involving identifying and monitoring diseases such as COVID-19, whooping cough, polio and influenza viruses. It also involves identifying early disease threats as well as supporting the development of notifiable disease contact tracing systems for New Zealand.

This combined work is essential to support New Zealand's ability to prepare for and respond to public health emergencies. ESR's integrated network of testing laboratories, data and digital systems, and public health expertise provides support for both operational and strategic management of communicable disease surveillance, outbreak responses and enhanced pandemic prevention, preparedness and response.

Data highlight

Whole genome sequencing enables pathogens to be analysed to uncover insights, strains and connections.

In 2024/25, ESR sequenced **9,587** microbial samples:

5,876 bacterial samples

3,705 COVID-19 samples

6 Candidozyma auris (fungus) samples

Aligning disease intelligence and surveillance with the laboratory system

This work is critical to strengthening New Zealand's ability to prepare for and respond to public health emergencies. ESR's testing laboratories and public health scientists provide key information to support both disease intelligence and surveillance.

A continued priority for ESR has been the provision of clinical, scientific and technical intelligence. ESR health scientists have led the enhancement of surveillance systems for sexually transmitted infections and contributed to the decision to make invasive group A streptococcal infections notifiable under the Health Act 1956. Examples of value-add output have included the weekly Public Health AIDE update and Early Aberration Reporting System dashboard, the latter an example of integrated data science practices/approaches used by ESR to support the delivery of notifiable disease surveillance to stakeholders across health and non-health sectors.

In addition, comprehensive annual reports have provided in-depth analyses and interpretation of trends across a number of areas including invasive pneumococcal disease, acute respiratory illness, and antimicrobial resistance. A key characteristic of ESR's approach and capability is flexibility and surge capacity. For example, respiratory illness surveillance reporting increased from monthly to weekly in accordance with seasonal spikes in activity, supporting the health sector to plan, prepare and respond to threats to public health. These activities combine to support Government health targets, including providing intelligence and insights for improved immunisation for children and shorter stays in emergency departments.

Data highlight

ESR health intelligence data is widely shared and used via dashboards on the ESR website. Views over 12 months:

37,822 Covid in wastewater dashboard

11,511 Respiratory illness dashboard

9,579 Pertussis dashboard

SHOWCASE

Reduction in invasive pneumococcal disease in children

In New Zealand, pneumococcal conjugate vaccines (PCVs) protect against certain types of invasive pneumococcal disease (IPD), caused by the bacteria Streptococcus pneumoniae. These vaccines have been part of the national childhood immunisation programme since 2008, with changes made over time to the type of vaccine used and the immunisation schedule.

In 2020, ESR's Health Intelligence and Surveillance team, along with microbiology reference laboratories, identified a sharp rise in IPD cases caused by serotype 19A. This led to a significant increase in disease among children under two years old, with one of the world's highest rates reported in 2022. The vaccine in use at the time did not offer enough protection against this strain.

Essential childhood vaccinations. Stock image.

ESR's research played a key role in the decision to reintroduce a broader-coverage PCV in December 2022. In the two years following this change, IPD rates in children under five dropped by more than 50 per cent. There were also major decreases in pneumonia, blood stream infections, and meningitis in children under two during 2023–24. This highlights ESR's vital role in tracking disease trends and supporting effective vaccine decisions.

Monitoring water quality

ESR supported efforts to improve decentralised wastewater treatment in response to increasing pressure on New Zealand's aging municipal systems. In collaboration with **FujiClean** (global leaders in onsite wastewater treatment) ESR is testing two advanced units in North Canterbury designed to reduce nitrogen concentrations. As urban development continues to expand, decentralised treatment technologies, combined with drinking water source protection and reuse systems, are expected to become more important across the country. ESR's role is to assess the effectiveness of such systems to ensure they meet public health and environmental standards.

Coupled to the drinking water project, ESR established a laboratory-scale model of two greywater treatment systems currently in use in New Zealand and assessed over time their efficacy to remove pathogens and contaminants. The aim is to both evaluate the treatment efficiency and assess the biological function occurring in both systems and identify the most robust system in terms of changing conditions and environmental pressures facing a rural population in the future.

Further reflecting the integration of science with tikanga Māori, ESR staff met with co-researchers from the University of Auckland and representatives from Te Kei o te Waka Tainui, including kaumātua and rangatahi, at Te Manukanuka o Hoturoa Marae. This hui focused on developing a tikanga-based framework for the collection, use and disposal of wastewater from aircraft. The work is part of a **Te Niwha[1] -funded project** exploring how wastewater from aircraft and individual buildings can be used to support infectious disease surveillance and response. Ethical considerations around the use of such data are central to the discussions.

Food safety

Over the past year, the food safety team continued to play a critical role in strengthening New Zealand's food safety system through its ongoing collaboration with the New Zealand Food Safety Science and Research Centre and the Ministry for Primary Industries. Across the year, 11 major projects advanced, focusing on key issues such as antimicrobial resistance (AMR) in livestock, monitoring antimicrobial residues in aquaculture, investigating foodborne illnesses, and developing robust risk assessments to guide policy and regulatory decisions. We undertook horizon scanning to identify emerging food-related risks and threats, which were communicated to our private industry and government partners via the New Zealand Food Safety Science and Research Centre and our joint Emerging Risk Identification System (ERIS).

A key highlight was ESR being appointed lead organisation for a nationally significant project to map and assess the cost of foodborne disease in New Zealand. This work, delivered in partnership with economists from the University of Auckland and the University of Otago, reflects a growing focus on understanding the broader health and economic impacts of foodborne illness and informing targeted interventions.

Internationally, ESR continued to demonstrate leadership and influence. ESR chaired the Food and Agriculture Organization of the United Nations (FAO) Safety Foresight Framework Meeting in Rome, leading discussions on emerging risks and future priorities in food safety. The team also contributed to international scientific dialogue through the publication of a journal article celebrating the 100th meeting of the Joint FAO/WHO Expert Committee on Food Additives, recognising its ongoing contributions to global food safety science.

Together, these achievements demonstrate ESR's involvement in the food safety system, both at home and abroad.

Data highlight

23 Research projects to support the food industry and New Zealand Food Safety

1 Te Niwha is the infectious diseases research platform co-hosted with the University of Otago, which aims to ensure New Zealand has world class research capability to maintain our preparedness for future infectious disease outbreaks.

Climate change – health impacts

Climate change is having wide-ranging and serious impacts on both human health and access to clean and safe water. These effects are both direct, for example extreme weather incidents, and indirect, influencing water quality, disease risk, and overall public health and wellbeing.

To address these challenges, ESR is taking a holistic approach that includes both actions to adapt and protect public health in the face of inevitable changes and efforts to mitigate climate change.

Impact: Informed intelligence to reduce the impact of climate change on human health

ESR is generating informed intelligence to help reduce the health impacts of climate change and support more resilient communities. This is being done through a number of work areas that are focused on the impact of climate on drinking water aquifers, types and strains of infectious disease, and transmissible animal disease.

Performance measure	Actual 2025	Target 2025	Actual 2024
Deliver an artificial intelligence (AI) powered digital twin to decisionmakers focusing on climate resilience, ensuring its usability and long-term sustainability.	**Achieved***	30 June 2025	New measure

* A digital twin was delivered for Tonga. In addition, year one of a two-year project building a digital twin for climate change resilience, specifically focused on the impact of heat and air quality on health, was achieved.

Groundwater and freshwater quality environment

ESR continues routine monitoring at its wastewater research site in Eyreton, Canterbury. A recent tracer study investigated how pathogens, especially viruses, and antimicrobial-resistant bacteria move from on-site wastewater systems into shallow groundwater. The findings showed that traditional indicators like *E. coli* are not reliable tracers, as they tend to stay in the disposal field. In contrast, viral indicators such as bacteriophages travel further and are more useful for tracking contamination.

Telemetry installed at the site is being used to monitor nitrate levels, helping identify spikes after heavy rain. This has shown a clear link between wastewater systems and local nitrate pollution, providing valuable insights for both researchers and councils.

In partnership with regional councils, ESR is also mapping the location of older, unconsented on-site wastewater systems using GIS technology. Many of these systems were installed before consents were required, meaning their locations are unknown. This mapping work helps identify public health risks in drinking water protection areas and highlights regions potentially vulnerable to climate change impacts like flooding and sea level rise.

Antimicrobial resistance (AMR) in water

As part of an AMR Strategic Science Investment Fund (SSIF) project, ESR is conducting quarterly sampling of antimicrobial-resistant organisms and genes along a Christchurch river. High-frequency monitoring tracks changes in climate-related factors such as temperature, pH and water flow. In partnership with the local council, samples are also collected after heavy rainfall to better understand how climate change influences the spread of AMR in the environment.

In collaboration with the University of Otago, ESR is expanding this research to rural catchments, by monitoring changes from untouched to impacted areas. This work supports a "One Health" approach by examining how environmental, animal and human factors interact in the spread of AMR. The aim is to identify environmental AMR hotspots and help guide targeted efforts to reduce future risk.

SHOWCASE

Detailed microscopic view of vibrio cholerae bacteria with flagella structures. Stock image.

Understanding the surveillance barriers and health burden of emerging disease threats for New Zealand

This **Te Niwha research project** investigates the rising public health threat of *Vibrio* infections in Aotearoa New Zealand, which are increasing due to climate change and warmer ocean temperatures. The infections, often linked to contaminated kaimoana, disproportionately affect Māori communities. The study had two main goals: to assess current surveillance systems and estimate the true burden of Vibrio; and to understand barriers Māori whānau face in accessing care and receiving effective health communication.

Findings showed gaps in disease tracking, as many Vibrio species are not covered under current reporting systems. The project recommends a more inclusive, centralised surveillance framework. Through collaboration with Te Toi Ora ki Whāingaroa and local iwi, the research also revealed mistrust in the health system and a need for culturally grounded, community-led public health messaging. Ongoing work will support more responsive care and trusted communication in affected communities.

Assessing public health risks of composting toilets

Composting toilets are gaining popularity in the fight against climate change because they offer a sustainable, low-impact alternative to traditional water-based sanitation systems. ESR has commenced a Health New Zealand | Te Whatu Ora-funded project to develop a human health risk assessment of composting toilets, with sampling underway.

This is the first New Zealand assessment of the pathogen reduction potential in composting toilet systems. The project is analysing composted toilet waste for the presence of a suite of pathogens, indicator organisms and chemical analytes over a period of time. Information on the reduction of pathogens and contaminants in composted toilet waste is currently lacking in the literature.

With an increasing number of systems being used across New Zealand, there is an urgent need to understand the risk of composting toilet waste to public health. The project aims to inform on the efficacy of the composting process under New Zealand specific climatic conditions and advise on the appropriate use for composted toilet waste on land to minimise the public health risk.

Strengthening climate resilience in the Pacific

In partnership with the South Pacific community, National Institute of Water and Atmospheric Research (NIWA), Manaaki Whenua – Landcare Research, and GNS Science, ESR has supported efforts to strengthen climate resilience across 16 Pacific nations. This work focuses on enhancing access to robust environmental data and tools that support preparedness for water-related emergencies driven by climate change.

In Tonga, ESR concluded its contribution to a national Water Security Sector Plan, an initiative that addresses the country's growing vulnerability to water scarcity and climate extremes. The plan sets out a strategic framework for the sustainable development and maintenance of Tonga's water resources, with clearly defined short- and medium-term actions and implementation partners.

This included the delivery of a digital twin in conjunction with the Ministry of Foreign Affairs and Trade for use by the Tongan Government and its partners as part of future water-related initiatives.

We also worked with the Palau Public Utilities Corporation to complete a well audit and design a groundwater monitoring plan. These efforts provide a clearer picture of Palau's water security challenges, including saltwater intrusion, and lay the foundation for a long-term aquifer mapping initiative.

Advancing global collaboration to tackle plastic pollution

In June 2025, ESR teams were involved in several forward-thinking initiatives that reflect the organisation's commitment to protecting public and environmental health through science, innovation and strong partnerships.

One of these initiatives involved a visit to the University of Portsmouth in the UK for a workshop supported by the Catalyst Seeding Fund. The project, *A microfluidics method for the isolation of novel plastic-degrading microorganisms*, is led by Professor Gavin Lear from the University of Auckland, with ESR's Dr Olga Pantos as Associate Investigator. The work builds on ESR's earlier research on microplastics funded through the MBIE Endeavour programme and seeks to identify and harness microorganisms capable of breaking down plastic.

The workshop gathered international experts from the Centre for Enzyme Innovation, the Universities of Portsmouth and Innsbruck and CellX Biosolutions (Switzerland). Together, the group explored promising technologies for reducing plastic pollution and laid plans for upcoming hands-on experiments in New Zealand.

This collaborative effort aims to support the development of safe, sustainable strategies for managing necessary plastics and remediating existing pollution. The workshop marks the first of several planned activities under the Catalyst project, which also includes exploring funding opportunities to extend the research beyond its current scope.

New technology impacts especially artificial intelligence and data science

ESR has continued to identify, develop and apply cutting-edge technologies to deliver innovative solutions that benefit communities, both locally and internationally. By building capability in augmented intelligence and increasing the use of data science across the business, we enhance our scientists' abilities and enable insightful analysis that supports both current and future-focused decision-making.

Impact: Informed technology uptake and use to improve intervention decision-making

ESR is driving informed technology adoption to enhance the quality and effectiveness of intervention decisions across public health and forensic science.

Performance measure	Actual 2025	Target 2025	Actual 2024
Number of organisations partnered with, to develop AI powered tools to enable their decision-makers	**2***	5	New measure

* Partially achieved. Two AI-powered decision-making capabilities delivered to external partners. This target was set as a stretch goal, at a time when the work programme was being established.

Emerging opportunities in environmental DNA (eDNA)

The potential of environmental DNA (eDNA) technologies has continued to be explored, with an interest in air and dust sampling as a source of forensic and public health intelligence. In forensic science, eDNA is genetic material shed by humans into their environment through skin cells, respiration, or contact with clothing, and offers a novel opportunity to obtain information from indoor spaces where conventional forensic evidence may be absent.

This research is looking at whether human DNA can be recovered from the environment, even when individuals take precautions to avoid trace transfer. This could provide valuable leads in criminal investigations by identifying individuals who have been present in a location.

In the public health domain, air and dust sampling presents an opportunity to detect respiratory pathogens in high-risk environments such as airports, and offers a proactive alternative to traditional surveillance methods, which are often limited to clinical testing or wastewater analysis. This approach could significantly enhance New Zealand's preparedness and responsiveness to emerging infectious disease threats. Both aspects of this work positions ESR at the forefront of emerging eDNA technology, creating potential to support both justice and health outcomes while contributing to national and international resilience and innovation.

Groundwater Health Index

ESR continued to develop a predictive model for groundwater quality assessment using a novel approach that combines machine learning with microbial and chemical datasets. This model is being developed with the University of Auckland and international partners. An outcome of this model is the identification of key targets for the development of near-real-time sensors to monitor changes in groundwater (drinking water) quality. ESR will begin developing the sensor in the next financial year through collaboration between ESR Health Security and Forensics teams.

Strengthening forensic response to technology-driven crime

ESR is leading a research initiative aimed at enhancing forensic capability in response to the growing use of 3D-printed firearms in criminal activity across New Zealand. The project is exploring whether components produced by 3D printers can be linked back to the source printer or associated with other items made by the same machine.

Addressing a significant gap in current forensic practice, the team is testing a wide range of plastic filaments, software tools, and object designs. Particular focus is being placed on toolmarks left by printer parts, such as nozzle heads and build plates, to assess their potential as unique identifiers and to understand how these features evolve over time.

Advanced technologies, including high-resolution 3D scanning and statistical learning models, are being used to analyse microscopic surface patterns. This work is laying the foundation for an objective and scientifically robust method of evaluating the evidential value of 3D-printed materials. In parallel, ESR is using web scraping techniques to identify and catalogue the range of printable firearm designs currently circulating online, supporting the creation of a reference library for casework and intelligence.

Through this research, ESR is building the expertise required to stay ahead of technology-driven crime and meet the changing needs of its justice sector partners.

Generative AI capability

ESR has developed a secure, in-house generative AI capability designed to strengthen the transition to a Public Research Organisation (PRO). This capability builds on existing data and computational science expertise, supported by high-performance computing infrastructure. It enhances our ability to deliver insights, boost research impact and open up new collaboration and commercialisation opportunities, particularly in health security and forensics.

This investment comes at a key moment in AI development, as open-source reasoning models now match the performance of commercial options. The solution is purpose-built, cost-effective, fully secure and maintains complete data sovereignty.

