



New Zealand Institute
for Public Health and
Forensic Science



Annual Report
2025–2026

Cover image: PHF Science experts in our whole genome sequencing lab undertake surveillance and research that helps safeguard health.

Photo: PHF Science

Presented to the House of Representatives pursuant to sections 17 and 19 of the Crown Research Institutes Act 1992.

The New Zealand Institute for Public Health and Forensic Science Limited (PHF Science) will become a Public Research Organisation once legislation has passed.

It was formerly known as the Institute of Environmental Science and Research (ESR).

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.

PHF Science has science facilities in Auckland, Wellington (Porirua and Wallaceville) and Christchurch.



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Chair and Chief Executive's overview

2025–26 was a year of significant change and growing ambition for PHF Science, and the New Zealand science sector.

From 1 July 2025, we took on our new identity as the New Zealand Institute for Public Health and Forensic Science – PHF Science – moving on from three decades as ESR (the Institute of Environmental Science and Research) and stepping into our role as a Public Research Organisation (PRO).

The changes we are putting in place recognise our potential to do more for New Zealand by growing new critical research and services. These support and enhance core functions of public health, police, justice and customs with robust, forward-looking and effective science and services.

The past year has demanded that we build a clear understanding of our distinct contribution, and position ourselves to move confidently into the next era of science. This has meant a sharp focus on the value we provide to the wider economy, environment and people of New Zealand.

We have continued to deliver science for protection, detection and security, providing expert analysis and insights as we monitor diseases, protect against environmental hazards to human health, assess forensic evidence relating to criminal investigations, reduce harms from drugs, and much more.

We have advanced science for innovation to accelerate in this area by building closer connections to improve services and research, gain new knowledge, and identify new applications for our science that have commercial potential.

We have strengthened our science delivery as a PRO through building the workforce, partnerships, facilities and business systems that underpin our work. This has included investigating ways to leverage AI capability for advanced surveillance, modelling and insights for New Zealand.



We are proud to have supported the rollout of nationwide roadside drug testing, and surveillance for pertussis and measles outbreaks. Our essential science expanded further as we became host of the next phase of New Zealand's Infectious Diseases Research Platform, providing stewardship for the Government's \$75 million investment over 7 years in this vital area of research for New Zealand.

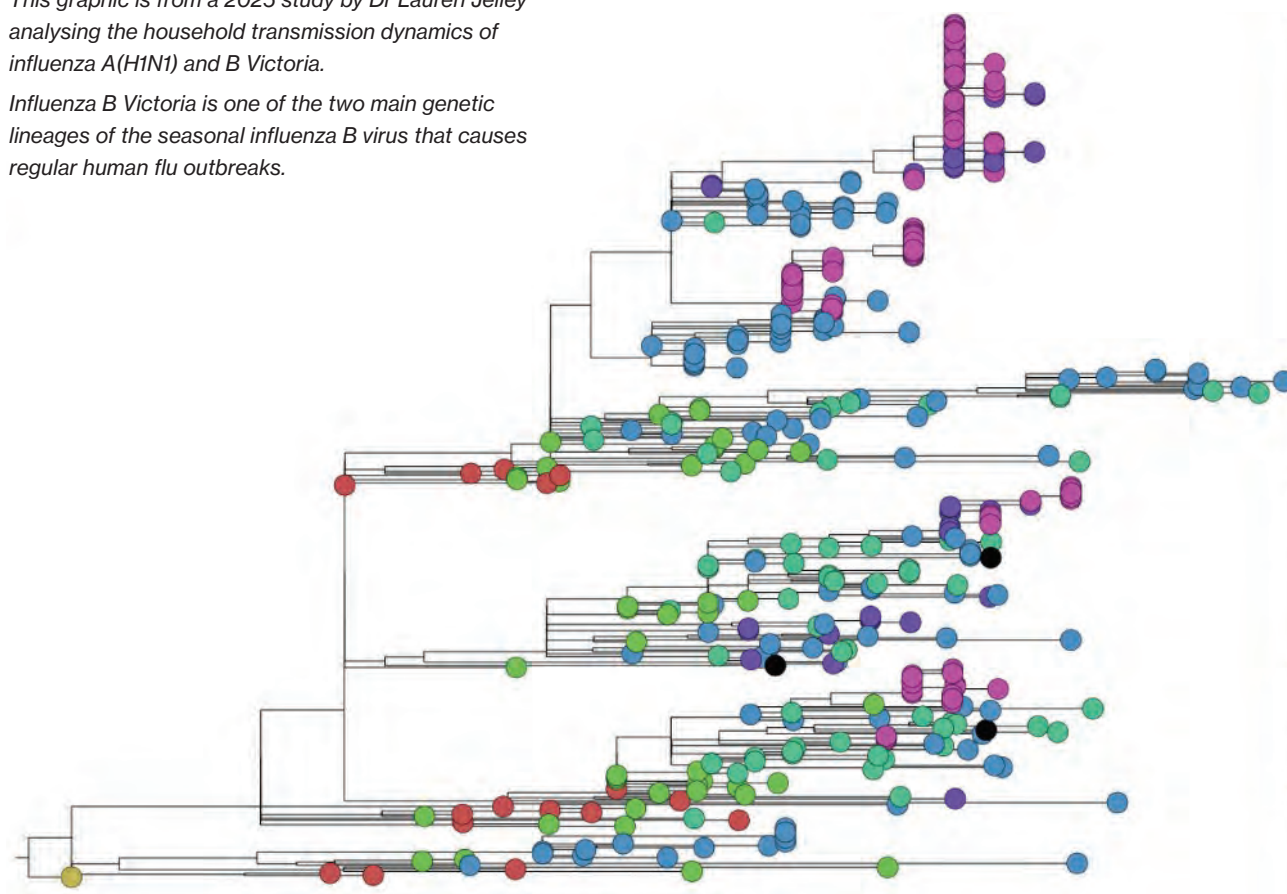
Alongside this, we have developed an ambitious new strategy for PHF Science, encompassing our core contributions to advance science and ensure New Zealand is prepared for – and has capacity to respond to – pathogenic pandemics, environment-related health events, disaster support, crime investigation, or new illicit substances crossing our borders.

We are committed to maximising the impact of our science by providing effective evidence for policies and standards, and amplifying our work via global networks, community engagement and open digital channels.

As we conclude our first year as PHF Science, 2026 marks 100 years since the establishment of DSIR and pays tribute to the foresight shown to invest meaningfully in science, laying foundations that continue to support our economy, environment and people.

This graphic is from a 2025 study by Dr Lauren Jelley analysing the household transmission dynamics of influenza A(H1N1) and B Victoria.

Influenza B Victoria is one of the two main genetic lineages of the seasonal influenza B virus that causes regular human flu outbreaks.



On behalf of the PHF Science Board and team, we are excited to take the next steps as a Public Research Organisation, delivering the science, research and

innovation that will take Aotearoa New Zealand into the future.



Professor Sarah Young
Board Chair



Sir Ashley Bloomfield KNZM
Chief Executive



Who we are

Our purpose

Our purpose is to enhance and protect New Zealand's public health and justice systems to support resilience, promote innovation and economic growth, and improve health, safety and security for people and communities.

To achieve this

We deliver health security and forensic scientific and research services, leadership and infrastructure – to enable us all to benefit from a safer, stronger and better prepared Aotearoa New Zealand.

We work in partnership with the agencies and communities we serve, and with local and international technical and research partners to expand our insights, capability and impact.



Government agencies

Ministry of Business, Innovation and Employment

Ministry of Health

Health New Zealand

Ministry for Primary Industries

New Zealand Police

New Zealand Customs Service

Department of Corrections

Ministry of Justice, including
Coronial Services

Ministry of Defence

New Zealand Transport Agency

Ministry of Foreign Affairs and
Trade

Other PROs (Bioeconomy Science
Institute, Earth Sciences

New Zealand, the

New Zealand Institute

for Advanced Technology)

Other organisations including public, not-for-profits, and private sector partners

Health sector providers including
GP practices

Justice sector organisations
including courts and lawyers

MEDSAC

Iwi and pan-Māori communities
and mātauranga Māori experts

Universities and other academic
research institutions and
communities

Laboratory networks across the
country

Food processing and production
organisations

Councils and other territorial
authorities

Managers of waterways and
drinking-water supplies

Private sector health and
technology organisations

Global partners

International government agencies, research organisations, laboratories, and universities focused on health, justice and forensic science

Implementing the Government's priorities – becoming a Public Research Organisation

On 1 July 2025 we became PHF Science as part of a reshaping of New Zealand's science system.

The reforms aim to create a science system that is strongly aligned to national and core public service needs, powers economic growth and opportunities, and operates collaboratively to maximise New Zealand's capability and infrastructure.

The establishment of the Prime Minister's Science, Innovation and Technology Advisory Council (PMSITAC), Research Funding New Zealand, the New Zealand Institute for Advanced Technology, and the University Strategy Group (including Public Research Organisation (PRO) representation) have provided shape and direction to the science system. The release of the Government's Science Investment Plan in June 2026 provided a clear indication of priorities and funding direction.

Over the past year, these system-wide goals have shaped our work to position ourselves as a PRO ahead of legislation being passed, and they continue to steer our direction.

Our new identity better reflects our areas of expertise; and our core purpose and responsibility areas of public health and forensic science have been enhanced. The Government's shifts provided important impetus for us to examine the key strategic and capability lifts we need to fulfil our role as a leader in these fields to ensure we deliver the greatest value for Aotearoa New Zealand. We have refocused our work programme to ensure we are strengthening national resilience and able to respond to emerging priorities – work that makes an essential contribution to New Zealand's economic position through enabling a healthy and productive society and averting costs to our health care and justice systems.

Our innovations and insights generate further opportunities to add value through investigation and analysis services, and commercialisation potential.



Our strategic direction places focus on critical areas that support and uplift our science. This includes ensuring we build an innovative mindset, are forward-looking, take a strategic approach to solving current and emerging problems, and seek opportunities for greater commercialisation and diversification of our revenue sources.

We will continue to refine our strategy for science investment to ensure ongoing alignment with the Government's Science Priorities and Science Investment Plan. This includes advancing opportunities to support the missions for the science system, with particular focus on enabling 'Healthy People and a Thriving Society', and leveraging new technologies that will allow even greater impact.

Ultimately, our aim is to provide greater value for New Zealand, supporting lives and livelihoods.



Lift and Lift – achieving more for New Zealand

As a Public Research Organisation, we are committed to going further to ensure New Zealand's public health and justice sectors are enabled by high quality science.



This means ensuring the following:

- We deliver essential science services needed daily by the agencies we work with. This ranges from crime scene analysis to toxicology reports, pathogen identification, food investigations and much more, underpinning core, critical functions for New Zealand.
- We provide insights and analysis that enable our partners to prepare and plan. This includes infectious disease surveillance, risk assessments for environmental hazards, and undertaking a wide range of monitoring, modelling, trend analysis and research that builds intelligence and foresight.
- We advance services and solutions through innovation. Drawing on our deep understanding of real-world needs, we undertake research and development to explore opportunities in areas from drug identification to user-friendly solutions for detecting pathogens in the environment.
- We maximise the value from our science through ensuring it is visible, accessible and positioned for impact. This draws on strong partnerships, international networks and open digital channels to enable our science to be used and built upon to achieve greater benefit for all.

To support these aims and deliver to the Government's direction and opportunities, we developed an internal, organisation-wide 'Lift and Lift' initiative, engaging with our people to underpin changes to our work programme over 2025–26. This built new capabilities and ways of working; expanding and strengthening existing areas of work and growing new offerings to actively position ourselves for success.

Building on our interim Statement of Core Purpose, and strategic direction summary outlined in the Statement of Corporate Intent 2025–2030, PHF Science's FY26 Lift and Lift priorities were developed and implemented actively with our staff and drove our workplans for the year.

Our strategic direction

Across our interconnected expertise areas of



Health Security

Forensic Science



Our work provides tangible impacts for all New Zealanders

New Zealand is safer, fairer and better prepared

Science and research for stewardship for the health and justice sectors

New Zealand prospers, with benefits for us all

Science and research for economic growth and resilience

Through delivering research and science services

Science for detection, protection and security

Data, intelligence and leadership to prepare, prevent and respond to current and future health and community safety challenges

Science for innovation

Leading-edge research, and developing and commercialising new and innovative services, diagnostic tools and devices

Enabled by strengthening New Zealand's science infrastructure

Transitioning to an effective Public Research Organisation

Contributing across the sector to reform the science system to become more impactful, responsive and aligned with Government priorities

Science workforce for the future

Developing and supporting our current and future scientists and wider teams to advance capabilities and build an agile, collaborative and adaptable workforce

Partnerships for stronger science

We are a trusted partner and work collaboratively – internationally, across the sector and with Māori communities – to deliver and communicate our science and research to benefit New Zealand

Facilities and systems for success

Strengthening the underpinning digital systems, diagnostics equipment and facilities needed for leading-edge science and research



Our work has been underpinned by sector-wide performance measures, as well as specific internal performance indicators that have been monitored over recent years.

These have been focused on:

- delivering on enhancing and protecting New Zealand's public health and justice systems
- supporting economic growth and resilience, innovation, improved health, safety, and security for people and communities
- providing science leadership and provision of research that impacts positively on the economy, applied science services, and the transfer of data, technology and knowledge
- in partnership with government, the health and justice sectors, Māori, industry and communities
- enabling evidence-informed policy and decision-making by delivering science service and innovation, and
- contributing to creating a more dynamic, effective and efficient science, innovation and technology system for New Zealand.

See our performance indicators report on pages 42-44.

We are pleased to report on a positive performance against our objectives for 2025–26.

We have provided effective and dependable critical services to the agencies we serve, and have advanced innovations and knowledge underpinned by quality research in a range of key areas outlined in this report.

We are committed to ongoing efforts to deliver wider social and economic benefits for New Zealand through our science and innovations, including those with potential commercial applications.



The year in numbers

Highlights from 2025–26



Te Niwha

Infectious Diseases Research Platform, co-hosted with the University of Otago.

3+ years
of research

95 research
projects

300+ researchers
from around New Zealand

See more about the next phase of the Infectious Diseases Research Platform on page 27.



Whole genome sequencing

Microbial genomics provides information about the genomic sequence (the DNA make up) of harmful pathogens, including harmful bacteria and viruses that cause human illness.

For public health surveillance, we sequenced the following genomes:

6,111 bacteria
2,459 SARS-CoV-2
8 fungal pathogens

(all were *Candida auris*, an emerging pathogen).

To support research and commercial projects, we:

- validated whole genome sequencing for Influenza A and B – this included uploading **121 influenza genomes** as a key Southern Hemisphere contributor to the Global Influenza Hospital Surveillance Network (GIHSN)
- established methods to sequence Dengue virus, RSV and sequencing bacterial genomes directly from critical samples.

Lumi™ Drug Scan

Lets frontline police officers quickly and accurately test suspected drug samples on the spot.

6,720 items analysed

Wellington was the busiest district at the end of 2025 with **534 scans**.

Upgrade of Lumi for New Zealand Police

to new Lumi Nano, a handheld, portable near-infrared spectroscopy device.