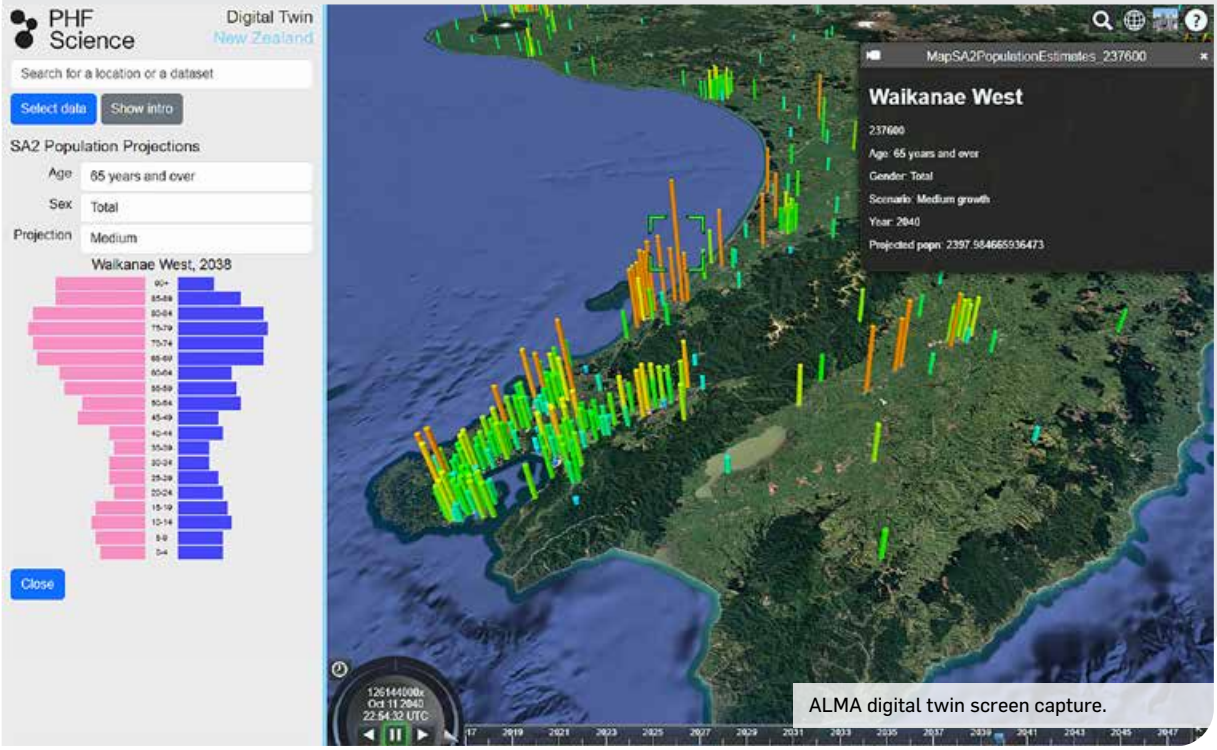
This initiative positions ESR at the forefront of AI-enhanced research, combining human expertise with intelligent tools while maintaining the highest standards for data governance and security.

SHOWCASE

Digital twin capability

ESR has developed an innovative synthetic population and a digital twin capability built around smart AI models. Known as ALMA – Aotearoa's Large Scale Multi-Agent simulator – the platform allows us to explore scenarios and determine the best course of action to take today, for tomorrow. This capability has application across both public health and forensic science to inform decision making to create a better future, including modelling the spread of infectious diseases, the impact of climate change on health and the impact of crime victimisation.

This capability has value beyond New Zealand's shores, including through its use in improving water quality in Tonga (see page 17). Our people were invited to share our innovative work at a workshop hosted at the University of Cambridge, focused on building preparedness for the next pandemic.



ALMA digital twin screen capture.

Building partnerships both international and domestic

ESR is committed to building aligned domestic and international partnerships that expand professional opportunities, enhance scientific capability and capacity and elevate ESR's reputation. Through meaningful collaboration, our teams have worked to advance programmes that provide stronger science capability while delivering greater impact for our stakeholders.

Impact: Enhanced aligned science capability to deliver innovative solutions with global reach

Aligning science capability is key to delivering innovative solutions. Supporting staff to engage with their colleagues both locally and overseas allows for increased capability and innovation to thrive.

Performance measure	Actual 2025	Target 2025	Actual 2024
Percentage of international proposals accepted	**25%***	80%	Amended measure
Percentage of external research bids successfully achieved	**24.2%**	≥15%	Amended measure

* The success rate was based on forecast of five proposals being submitted and accepted. However, there were fewer proposals determined at the time of reporting than forecast.

SHIVERS and WellKiwis

The globally recognised Southern Hemisphere Influenza and Vaccine Effectiveness Research and Surveillance (SHIVERS) influenza research programme continued its international relevance, contributing to influenza control and pandemic preparedness, informing vaccine design, immunity development, surveillance monitoring and policy development nationally and internationally.

With long-standing leadership in influenza research and surveillance, SHIVERS comprises two major initiatives:

- SHIVERS-I, conducted during 2012-2017, evaluated influenza disease burden, epidemiology, virology, risk factors and immunology, along with measurement of the vaccine effectiveness – funded by the US Centers for Disease Control and Prevention
- SHIVERS-II, III, IV (also known as WellKiwis adult, infant and household cohorts), established in 2018 to understand immune imprinting – how a person's first or prior flu exposures (virus or vaccine) shape their immune responses to subsequent flu exposures – funded by the US National Institute of Allergy and Infectious Diseases (NIAID).

In May 2025, the SHIVERS team launched the sixth phase of its programme: SHIVERS-VI, after securing a four-year US$7.2 million grant from Flu Lab. This new phase takes advantage of New Zealand's unique setting where there was no community transmission of influenza during the 2020 and 2021 COVID-19 pandemic period. SHIVERS-VI will leverage this rare opportunity through a decade of data to understand how this immunity gap influences on subsequent influenza spread and severity.

SHIVERS-VI will be led by PHF Science[2] as part of a national and international multi-disciplinary, multi-agency collaboration. Partnering institutions include University of Otago, University of Auckland, Health New Zealand | Te Whatu Ora (Auckland City, Starship, Middlemore and KidzFirst Hospitals) and St Jude Children's Research Hospital (USA).

As the Southern Hemisphere often predicts Northern Hemisphere trends, New Zealand's data helps to shape early global responses to emerging influenza threats.

Driving justice outcomes through innovation and international collaboration

ESR has maintained strong international engagement in the justice sector over the past year, delivering expert consultancy services and extending the global reach of its innovative forensic science solutions. A key example is **STRmix**, which continues to set the international benchmark for probabilistic DNA interpretation. Now deployed in over 170 forensic laboratories across more than 20 countries, STRmix is supporting criminal justice systems worldwide by enabling advanced DNA analysis and providing robust, court-ready evidence.

Complementing this is **Lumi**, ESR's portable, real-time drug detection device developed in partnership with New Zealand Police. Lumi is transforming frontline policing by allowing rapid, in-field drug identification, helping to reduce drug-related harm and enhance community safety across Aotearoa. The technology is also gaining growing interest for use in roadside testing, corrections and customs applications.

ESR is further strengthening forensic capability in the Pacific region through ongoing collaboration with the Fiji Drug Chemistry Laboratory. Over the past year, ESR staff have played an active role in building technical expertise and supporting the development of local forensic practice. In Australia, ESR has delivered targeted consultancy services to Forensic Queensland, contributing to the implementation of key recommendations from the Australian Commission of Inquiry into forensic DNA testing.

Together, these initiatives highlight ESR's sustained leadership in forensic innovation, capability development, and international collaboration, ensuring high-quality, science-led support for justice outcomes both in New Zealand and globally.

Delivering technical expertise for radiation safety and Treaty compliance

ESR continued to provide expert support for the safe and secure use of ionising radiation, (including environmental monitoring) along with helping the Government meet its international treaty obligations. This included delivering training courses to commercial organisations to support their authorisation of Radiation Safety Officers under the Radiation Safety Act. ESR also delivered a specialised training programme for the New Zealand Defence Force to strengthen national preparedness and response capabilities for radiological and nuclear emergencies. In support of international obligations, ESR assisted the Ministry of Health with emergency notification and assistance conventions, including participation in the IAEA Safety Standards Committee meeting in Vienna, Austria.

Data highlight

Partnerships, engagements and profile supported by:

4 national awards

2 international awards

6 New Zealand committee appointments

10 international committee appointments

2 The research is funded through ESR Charitable Solutions, a subsidiary of the New Zealand Institute for Public Health and Forensic Science (formerly known as ESR).

Academic collaborations and research partnerships

ESR has been actively engaging with staff across several of New Zealand's leading universities, including University of Auckland, University of Otago, Massey University, University of Canterbury, Victoria University of Wellington and Auckland University of Technology. The purpose of these engagements is to explore opportunities for collaborative research and training, particularly in the field of infectious diseases.

These discussions have highlighted a strong sense of goodwill and a shared motivation to work more closely together. While no formal Memoranda of Understanding (MOUs) have been signed to date, all parties are enthusiastic and committed to identifying and progressing tangible joint activities.

Ongoing academic partnerships reflect this collaborative spirit. ESR continues to engage with the University of Auckland's Department of Chemistry and the Master of Forensic Science programme, including through joint staff appointments. Collaboration with the University of Otago also remains strong, supporting PhD students and postdoctoral fellows working on shared research in predictive toxicology and vaping safety under the Advanced Cellular Systems Programme.

A new relationship with considerable potential has also been formed with Massey University's DNA Characterisation Facility. This partnership focuses on developing aptamers for small molecule targets and applying Surface-Enhanced Raman Spectroscopy (SERS) to illicit drug detection. Two PhD students and a postdoctoral fellow are currently involved, with the collaboration also providing ESR with access to the Australian synchrotron, enabling new opportunities for advanced molecular analysis.

Looking ahead, the priority is to turn these engagements into concrete outcomes. ESR and its academic partners are now working to co-design collaborative research and training initiatives that advance national priorities in health security, scientific excellence and workforce capability.

SHOWCASE

Examining foodborne pathogen virulence and transmission

ESR researchers are collaborating with colleagues in China at Jiangsu Academy of Agricultural Sciences, Guangxi University and Nanjing Agricultural University to understand the sources, transmission routes and virulence of foodborne pathogens from farm to foods. This involves sampling animal environments, soil and water, animals and raw products such as milk, to identify what microbial pathogens may be present. These microbes are then analysed by whole genome sequencing to determine relatedness and the presence of virulence factors such as antimicrobial resistance genes.

This work provides insight into the risks which must be managed in food supply chains both globally and locally. The data is being used to develop novel interventions and in-field diagnostics to rapidly identify and control microbial risks in the food supply chain. These improvements improve the safety of our food, reducing the burden of disease, and provide economic benefits by increasing the efficiency of management of food supply chains.

Conducting chemical research on microbes. Stock image.

Diversified and stronger revenue streams

ESR is focused on ensuring our core government service contracts deliver a strong return on investment, while actively pursuing new research funding opportunities. At the same time, we are working to expand our portfolio of private sector and community clients to diversify revenue streams and support long-term financial resilience. Strengthening our innovation and commercialisation pipelines is also central to delivering for the Government's economic growth strategy and enables the development of market-ready products and to increase our commercial impact.

Impact: Diversified revenue sources on commercial terms that ensure financial profitability

ESR has worked to diversify revenue while ensuring fiscal profitability across a number of areas. The promotion of developed products such as STRmix and Lumi, and new services such as oral fluid testing all contribute to sustainable financial performance.

Performance measure	Actual 2025	Target 2025	Actual 2024
Percentage growth in commercial revenue above FY25 Budget	**6%**	≥5%	New measure

Growing and expanding commercial products

STRmix is forensic software that can interpret low-level, degraded or mixed DNA samples that previously would have been disregarded as being too complex to interpret. The success of STRmix in generating usable, interpretable and legally admissible DNA evidence has led to its widespread adoption by forensic laboratories worldwide. The majority of certified forensic laboratories in North America, United Kingdom, New Zealand and Australia, and numerous labs in Europe, now routinely use STRmix in forensic casework.

As STRmix has grown from a pioneering technology, the team has diversified and strengthened its offering by creating an end-to-end workflow solution[3] that spans analysis to interpretation and database matching. This is done through two additional software applications, FaSTR™ DNA[4] and DBLR™ [5].

FaSTR DNA can rapidly process data and assign a number-of-contributors estimate, allowing a laboratory to analyse outputs and export these directly to STRmix. Following interpretation in STRmix, DBLR can visualise the evidential value, carry out matches and perform extensive database searches. DBLR can also use STRmix deconvolutions and single source profiles from known contributors to calculate the likelihood ratio given any conceivable kinship relationship.

Over the past year, ESR's forensic software team has made significant strides in product development

3 https://vimeo.com/471164002

4 www.strmix.com/fastr

5 www.strmix.com/dblr

and innovation. The STRmix suite saw major version upgrades across all its applications, further enhancing its end-to-end DNA analysis capabilities. This progress was recognised with a finalist placement in the Innovation/ Commercialisation category at the 2025 Science New Zealand Awards. Looking ahead, the STRmix team is now focused on the interpretation of Y-STR (male-specific) DNA profiles as their next key advancement.

At the same time, the Lumi Drug Scan team has also made notable progress, concentrating on advancing the product and expanding its reach into international markets. These developments reflect ESR's continued commitment to delivering cutting-edge, globally relevant forensic solutions.

The release of the new Lumi Nano handheld device was a highlight, particularly as it is manufactured right here in New Zealand. The new device significantly increases the spectral data obtained from samples, enabling detection of a broader range of drug targets. Improved battery and an enhanced security layer further improve performance. In addition, a new Lumi analysis mobile app, new AI drug detection engine and updated cloud infrastructure were also released completing a full update to the Lumi Drug Scan service.

Engagement with international law enforcement and forensic organisations was undertaken across four continents with trials completed, underway or in development with several leading organisations. These evaluations have validated the performance of Lumi in an international context highlighting the benefit of real-time results in supporting improved frontline decision making and faster resolutions.

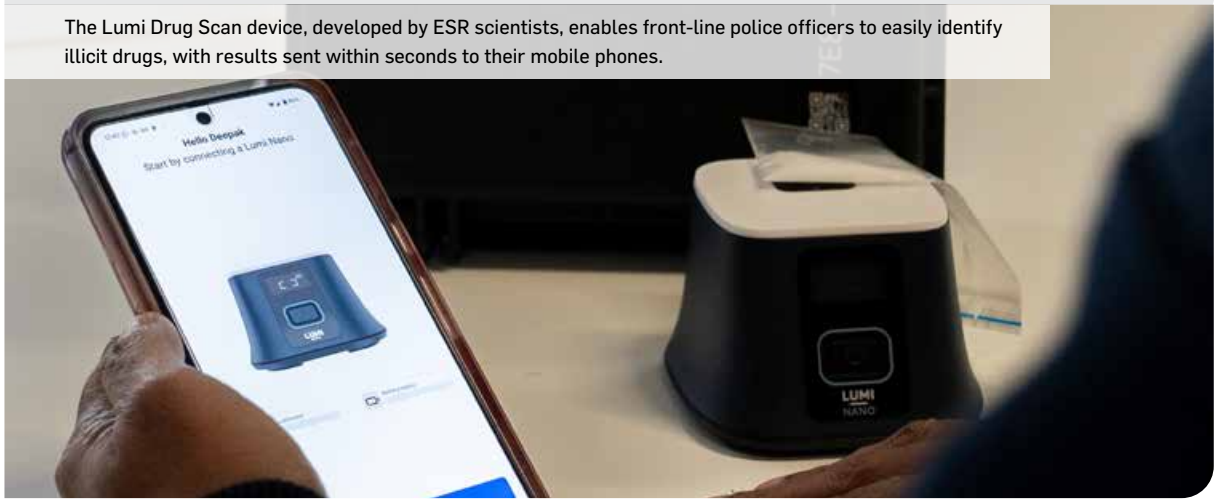
SHOWCASE

International engagement to expand Lumi

The commercialisation of Lumi Drug Scan took a major step forward this year with a number of international engagements and market validation activities. A particular highlight was attendance at the New Zealand Technology for Law Enforcement Showcase at NZ House, London. The event was organised by New Zealand Trade and Enterprise and co-hosted by New Zealand High Commissioner, the Honourable Phil Goff, and Assistant Commissioner New Zealand Police, Bruce O'Brien.

Approximately 40 attendees were present representing a range of United Kingdom (UK) law enforcement agencies and the UK government. The event provided an opportunity to present an introduction to Lumi and demonstrate how the workflow can support police in their response to the harm and impact of illicit drugs within their communities. Key contacts included senior staff from the Met Police, Suffolk Police, the National Police Chiefs' Council and the former minister for Police and Border Force.

The Lumi Drug Scan device, developed by ESR scientists, enables front-line police officers to easily identify illicit drugs, with results sent within seconds to their mobile phones.



Expanding drug detection services through oral fluid testing

ESR is partnering with New Zealand Police to support the development and implementation of random roadside drug testing using oral fluid (saliva), with national rollout expected in December 2025. This initiative complements our existing services for drug and alcohol detection in blood samples from impaired or hospitalised drivers and strengthens our contribution to road policing efforts.

The Oral Fluid Services programme is expected to generate $2-3 million in annual revenue, enabling further investment in staff and infrastructure to support delivery. Given the broad scope of testing, the capability has potential application beyond road policing, including services for the Ministry of Health, Department of Corrections, commercial clients and the Alcohol and Other Drug Treatment Court (AODTC) programme.

This work enhances ESR's role as a key provider under the Land Transport Act 1998, while also expanding drug detection data capabilities. Importantly, it allows ESR to generate evidence and insights that support future policy and legislative development in the area of drug-impaired driving and substance misuse.