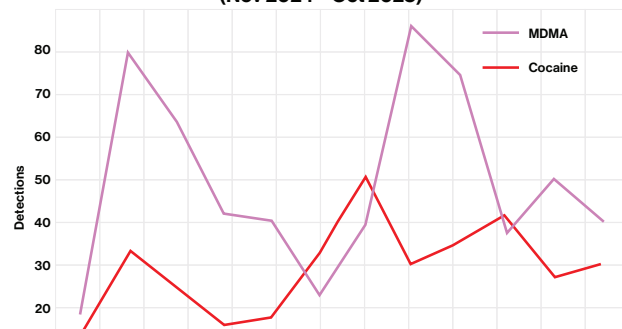
Significant expansion

in drug substances detected to **32**.

International partnerships and trials in US, UK, Europe, Asia, plus deployment of Lumi across the Pacific and in the UK.

Research collaborations in UK, Europe and the US.

National monthly detections: MDMA vs Cocaine (Nov 2024 – Oct 2025)



Results from Lumi™ drug scans show MDMA peaking around New Years and mid-winter. Cocaine emerged as the second most common drug for the first time in Auckland and Counties Manukau.



STRmix.
EMPOWERING
FORENSIC
SCIENCE.

700,000+ cases

to date worldwide have used STRmix™, a software program that uses sophisticated biological modelling and standard mathematical processes to interpret complex mixed DNA profiles obtained from crime scene evidence.

130 labs worldwide

now live with STRmix™, 100 of which are in the US, demonstrating the importance of STRmix™ to global justice systems.



Celebrating excellence in science

PHF Science shines at Science New Zealand Awards



Diana Kappatos, recently retired **Senior Scientist/Forensic Toxicologist**, won the **Individual/Lifetime Achievement Award**, honouring her five decades of service and exceptional contribution to the field of forensic toxicology and her driving commitment to reducing the harm caused by drugs. She has built the systems, partnerships and national capability that underpin how New Zealand understands and responds to drug harm – spanning justice, health, and community settings. From developing drug surveillance systems like High Alert and IDEAS (Integrated Drug Early Advisory System), to working directly with emergency clinicians and communities during the synthetic cannabinoid crisis, Diana has helped transform forensic science from a reactive service into a proactive tool for harm reduction.



Our **invasive pneumococcal disease (IPD)** team won the **Collaboration for Impact** award, recognising the excellent science that's helping protect the most vulnerable members of our community. Their effort in partnership with the Ministry of Health and other experts and agencies resulted in a change to the vaccine schedule, directly leading to a 50 per cent reduction in cases in children, and a 70 per cent reduction in vaccine specific IPD among young Māori and Pacific children.

We also celebrated our people who were finalists in the Early Career and Te Tohu Tūhura categories.

King's Birthday Honour for forensic science pioneer

Former PHF Science expert **Sue Nolan** (pictured left) was recognised as an **Officer of the New Zealand Order of Merit (ONZM)** in the King's Birthday Honours for her outstanding contribution to forensic toxicology, workplace health and safety, and the safeguarding of sports integrity. Sue played a pioneering role in forensic science, drug testing and policy development, and drug education in New Zealand, and internationally. She is a member of Australian/New Zealand Standards technical committees, where she produced key standards for urine and oral drug testing used internationally in workplace and sports settings. She also advised the World Anti-Doping Agency, contributed to the development of international drug testing standards, and oversaw Olympic Games drug testing laboratories in 2000 and 2002.

ALMA – Trailblazer in AI innovation

In September 2025, the data science team behind PHF Science's Aotearoa Large-scale Multi-Agent Simulator (ALMA), our population-level digital twin, was honoured with the **Trailblazer in AI Innovation Award** at the Aotearoa AI Awards. The Trailblazer award recognises cutting-edge innovation in artificial intelligence, honouring individuals, start-ups or organisations that are pushing boundaries, creating novel AI technologies or pioneering new approaches.



Celebrating 100 years of science and counting

This year marks a century since the formation of the first government department established specifically to coordinate and invest in science in Aotearoa New Zealand. PHF Science joined partners across the science sector to launch a national campaign, Science Working for New Zealand – 100 years and counting, showcasing the impact of publicly funded science and the people behind it.

These stories have been shared on our website and social media channels to highlight how our expertise and innovations have supported critical government decision-making for the betterment of New Zealand. They reflect a strong foundation built over the past century and the role we will continue to play in helping Aotearoa protect its people, respond to challenges and prepare for the future.



Science outputs

At the centre of our strategic direction framework is our commitment to science excellence.

This falls broadly across two main focus areas, each with its own priorities:

- **Science for detection, protection and security; and**
- **Science for innovation**



*The work of PHF Science forensic experts supports the work of NZ Police.
Photo: PHF Science*

Science for detection, protection and security

Data, intelligence and leadership to prepare, prevent and respond to current and future health and community safety challenges

PHF Science delivers the science needed to support healthy and thriving communities. This includes preparing for and responding to threats to public health through infectious disease surveillance, laboratory testing and monitoring and addressing environmental hazards and climate-related risks to health; and providing end-to-end forensic science services that support policing,

courts, coronial processes and reducing drug harm while also contributing to broader public safety outcomes. In June, our contract with the Ministry of Health was formally approved for a five-year term, with two further two-year renewal options, recognising the critical role PHF Science plays as a core national provider of scientific infrastructure and services.

Our Lift and Lift priorities

- Defining and strengthening our supporting role in surveillance and national pandemic prevention, preparedness and response.
- Expanding and enhancing genomics, wastewater and mātauranga science through detection, monitoring, surveillance, research, testing and reporting.
- Strengthening and expanding our capability and impact monitoring and risk assessment of drug harm, water, food and other environmental and emerging hazards.

Impaired drivers

The harm people experience from drug use can be wide-ranging, from injury and disease through to social, financial and legal difficulties. Recently, there has also been an increase in the presence of impairing drugs found in drivers involved in road crashes that cause injury and death.

To support the Ministry of Transport and New Zealand Police with roadside drug testing, an oral fluid (saliva) testing regime was launched in December 2025. The test screens for cannabis, methamphetamine, MDMA and cocaine at the roadside and was trialled in the Wellington region before being rolled out across the country in July 2026.

The roadside test can give false positive and false negative results, so laboratory analysis is required to confirm the presence of the drug. As well as helping to reduce harm from drug use, it has enabled PHF Science to further strengthen relationships with frontline police officers and be part of the wider solution to a societal problem that harms our communities.



Roadside oral fluid drug testing



105 samples

were received in the first six months of 2026
(as part of the initial trial)

6 positive

results for cocaine and

8 positive

results for GHB

*These drugs leave the blood quickly;
oral fluid tests avoid the time delay*

4,000 drivers

screened by New Zealand Police with the
majority giving negative results



Reducing harm from drugs through Aotearoa's early warning system

PHF Science's role in drug and substance checking is one of the key ways we support initiatives to reduce harm from drugs.

A report from Te Puna Whakaiti Pāmamae Kai Whakapiri New Zealand Drug Foundation found that around three people on average die from accidental drug overdose every week. With a growing number of new compounds being detected in our communities, enabling people to get their drugs checked is critical in preventing fatal overdoses and drug-related harm. We support community drug checking services, which allow members of the public to have a drug sample analysed for its likely composition. As well as providing equipment and training, anything that cannot be assessed at the clinic or in the field by specially trained personnel is sent to the Drug Chemistry team at PHF Science for analysis. If a substance of concern is discovered, we work with High Alert to issue nationwide notifications, warning people using the drugs and the wider community about dangerous drugs. Of the High Alert



Numbers from High Alert correct as of November 2025.

High Alert – NZ's Early Warning System


1.4 million
website visits


1.9 million
page views


3.2 million
meta users


12,000
on email list

2
substances
first detected
internationally:
N-cyclohexyl
pentylone and
butodesnitazene.

4
notifications of
toxic chemicals,
including
mercury chloride
sold as MDMA.