Data highlight

- **15,200** samples analysed by New Zealand Police on Lumi across three years of deployment
- **95.8%** success rate of Lumi drug compounds detected
- STRmix has produced usable, interpretable, and legally admissible DNA evidence **in more than 690,000 criminal cases**
- STRmix used by more than **120 organisations worldwide**

Senior Technician Forensic Dhanisha Patel in a DNA laboratory.

To deliver greater impact with and for Māori and be a leading Te Tiriti-partnered CRI

This is an overarching strategic focus area for ESR. Through this work, ESR is committed to strengthening its organisational capability and systems to foster deeper and more effective partnerships with Māori. This includes actively equipping staff with the knowledge, tools and skills needed to engage in a culturally responsive and meaningful way. By prioritising Māori thought leadership, ESR aims to support more impactful outcomes and enduring, collaborative relationships.

Impact: Increased Māori partnership, participation and leadership

Performance measure	Actual 2025	Target 2025	Actual 2024
Percentage increase in the number of iwi co-designed research projects	**31%**	≥20%	39%
Percentage of Strategic Science Investment Fund funding allocated to projects led by and co-designed with Māori	**27.8%**	≥20%	39%

The Māori Impact team continues to focus on enhancing Māori participation, leadership, and the integration of mātauranga Māori across our science and operations. Our work is guided by the principle of partnership and a long-term commitment to building a future science system where Māori knowledge and leadership are central to scientific excellence.

Programmes such as *He Wai Māpuna* and *He Ō Uta, He Ō Tai* continue to demonstrate how collaborative and kaupapa Māori approaches can deliver tangible, transformative outcomes. *He Wai Māpuna* leads the way in building capability in wai-based science, investing in Māori-led research, and embedding mātauranga Māori within environmental science. Through this, Māori communities are empowered to shape, lead and share solutions grounded in both indigenous knowledge and scientific innovation.

He Ō Uta, He Ō Tai focuses on growing Māori futures in STEMM – science, technology, engineering, mathematics and mātauranga Māori. The programme's immersive bootcamps and curriculum embed both cultural and scientific literacy, equipping participants with the tools to navigate and influence the interface between traditional knowledge and genomic science. These initiatives nurture the next generation of Māori leaders in science and technology and reflect ESR's commitment to culturally relevant and inclusive pathways in research.

External partnerships are critical to our success. Collaborations with institutions such as the Geospatial Research Institute, the University of Canterbury, and Pūhoro STEMM Academy have significantly strengthened our research capabilities, ensuring that mātauranga Māori is embedded throughout our methodologies and that Māori-led innovation is uplifted through strong networks and shared goals.

He Pūtaiao, He Tāngata – Māori Impact Strategy

He Pūtaiao, He Tāngata (HPHT) remains a high-priority strategic initiative, reflecting ESR's ambition to embed Māori Impact as a core part of who we are and how we work. Over the past 12 months, the HPHT review has progressed, with Phase Two concluding expert panel feedback on how to evolve our strategy for greater relevance and impact.

Based on this expert advice, ESR has shifted towards a single, integrated organisational strategy that embeds Māori Impact as a core strategic pillar. This approach will ensure that Māori values, partnerships, and aspirations are reflected throughout all levels of the organisation. This work is ongoing, and the refreshed strategy is expected to be delivered in 2026.

Our progress to date is reflected in the deepening of relationships across sectors, increased visibility of mātauranga Māori in science delivery, and the growing leadership of Māori across ESR programmes. Māori Impact is not a standalone initiative – it is central to our future, shaping how ESR operates and how we create meaningful, enduring impact alongside Māori communities.

Advancing our commitment to Māori data sovereignty

We are continuing to strengthen our understanding and practice of Māori data sovereignty. As part of our journey, we are improving how we acknowledge, manage and protect the data entrusted to us, reflecting our responsibilities as a Te Tiriti o Waitangi partner. This includes actively working to embed the Māori data sovereignty principles developed specifically for Crown Research Institutes.

SHOWCASE

Tu Wairua: Psilocybe Weraroa – the magic in the mushrooms?

The Tū Wairua project continues to advance New Zealand's capability in understanding and characterising indigenous *Psilocybe* mushroom species using a mātauranga Māori-informed approach. To date, through this project ESR has successfully developed and validated an analytical method for detecting psilocybin, cultivated strong relationships with iwi and community partners, and laid the groundwork for future cultivation trials. The project is significantly enhancing our scientific and cultural capabilities while contributing to national conversations on therapeutic use and regulation of indigenous flora.

Overall, this project aims to cultivate and comprehensively characterise a range of New Zealand's indigenous *Psilocybe* mushroom species, with the goal of producing a full-spectrum extract for use in clinical trials investigating its potential to treat methamphetamine addiction Māori communities.

This work has positioned ESR as a national leader in psilocybin testing and regulatory preparedness and contributed to national and international dialogues on indigenous flora, therapeutic psychedelics, and harm reduction.

Photo credit: Lewis Condie, Tū Wairua project, ESR

Accelerate workforce development and opportunities

ESR is committed to strengthening career development and retention of our scientists, by establishing clear promotion pathways and formal career progression practices. Our goal is to build an agile, collaborative, and adaptable workforce by fostering a supportive and rewarding work environment. As part of New Zealand's broader science training system, we will continue to play a key role in developing the next generation of scientific talent.

Impact: A strong capable workforce that enables ESR to thrive and prosper

A skilled, diverse, and adaptable workforce is essential to ESR's ability to thrive, deliver impact, and grow into the future.

Performance measure	Actual 2025	Target 2025	Actual 2024
Annual Gallup Engagement result	**3.9**	3.9	New measure
Annual Gallup Satisfaction result	**3.6**	3.6	New measure

Progressing the Kia Toipoto Action Plan

Over the past year, we continued to make progress on its Kia Toipoto Action Plan. Key achievements include the Flexible Working Guidance, enhanced pay equity reporting, a refreshed talent attraction strategy, completion of the promotions process review, system enhancements to support better diversity reporting and development and acceptance of the ESR Leadership Expectations. This year, ESR prepared its third Kia Toipoto (now Diversity, Equity and Inclusion) report and action plan and continues to work towards an equitable and inclusive culture.

Optimising our culture

ESR's employee engagement survey was conducted in March this year, with a staff participation rate of over 80 per cent. The response rate demonstrates our people value providing feedback on their work experience and levels of engagement. To support further engagement, the survey results were shared across the organisation and teams were encouraged to understand their results and develop action plans. This year's survey results were used to better understand actions that could be taken organisationally to enhance the employee experience.

A strengths-based approach to development continued to be implemented across teams and individuals over the year. People leaders who have completed strengths assessments with their teams are continuously supported to use a strengths-based approach to enhance their team's work.

Our cultural capability programme continued during the year with a view to developing a targeted programme focusing on employees who interact directly with communities and land. We engaged with other government agencies to investigate learning tools and are currently working on the implementation of a foundational cultural competence e-learning programme.

To support this work, a number of key policies were refreshed during the year including:

- Code of Conduct
- Information security
- Respectful Workplace.

Accelerating workforce development

As a result of the organisational changes implemented at the end of 2024, which realigned ESR's structure to better reflect post-COVID resource requirements, we have initiated a focused review of our critical roles and capability needs. This work marks the first step in a longer-term approach to workforce planning.

Over 2025/26, we will build on this foundation by taking a future-focused view of organisational capability, by assessing current strengths and gaps. This will then be developed into targeted strategies to grow staff skills and expertise needed to meet our future operational and strategic goals.

Scientists in ESR's virology laboratory

Our people by the numbers

548 employees

permanent, fixed term and casual

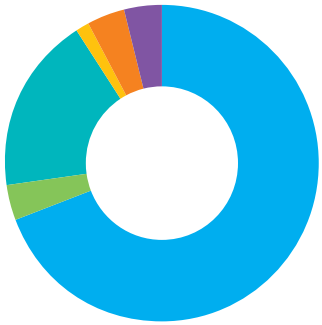
- **6.18%** staff turnover

Headcount and number of full-time equivalents

- **593** includes contingent workers.
- **548** permanent, fixed term & casual employees.
- **502.82** Full time equivalents (FTEs)

Ethnicity

- European **69.31%**
- Māori **3.54%**
- Asian **18.21%**
- Pacific Peoples **1.18%**
- Middle Eastern, Latin American and African (MELAA) **3.88%**
- Other/No Data **3.88%**



Health, safety, and wellbeing

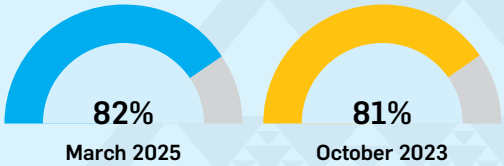
- **0** health, safety, and wellbeing event notifications.
- **43** related to near misses, **38** injury/illness.
- Total non-injury/illness **25**

Average days lost due to sickness, accidents, domestic leave

- **8.66 days** per person per annum

Engagement survey results

Our participation

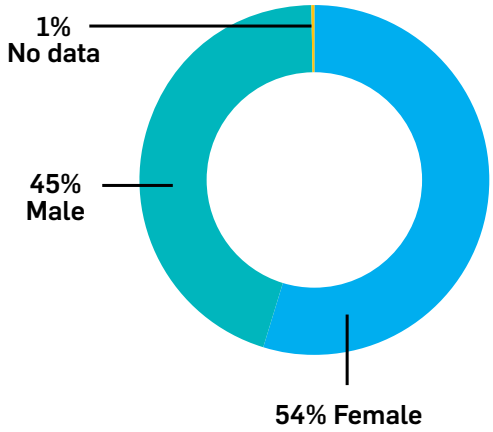


Our engagement mean

Gender pay gap

- **14.60%** Gender Pay Gap (favouring males)
- **64% identify as women**
  Comparison: public sector average of female employees **62%**

Gender identity across management roles



Building talent for the future

The Early Career Group (ECG) was launched in 2023 across all Crown Research Institutes (CRIs), supported by Science New Zealand, to foster personal and professional development opportunities for staff in the early stages of their careers. Each CRI hosts its own group, designed to build capability through networking, career growth, and peer support.

At ESR, the ECG remained active throughout the year, despite encountering both challenges and successes. One of the standout moments was a panel discussion in November 2024, where ESR staff shared their career experiences and transitions. The event offered practical insights into navigating professional pathways within the organisation, and the interactive Q&A session enabled valuable peer-to-peer learning. Feedback highlighted the session's motivational impact and useful nature for attendees.

To further support early career professionals across the science sector, Science New Zealand's Early Career Management Group released an annual survey in December 2024 to capture the perspectives of early career staff and students. The survey will help track trends and guide sector-wide initiatives aimed at strengthening support and development opportunities.

In addition, CRI Chief Executives and University Vice-Chancellors are working together on a coordinated approach to early career development. This collective effort will be formalised through a Statement of Collaboration, with the goal of creating a connected, supportive science system that fosters excellence. As part of this initiative, early career researchers will be brought together to co-design strategies and pathways to build the future science workforce.

These initiatives reflect a strong, shared commitment to empowering early career researchers, ensuring they are supported, connected, and equipped to thrive within New Zealand's evolving science landscape.

Health, safety and wellbeing

ESR's staff play an essential role in creating a safe and healthy working environment. They are supported by our Health, Safety, and Wellbeing (HSW) Policy statement, management frameworks, procedures, and active and visible leadership practices. The HSW representatives come together regularly through various forums to discuss all things HSW-related, including areas going well and areas we can learn from. This helps ESR to take every opportunity possible to improve the health and safety environment.

The active operational approach continues to contribute to our growing HSW maturity, providing clarity of risks and control methods. We continue to build and support a positive HSW culture of change that encourages our people to speak up.

The collaborative work of our people and the unions underpins our HSW Engagement and Participation model. This utilises the collective expertise and experience of all parties involved to facilitate the effective identification of hazards and risk, and potential solutions, which continue to enhance our HSW outcomes.

ESR remains committed to engaging our employees in the continuous improvement of our health and safety environment. We will utilise industry standard tools, including WorkSafe NZ's SafePlus self-assessment, to enable our employees and all levels of management and governance to submit feedback on essential components of leadership, risk management and worker engagement.

Being a good employer

ESR embraces its responsibility of being a good employer. The summary below shows our activities this year against the seven elements of being a good employer as defined by the Human Rights Commission.

Our workplace activities	
Our leadership, accountability and culture	This year saw the development and introduction of a new set of leadership expectations, which were approved for use in December 2024. These expectations have provided the foundation for the development of a leadership development programme, set to begin in August 2025. Our Performance Experience framework is based on building a collaborative, high-performing culture. It encourages clear accountability through meaningful performance and development conversations and defined work outputs aligned to business plans and our strategic objectives. This year we have focused on changes to our supporting systems and workflows to drive improvements in these key performance conversations. The end of year conversation has been redesigned to add greater value to this important performance year milestone. Support resources were developed and released to support both people leaders and team members to have great conversations on performance, career and development. Over the year, several e-learning courses were developed and implemented to support leaders and teams. These included Unconscious Bias and Conscious Inclusion, Inclusive and Equitable Hiring Practices, Leading through Change and Leading Effective Meetings. Our Senior Leaders Network has continued to meet monthly to connect, learn and share information and experience across a range of topics. This network has proven very successful in connecting senior leadership and enhancing their opportunity to influence organisationally.
Recruitment selection and induction	We are committed to improving the diversity of our workforce and promoting a culture of inclusion with a focus on the elimination of bias and ensuring equal access to opportunities. We encourage our people to take advantage of the online courses we provide to address bias in the workplace. Our recruitment and selection processes continue to reflect best practice and align with the Public Service Commission – Te Kawa Mataaho Workforce Assessment Model Standards ensuring that selection is focused on recognising competencies, values, skills knowledge and experience, backed by appropriate assessment and selection tools, to ensure the best candidate is selected in a fair and equitable manner. This year our talent acquisition strategy, designed support diversity, equity and inclusion, was refreshed and implemented. E-learning to support inclusive and equitable hiring was also developed and launched to support this internal strategy.

Our workplace activities	
Employee development, promotion and exit	Organisational change during the year consolidated functions and condensed our senior leadership structure with a view to improving our ways of working in and across the organisation. Our ambition is to build an agile, collaborative and adaptable workforce and we continue to focus on what this means for career pathways and a science workforce of the future. Supporting our people through uncertainty and change has been a key focus over the past year. Several workshops were held by our EAP Support partner around finance and wellbeing. E-learning modules on coping with and leading through uncertainty and change were developed and launched to support all people at ESR. Other e-learning modules implemented in response to employee feedback and requests focused on improving meeting effectiveness. Feedback from employees who left ESR over the year was obtained through our exit survey tool. The survey tool has significantly improved the quality of information and insights available to senior leaders. Survey feedback is consolidated and themed to assess how we can continue to build on areas of strength and improve our working environment.
Flexibility and work design	The design of our work processes has continued to focus on continuous improvement. Changes to our structures have been designed to support changes to the ways we operate as we work to build an agile, collaborative and adaptable workforce. We support and promote flexible working arrangements. This includes flexible hours and working from home or alternative locations, and gradual return to work for new parents. We encourage our staff to take annual leave in the year it is accrued and support them to manage their hours to maintain wellbeing. We also encourage our staff to take their volunteering day, which aims to support staff who wish to contribute to the wider community through volunteer work.
Remuneration, recognition and conditions	ESR continues to support staff to feel valued, recognised and rewarded fairly and equitably for their contribution. We recognise the need to manage this prudently within our financial constraints.
Harassment and bullying prevention	ESR does not tolerate bullying, harassment or any other form of misconduct ensuring matters are dealt with promptly and appropriately. Our Code of Conduct outlines the standards of behaviour we expect of our people, how to deal with unacceptable behaviour and where to access further information and support if required, including the Employee Assistance Programme.
Health and Safety environment	We continuously improve our health and safety management systems and performance to keep our employees healthy and safe at work. This is supported by our Health, Safety and Wellbeing Policy, associated frameworks, the implementation and maintenance of standard operating procedures, the provision of resources and HSW training for all staff.

Business systems resilience and capability

To support ESR's long-term sustainability and resilience, we are investing in key areas such as property development, data security and governance. These efforts ensure that the infrastructure underpinning our science and services is robust, flexible and future-ready.

By strengthening our systems and capabilities, we maintain the trust and confidence of our stakeholders in the quality of our data, analysis, intelligence and decision-making.

Property

Upgrading ESR's science infrastructure

The redevelopment of the Kenepuru Science Centre (KSC) will pave the way for contemporary science infrastructure to meet the needs of New Zealand. This investment underscores the vital role ESR plays in the health and wellbeing of all New Zealanders. The redevelopment includes a mix of modern laboratories, research support spaces, a forensic service centre, and office space for both group collaboration and individual working. The current buildings pose an earthquake risk, are outdated and have excessive maintenance and running costs. The new fit-for-purpose build will allow ESR, as PHF Science, to operate more innovatively, collaboratively and efficiently, as well as embracing and enabling modern and changing ways of working. The design features a number of cultural elements, an outcome of a co-design process with Ngāti Toa Rangatira.

Construction of the new facility by the main contractor, Hawkins Limited, is progressing on time and to budget. The building structure is complete, roofing and envelope are under way, and services installation has commenced. Procurement of key equipment is underway. The construction phase is on track for commissioning and relocation in early 2027. The project will be delivered in two phases, with ancillary facilities, demolition of buildings and landscaping due for completion in 2028. The Crown Infrastructure Delivery Agency continues to partner with PHF Science to provide project delivery expertise including advice, risk management, cost reporting, consultant management and governance.

Information and technology systems

Building on progress made throughout last year, the focus of the information technology work has continued to be on modernising aging systems and hardware and improving resilience. Several systems that support services provided to Health New Zealand | Te Whatu Ora and New Zealand Police have been upgraded and now have greater resilience.

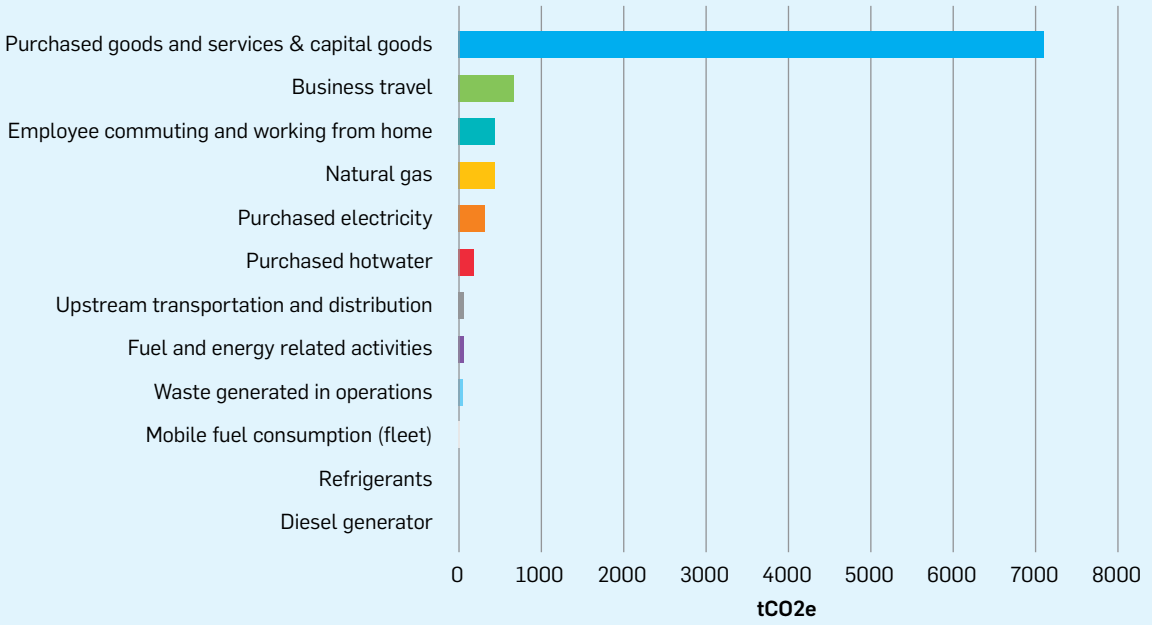
The security programme has continued to deliver to milestones implementing key controls recommended by the New Zealand Information Security Manual. Certification and accreditation activities have been performed and the security awareness programme has been developed.

Several solutions that support corporate groups were due for upgrade and these were completed as planned. Services provided by vendors have been reviewed and some brought in-house to reduce costs. There is an ongoing need to update and replace equipment as it becomes obsolete.

ESR's technology team continues to engage with the other CRIs as they transition to PROs, to ensure alignment with technology decisions and to maximise use of resources.

Continuing our commitment to sustainability

ESR FY24 organisational emissions by activity



We continue to work on targets and activities via Action Plans. We are working to gain support for these plans via allocated budgets and resources. ESR's sustainability policy and strategy align with the United Nations Sustainable Development Goals and have been approved by the Board and Executive leadership team.

Over the past 12 months, work has been undertaken in the following areas:

- waste reduction
- commuter emissions reduction
- data transparency
- staff wellbeing, and equity.

Greenhouse gas emissions reduction

ESR has been reporting on its greenhouse gas emissions since 2019. The 2024–2025 report marks our fifth consecutive year of emissions reporting, reflecting our ongoing commitment to transparency and continuous improvement in environmental performance.

In FY2024, our total organisational emissions were 9,270 tonnes of carbon dioxide equivalent (tCO_2e).

This represents a 102 per cent increase from our baseline year in FY2019, when emissions totalled 4,785 tCO_2e. Notably, the FY2019 data has been recalculated to correct for double counting of emissions, ensuring greater accuracy and consistency in our reporting.

The primary driver of the increase in emissions is a substantial rise in emissions associated with Purchased Goods and Services and Capital Goods. We have observed a continued upward trend in Category 4 emissions – indirect emissions resulting from the use of products produced by PHF Science – largely attributable to growth in staff numbers and operational capacity.

Additionally, the 2024/25 period marks the commencement of the Kenepuru Science Centre rebuild, a major infrastructure project that has contributed to the overall emissions footprint for the year.

No formal emissions reduction projects were completed or implemented during the 2024/25 reporting period. However, PHF Science has initiated work to address emissions associated with travel, including both business travel and commuter travel. These efforts are part of a broader strategy to identify and implement targeted projects aimed at reducing emissions in future reporting periods.

Waste reduction

ESR completed a small number of targeted waste reduction initiatives during the 2024–2025 reporting period. These included the implementation of Enviro360 soft plastic recycling bags at both the Christchurch and Mt Albert Science Centres, supporting the diversion of soft plastics from landfill.

Additionally, ESR transitioned its waste services to a more sustainable approach, with the aim of improving waste tracking, enhancing landfill diversion rates and aligning with our broader sustainability objectives. This coming year more work needs to be done to further implement the initiatives that will deliver the identified benefits.

We continue to partner with Mutu, a product repurposing platform, to divert usable items from landfill and extend the lifecycle of materials across our operations. These initiatives reflect our commitment to reducing waste and promoting circular economy practices.

The lab-waste action group have been particularly active and push through most of the waste initiatives.

Commuter emissions reduction

In August 2025, ESR commissioned a staff commuter survey to better understand travel patterns and identify opportunities for reducing commuter-related emissions. The findings will support upcoming Toitū audits and help inform the development of targeted action plans. Several potential initiatives are currently under consideration by management.

Data transparency

As part of our commitment to data transparency, ESR has developed and published an emissions dashboard on the intranet. This tool provides accessible and up-to-date information on our greenhouse gas emissions, supporting accountability and enabling stakeholders to track progress against our sustainability goals.

Staff wellbeing, and equity

As part of our commitment to staff wellbeing and equity, ESR has begun trialling a period positivity initiative across all sites. The programme provides period products in the workplace, recognising their availability as an important step in supporting gender equity and promoting the health and wellbeing of our people.

Artist's impression of the redeveloped Kenepuru Science Centre, due to be opened in 2028. The new building is part of the Government's New Zealand Sovereign Green Bond Programme and has achieved 5 Green Star (Design) rating, certified by the New Zealand Green Building Council.

Our governance and leadership teams

ESR Governance overview

ESR's Board is responsible for setting the organisation's strategic direction and delegates day-to-day management to the Chief Executive Officer. Board members are appointed by the Minister of Science, Innovation and Technology, with remuneration set by shareholding ministers under the Cabinet-approved fees framework.

The Board ensures ESR's governance is purposeful, robust and accountable. It acts on behalf of, and is accountable to, both the Minister of Science, Innovation and Technology and the Minister of Finance. The Board meets its regulatory obligations under the Companies Act 1993, Crown Research Institutes Act 1992, Crown Entities Act 2004 and Public Finance Act 1989.

Operating under its Board Charter, ESR's Board has established two standing committees:

- **Risk and Assurance Committee**
- **People, Culture and Performance Committee.**

In addition, the **Property Development Committee** serves as a project-based committee, operating under a Board-approved Terms of Reference.

The Board is supported by ESR's Executive Leadership Team, with all Board and committee members expected to uphold ESR's Code of Conduct.

Director profiles

ESR Board: Dr Matt Glenn, Kate Thomson, Professor Sarah Young, Dr Bruce Campbell CNZM, Catherine Abel-Pattinson, Justine Gilliland.

Directors	
Professor Sarah Young (Chair)	Professor Sarah Young is the Dean of Science at the University of Auckland, and she is currently the Board Chair of the Institute of Environmental Science and Research, ESR, one of New Zealand's Crown Research Institutes. Recent prior leadership roles include being Executive Dean of the Faculty of Science at the University of Canterbury, Head of the School of Medical Sciences at the University of Sydney and the Head of the Pathology Department and Deputy Dean of the Dunedin School of Medicine at the University of Otago. Outside of her work roles, she has also served on a range of committees and boards in local communities. Sarah's own research is focused on immune modulation and developing immune therapies to treat diseases such as cancer. She has undertaken her research in New Zealand, Australia, and the United Kingdom, as well as the USA, and has been recognised with awards such as the Sir Charles Hercus fellowship, through the Health Research New Zealand, and a Fulbright senior scholar award.
Justine Gilliland (Deputy Chair)	Justine Gilliland is a professional director and strategy consultant and was appointed to the ESR Board in February 2022. She serves on a number of boards across the food and fibre, health, insurance, environment, energy, and R&D/ science sectors. She is the former Chief Executive of regional development agency Venture Taranaki; and previously held a range of senior management roles in the national public service. Justine has law and arts degrees and resides in Taranaki with her young family.
Kate Thomson	Kate is an experienced executive and has held several senior roles in New Zealand and Australia, both in the government and commercial sectors. Kate is a Chartered Accountant and is a graduate of the Australian Institute of Company Directors.
Dr Matthew (Matt) Glenn	Matt is the Chief Executive Officer (CEO) of the Kiwifruit Breeding Centre (KBC), a joint venture between Zespri and the Crown Research Institute, Plant & Food Research. He also serves as a Director at the consulting firm Idea Partners. Previously, Matt was CEO of Hill Laboratories, New Zealand's largest private analytical testing laboratory, and CEO of Robotics Plus, an agricultural automation and robotics start-up. An experienced executive in the technology sector, he holds a doctorate in molecular biology from the University of Leeds in the United Kingdom. Earlier in his career, he was Head of Genomics at Genesis, where he led what was, at the time, the largest DNA sequencing facility in the Southern Hemisphere.

Directors	
Catherine Abel-Pattinson	Catherine is an experienced non-executive director with a strong background in ICT, biotech, and healthcare. She is currently Chief Operating Officer at Netsafe New Zealand and a member of Global Women. Catherine serves on the boards of International Accreditation New Zealand (IANZ) and Whakarongorau Aotearoa, the national telehealth provider. In 2024, she received the Women in Security Aotearoa award for Combatting Fraud and Misrepresentation, recognising her leadership in tackling online scams. She was awarded a Johnson & Johnson Scholarship to attend the European Health Leaders Programme at INSEAD and was runner-up for the Glenys Baldick Memorial Award for Emerging Leaders in Health. Catherine holds an MBA, and has studied Financial Markets at Yale, Leadership at INSEAD, and holds a Certificate in Company Direction from the Institute of Directors New Zealand.
Dr Bruce Campbell CNZM	Bruce is a chartered director, also holding directorships with Horticulture New Zealand (Inc.), the New Zealand Winegrowers' Research Centre Limited and Predator Free 2050 Limited. Bruce has a Doctor of Philosophy (PhD) in science from The University of Sheffield, UK and is the former Chief Operating Officer of Plant & Food Research. He is experienced in innovation strategies linking science and business to benefit prosperity, nature, and people. Bruce is a recipient of the 2023 Companion of New Zealand Order of Merit, 2017 Prime Minister's Science Prize, 2017 Horticulture New Zealand Industry Service Award and 2016 Royal Society of New Zealand Thomson Medal for outstanding leadership of agricultural and horticultural science. He is also a Trustee of the Kerikeri Peninsula Conservation Charitable Trust.
Dr Melissa McLeod Director until January 2025	Dr Melissa McLeod was appointed to the ESR Board in February 2022. Melissa (Ngāi Tahu) is a public health physician and Associate Professor working at Te Rōpū Rangahau Hauora a Eru Pōmare, University of Otago, Wellington. She teaches postgraduate epidemiology and general public health and brings rich research expertise in Māori health, epidemiology (including quantitative aspects).
Sir Ashley Bloomfield KNZM Director until August 2024	Sir Ashley Bloomfield joined the ESR Board in June 2023, until he was appointed as interim Chief Executive in August 2024.

Executive leadership team

ESR's Executive Leadership Team (ELT) use their science and business expertise to provide strategic and operational advice and support to the ESR Board and its committees. The role of the Chief Executive and ELT is to manage day-to-day operations on behalf of the Board and the shareholding ministers.

Sir Ashley Bloomfield KNZM
Chief Executive

Mark Ottaway
General Manager Business Services, Deputy Chief Executive

Kirsten Beynon
General Manager Health Security

John Bone
General Manager Forensic

Bronwyn Kingdom
General Manager People and Culture (Acting)

Natalie Lombe
Director PRO Change Programme

Jymal Morgan
General Manager Māori Impact

Professor David Murdoch
Chief Scientist

Executive Leadership Team members at 30 June 2025. To view their biographies, visit the PHF Science (formerly ESR) website (www.phfscience.nz) or LinkedIn.

Crown Entity performance

Ministry of Business, Innovation and Employment core generic performance indicators are reported below.

Strategic objectives	Performance measure	Purpose	FY 2025 target	FY 2025 Year-end result	FY 2024 Year-end result
Strengthening business systems and processes	**End-user collaboration:** revenue per full-time employee (FTE) from commercial sources	Domestic and international commercial revenue targets for end-user collaboration (revenue per FTE from commercial sources) and the knowledge exchange indicator (commercial reports per FTE) reflect commercial research activity.	$179,000	**$173,563**	$167,351
	Financial indicators: revenue per FTE	Amount of revenue per FTE.	$236,000	**$233,849**	$235,500
Reshaping ESR's science	**Science quality:** impact of science publications*	Impact of science publications (measured using web of science citations for the previous calendar year).	4.5	**4.5**	4.3
	Research collaboration: publications with collaborators	These refer to publications we have prepared in collaboration with authors at other New Zealand institutes and/or international authors.	82	**112**	84
	Technology and knowledge transfer: commercial reports per scientist FTE	Technology transfer refers to the process of conveying results stemming from scientific and technological research to the marketplace along with associated skills and procedures. It is an intrinsic part of the technological innovation process.	0.18	**0.20**	0.16

* Calculated for a calendar year. Although reported as of 30 June 2025, this result is calculated for a calendar year (1 January to 31 December 2024).

All CRIs report against these core generic operating measures. These generic performance measures are designed to provide consistency across CRIs.

Financial performance and statements

Statement of responsibility

We certify that the Institute of Environmental Science and Research Limited (ESR) has operated in accordance with the principles of the Crown Research Institutes Act 1992 and the Companies Act 1993. ESR has also complied with all statutory environmental regulations. We acknowledge responsibility for the preparation of these financial statements and for the judgements used therein.

Internal control procedures are considered to be sufficient to provide reasonable assurance as to the integrity and reliability of the financial reports.

In our opinion these financial statements fairly reflect the financial position and operations of ESR for the year ended 30 June 2025.

Professor Sarah Young
Chair

Kate Thomson
Risk and Assurance Chair

Key financial performance measures

For the year ended 30 June 2025	Actual 2025	Budget 2025	Actual 2024
Revenue*	$117m	$109m	$134m
Operating margin	7.4%	5.5%	6.9%
Earnings before interest, tax, depreciation and amortisation (EBITDA) as a percentage of revenue			
Return on equity	4.7%	0.9%	3.5%
Net profit after taxation as a percentage of equity			
Return on assets	3.0%	(0.6%)	2.4%
Earnings before interest and tax as a percentage of total assets			
Profit volatility	14%	7%	17%
The standard deviation of EBITDA as a percentage of average EBITDA over the preceding 7 years			
Acid test ratio	1.7	1.9	3.3
Current assets excluding prepayments and inventory to current liabilities excluding deferred revenue			
Equity ratio	67.7%	67.0%	59.8%
Equity as a percentage of total assets			
Gearing	3.3%	3.8%	4.3%
Debt (including lease liabilities) as a percentage of debt and equity			
Revenue per full time equivalent employee*	$234,000	$236,000	$235,500
Operating margin per full time equivalent employee	$20,100	$12,900	$16,200
Earnings before interest, tax, depreciation and amortisation, per average full time equivalent employee for the year			

* *Actual and budget excludes ESR's research revenue from the Te Niwha Infectious Disease Research Platform, to be comparable with the Statement of Corporate Intent budget that excludes this revenue.*

Independent auditor's report

To the readers of the Institute of Environmental Science and Research Limited's Group financial statements for the year ended 30 June 2025

The Auditor-General is the auditor of the Institute of Environmental Science and Research (ESR) and its controlled entities (the Group). The Auditor-General has appointed me, Sarah Turner, 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 49 to 75, that comprise the Statement of Financial Position as at 30 June 2025, the Statement of Profit or Loss and Other Comprehensive Income, the Statement of Changes in Equity and the 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 and International Financial Reporting Standards Accounting Standards.