40

High Alert notifications issued in 5 years
of operating an Early Warning System.

notifications issued to date, over half are associated with drug checking detections, highlighting the importance of this work in making our communities safer.

Improving surveillance and intelligence

PHF Science operates public health surveillance systems on behalf of the Ministry of Health for more than 50 infectious diseases. These systems provide essential information for detecting and understanding health threats. They enable decision-makers to understand the impacts on different populations, monitor changes, and take appropriate action.

With the emergence of new diseases and health threats (including those caused by climate change), and new data sources and technologies, continuous improvement and enhancement of surveillance systems is critical to ensure they remain flexible and adaptable.

This year we delivered enhancements to Sexually Transmitted Infection (STI) surveillance, including national reporting standards, automated laboratory reporting and an upgraded platform. The project has reinforced that health data access and information-sharing arrangements are now the critical enablers for strengthening national surveillance, pandemic

preparedness and public health intelligence. Lessons learned from the project are informing our wider strategy for integrated surveillance and intelligence capability across the health system.

We also provided a comprehensive assessment of New Zealand's current Acute Respiratory Illness (ARI) Surveillance System to the Ministry of Health. The review will help inform development of a National Respiratory Illness Surveillance Strategy and reinforces PHF Science's role as a key partner in infectious disease preparedness and response.

In addition, we developed an Environmental Health Indicator and Surveillance Platform prototype that integrates environmental and health data into a single platform. Geospatial modelling was incorporated to improve the identification, communication and management of environmental health risks.

Wastewater – a new tool for measles surveillance

Measles is one of the most infectious diseases known, and about one in 10 people who contract it needs hospital treatment. The highly contagious nature of the disease means individuals' overall risk of hospitalisation from an outbreak is high, so surveillance of the disease to prevent outbreaks is critical to protect our communities.

Surveillance of measles relies on cases being notified to public health authorities. However, community transmission may not always be recognised through this approach alone. To address this, our Enteric Environmental and Food Virology team examined if wastewater surveillance for measles could be used as a complementary tool – a New Zealand first.

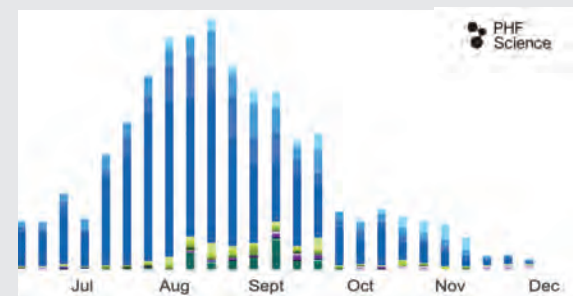
Wastewater surveillance can detect the measles virus even in communities with low case numbers, demonstrating that wastewater surveillance can complement existing case-based surveillance by providing additional population-level intelligence on community transmission.

The pilot reinforces how national wastewater infrastructure can be leveraged to support monitoring of priority emerging pathogens, and potentially reduce the health and economic impacts of outbreaks through earlier detection and response.

Collective effort to respond to emerging threats

PHF Science supports national and regional preparedness to prevent and respond to emerging diseases of epidemic and pandemic potential. This includes collecting and publishing the latest data on notifiable diseases such as measles and pertussis (whooping cough, which has been a national epidemic since October 2024).

Following a measles outbreak that started in September last year, we worked with Health New Zealand's National Public Health Service and the Measles Reference Lab at Canterbury Health Laboratories, to trace cases in the outbreak back to when it was first reported in the community. This coordinated effort, alongside strong community cooperation with isolation requirements, is likely to have prevented a much larger outbreak.



Strengthening the response to antimicrobial resistance (AMR)

Antimicrobial resistance (AMR) is a growing threat requiring strong surveillance and intelligence capability. During 2025–26, PHF Science completed a review of our AMR surveillance activities across human, food, water, environment and animal contexts. This will inform the development of principles and a framework to support a PHF Science One Health approach to AMR surveillance and research. PHF Science has been leading work to strengthen New Zealand's AMR surveillance system, which has included developing new surveillance data standards; formalised prioritisation and communication processes, clarification of cross-agency roles and responsibilities, and progress towards participation in the WHO Global Antimicrobial Resistance and Use Surveillance System (GLASS). This effort has improved national surveillance capability, strengthened sector partnerships, and identified future opportunities to enhance data access, integration and automation to support more timely and valuable public health intelligence.



Tracking AMR in Christchurch floodwaters.

Photo: PHF Science





Data highlights

2,723 participants

in the WellKiwis Influenza Study cohort provided blood as part of the annual blood collection effort (as of 24 April). That's an impressive 97% of the cohort!



PHF Science publishes dashboards on its website sharing important infectious disease information.

In 2025–26 there were:

27,463

visits to the notifiable disease dashboard

23,288

visits to the Invasive Pneumococcal Disease dashboard

17,223

visits to the respiratory illness dashboard

11,558

visits to the STI annual dashboard 2023

56,813

visits to the Covid in Wastewater dashboard

SHOWCASE: Protecting the health of some of New Zealand's most vulnerable

Legionellosis is a respiratory disease that follows infection with a bacterium called *Legionella*.

It is a notifiable disease in New Zealand, with more than 100 cases reported and confirmed each year. Symptoms of legionellosis can be mild, but can also be a severe flu-like illness or pneumonia that is sometimes fatal. The disease is generally more common in people over 50, smokers and those with a weakened immune system or other lung conditions.

While exposure to compost is well known to many New Zealanders as a risk factor, less known is that contaminated water systems have frequently been the source for infections and outbreaks. Spa pools in particular offer an ideal breeding ground for the bacteria because the water temperature is optimal for their growth. The bacterium can then be readily spread through inhalation of the aerosolised water from the spa pool.

Our microbiologists test for *Legionella* in water and biofilm samples from many different sources, including cooling towers, drinking-water supplies, groundwater and spa pools, helping to keep some of the most vulnerable people in our communities safe. In the year to June 2026 the PHF Science Environmental Microbiology Laboratory used next-generation sequencing (NGS) methods to identify eight separate occasions where either a drinking-water supply or a spa pool was confirmed as the patient's exposure source for their *Legionella* infection.



As well as detecting the presence of the bacteria in water samples supplied to us, genetic work is also completed to track the source of an outbreak. With residents in aged-care facilities who are more at risk of being immunocompromised often frequenting shared spa pools, this tracking can and does save lives as well as prevent outbreaks.

Science for innovation

Leading-edge research, and developing and commercialising new and innovative services, diagnostic tools and devices

PHF Science promotes scientific innovation through the application of cutting-edge technologies for rapid diagnostic tools, forensic capabilities and integrated systems. These support New Zealand's pandemic prevention, support forensic intelligence, and strengthen our prevention of and response

to emerging threats. Significant innovation has been driven by advances in applying AI tools in our work, and we will continue to progress this area for exploring and identifying opportunities, including those with potential commercial benefits for New Zealand.