Our audit was completed on 17 September 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 Board approved budget.

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 statements 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 performance 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 on pages 1 to 45 and pages 76 to 81, but does not include the financial statements, and our auditor's report thereon.

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.

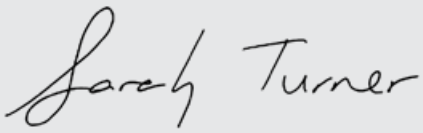
In connection with our audit of the financial statements, our responsibility is to read the other information. In doing so, we consider whether the other information is materially inconsistent with the financial statements

or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on our work, 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.

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 have carried out other engagements in the area of special purpose audits of the Schedule of Expenditures of Federal Awards for the years ended 30 June 2024 and 30 June 2025 which is compatible with those independence requirements. Other than the audit and these engagements, we have no relationship with or interests in, the Group or any of its subsidiaries.



Sarah Turner
On behalf of the Auditor-General
Wellington, New Zealand

PricewaterhouseCoopers

Financial statements

Statement of profit or loss and other comprehensive income

For the year ended 30 June 2025

Group	Note	Group Actual 2025 $'000s	Group Budget 2025 unaudited $'000s	Group Actual 2024 $'000s
Revenue				
Revenue from contracts with customers	2	105,235	96,377	112,033
Government grants*	2	30,464	36,735	21,499
		135,699	**133,112**	**133,532**
Operating expenses				
Scientific materials		8,445	8,861	9,103
Subcontracting, commissions and royalties		28,241	34,290	21,365
Personnel		67,685	64,609	72,277
Depreciation and amortisation	5/6	6,161	6,723	6,384
Other expenses	3	21,244	19,404	21,604
		131,776	**133,887**	**130,733**
Operating profit/(loss)		**3,923**	**(775)**	**2,799**
Interest income		2,651	1,918	2,288
Finance expense		(129)	(118)	(134)
		2,522	**1,800**	**2,154**
Profit before income tax expense		**6,445**	**1,025**	**4,953**
Income tax expense	4	2,593	287	2,626
Profit for the year attributable to the shareholders of the parent		**3,852**	**738**	**2,327**
Other comprehensive income		–	–	–
Total profit or loss and other comprehensive income for the year attributable to the shareholders of the parent		**3,852**	**738**	**2,327**

* *These numbers include the actuals and budget for research grant revenue from the Te Niwha Infectious Disease Research Platform because the Board approved budget included this revenue.*

The accompanying notes form an integral part of these financial statements.

Statement of changes in equity

For the year ended 30 June 2025

Group	Note	Share Capital $'000s	Retained earnings $'000s	Total equity $'000s
Balance at 30 June 2023		**8,494**	**52,212**	**60,706**
Issue of new shares	**14**	10,000	–	10,000
Profit for the year		–	2,327	2,327
Other comprehensive income		–	–	–
Total comprehensive income		**–**	**2,327**	**2,327**
Balance at 30 June 2024		**18,494**	**54,539**	**73,033**
Balance at 30 June 2024		**18,494**	**54,539**	**73,033**
Issue of new shares	**14**	15,000	–	15,000
Profit for the year		–	3,852	3,852
Other comprehensive income		–	–	–
Total comprehensive income		**–**	**3,852**	**3,852**
Balance at 30 June 2025		**33,494**	**58,391**	**91,885**

The accompanying notes form an integral part of these financial statements.

Statement of financial position

As at 30 June 2025

Group	Note	Group Actual 2025 $'000s	Group Budget 2025 unaudited $'000s	Group Actual 2024 $'000s
Non-current assets				
Property, plant and equipment	5	61,325	63,359	40,846
Right-of-use assets	7	2,933	2,677	3,122
Other investments		30	30	30
Investment cash	8	–	–	500
Intangible assets	6	5,214	5,830	4,716
Deferred taxation	13	–	1,509	339
		69,502	**73,405**	**49,553**
Current assets				
Cash and cash equivalents	8	14,355	6,526	13,857
Investment cash	8	36,500	28,124	39,255
Trade and other receivables	9	13,130	12,840	14,977
Contract assets	2	655	4,844	2,649
Inventories – scientific materials and consumables		1,375	1,146	999
Derivative financial instruments	19	295	–	–
Income tax receivable	12	–	2,127	900
		66,310	**55,607**	**72,637**
Current liabilities				
Trade and other payables	10	10,718	14,340	14,264
Contract liabilities	2	11,975	10,136	9,143
Government grants received in advance	2	9,596	4,148	14,013
Employee benefits	11	5,413	7,901	6,263
Lease liability	7	454	400	398
Derivative financial instruments	19	–	–	50
Income tax payable	12	397	–	–
		38,553	**36,925**	**44,131**
Net current assets		**27,757**	**18,682**	**28,506**

Group	Note	Group Actual 2025 $'000s	Group Budget 2025 unaudited $'000s	Group Actual 2024 $'000s
Non-current liabilities				
Employee benefits	**11**	2,342	2,122	2,163
Lease liability	**7**	2,652	3,007	2,863
Deferred taxation	**13**	380	–	–
		5,374	**5,129**	**5,026**
Net assets		**91,885**	**86,958**	**73,033**
Equity				
Share capital	**14**	33,494	33,494	18,494
Retained earnings		58,391	53,464	54,539
Total equity		**91,885**	**86,958**	**73,033**

The Board of Directors of the Institute of Environmental Science and Research Limited authorised these financial statements for issue on 17 September 2025.

On behalf of the Board:

Professor Sarah Young
Chair
17 September 2025

Kate Thomson
Risk and Assurance Chair
17 September 2025

The accompanying notes form an integral part of these financial statements.

Statement of cash flows

For the year ended 30 June 2025

Group	Note	Group Actual 2025 $'000s	Group Budget 2025 unaudited $'000s	Group Actual 2024 $'000s
Cash flows from/(used in) operating activities				
Cash was provided from:				
Customers and grants		137,547	122,421	135,481
Interest received		2,987	1,918	2,123
		140,534	**124,339**	**137,604**
Cash was applied to:				
Suppliers and employees		(130,607)	(126,370)	(124,432)
Income tax paid	12	(577)	(258)	(1,145)
		(131,184)	**(126,628)**	**(125,577)**
Net cash inflow/(outflow) from operating activities	15	**9,350**	**(2,289)**	**12,027**
Cash flows from/(used in) investing activities				
Cash was provided from:				
Investment cash maturities		82,593	42,000	31,030
		82,593	**42,000**	**31,030**
Cash was applied to:				
Purchase of property, plant and equipment		(24,381)	(28,337)	(9,277)
Purchase of intangible assets		(2,161)	(2,444)	(1,649)
Transfers to investment cash		(79,338)	(27,500)	(40,285)
		(105,880)	**(58,281)**	**(51,211)**
Net cash outflow from investing activities		**(23,287)**	**(16,281)**	**(20,181)**
Cash flows used in financing activities				
Cash was provided from:				
Capital contribution from the Crown	14	15,000	15,000	10,000
		15,000	**15,000**	**10,000**
Cash was applied to:				
Repayment of lease liabilities		(565)	(237)	(535)
		(565)	**(237)**	**(535)**
Net cash inflow from financing activities		**14,435**	**14,763**	**9,465**
Net increase/(decrease) in cash held		**498**	**(3,807)**	**1,311**
Cash and cash equivalents at the beginning of the year		13,857	10,333	12,546
Cash and cash equivalents at the end of the year	8	**14,355**	**6,526**	**13,857**

The accompanying notes form an integral part of these financial statements.

Notes to the financial statements

1. Statement of material accounting policies

Reporting entity

These financial statements of the Institute of Environmental Science and Research Limited and its subsidiaries ("ESR" and the "Group") are for the year ended 30 June 2025.

ESR is a Crown entity incorporated and based in New Zealand. Its registered office is 34 Kenepuru Drive, Porirua.

ESR is a Crown Research Institute that provides specialist scientific services and research to the public health, food safety, security and justice systems, and the environmental sector.

Statement of compliance

The financial statements have been prepared in accordance with the requirements of the Crown Entities Act 2004, the Crown Research Institute Act 1992, the Companies Act 1993 and the Financial Reporting Act 2013.

These financial statements have been prepared in accordance with Generally Accepted Accounting Practice in New Zealand (NZ GAAP). They comply with New Zealand equivalents to International Financial Reporting Standards (NZ IFRS), International Financial Reporting Standards Accounting Standards and other New Zealand accounting standards and authoritative notices as appropriate for for-profit entities.

Basis of preparation

The financial statements are prepared on the basis of historical cost, except for financial instruments and long service leave as identified in the specific accounting policies and accompanying notes.

The financial statements are presented in New Zealand dollars and all values are rounded to the nearest thousand dollars ($000).

The budget and target figures presented in these financial statements are unaudited.

On 1 July 2025, the Institute of Environmental Science and Research Limited was renamed to New Zealand Institute for Public Health and Forensic Science Limited as part of the New Zealand science sector reforms. These reforms and this name change does not affect the recognition or measurement of assets and liabilities as at 30 June 2025. The going concern basis of preparation is considered appropriate and there are no indicators of impairment as all assets will continue to be used.

Critical accounting estimates and judgements

The preparation of financial statements requires judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances. Actual results may differ from these estimates. The estimates and assumptions are reviewed on an on-going basis.

The decision to treat some property development expenditure as property, plant and equipment requires considerable judgement. For the 2024 financial year demolition costs have been treated as property, plant and equipment as these are considered to be directly attributed to the new building at the Kenepuru Science Centre.

Government grants

Strategic science investment funding

ESR receives strategic science investment funding from the Government in order to perform scientific research activities. Strategic science investment funding is treated as a Government grant under NZ IAS 20. This is recognised in the statement of profit or loss on a systematic basis over the periods in which ESR recognises as expenses the related costs for which the grants are intended to compensate when the requirements under the funding agreement have been met.

ESR co-hosts the Infectious Disease Platform (Te Niwha) with University of Otago. This platform, which is also a Strategic science investment fund, is also treated as a Government grant under IAS 20 and is recognised gross in the statement of profit or loss for research into future infectious disease threats.

Ministry of Health

During the 2023 financial year, the Ministry of Health funded a refit of a sequencing lab and the purchase of items of scientific equipment to be used in relation to the response to COVID-19. This funding has been accounted for as a Government Grant. There are no conditions or other contingencies attached to this grant, other than they are used in support of the Ministry's contracted services. The grant related to this purchase is recognised in government grants received in advance and will be credited to profit or loss on a straight-line basis over the expected lives of the related assets.

Inventories

Stocks of consumables and work in progress are stated at the lower of cost and net realisable value. Cost is determined on a first in, first out basis.

Interest income

Interest income is recognised in the statement of profit or loss and other comprehensive income on a time proportion basis, using the effective interest rate method.

Foreign currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates. The Group financial statements are presented in New Zealand dollars, which is ESR's functional currency.

Foreign currency transactions are recorded at the foreign exchange rates in effect at the dates of the transactions. Monetary assets and monetary liabilities denominated in foreign currencies are translated at the rates of exchange ruling at the end of each reporting period.

Other accounting policies

Other material accounting policies adopted in the preparation of these financial statements are provided throughout the notes to the financial statements.

Changes to accounting policies

There have been no changes to accounting policies which have been applied on a basis consistent with prior year.

Adoption status of relevant new financial reporting standards and interpretations

In May 2024, the XRB introduced NZ IFRS 18 Presentation and Disclosure in Financial Statements (NZ IFRS 18) (effective for annual reporting periods beginning on or after 1 January 2027). This standard replaces NZ IAS 1 Presentation of Financial Statements (NZ IAS 1) and primarily introduces a defined structure for the statement of profit and loss and other comprehensive income, disclosure of management-defined performance measures (a subset of non-GAAP measures) in a single note together with reconciliation requirements. The Group has not early adopted this standard and is yet to assess its impacts.

2. Revenue

a. Revenue from contracts with customers

Revenue from contracts with customers is recognised when control of the goods or services is transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services.

For some contracts, revenue is recognised based on the actual service provided to the end of the reporting period as a proportion of the total services to be provided, as the customer receives and uses the benefits simultaneously or the Group has an enforceable right to payment for performance completed to date. The revenue recognised is typically determined based on actual labour hours and other costs incurred.

Estimates of revenues, cost or extent of progress toward completion are revised if circumstances change. Any resulting increases or decreases in estimated revenues or costs are reflected in profit or loss in the period in which the circumstances that give rise to the revision become known by management.

In case of fixed payment schedule contracts, the customer pays the fixed amount based on payment schedule. If the services rendered by the Group exceed the payment schedule, a contract asset is recognised. If the payments exceed the services rendered, a contract liability is recognised.

Sale of software

The Group sells expert forensic analysis software. Contracts for the sale of this software comprise several deliverables: software license, software upgrades, training and support.

Revenue for each deliverable is recognised as the related performance obligation is satisfied, either at a point in time or over time. Revenue from software licenses and training is recognised at a point in time when, respectively, the customer has been provided with access to the software licenses and training has been delivered. Software upgrades and support revenues are recognised over time. Software upgrade revenue is recognised over time as the Group has a stand ready obligation to provide software upgrades and enhancements as and when they are available. Software support revenue is recognised as the customer utilises the support purchased with the software license.

Invoicing or payment for software upgrades and support is generally made in advance of the satisfaction of these performance obligations. A contract liability is recognised to the extent payment received or due exceeds the services rendered by the Group.

The transaction price is allocated to each performance obligation based on the standalone selling price or estimated based on industry benchmarks.

Satisfaction of performance obligations

Revenue for contract deliverables is recognised as the related performance obligation is satisfied, either at a point in time or over time.

The Group has determined that the various deliverables included within a contract for the sale of forensic analysis software are capable of being distinct.

For the majority of other contract deliverables, the Group has concluded that the satisfaction of performance obligations occurs over time. In these circumstances the Group has determined that an input method is most appropriate in measuring progress on a contract as there is a direct relationship between the Group's effort (i.e. labour hours and other costs incurred) and the transfer of services to the customer. In these circumstances the Group recognises revenue on the basis of labour hours expended and other costs incurred, relative to the total expected cost to complete the service.

Revenue from the balance of commercial and research activities is recognised at a point in time. This is the point at which the Group has determined it has transferred control of the related good or service to the customer.

i. Disaggregated revenue information

Group – year ended 30 June 2025	**Domestic $'000s**	**International $'000s**	**Total $'000s**
Core government contracts	78,462	–	78,462
Research	2,182	5,330	7,512
Commercial products and services	5,456	13,805	19,261
	86,100	**19,135**	**105,235**

Group – year ended 30 June 2024	**Domestic $'000s**	**International $'000s**	**Total $'000s**
Core government contracts	85,506	–	85,506
Research	2,918	4,210	7,128
Commercial products and services	5,096	14,303	19,399
	93,520	**18,513**	**112,033**

Note that the overall research output of the Group includes activity funded by $30,464,000 (2024: $21,499,000) of Strategic Science Investment Funding. This funding is accounted for as a government grant and not included in the table above.

ii. Remaining performance obligations

The transaction price for bundled deliverables associated with software license sales is allocated to each performance obligation based on the standalone selling price or estimate based on industry benchmarks.

The transaction price allocated to the remaining performance obligations (unsatisfied or partially unsatisfied) was $13,538,000 as at 30 June 2025 (2024: $11,339,000), split between current and non-current as below:

	2025 $'000s	2024 $'000s
Current	7,233	9,655
Non-current	6,305	1,684
	13,538	**11,339**

The remaining performance obligations expected to be recognised in more than one year relate to multi-year research projects to be completed over the next five years, and prepaid software upgrades. All other remaining performance obligations are expected to be recognised within one year.

The balance of current remaining performance obligations does not include obligations under contracts for periods of one year or less.

iii. Contract balances

Principal versus agent considerations

The Group has concluded that it is the principal in its revenue arrangements as it controls the goods or services before they are transferred to the customer.

Variable consideration

Where the consideration in a contract includes a variable amount arising from a value based rebate, the Group estimates the amount of consideration to which it will be entitled in exchange for transferring the goods or services to the customer. The Group applies the most likely amount method to determine the amount to which it will ultimately be entitled.

Financing Components

The Group does not have any 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.

Group	2025 $'000	2024 $'000
Trade receivables	10,243	12,338
Contract assets	655	2,649
Contract liabilities	11,975	9,143
Government grants received in advance	9,596	14,013

Trade receivables are non-interest bearing and generally on terms of 30 to 90 days.

Contract assets comprise revenue due from customers and capitalised costs of obtaining contracts for software sales.

- Revenue due from customers are balances recognised for services rendered where receipt of consideration is dependent on the completion of a project milestone and acceptance by the customer. Amounts initially recognised as contract assets are reclassified as trade receivables as milestones are completed and invoicing agreed with the customer.
- Incremental costs of obtaining contracts for software sales are $144,000 as at 30 June 2025 (2024: $6,000). These costs are initially capitalised and then amortised systematically as the related performance obligation is satisfied. Amortisation recognised in 2025 was $2,333,000 (2024: $2,569,000).