Our Lift and Lift priorities

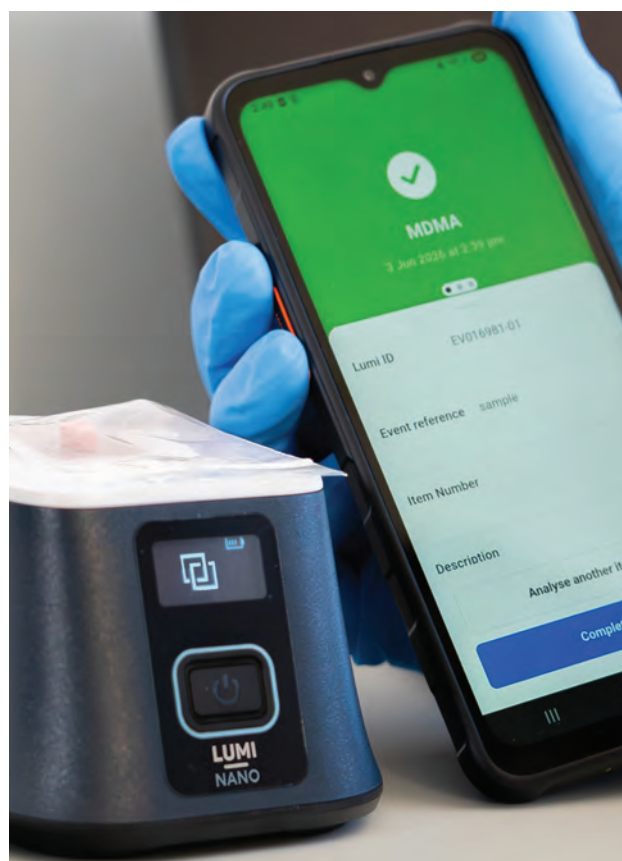
- Realise new local, mātauranga and global market opportunities by leveraging current science knowledge, and increasing required capabilities and operational processes for enhanced commercialisation and consulting services.
- Build the capability and shared understanding needed to apply AI and other emerging data sciences confidently and strategically across the organisation.
- Undertake horizon scanning for digital technologies and services that enable or support future state relevant in core service lines.

Lumi™ Drug Scan

Co-designed and validated in partnership with frontline police, Lumi combines a portable handheld device, the Lumi mobile app and a secure cloud service to deliver real-time analysis of drug samples.

Lumi has been deployed in New Zealand since June 2022. Over the past two years we have been engaging with the market both locally and overseas to showcase its benefits and real-world performance. This has resulted in Lumi being used by frontline forensic and policing organisations in the UK, EU, US and Asia. This past year we also implemented a significant upgrade with New Zealand Police and deployed Lumi across the Pacific.

Lumi continues its track record of delivering results. At the end of the 2025–26 financial year, New Zealand Police were on their way to reaching a total of 25,000 analyses using the technology. Each scan contributes to a bigger picture of drug trends in New Zealand, helping to target services where they are most needed, and inform policy and decision-making.



Developing Māori Data Governance outcomes

The Māori Impact Team continued to lead the development of the Māori Data Governance Framework, which will underpin all future PHF Science delivery, policy and processes. This work is delivering outputs specific to PHF Science's core focus areas, including population health modelling and genetic data management, as well as aligning broader data practices to Māori aspirations. This mahi draws strongly on the body of work created by Te Kāhui Raraunga and external Māori data expertise.

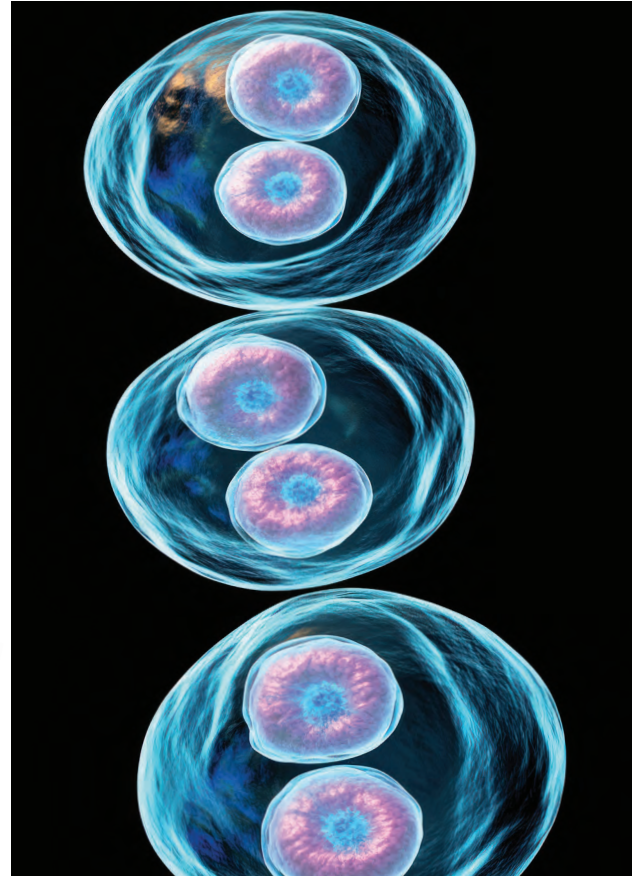
If the shoe fits . . .

The PHF Science forensic team has created a proof-of-concept for an AI-driven app using agentic software development methods. This app takes photos of shoe impressions and compares them against a database in real time using pattern recognition techniques. If successful, there is the possibility of applying the technology to other workstreams that rely on pattern matching of evidence, such as fingerprints and tyre tread marks. The team is also working on developing a chatbot that police officers can use to gain instant and plain-language answers sourced from our Forensic Evidence Guide.



A new, safer tool to study water contamination

In New Zealand, tens of thousands of people contract gastroenteritis from contaminated supplies each year. Protecting communities depends on understanding how pathogens move through and are removed from water systems, and on our ability to track their pathways.



Cryptosporidium parvum
Photo: Stock image generated using AI

To help address this, PHF researchers have developed surrogates made of biomolecule-modified non-living particles that mimic the physical and chemical features of key pathogens, such as *Cryptosporidium parvum*, rotavirus, and *Legionella pneumophila*. These surrogates simulate the ways pathogens move and persist in water systems, and can be tagged with DNA markers for easy detection. They are able to outperform commonly used microbial surrogates.

Eliminating the need to handle live pathogens enables safer and more effective research so we can continue to proactively protect our communities from potentially harmful pathogens. It also helps us answer critical questions about how quickly, how far, and under what conditions pathogens travel through soils, aquifers and water to help water managers with decision-making.

Data highlights

28 SSIF-funded projects are under way over **six** key areas:

- Improving crime scene investigation methods
- Reducing drug-related harm



- Ensuring water security for human health
- Development of testing methodologies and technologies
- Supporting informed decision-making and policy development
- Mātauranga Māori and impact for Māori



SHOWCASE: Advancing the adoption of and responsible use of AI in Forensic Science

AI has the potential to support many stages of the forensic science process, from accelerating evidence analysis to improving the accuracy and efficiency of investigative workflows.

But there are also risks. Because these outputs feed into investigations, court processes and public trust, our approach is to use trusted data and validated methods to ensure AI enhances reliability, transparency and fairness, with benefits for both staff and the people and organisations our science serves.

PHF Science is leading an international research project funded by the US National Institute of Standards and Technology (NIST) to help shape how artificial intelligence is adopted across forensic science. The project brings together forensic scientists, AI developers, legal professionals, law enforcement, and standards experts to develop practical resources that support the responsible use of AI in criminal justice.

The research will document forensic AI use cases, develop guidance for AI procurement and development, and create a shared taxonomy and metadata framework to improve transparency and communication across the forensic community. The resulting resources will be made freely available through an open-access platform, helping laboratories, researchers, and policymakers worldwide make more informed decisions about current and future use of AI in forensic science.

Through this work, PHF Science is contributing to international efforts to ensure AI is deployed in a way that strengthens scientific integrity, supports justice outcomes and maintains public confidence in forensic evidence.



Science enablers

To deliver excellence in science we have four key enablers:

- **Transitioning to an effective PRO**
- **Science workforce for the future**
- **Partnerships for stronger science**
- **Facilities and systems for success**



Transitioning to an effective PRO

As we plan for the years and decades ahead as a PRO, we have recognised the need for impact, agility and delivering value for money in our service delivery and research.

We have refocused our activities to better support economic growth for Aotearoa New Zealand by building our organisational capability, strengthening partnerships, and critically evaluating our research

support services to ensure we deliver impactful, evidence-based science that meets national priorities and global challenges. The aim is a stronger, more resilient New Zealand.

Our Lift and Lift priorities

- Ensuring the necessary supporting culture, behaviours, empowering ways of working and outcomes/impact frameworks are developed, including the development of the PHF Science five-year Strategy.



Enhancing our ability to create impact

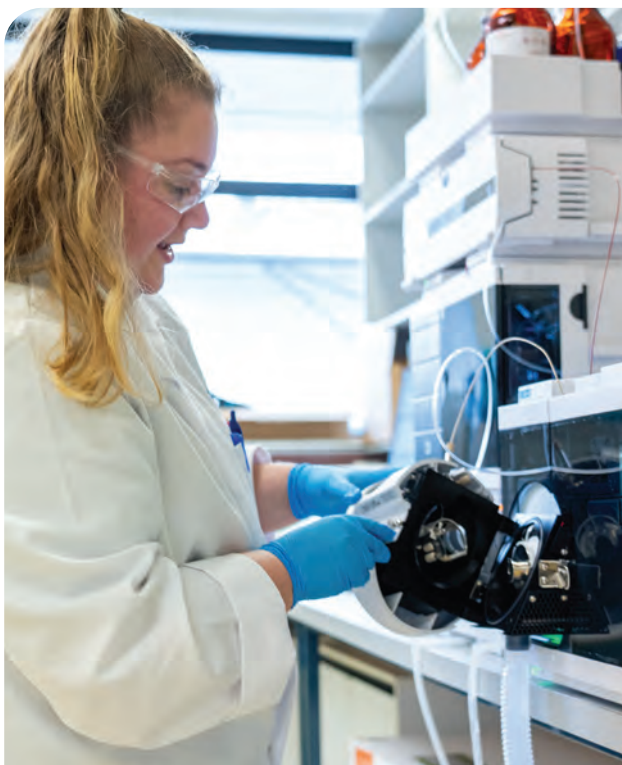
With many changes taking place across the science system and high levels of uncertainty in our domestic and international environment, our aim has been to both consider our immediate, critical contributions and to cast our view ahead at least ten years, if not more. Doing so requires envisaging multiple possible futures and scenarios we may be facing, and being responsive, agile and adaptable so we are best able to deliver what New Zealand needs of us in future.



PHF Science forensic experts sharing their knowledge with New Zealand Police photographers as part of a comprehensive training programme.
Photo: PHF Science

Working closely with our staff, Board and stakeholders, we have built a clear picture of where we were as an organisation, and where we can make an even greater difference for New Zealand and beyond. The feedback strongly reinforced the importance of remaining grounded in excellent science and strong connections with the sectors we support, and achieving more by becoming more technology enabled, and through effective partnerships and collaboration.





With a strong steer from the Government on its expectations, our strategic framework has been reviewed, more explicitly building the following strategic lifts into our enabling priorities:

- Science excellence – across the continuum from research to service delivery
- Alignment – Clear direction, real impact
- Connection and capability – More than the sum of our parts
- Partnerships – Stronger together
- Communication – Show our value.

These are areas that cut across everything we do and will make the most meaningful impact in terms of uplifting our capability and effectiveness as an organisation. They are reflected in our 2026–2031 Statement of Corporate Intent and will drive our work programme for 2026–27. We expect to see this direction continue into our longer-term strategy.

Making our research services future-ready

Critical to our success as a PRO is continuing to ensure we invest in research that builds on our distinct areas of expertise and addresses needs for New Zealand. We are building on the approach we introduced last year for allocating SSIF funding for research, moving from a 'traditional' competitive process to a commission-based approach with regular reviews, and seeking opportunities where we can deliver significant impact and respond to emerging priorities.

As part of this approach, we initiated an external review to critically evaluate the effectiveness, efficiency and future-readiness of research support services at PHF Science and ensure these services are well-aligned with our strategic goals and support us to be an agile and impactful public research organisation.

In response to the findings in the review, we have identified seven research priority areas, each with a dedicated programme lead to provide a strong science voice within PHF Science to better coordinate and provide advice on our direction and opportunities.



A visible part of our transition to a Public Research Organisation is our new identity as PHF Science. We are helping our communities get to know us, including through local events and outreach programmes.

Photo: PHF Science

Science workforce for the future

We continue to build a strong, capable workforce that is agile, collaborative and adaptable, supported by business systems and processes to meet the challenges of our diverse work programme.

Our Lift and Lift priorities

- Delivering a future-focused enterprise capability/skills framework and implementation plan based on future science, partnership excellence and innovation need.



Early morning water testing Christchurch
Photo: PHF Science

Staying on the pulse with our staff surveys

The Executive Leadership Team agreed a move from annual engagement surveys to regular pulse surveys focused on the organisation's establishment as a PRO. These will be undertaken three times each year using a smaller set of questions that focus on the key areas of interest at each stage of PHF Science's progress.

While results do not include a traditional engagement score, satisfaction continues to be measured and reported (see operational performance measures on pages 43–44).

The first of these pulse surveys measuring staff satisfaction was undertaken in May 2026. The overall participation rate for this survey was 58 per cent and the mean score was 3.54 (out of 5), showing satisfaction has remained stable. This result provides a new baseline for future results.

PHF Science Leadership Development Programme

Strong leadership has been a major focus for the organisation, with a Leadership Development Programme launched in August 2025, supported by ongoing development activities to build cohort relationships and extend learning. By year-end, four cohorts had attended the programme, and a learning support framework has been developed to support continued development of cohorts at regular intervals, extending learning beyond the initial programme and to continue to build cross-functional cohort relationships.

58 per cent

staff participation rate for survey

**3.54
(out of 5)**

staff satisfaction rate



Upskilling and innovating with AI

AI has the potential to support and enhance workflows and introduce efficiencies organisation-wide.

In January we launched AI Lab, a secure environment created by our Data Science team to allow staff to upskill, experiment and innovate with AI in a safe and controlled setting using PHF Science data and concepts. This in-house LLM is available to staff in addition to our ring-fenced implementation of Copilot Chat, which is already well used by staff.

We launched a project exploring how we can use AI to enhance Microsoft Word and enable staff access to an AI-supported tool built into the Web of Science platform to make information easier to find and extract and to support all staff to develop their capability in AI. Training has also been rolled out to staff to increase awareness of the potential for AI and promote safe and responsible use.



Our people by the numbers

548 employees

permanent, fixed term and casual

Ethnicity

European
73.0%

Māori
3.5%

Pasifika Peoples
0.6%

Asian
19.4%

MELAA
(Middle Eastern, Latin American, and African)
3.5%

Employee turnover

3.4%

Gender

Female
65.3%

Male
34%



Forensic science experts attend a training exercise as they upskill in luminol-based technologies. Ongoing training and capability building is a key priority across PHF Science.

Photo: PHF Science

Partnerships for stronger science

We continued to build strong relationships and collaborate with key partners in the public health, justice, innovation and technology sectors as well as Māori communities, universities and other international partners to deliver benefits for New Zealand and real-world impact.

Our Lift and Lift priorities

- Create new and strengthen enduring partnerships with PROs, sector, iwi partners, universities, our international counterparts, research funds and across the Pacific to collaborate on science and research that benefits New Zealand and its people.



A new era for infectious disease research

We continued to strengthen partnerships across the science system as host of the next phase of Infectious Diseases Research Platform (relaunched in August 2026 as Infectious Diseases Research Aotearoa). With \$75 million in funding over 7 years, the platform supports research to strengthen national pandemic preparedness and response.

This includes surge science capability; reducing the health, social and economic impacts of future infectious disease outbreaks; and building a strategic, integrated and agile infectious diseases research system.