Contract liabilities represent amounts relating to research projects and software sales and support where the payment received or due under the contract precedes the satisfaction of performance obligations by the Group. Contract liabilities are recognised as revenue when these performance obligations are satisfied.

The Group recognised revenue of $4,091,117 (2024: $11,922,000) during the year that was included in contract liabilities at the beginning of the period. No revenue was recognised in the year from performance obligations partially or fully satisfied in prior years.

b. Government grants

During the year ESR received Government grants of $14,000,000 (2024: $12,500,000) relating to the Infectious Disease Platform (Te Niwha) out of which $6,458,000 (2024: $10,689,000) is recognised as Government grants received in advance as at 30 June 2025. ESR recognised Government grants of $18,231,000 (2024: $9,265,000) relating to Te Niwha as part of revenue for the year ended 30 June 2025.

In 2023 ESR received $3,495,000 from the Ministry of Health for a sequencing lab refit. This grant will be recognised as income in equal amounts over the expected useful life of the asset. The sequencing lab refit as at 30 June 2023 was recorded within assets under construction, this was capitalised in 2024. The balance of the grant received in advance as at 2025 was $3,138,000 (2024: $3,324,000).

3. Other expenses

Group	Note	2025 $'000	2024 $'000
Communication costs (including network charges)		305	429
Depreciation expense on right-of-use assets		469	443
Directors' expenses		34	27
Directors' fees	**18**	337	320
Fair value (gain) / loss on forward exchange contract		(344)	78
Fees paid to PricewaterhouseCoopers for:			
- audit of the statutory financial statements		285	278
- audit related services		98	44
IT systems maintenance and licence costs		4,017	4,008
Legal and consulting fees		1,666	1,955
Occupancy and insurance		4,615	4,844
Office and administration		2,225	2,253
Other operating costs		1,039	632
Outsourced costs		3,115	3,741
Rental and lease costs		225	285
Restructuring expense		1,652	139
(Reversal of impairment) / impairment of receivables		(22)	4
Travel		1,528	2,124
Total other expenses		**21,244**	**21,604**

Given the nature of ESR's principal business activities, research comprises part of ESR's everyday business operations. As such, expenses relating to research are not separately identified. The cost of research to ESR is distributed between the relevant expense items, for example employee benefits and scientific materials used.

Audit related services relates to the Schedule of Expenditures of Federal Awards of Institute of Environmental Science and Research Limited. The 2025 fee relates to the year end 30 June 2025 and 30 June 2024 (2024 fee relates to the year ended 30 June 2023).

4. Taxation

Group	Note	2025 $'000s	2024 $'000s
The taxation charge has been calculated as follows:			
Profit before income tax expense		**6,445**	**4,953**
Prima facie taxation at 28%		1,805	1,387
Plus taxation effect of:			
Effect of removal of tax depreciation on buildings		–	1,100
Deferred tax impact on FY24 building costs capitalised to work in progress (net of future Investment Boost tax deductions)		785	–
Net prior period adjustments		5	114
(Assessable)/non-deductible items		(2)	25
Tax expense for the year		**2,593**	**2,626**
The tax expense for the year is represented by:			
Current taxation	**12**	1,874	1,456
Deferred taxation	**13**	719	1,170
Tax expense for the year		**2,593**	**2,626**

5. Property, plant and equipment

Items of property, plant and equipment are initially recorded at cost and subsequently at cost less accumulated depreciation and impairment. The cost of property, plant and equipment includes the value of consideration given to acquire the assets and the value of other directly attributable costs that have been incurred in bringing the assets to the location and condition necessary for their intended use.

The carrying amounts of property, plant and equipment are reviewed at least annually to determine if there is any indication of impairment. Where an asset's recoverable amount is less than its carrying amount, it will be reported as its recoverable amount and an impairment loss will be recognised.

Losses resulting from impairment are reported in profit or loss.

Realised gains and losses arising from the disposal of property, plant and equipment are recognised in the profit or loss in the periods in which the transactions occur.

Depreciation is charged on a straight-line basis at rates calculated to allocate the cost of an item of property, plant and equipment, less any estimated residual value, over its estimated useful life, as follows:

Type of Asset	Estimated useful life
Land	Not depreciated
Freehold buildings and building fit out	1–65 years
Leasehold improvements	10 years
Plant, equipment and vehicles	3–10 years
IT equipment	3–12 years

Group	Freehold land $'000s	Buildings and leasehold improvements $'000s	IT equipment $'000s	Plant, equipment and vehicles $'000s	Assets under construction $'000s	Total $'000s
At 1 July 2023						
Cost	476	34,836	10,038	41,586	10,874	97,810
Accumulated Depreciation	–	(19,828)	(8,279)	(33,894)	–	(62,001)
Net book value at the end of the year	**476**	**15,008**	**1,759**	**7,692**	**10,874**	**35,809**
Year ended 30 June 2024						
Net book value at the beginning of the year	476	15,008	1,759	7,692	10,874	35,809
Additions	–	1,794	865	2,144	5,184	9,987
Transfers from assets under construction	–	3,844	-	96	(3,940)	–
Disposals	–	(44)	(4)	(81)	–	(129)
Depreciation for the year	–	(1,851)	(1,091)	(1,879)	–	(4,821)
Net book value at the end of the year	**476**	**18,751**	**1,529**	**7,972**	**12,118**	**40,846**
At 30 June 2024						
Cost	476	39,954	9,932	41,908	12,118	104,388
Accumulated depreciation	–	(21,203)	(8,403)	(33,936)	–	(63,542)
Net book value at the end of the year	**476**	**18,751**	**1,529**	**7,972**	**12,118**	**40,846**
Year ended 30 June 2025						
Net book value at the beginning of the year	476	18,751	1,529	7,972	12,118	40,846
Additions	–	140	1,023	1,496	22,390	25,049
Transfers from assets under construction	–	–	336	82	(418)	–
Disposals	–	(31)	(17)	(25)	–	(73)
Depreciation for the year	–	(1,589)	(1,066)	(1,842)	–	(4,497)
Net book value at the end of the year	**476**	**17,271**	**1,805**	**7,683**	**34,090**	**61,325**
At 30 June 2025						
Cost	476	40,041	10,891	42,582	34,090	128,080
Accumulated depreciation	–	(22,770)	(9,086)	(34,899)	–	(66,755)
Net book value at the end of the year	**476**	**17,271**	**1,805**	**7,683**	**34,090**	**61,325**

ESR does not have any property, plant and equipment used as security for liabilities.

ESR has approval to redevelop the Kenepuru Science Centre. The useful life of the existing building and plant assets at this site has been reassessed and the Group is accelerating depreciation on these assets to between one and five years.

Design costs as well as initial demolition and pre-construction costs associated with the redevelopment of the Kenepuru Science Centre are included within assets under construction.

There have been no indications of impairment.

Restriction on title

In relation to the transfer of land owned by ESR, shareholding ministers shall have regard to the principles of the Te Tiriti o Waitangi in accordance with section 10 of the Crown Research Institutes Act 1992.

Properties owned by ESR in Christchurch, Wellington and Auckland have caveats on the land as required by section 31 of the Crown Research Institutes Act 1992, which maintains the general provisions of the Public Works Act 1981. ESR complies with section 31 of the Crown Research Institutes Act 1992.

6. Intangible assets

Computer software

Items of computer software that do not comprise an integral part of the related hardware are treated as intangible assets with finite lives. Intangible assets with finite lives are recorded at cost, and subsequently recorded at cost less any accumulated amortisation and impairment losses. Amortisation is charged to the statement of profit or loss and other comprehensive income on a straight-line basis over the useful life of the net asset (between 3 and 12 years).

Customer contracts

The intangible asset customer contracts present the fair value of future revenue streams from customer contracts acquired under business combinations. Initial recognition of the intangible asset is stated at fair value. Subsequent to initial recognition, acquired intangible assets are stated at initially recognised amounts less accumulated amortisation and any impairment. Amortisation of acquired intangible assets is made according to the straight-line method over their estimated useful life, not exceeding ten years.

Research and development costs – internally generated intangible assets

Expenditure on research is expensed when it is incurred.

Development expenditure incurred on an individual project is capitalised if the process is technically and commercially feasible, future economic benefits are probable and ESR intends to, and has sufficient resources to, complete development and to use or sell the asset.

Any expenditure capitalised is amortised over three years from the point the asset is ready to use, which is the point of expected future sales from the related project.

Software-as-a-Service (SaaS) arrangements

SaaS arrangements are service contracts providing the Group with the right to access the cloud provider's application software over the contract period. Costs incurred to configure or customise, and the ongoing fees to obtain access to the cloud provider's application software, are recognised as operating expenses when the services are received.

Some of these costs incurred are for the development of software code that enhances or modifies, or creates additional capability to, existing on-premise systems and meets the definition of and recognition criteria for an intangible asset. These costs are recognised as intangible software assets and amortised over the useful life of the software on a straight-line basis. The useful lives of these assets are reviewed at least at the end of each financial year, and any change accounted for prospectively as a change in accounting estimate.

There are no intangible assets recognised under SaaS arrangement for the current year (2024: Nil).

Impairment of non-financial assets

Intangible assets that have an indefinite useful life or intangible assets not yet ready to use are not subject to amortisation and are tested annually for impairment.

Assets that are subject to depreciation and amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and its value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which they are separately identifiable cash flows (cash-generating units).

Group	Computer software – externally purchased $'000s	Computer software – internally generated $'000s	Customer contracts $'000s	Assets under construction $'000s	Total $'000s
At 1 July 2023					
Cost	5,023	17,465	1,338	1,185	25,011
Accumulated amortisation and impairment losses	(4,935)	(14,111)	(1,338)	-	(20,384)
Net book value at the end of the year	**88**	**3,354**	**–**	**1,185**	**4,627**
Year ended 30 June 2024					
Net book value at the beginning of the year	88	3,354	–	1,185	4,627
Additions	8	530	–	1,115	1,653
Transfers from assets under construction	–	896	–	(896)	–
Disposals	(1)	–	–	–	(1)
Amortisation for the year	(42)	(1,521)	–	–	(1,563)
Net book value at the end of the year	**53**	**3,259**	**–**	**1,404**	**4,716**
At 30 June 2024					
Cost	5,027	18,891	1,338	1,404	26,660
Accumulated amortisation and impairment losses	(4,974)	(15,632)	(1,338)	–	(21,944)
Net book value at the end of the year	**53**	**3,259**	**–**	**1,404**	**4,716**
Year ended 30 June 2025					
Net book value at the beginning of the year	53	3,259	–	1,404	4,716
Additions	16	1,298	–	856	2,170
Transfers from assets under construction	–	1,059	–	(1,059)	–
Disposals	(8)	–	–	–	(8)
Amortisation for the year	(36)	(1,628)	–	–	(1,664)
Net book value at the end of the year	**25**	**3,988**	**–**	**1,201**	**5,214**
At 30 June 2025					
Cost	5,034	21,248	1,338	1,201	28,821
Accumulated amortisation and impairment losses	(5,009)	(17,260)	(1,338)	–	(23,607)
Net book value at the end of the year	**25**	**3,988**	**–**	**1,201**	**5,214**

ESR does not have any intangible assets for which title is restricted or used as security for liabilities.

7. Leases

The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

Right-of-use assets

The Group recognises right-of-use assets at the commencement date of the lease (i.e. the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred and lease payments made at or before the commencement date less any incentives received. The recognised right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term. Right-of-use assets are subject to impairment.

Lease liabilities

At the commencement date of the lease, the Group recognises the lease liabilities measured at the present value of lease payments to be made over the lease term.

In determining the non-cancellable term of a lease, the Group considers all relevant facts and circumstances that create an economic incentive for the lessee to either exercise an option to extend a lease or to terminate the lease.

In calculating the present value of lease payments, the Group uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term or a change in the in-substance fixed lease payments.

Amounts recognised in the statement of financial position and statement of profit or loss and other comprehensive income

	Right-of-use assets				
	Buildings $'000s	**Motor vehicles $'000s**	**Printers $'000s**	**Total $'000s**	**Lease liabilities $'000s**
As at 1 July 2023	**3,495**	**68**	**–**	**3,563**	**3,659**
Additions and modifications to contracts	2	–	–	2	2
Depreciation expense	(403)	(40)	–	(443)	–
Interest expense	–	–	–	–	135
Payments	–	–	–	–	(535)
As at 30 June 2024	**3,094**	**28**	**–**	**3,122**	**3,261**

	Right-of-use assets				
	Buildings $'000s	**Motor vehicles $'000s**	**Printers $'000s**	**Total $'000s**	**Lease liabilities $'000s**
As at 1 July 2024	**3,094**	**28**	–	**3,122**	**3,261**
Additions and modifications to contracts	–	71	209	280	280
Depreciation expense	(406)	(38)	(25)	(469)	–
Interest expense	–	–	–	–	130
Payments	–	–	–	–	(565)
As at 30 June 2025	**2,688**	**61**	**184**	**2,933**	**3,106**

The maturity of the lease liabilities is as follows:

	2025 $'000s	2024 $'000s
Less than one year	454	398
One to five years	2,652	2,863
Total lease liabilities	**3,106**	**3,261**

8. Cash and cash equivalents and investment cash

	2025 $'000s	2024 $'000s
Total cash and cash equivalents	**14,355**	**13,857**
Investment cash current	36,500	39,255
Investment cash non-current	–	500
Total investment cash	**36,500**	**39,755**

Within the cash and cash equivalent balance includes $4,313,000 (2024: $5,580,000) and within investment cash current includes $5,000,000 (2024: $3,000,000) relating to Te Niwha funding designated account which is not restricted.

9. Trade and other receivables

Trade and other receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less any provision for impairment.

Collectability of receivables is reviewed on an ongoing basis. An allowance for expected credit losses is established from day one in the acknowledgement that the expected credit losses model assumes that there are very limited circumstances under which a debt has no risk (implying a nil provision is not appropriate). Bad debts are written off in the period in which they are identified.

Group	2025 $'000s	2024 $'000s
Trade debtors	9,811	11,174
Other receivables	448	1,203
Allowance for expected credit losses	(16)	(39)
	10,243	**12,338**
Prepayments	2,887	2,639
Total trade and other receivables	**13,130**	**14,977**

As at 30 June 2025, trade receivables of $2,651,000 (2024: $4,488,000) were past due but not impaired. These relate to a number of customers for whom there is no recent history of default. The ageing analysis of these trade receivables is as follows:

Group	2025 $'000s	2024 $'000s
Past due 1 – 30 days	1,004	2,145
Past due 31 – 60 days	875	550
Past due >61 days	772	1,793
Total past due trade receivables	**2,651**	**4,488**

10. Trade and other payables

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade payables are recognised initially at fair value and subsequently at amortised cost using the effective interest method.

Goods and Services Tax

Items in the statement of profit or loss and other comprehensive income and statement of cash flows are disclosed net of Goods and Services Tax (GST). All items in the statement of financial position are stated net of GST with the exception of receivables and payables, which include GST invoiced.

Group	2025 $'000s	2024 $'000s
Accrued expenses	5,941	4,596
GST payable	376	861
Trade payables	4,401	8,807
Total trade and other payables	**10,718**	**14,264**

11. Employee benefits

Wages, salaries and annual leave

Liabilities for wages and salaries including annual leave that are expected to be settled within 12 months of the reporting date are recognised in respect of employees' services up to the reporting date and are measured at the amounts expected to be paid when the liabilities are settled.

Obligations for contributions to defined contribution retirement plans are recognised as an expense in the statement of profit or loss and other comprehensive income as they fall due.

Long service leave and retirement leave

Liabilities for long service leave and retirement leave are recognised as employee benefit liabilities and measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date. Consideration is given to the expected future salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date for government bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

Group	2025 $'000s	2024 $'000s
Annual leave accrual	5,127	5,972
Service leave accrual	219	270
Other	67	21
Total current employee benefits	**5,413**	**6,263**
Service leave accrual	2,297	2,125
Retirement leave accrual	45	38
Total non-current employee benefits	**2,342**	**2,163**

12. Income tax payable/(receivable)

Current tax is calculated with reference to the current period's taxable profit or loss calculated using tax rates and tax laws that have been enacted or substantially enacted by reporting date. Current tax for the current and prior periods is recognised as a liability (or asset) to the extent that it is unpaid (or refundable).

Group	2025 $'000s	2024 $'000s
Balance at the beginning of the year	(900)	(1,211)
Current year charge	2,069	1,528
Prior period adjustment	(195)	(72)
Provisional taxation payments	(577)	(1,145)
Total income tax payable/(receivable)	**397**	**(900)**

13. Deferred taxation

Deferred tax is calculated using the comprehensive balance sheet liability method in respect of temporary differences arising from differences between the carrying amount of assets and liabilities in the financial statements and the tax base for those terms.

Deferred tax assets and liabilities are not recognised if the temporary differences giving rise to them from the initial recognition of assets and liabilities (other than as a result of a business combination) affects neither taxable income nor accounting profit and does not give rise to equal taxable and deductible temporary differences.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available against which deductible temporary differences or unused tax losses and tax offsets can be utilised.

Deferred tax assets and liabilities are measured at the tax rates expected to apply when the assets are recovered or liabilities settled using tax rates and tax laws that have been enacted or substantially enacted by the reporting date.