It builds on the work of the Te Niwha Infectious Diseases Research Platform, established in 2022 as a response to the lessons of COVID-19 and hosted by PHF Science in partnership with the University of Otago. The platform, which concluded in early 2026, led to more than 95 research projects and connected more than 300 researchers across the country, strengthening relationships between scientific discovery, public health systems and communities. A director for the new platform was appointed in May 2026. The next phase will carry forward the values and partnerships established through Te Niwha, with an additional focus on supporting longer-term research approaches, strengthening coordination across the system, and growing a sustainable pipeline of infectious disease researchers.

Helping to empower water security in the Pacific

For more than 20 years, PHF Science has been helping Pacific Island nations build stronger and more resilient health and environmental systems, which are crucial for protecting Pacific populations from disasters, climate change and disease outbreaks.

Much of the work is based on a country-led partnership model that adapts systems and practices to fit the specific context and cultures of each island. These collaborative relationships enable science implementation across multiple domains – health, environmental, social, cultural, economic and technological – and align with New Zealand Aid Programme priorities for health, water, sanitation, hygiene and climate resilience.

As a result of this long-standing relationship with our Pacific neighbours, PHF Science has been invited to participate in the Pacific Partnership for Atoll Water Security, which aims to strengthen relationships with Pacific governments, development partners and funders. It also creates opportunities for future programmes in water security, climate resilience, drinking water safety and environmental monitoring. The Pacific Partnership for Atoll Water Security was recently boosted with an additional NZD\$13 million of funding to extend efforts to strengthen the water resilience of vulnerable outer island communities until 2028.



Building collaboration with universities

PROs and universities are the core of New Zealand's publicly funded research system and there are many initiatives already in place where we work closely together. As part of our ambition for greater, more systemic collaboration, Chief Executives of the PROs and the University Vice-Chancellors developed a Statement of Collaboration and initial work programme. It aims to drive greater system connectivity, better returns on taxpayer investment, and improved economic, cultural, environmental and social benefits for New Zealanders. Coordinated with the support of Science New Zealand and Universities New Zealand, potential initiatives include:

- strategies for growing New Zealand's research workforce, with an initial focus on early career researchers and scientists

- streamlining engagement and information sharing with decision-makers in government, industry and other parts of the research sector to ensure New Zealanders get the best return from public investment in research
- better connections with government advisors and ministries to speed up access to the right research expertise in times of emergencies.

This aligns with the aims of the University Strategy Group, formed by Hon Dr Shane Reti to strengthen alignment and collaboration across the university and science sectors, which includes representation from across the PRO sector, including PHF Science Chief Executive Sir Ashley Bloomfield.

Sharing our expertise with the world

Every year, our expertise is showcased on the international stage through engagement at conferences, through collaborations with new and existing partners, and by delivering training programmes. The following are just some examples of the impact our people are making every day through science, surveillance, research, intelligence and partnerships.

Our Forensics team brought together around 750 international attendees for the Activity Levels and Forensic Science webinar, providing opportunities to share courtroom experiences, and reflecting PHF Science's international standing in this area. We also played a key role in coordinating the International Association of Forensic Toxicologists (TIAFT) conference in Auckland, bringing together some 500 toxicologists from around the world – the first time the event had been held in New Zealand in its 62-year history.

Our forensic, surveillance and toxicology experts hosted the Reducing Harm from Drugs in Aotearoa Symposium, which was supported by the National Drug Intelligence Bureau and the New Zealand Drug Foundation, and facilitated by New Zealand journalist Paddy Gower. The Symposium enabled New Zealand and international experts – including experts on global monitoring of illicit drug markets from the United Nations Office on Drugs and Crime, and the Centre for Forensic Science Research and Education in the USA – to share insights with a wider audience. The event featured presentations



The TIAFT conference was co-hosted by PHF Science and Forensic and Clinical Toxicology Association (FACTA). Pictured is FACTA president Jennifer Schumann and PHF Science toxicology expert Matt Hosking.

Photo: PHF Science

on topics ranging from using insights from wastewater monitoring to global early-warning systems and drug-checking initiatives.

SHOWCASE: Long-term development programme strengthens forensic science in Fiji

This year saw the launch of a long-term capability development programme in Fiji, funded by MFAT, with in-country visits occurring in March and May and two more planned in 2026.

The new programme empowers Fiji's forensic capability to better support those experiencing gender-based harm and sexual assault. This continues our ongoing commitment to strengthen Fiji's forensic science capability and support their team as they transition into their role as Centre of Excellence in Forensics for the Pacific region. PHF Science staff are working closely with colleagues in New Zealand Police and the Australian Federal Police to ensure we maximise the benefits for our Fiji colleagues. The programme includes foundational modules in quality and anti-contamination, as well as expanding DNA testing capabilities and refreshing the medical examination process in ways that are culturally appropriate.



The programme is the result of many years of dedicated focus. This involved in-depth needs assessments, and building relationships with government agencies and connections with communities in Fiji to ensure the approach is Pacific-led, understands in-country contexts and challenges, and offers enduring support. It strengthens an existing support programme helping Fiji Police to expand testing for a broader range of drugs at the border.

*A forensic capability programme in Fiji is the result of many years of building meaningful and respectful relationships.
Photo: PHF Science*

This commitment to building and maintaining trusted relationships will allow continued collaborative problem-solving across borders even beyond the lifespan of individual projects.



Facilities and systems for success

PHF Science takes a long-term approach to uplifting technology infrastructure and fit-for-purpose facilities while ensuring ongoing financial sustainability and resilience.

Our Lift and Lift priorities

- Ensure ongoing financial sustainability and resilience, including commencing long-term capital planning to improve technology infrastructure and fit-for-purpose facilities.

New science building at Kenepuru taking shape

This year saw a significant milestone for the development of a new building at PHF Science's Kenepuru site, with completion expected by early 2027.

The build is progressing well, with architectural elements being installed; procurement for furniture, fittings and equipment well progressed; and integration of additional laboratory facilities for oral fluid testing and microbiology enteric, environmental, and food virology services. From early May the scaffolding began to come down, revealing the face of the new building and many of its unique design elements.

Project-managed by Crown Infrastructure Delivery (CID) for PHF Science, the new approximately 4,000m², three-storey facility replaces end-of-life buildings, increases capability in emerging areas of science, technology and research, and facilitates multi-science collaboration. With a building concept created through a joint process with Ngāti Toa Rangatira and Green Star-accredited, the new building will include 1,500m² dedicated to laboratories and a forensic service centre.

This will be followed by repurposing other buildings on-site to create a campus with significantly improved science infrastructure for New Zealand. PHF Science is taking a long-term approach to uplifting technology infrastructure and fit-for-purpose facilities while ensuring ongoing financial sustainability and resilience. This includes progressing a long-term capital planning approach, and engaging with wider initiatives to ensure resources and equipment are maximised across the science, innovation and technology sector.



*There has been keen interest in the progress of the build, both from staff and public figures. Pictured from left: PHF Science Chief Executive Sir Ashley Bloomfield, Board Chair Professor Sarah Young and Minister for Infrastructure Hon Chris Bishop.
Photo: PHF Science*



A new Health Laboratory Information System (LIS) to meet current and future needs

Central to delivering leading-edge science and research is having a laboratory information system (LIS) that ensures accuracy, efficiency, quality control, and data security. With our current system no longer supported, we undertook a project to find a replacement that would meet the complexity of PHF Science's operating environment across clinical, environmental and genomics contexts.

Following a procurement process, a system has been selected that is highly configurable and aligns strongly with our requirements. These include scalable cloud-based architecture, strong security practices, AI capabilities, optimisation of end-to-end laboratory workflows, and service integration. The new system is expected to deliver improvements in efficiency, scalability and service capability that will support future delivery of services.

We expect to start implementing the new system from September 2026 with phased deployment to minimise impacts on day-to-day operations and ensure service continuity. Delivery will follow a partnership model to ensure effective implementation and capability uplift within PHF Science.