Group	2025 $'000s	2024 $'000s
Balance at the beginning of the year	(339)	(1,509)
Effect of removal of tax depreciation on buildings	–	1,100
Deferred tax impact on FY24 building costs capitalised to work in progress (net of future investment Boost tax deductions)	785	–
Prior period adjustment	201	188
Charge to settlement of profit or loss and other comprehensive income	(267)	(118)
Total deferred taxation liability/(asset)	**380**	**(339)**

	Accelerated tax depreciation	Employee benefits	Provisions and other items	Total
	$'000s	$'000s	$'000s	$'000s
Year ended 30 June 2024				
Balance at the beginning of the year	1,065	(2,506)	(68)	(1,509)
Effect of removal of tax depreciation on buildings	1,100	–	–	1,100
Over provision in prior years	188	–	–	188
Current year credit to statement of profit or loss and other comprehensive income	(379)	276	(15)	(118)
Total deferred taxation liability/(asset)	**1,974**	**(2,230)**	**(83)**	**(339)**
Year ended 30 June 2025				
Balance at the beginning of the year	1,974	(2,230)	(83)	(339)
Effect of removal of tax depreciation on buildings	–	–	–	–
Deferred tax impact on FY24 building costs capitalised to work in progress (net of future investment Boost tax deductions)	785	–	–	785
Under provision in prior years	201	–	–	201
Current year credit to statement of profit or loss and other comprehensive income	(416)	152	(3)	(267)
Total deferred taxation liability/(asset)	**2,544**	**(2,078)**	**(86)**	**380**

There are no unrecognised deferred tax assets or liabilities.

In March 2024, the New Zealand Government enacted the Taxation 2023/24 (Annual Rates for 2023-24, Multinational Tax and Remedial Matters) Bill. As a result, from the 2024/25 income tax year onwards, the Group can no longer claim any tax depreciation on their building with estimated useful lives of 50 years or more in New Zealand. The Group assessed the accounting impact of this change, which resulted in an increased deferred tax liability recognised on Plant, property and equipment.

The Taxation (Budget Measures) Act (No 2) 2025 was enacted on 22 May 2025, which introduced the Investment Boost rules. These allow businesses to claim an immediate tax deduction equal to 20% of the cost of qualifying new (or new to New Zealand) assets acquired on or after that date and in addition to standard tax depreciation. The rules also apply to new commercial and industrial buildings, even though such buildings are otherwise nondepreciable for tax purposes. ESR recognised the effects of the legislative change in the current period in accordance with NZ IAS 12 *Income Taxes*, which requires accounting for the impact of enacted tax law changes in the period of enactment.

The rules also apply to new commercial and industrial buildings including those under construction, provided the building is first used or available for use on or after 22 May 2025. For qualifying buildings, 80% of the cost remains nondeductible and nondepreciable so the initial recognition exemption (IRE) applies, and no deferred tax is recognised on that portion. A deferred tax liability is recognised on the remaining 20%, which will be immediately deductible under the Investment Boost.

14. Equity

Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown as appropriate in equity as a deduction, net of tax, from the proceeds.

Dividends

A provision is made for the amount of any dividend declared on or before the end of the financial year but not distributed at balance date.

Share capital Group	2025 $'000s	2024 $'000s
33,494,000 (2024: 18,494,000) ordinary $1 shares (issued and fully paid)	33,494	18,494

All ordinary shares rank equally with one vote attached to each fully paid ordinary share.

The increase in share capital this year relates to the second of two capital contributions from the Crown amounting to $15m; comprising 15,000,000 ordinary shares of $1.00 each issued in the previous financial year but paid in 2025. The first capital injection of $10m comprising 10,000,000 ordinary shares of $1.00 each had been issued and were received in the previous financial year. The purpose of the $25m capital injection is to provide funding to progress the build of the new Kenepuru Science Centre.

No dividends were proposed or declared for the 30 June 2025 year (2024: nil).

15. Reconciliation of profit after taxation to cash flows from operating activities

Cash and cash equivalents

Cash means cash on hand, demand deposits and other highly liquid investments in which ESR has invested as part of its day-to-day cash management. The following definitions are used in the statement of cash flows:

- Investing activities are those relating to the acquisition, holding and disposal of fixed assets and investments.
- Financing activities are those activities that result in changes in the size and composition of the capital structure of ESR and this includes both equity and debt not falling within the definition of cash. Dividends paid in relation to the capital structure are included in financing activities.
- Operating activities are the principal revenue producing activities and other activities that are not investing and financing activities.

Investment cash

Investment cash represents cash held in bank deposits with original maturities greater than 3 months. Investment cash movements are included in investing activities in the statement of cash flows.

Group	Note	2025 $'000s	2024 $'000s
Profit for the year after taxation		**3,852**	**2,327**
Non-cash items:			
Depreciation and amortisation expense	**5/6**	6,161	6,384
Depreciation on right-of-use assets	**7**	469	443
Gain on modification of lease contracts	**7**	–	2
Decrease in allowance for expected credit losses	**9**	(23)	(4)
Decrease in deferred tax asset	**13**	719	1,170
Fair value (gain)/loss on derivative financial instruments		(345)	78
Other non-cash items		–	(3)
		6,981	**8,070**
Changes in working capital:			
Increase in trade and other receivables and contract assets		3,864	(1,300)
Decrease/(increase) in inventories		(376)	61
Increase in trade and other payables and contract liabilities		(715)	776
Increase in government grants received in advance		(4,417)	3,071
Decrease/(increase) in income tax receivable		1,297	311
(Decrease)/increase in employment benefits		(671)	(841)
		(1,018)	**2,078**
Items classified as investing and financing activities:			
Loss on disposal of property, plant and equipment		13	61
Decrease in trade payables related to property, plant and equipment		(608)	(644)
Finance charge on leases		130	135
		(465)	**(448)**
Net cash inflow from operating activities		**9,350**	**12,027**

16. Investments

Subsidiaries

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of ESR as at 30 June 2025 and the results of the operations of all subsidiaries for the year then ended.

Subsidiaries are those entities controlled, directly or indirectly, by the Parent. Subsidiaries are consolidated from the date on which control is transferred to ESR. They are de-consolidated from the date that control ceases.

The acquisition method of accounting is used to account for the acquisition of business by the Group. The cost of an acquisition is measured as the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date, irrespective of the extent of any non-controlling interest. The excess of the cost over the fair value of the Group's share of the identifiable net assets acquired is recorded as goodwill. If the cost of acquisition is less than the Group's share of the fair value of the identifiable net assets of the subsidiary acquired, the difference is recognised directly in the profit or loss.

ESR has three wholly owned subsidiary companies:

Name	Country	Principal activities	Ownership
ESR Limited	New Zealand	Shell company	100%
STRmix Limited	New Zealand	Forensic software that helps resolve complex mixtures of human DNA	100%
ESR Charitable Solutions Limited	New Zealand	Undertake research, education and training that advances scientific understanding and practical solutions to improve wellbeing in the domains of public health, health security and crime prevention in New Zealand	100%

ESR's financial statements include the financial statements of ESR and entities controlled by ESR. All intra-group transactions balances, income and expenses are eliminated in full on consolidation.

On 17 December 2024 ESR Charitable Solutions Limited was incorporated. No stake in any other subsidiary was acquired or disposed of.

17. Commitments

Capital commitments

Group	2025 $'000s	2024 $'000s
Property, plant and equipment	50,678	77,310
Intangible assets – software	210	114
Total capital commitments	**50,888**	**77,424**

ESR has a number of standard operational agreements for the purchase of materials and consumables that have both fixed and variable components, some of which extend beyond one year.

The property, plant and equipment commitment amount includes contracts relating to the redevelopment of the Kenepuru Science Centre.

18. Related party transactions and key management personnel

Related party transactions

ESR is a wholly owned entity of the Crown. ESR receives Strategic Science Investment Funding from the Government and enters into transactions with other Crown entities on a commercial basis. In the year ended 30 June 2025 revenue from commercial transactions with Crown entities amounted to 74% of operating revenue (30 June 2024: 79%).

The following transactions were carried out by ESR with related parties:

- Fees paid to directors during the year were $336,567 (30 June 2024: $319,711). Directors' fees payable at balance date $3,571 (30 June 2024: nil).
- During the 2024 financial year, ESR purchased services of $26,400 (2025: nil) from Ihu Pakiri Limited, a company of which a member of the ESR Senior Leadership Team is a director. The services purchased related to te reo and tikanga Māori learning.

No provision has been required, nor any expense recognised, for impairment of receivables from related parties.

Key management personnel compensation

Key management personnel comprise the Chief Executive Officer, senior management and the directors. Key management personnel compensation is disclosed below:

Group	2025 $'000s	2024 $'000s
Salaries and other short-term employee benefits	2,857	3,409
Termination benefits	888	–
Directors' fees	337	320
Total key management personnel compensation	**4,082**	**3,729**

19. Financial instruments by category

The designation of financial assets and financial liabilities by ESR into instrument categories is determined by the business purposes of the financial instruments, policies and practices, the relationship with other instruments and the reporting costs and benefits associated with each designation.

Financial assets

The Group classifies its financial assets either at amortised cost or at fair value through profit or loss. ESR determines the classification of its financial assets at initial recognition.

Financial assets at amortised cost are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than 12 months after the reporting date, which are classified as non-current assets. ESR's financial assets at amortised cost comprise trade and other receivables, investment cash, and cash and cash equivalents in the statement of financial position.

Regular purchases and sales of financial assets are recognised on the trade-date – the date on which the Group commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the investments have expired or have been transferred and the Group has transferred substantially all risks and rewards of ownership. Financial assets at amortised cost use the effective interest method.

The Group recognises an allowance for expected credit losses (ECLs) for all financial assets at amortised cost or for all financial assets not at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate.

Non-derivative financial liabilities

Financial liabilities held by ESR include trade and other payables, employee benefits and lease liabilities.

Such financial liabilities are recognised initially at fair value less transaction costs and subsequently measured at amortised cost using the effective interest rate method.

Derivatives

Derivative financial instruments are recognised both initially and subsequently at fair value. They are reported as either assets or liabilities depending on whether the derivative is in a net gain or net loss position. ESR does not use hedge accounting and as such derivatives are classified as held-for-trading financial instruments with fair value gains or losses recognised in profit or loss. Such derivatives are entered into for risk management purposes.

Group	Note	Financial assets at amortised cost $'000s	Financial assets at fair value through profit or loss $'000s	Total $'000s
30 June 2025				
Assets as per balance sheet				
Trade and other receivables excluding prepayments	**9**	10,243	–	10,243
Cash and cash equivalents		14,355	–	14,355
Investment cash		36,500	–	36,500
Derivative financial instruments		–	295	295
Total		**61,098**	**295**	**61,393**

		Financial liabilities at amortised cost $'000s	Financial liabilities at fair value through profit or loss $000's	Total $'000s
Liabilities as per balance sheet				
Employee benefits		7,755	–	7,755
Trade payables and accrued expenses	**10**	10,342	–	10,342
Lease liabilities	**7**	3,106	–	3,106
Total		**21,203**	**–**	**21,203**

Group	Note	Financial assets at amortised cost $'000s	Financial assets at fair value through profit or loss $'000s	Total $'000s
30 June 2024				
Assets as per balance sheet				
Trade and other receivables excluding prepayments	**9**	12,338	–	12,338
Cash and cash equivalents		13,857	–	13,857
Investment cash		39,755	–	39,755
Total		**65,950**	**–**	**65,950**

	Note	Financial liabilities at amortised cost $'000s	Financial liabilities at fair value through profit or loss $000's	Total $'000s
Liabilities as per balance sheet				
Employee benefits		8,426	–	8,426
Trade payables, accrued expenses	**10**	13,403	–	13,403
Lease liabilities	**7**	3,261	–	3,261
Derivative financial instruments		–	50	50
Total		**25,090**	**50**	**25,140**

20. Financial risk management

ESR's activities are exposed to a variety of financial risks, market risks (including cash flow and fair value interest rate risk), credit risk and liquidity risk. ESR's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on ESR's financial performance. The policies approved and financial instruments being utilised at balance date are outlined below.

a. Market risk

In accordance with its Treasury Management Policy, ESR uses derivative financial instruments to economically hedge its exposure to foreign exchange risks from its operational, financing and investment activities. These derivatives are classified at fair value through profit or loss, and gains and losses are recognised as profit or loss in the statement of profit or loss and other comprehensive income.

i. Foreign exchange risk

Foreign exchange risk occurs as a result of transactions denominated in a currency other than ESR's functional currency of New Zealand dollars. Currencies commonly transacted in, and giving rise to, foreign exchange risk include the United States dollar, Australian dollar, Euro and the Pound sterling. ESR is subject to foreign currency risk through its trade receivables and trade payables balances.

ESR is required by its Treasury Management Policy to hedge net foreign currency exposures equivalent to greater than NZD $100,000 using approved treasury instruments.

At 30 June 2025 ESR held seven (30 June 2024: six) forward exchange contracts with notional principal amounts totalling $10,292,000 (US$6,116,000) (30 June 2024: $5,855,000 (US$3,600,000)). The gains or losses on the forward exchange contracts is recognised in the statement of profit or loss and other comprehensive income.

The carrying amounts of the Group's trade and other receivables denominated in foreign currencies are:

	2025 $'000s	2024 $'000s
US dollar	2,111	2,610
Australian dollar	389	48
Euro	58	21
Pound sterling	61	27

The carrying amounts of the Group's trade and other payables denominated in foreign currencies are:

	2025 $'000s	2024 $'000s
US dollar	619	666
Australian dollar	97	78
Euros	14	18
Pound sterling	12	13

ii. Interest rate risk

As at reporting date, ESR is subject to interest rate risk through the holding of cash and cash equivalents and investment cash. ESR uses a mixture of call and investment accounts to hold excess funds. Available interest rates are monitored to ensure the best return.

iii. Market risk sensitivity analysis

ESR is exposed to market risk through the holding of the following financial instruments: cash, trade receivables and trade payables. ESR has analysed the sensitivities in market risk factors over a 12-month period below:

- proportional foreign exchange rate movement of -10% (depreciation of New Zealand dollar) and +10% (appreciation of New Zealand dollar) against foreign currencies
- a parallel shift of +2%/-2% in market interest rates in New Zealand.

If these movements were to occur (all other variables held constant), the impact on ESR's reported net profit after tax for the year ended 30 June 2025 would be:

- foreign currency $362,000 (30 June 2024: $372,000)
- interest rates $549,000 (30 June 2024: $506,000).

b. Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations, resulting in financial loss to ESR. The financial instruments which expose ESR to credit risk are, principally, cash and cash equivalents, investment cash, trade receivables and contract assets.

Bank balances and short-term investments (comprising cash and cash equivalents and investment cash) are held with New Zealand registered banks in accordance with ESR's Treasury Management Policy.

The majority of high-value trade receivables and contract assets comprise government entities and therefore the potential risk of default is low. ESR has a Contract Management Policy which requires assessment of the credit worthiness of potential clients, where the value of the contract is material as defined in the policy.

An allowance for expected credit losses is maintained in respect of trade receivables and this is reassessed on a regular basis. No collateral is held by ESR in respect of cash and cash equivalents, investment cash and trade receivables as at 30 June 2025 (30 June 2024: nil).

The carrying amount of financial assets recognised in the statement of financial position best represents ESR's maximum exposure to credit risk at the reporting date.

As at 30 June 2025, the trade receivables balance included $4,213,905 (30 June 2024: $5,483,371) owed by entities within, or owned by, the New Zealand Government. It is not believed that there is any material risk of loss with these receivables.

c. Liquidity risk

Prudent liquidity risk management implies the availability of funding through adequate levels of committed credit facilities. Liquidity risk is monitored through the forecasting of cash flows and ensuring that the committed credit lines in place remain adequate for requirements.The contractual undiscounted maturity analysis of financial liabilities is presented below:

Group 2025	Total contractual cash flows $'000s	Less than 1 year $'000s	1–2 years $'000s	2–5 years $'000s	Greater than 5 years $'000s
Trade payables	10,342	10,342	–	–	–
Employee benefits	7,755	5,413	332	114	1,896
Lease Liabilities	4,480	575	525	915	2,465
Derivative financial instruments	–	–	–	–	–
	22,577	**16,330**	**857**	**1,029**	**4,361**

Group 2024	Total contractual cash flows $'000s	Less than 1 year $'000s	1–2 years $'000s	2–5 years $'000s	Greater than 5 years $'000s
Trade payables	13,403	13,403	–	–	–
Employee benefits	8,426	6,263	153	114	1,896
Lease Liabilities	4,719	518	490	1,152	2,559
Derivative financial instruments	50	50	–	–	–
	26,598	**20,234**	**643**	**1,266**	**4,455**

d. Fair values

The carrying value of financial assets and liabilities recorded in the financial statements approximate their fair values.

Fair value is generally based on the contracted amount payable/receivable of financial assets and financial liabilities, being the amount for which the financial instrument is to be exchanged. Fair value includes the impact of any assessed impairment of the financial instruments – refer to the statement of material accounting policies for details of each financial instrument and their recognition criteria.

e. Capital risk management

ESR objectives when managing capital are to maintain financial stability, achieve sustainable growth, and realise its strategic goals and targets, all within the risk appetite of its shareholder, board and management.

In line with Government requirements, ESR monitors its capital structure through the return on equity and gearing ratios. Government provides ESR with guidelines with the expectation that an appropriate average return is achieved over time, rather than requiring that ESR meet the specified targets annually.

Each year ESR internally sets return on equity and gearing ratio targets, bearing in mind the overall results expected by Government. The ratios are reported in the Statement of Corporate Intent.

The return on equity and gearing ratios as at 30 June 2025 and 30 June 2024 were as follows, along with the relevant annual targets set by ESR.

Group **Return on equity ratio**	**2025** **$'000s**	**2024** **$'000s**
Profit for the year	3,852	2,327
Average equity	82,459	66,870
Actual ratio	**4.67%**	**3.48%**
Target ratio	**0.90%**	**2.3%**
Gearing ratio		
Net debt		
• Lease liabilities – current	454	398
• Lease liabilities – non-current	2,652	2,863
	3,106	3,261
Equity	**91,885**	**73,033**
Actual ratio	**3.3%**	**4.3%**
Target ratio	**3.8%**	**4.4%**

21. Contingent liabilities

There are no contingent liabilities as at 30 June 2025 (30 June 2024: nil).

22. Subsequent events

On 1 July 2025, the Institute of Environmental Science and Research Limited was renamed to New Zealand Institute for Public Health and Forensic Science Limited as part of the science sector reforms. This change does not affect the recognition or measurement of assets and liabilities as at 30 June 2025.

There were no other events subsequent at reporting date that require disclosure in the financial statements.

Report of the Directors

The directors present the Annual Report and audited financial statements of the Institute of Environmental Science and Research Limited for the year ended 30 June 2025.

The Auditor-General is the statutory auditor pursuant to section 21 of the Crown Research Institutes Act 1992. The Auditor-General has appointed Sarah Turner, using the staff and resources of PricewaterhouseCoopers, to audit the financial statements and to express an opinion on them.

Principal activity

ESR is a Crown Research Institute that provides specialist scientific services and research, particularly to the health and justice sectors. Its purpose is to deliver enhanced scientific and research services to the public health, food safety, security and justice systems, and the environmental sector to improve the safety and contribute to the economic, environmental and social wellbeing of people and communities in New Zealand.

Dividends

No dividends have been declared or paid in respect of the 2025 financial year.

Directors' indemnity

ESR has arranged for directors' and officers' insurance for any act or omission in their capacity as a director of the Company.

Directors' use of information

No member of the Board of ESR, or any subsidiary, issued a notice requesting to use information received in their capacity as directors that would not otherwise have been available to them.

Donations

The Group made koha and donations of $6,328 during the 2025 financial year.

Access to independent professional advice

It may be necessary, from time to time, for directors to seek independent professional advice, either individually or collectively, to help them fulfil their duties and obligations. This advice, with the approval of the Board Chair, is at ESR's expense.

Directors' development

Directors are encouraged to pursue development opportunities to support their practice and ensure ESR maintains strong governance arrangements. The Board had a budget of $10,000 to cover directors' development.

Board activity in 2024–2025

During 2024/25, a total of 24 Board and committee meetings were held. Meetings were a mix of in-person across ESR's sites and video conference, and the Board and management worked together to make these effective and impactful.

Governance Committees

Risk and Assurance Committee (RAC)

Assists the Board in fulfilling its responsibilities for the oversight of the internal control environment, external accountability, the internal audit function, legislative compliance, internal reporting, external audit and oversight of the risk management framework. Members are:

- Kate Thomson (Chair)
- Justine Gilliland
- Professor Sarah Young
- Catherine Abel-Pattinson.

People, Culture and Performance (PCP) Committee

Oversees and recommends to the Board all matters in regard to people, culture, and diversity, including the effective management of the appointment and remuneration of the Chief Executive. Members are:

- Dr Melissa McLeod (Chair) – until 31 January 2025
- Justine Gilliland (Chair) – from February 2025*
- Professor Sarah Young
- Dr Bruce Campbell CNZM
- Dr Matthew Glenn*
- Kate Thomson*
- Catherine Abel-Pattinson*.

*All Directors attended PCP meetings in February and May 2025

Property Development (PD) Committee

Assists the Board in discharging its responsibilities in relation to overseeing ESR's property developments including ESR's new Kenepuru Science Centre. Members are:

- Kate Thomson (Chair)
- Justine Gilliland
- Dr Matthew Glenn
- Catherine Abel-Pattinson
- Professor Sarah Young.

ESR Charitable Solutions Limited (ECSL) Board

Acts as an independent board to direct the activities of ECSL and ensures it continues to meet its charitable purpose.

Directors (who are also all directors of ESR) are:

- Dr Bruce Campbell CNZM (Chair)
- Justine Gilliland
- Catherine Abel-Pattinson.

Board and Committee attendance for the year ending 30 June 2025

The table below includes attendance by Board committee members only and does not include attendance by other Board members who are not members of the committee.

Total number of meetings attended

The Board had 10 meetings in the year ended 30 June 2025. There was a programme of site visits and presentations to the Board by the Senior Leadership Team, management and science staff, which enabled directors to keep abreast of key aspects of ESR's activities.

Board of Directors	Board (out of 10)	Risk and Assurance Committee (out of 4)	People, Culture and Performance Committee (out of 4)	Property Development Committee (out of 5)	ESR Charitable Solutions Limited Board (out of 1)
Professor Sarah Young	10	4	4	4	
Catherine Abel-Pattinson***	9	3	2	5	1
Sir Ashley Bloomfield KNZM**	1		0		
Dr Bruce Campbell CNZM	9		4		1
Justine Gilliland***	9	3	2	5	1
Dr Matthew Glenn	10		1	2	
Dr Melissa McLeod*	3		2		
Kate Thomson***	10	4	2	5	

* *Dr Melissa McLeod's term concluded 31 January 2025*
** *Sir Ashley Bloomfield was Interim CE from September 2024 – May 2025*
*** *All Directors attended PCP meetings in February and May 2025*

Directors' disclosure of interests

Directors complete a declaration of interests at the start of their appointment. At each Board meeting, the directors are asked to check and update (as necessary) the register of interests declared that the Board secretariat maintains. Declaration of interests is a standing item on the agendas for all Board and Board committee meetings. Any changes to Board members' interests are tabled and reviewed at the opening of every Board meeting. For Board decisions relating to significant matters, any potential conflict issues are discussed with the Office of the Auditor-General, or independent legal advice is sought with the prior approval of the Board Chair at ESR's expense.

Directors' interests

No director held any interest in the shares of ESR. No material contracts involving directors' interests were entered into during, or subsequent to, the period covered by this report.

As at 30 June 2025, the following directors had made the following general disclosures.

Professor Sarah Young (Chair)

- Dean of Science, University of Auckland
- Adjunct Professor, University of Sydney
- Director, ESR Limited

Justine Gilliland (Deputy Chair)

- Director, Manaaki Whenua Landcare Research
- Director, Enviro-mark Solutions Limited (trading as Toitū Envirocare)
- Director, Tui Ora Limited
- Director, Union Medical Benefits Society (Unimed)
- Director, 3 Big Things (mental health and wellbeing employer/employee services)
- Director, New Zealand Offshore Wind Limited
- Director, ESR Charitable Solutions Limited
- Chair, Advisory Board, Begin Distilling Limited
- Managing Director, In Perspective Limited (own consultancy)
- Member, EDNZ (Economic Development New Zealand)
- Member, Institute of Directors (and Member of Chapter Zero)
- Fellow, Royal Society of the Arts (UK)
- Governance Mentor, Mentoring Foundation

Catherine Abel-Pattinson

- Chief Operations Officer, Netsafe New Zealand
- Director of International Accreditation New Zealand
- Trustee Abel-Pattinson Family Trust
- Shareholder Meridian Energy
- Shareholder in Counties Energy Trust (all shares in the company are held by the trustees on behalf of all local power consumers)
- Director of Whakarongorua Aotearoa New Zealand Telehealth Services
- Member, New Zealand Nurse Society
- Member, Global Women
- Director, ESR Charitable Solutions Limited

Dr Matthew Glenn

- Chief Executive Officer, The Kiwifruit Breeding Centre
- Director and Shareholder, Idea Partners Limited
- Director, STRmix Limited
- Member, Institute of Directors

Kate Thomson

- Shareholder, Dandaloo Farming Company Limited
- Board Member, Endangered Species Foundation New Zealand
- Director, Finance, Risk and Digital Solutions, Upper Hutt City Council
- Independent Chair, Finance Risk and Assurance Committee, Predator Free 2050 Limited
- Director, STRmix Limited

Dr Bruce Campbell CNZM

- Director, Horticulture New Zealand (Inc)
- Director, New Zealand Winegrowers Research Centre Limited
- Trustee, Kerikeri Peninsula Conversation Charitable Trust
- Principal, Dr Bruce Campbell Consultants Limited
- Trustee, BD and PM Campbell Trust
- Chartered Member, Institute of Directors in New Zealand (Inc)
- Fellow, New Zealand Institute of Agricultural and Horticultural Science (Inc)
- Member, Royal Society of New Zealand
- Director, Predator Free 2050 Limited
- Director, ESR Charitable Solutions Limited

Dr Melissa McLeod (until January 2025)

- Associate Professor, Department of Public Health, University of Otago, Wellington
- Fellow, New Zealand College of Public Health Medicine
- Director, DRTS Concepts Limited
- Director, Oro Nuku Limited
- Appointed member of Pae Whakatere, Te Whatu Ora and Te Aka Whai Ora
- Director and Shareholder, McLeod Medical Services Limited
- Trustee, McLeod Family Trust

Sir Ashley Bloomfield KNZM
(until August 2024, then interim
ESR Chief Executive until 30 June 2025)

- Professor, School of Population Health, University of Auckland
- Establishment Chair, Institute for Public Impact Institute, University of Auckland
- Southern Cross Ambassador for Pause Breath Smile mindfulness programme
- Listed speaker with Celebrity Speakers and B2B Speakers, giving one-off conference/dinner speeches to a range of organisations
- Fellow, New Zealand College of Public Health Medicine
- Honorary Fellow, Australasian College of Health Services Management
- Honorary Fellow, Royal New Zealand College of General Practitioners
- Honorary Fellow, Royal Australasian College of Medical Administrators
- Chartered Member, Institute of Directors in New Zealand
- Trustee, AR and EL Bloomfield Trusts

Remuneration of directors

The directors who held office in the period of this report and their total remuneration and other benefits were:

Directors' remuneration	Total
Professor Sarah Young (Chair)	$85,704
Catherine Abel-Pattinson	$42,852
Sir Ashley Bloomfield KNZM (until August 2024)	$7,142
Dr Bruce Campbell CNZM	$42,852
Justine Gilliland (Deputy Chair; People, Culture and Performance Chair – from January 2025)	$47,316
Dr Matthew Glen	$42,852
Dr Melissa McLeod (People, Culture and Performance Chair – until January 2025)	$24,997
Kate Thomson (Risk and Assurance Chair, Property Development Chair)	$42,852

Directors' remuneration	Total
Total	**$336,567**

Remuneration

Disclosure of executive employees' remuneration *(included in governance section of annual report since 2020)*

Chief Executive's remuneration summary 2024–2025

The remuneration of our Chief Executive is reviewed annually by the Board and is determined by a range of factors including advice from external remuneration specialists, including job sizing and market relativity exercises. These are also undertaken on a regular basis and drawn on to inform the determination of salary package.

	Financial year	Total
Sir Ashley Bloomfield	2025	$375,578
Peter Lennox	2025	$634,757
	2024	$623,044

Senior management remuneration summary 2024–2025

The total combined remuneration of our senior management team (excluding the Chief Executive's remuneration) from 2024–2025 was:

Financial year	Total
2025	$2,735,056
2024	$2,785,506

Employee remuneration

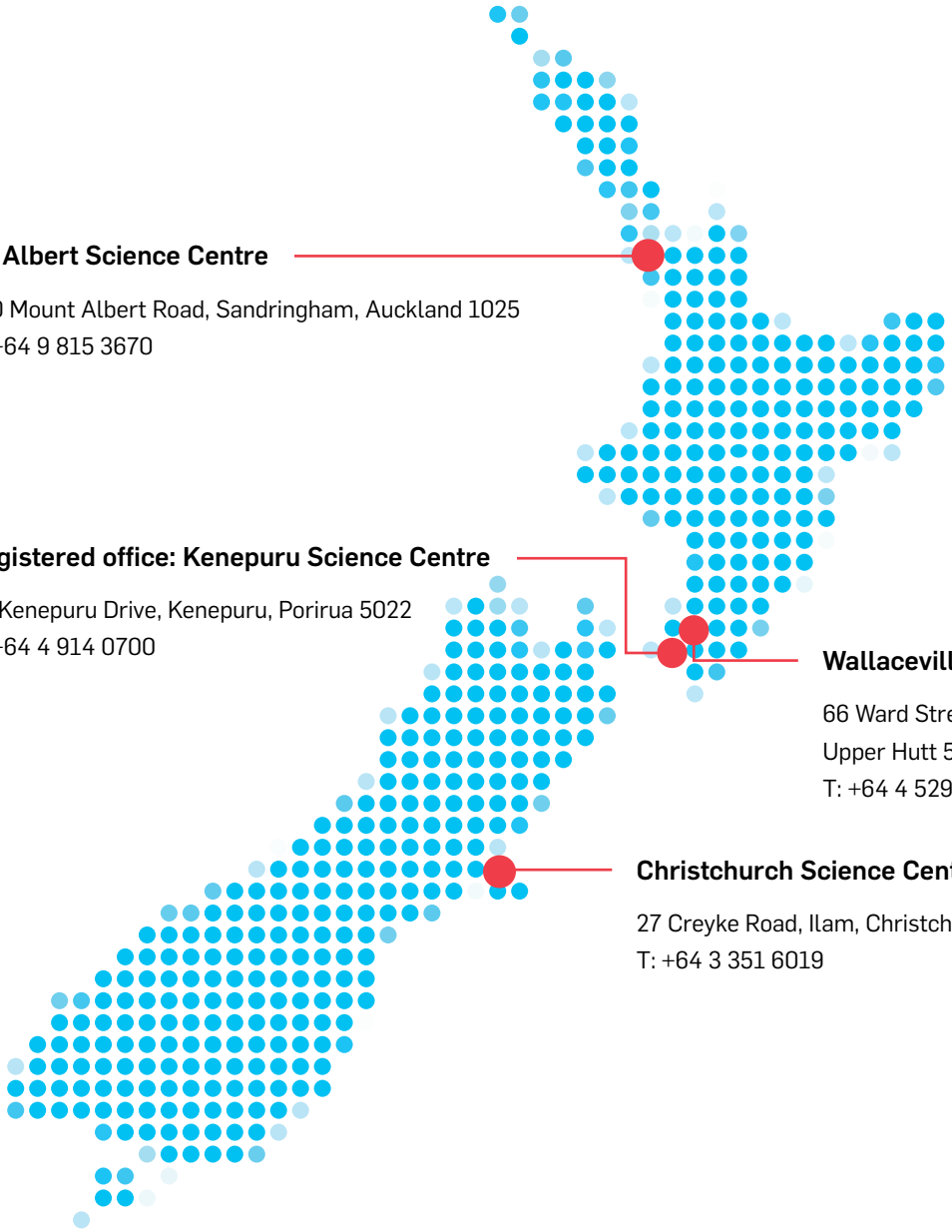
As at 30 June 2025, the following total remuneration above $100,000 was paid to 341 employees.

Remuneration range	No. of staff
$100,000–$109,999	47
$110,000–$119,999	67
$120,000–$129,999	42
$130,000–$139,999	41
$140,000–$149,999	26
$150,000–$159,999	28
$160,000–$169,999	24
$170,000–$179,999	16
$180,000–$189,999	14
$190,000–$199,999	12
$200,000–$209,999	4
$210,000–$219,999	7
$230,000–$239,999	1
$240,000–$249,999	1
$250,000–$259,999	1
$270,000–$279,999	2
$310,000–$319,999	1
$320,000–$329,999	1
$330,000–$339,999	1
$340,000–$349,999	2
$350,000–$359,999	1
$370,000–$379,999	1
$630,000–$639,999	1
Total	**341**

Directory

www.phfscience.nz

PHF Science (formerly ESR) science centres are located in Auckland, Wallaceville and Kenepuru (Wellington region) and Christchurch.



Mt Albert Science Centre

120 Mount Albert Road, Sandringham, Auckland 1025
T: +64 9 815 3670

Registered office: Kenepuru Science Centre

34 Kenepuru Drive, Kenepuru, Porirua 5022
T: +64 4 914 0700

Wallaceville Science Centre

66 Ward Street, Wallaceville,
Upper Hutt 5018
T: +64 4 529 0600

Christchurch Science Centre

27 Creyke Road, Ilam, Christchurch 8041
T: +64 3 351 6019

www.phfscience.nz

PHF Science

New Zealand Institute for Public Health and Forensic Science

ESR

Science for Communities

He Pūtaiao, He Tāngata