PHF Science's Long-term Capital Investment and Asset Framework is in development, taking a long-term view to ensure resources and core equipment are maximised across the science, innovation and technology sector for the future.

All technology roadmaps have been reviewed and are going through approval, and we have conducted a financial cost and profit model review.

We also have an established continuous improvement cycle across all internal tools and business systems, which also incorporates an AI lens applied to support improved efficiency.



Kenepuru Science Centre rebuild progress through pictures



Top left: The original site and buildings in Porirua. Clockwise from top right: The new state-of-the-art building takes shape.

Organisational health, resilience and capability

In addition to the focus areas outlined in the previous sections that build our organisational health and enable the delivery of excellent science, we ensure our work is underpinned by robust quality and assurance processes.

Risk and assurance

We monitor key risks and the effectiveness of their management and mitigation, working closely with the Board.

PHF Science's important scientific work is accompanied by various risks and uncertainties. Taking appropriate risks is a normal part of doing business and at PHF Science we actively identify, understand, and manage these risks so we can pursue opportunities and achieve our objectives. Risk and assurance processes are integrated across PHF Science and are focused on improving governance, enhancing transparency, reducing the likelihood of adverse events, and keeping people safe by following established policies, processes and guidance.

An enterprise-wide approach to risk management ensures day-to-day responsibilities are embedded at strategic, operational, and project level. Our risk management framework reflects and aligns with recognised good practice.

The Board's Risk and Assurance Committee meets quarterly to provide guidance to the Chief Executive and helps the Board in fulfilling its responsibilities for risk management; internal control; emerging economic, environmental, social and governance matters; and PHF Science's financial accounting and reporting. The Committee also oversees significant organisation-wide and system-level risks, including the adequacy and effectiveness of related controls.

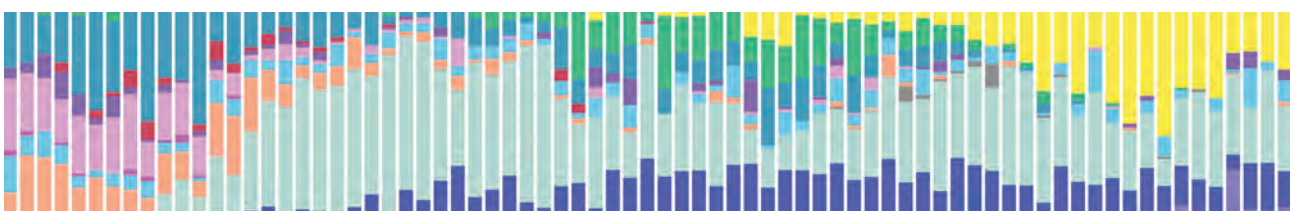
Quality and continuous improvement

PHF Science's Quality Management System, supported by internationally recognised accreditation, provides a robust framework for assuring the quality and integrity of our science, and maintaining confidence with our customers and the New Zealand public. The quality system is built on a strong foundation of documented policies and procedures to support compliance across all laboratory activities.

Staff are supported by a comprehensive training programme, quality control activities and calibration processes to ensure the accuracy and reliability of results. A culture of continuous improvement is promoted through a quality incident reporting system with a focus on learning and preventive action, while regular internal and external audits provide ongoing oversight of system performance. The laboratories participate in inter-laboratory comparison programmes to ensure the consistent delivery of high-quality results that are comparable with those of international laboratories.

Research security

Delivering excellence in science and enabling open, collaborative research brings inherent risks, including those associated with dual-use and sensitive technologies. PHF Science manages these risks through policies, frameworks and practices aligned with New Zealand Government Protective Security Requirements. Research security is embedded across our systems and processes, including proportionate risk assessment and management throughout the research lifecycle; due diligence in relation to partners and collaborations; and safeguards to protect our people, data and intellectual property. These risks are actively monitored and consistent with PHF Science's risk management framework to ensure appropriate management and the changing threat environment.



Information technology systems and security

Investing appropriately in technological evolution is vital to ensure that PHF Science remains adaptive and responsive to emerging opportunities, and sustainable in our own operations.

We have invested in and developed capabilities that enable near-real-time surveillance and integrated decision-making capabilities, and e-infrastructure, which are crucial to bolster PHF Science's capabilities and enable adoption of AI. Our systems are fortified by robust security and governance protocols that yield benefits for the research, science and innovation system. This includes improving data accessibility, fostering knowledge sharing and accountability and enhancing PHF Science's scientific endeavours.

We align with New Zealand Government Protective Security Requirements, including the application of information classification and handling protocols across our systems to ensure the appropriate protection of sensitive health, forensic and operational data.

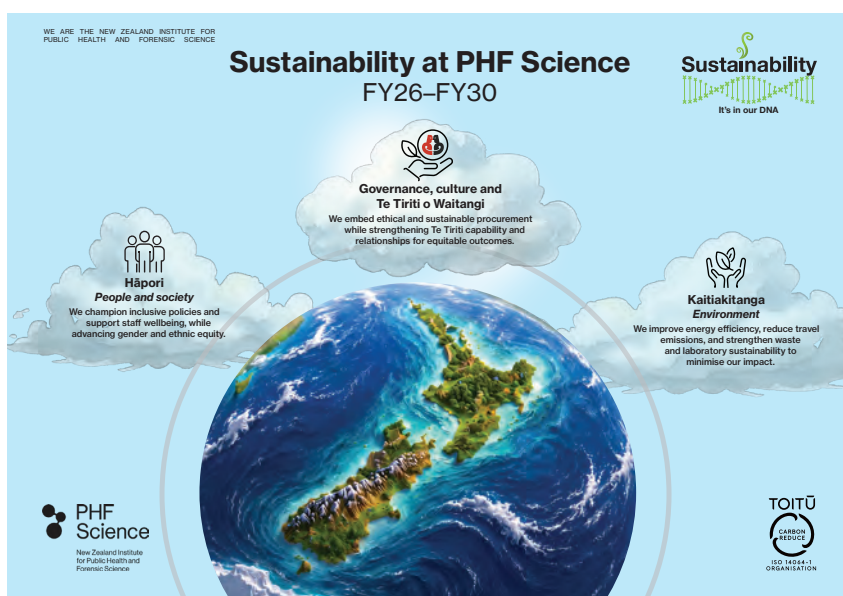
We maintain strong records management practices, including retention and secure disposal, in line with the Public Records Act and relevant New Zealand Police schedules, ensuring evidential integrity, traceability and compliance. PHF Science supports these investments with robust prioritisation and oversight processes, including enterprise portfolio management, a project management office and software governance groups. We also maintain a steadfast commitment to continuously enhancing resilience against cyber threats.

Data governance, data strategy and AI

PHF Science has a strong data governance structure that supports us to realise the best value from our data and information, and also meet our legislative requirements. Our strategy for data sets our direction of travel in this time of rapid evolution of smart technologies. These provide both opportunities and disruption for how we manage and use our data to deliver relevant and safe practices and use services to our health security and forensic partners for today and tomorrow.



We are actively exploring how AI can further enhance our operational efficiency and the quality of services we deliver, while also enabling a stronger science system through novel research and generating new partnerships for PHF Science. Building on the strong foundation we had established through being a signatory to the Algorithm Charter for Aotearoa New Zealand, our Responsible AI Framework and learnings from government agencies, we have established an AI Council to guide us in the tactical and strategic use of this technology to ensure safe and ethical data use and consumption.



Our commitment to sustainable development goals

We continue to work on targets and activities via action plans, gaining support via allocated budgets and resources. PHF Science's Sustainability Policy and strategy for sustainability align with the United Nations' Sustainable Development Goals covering environmental protection, economic growth and social inclusion, and have been approved by the Board and Executive Leadership Team.

Greenhouse gas emissions

PHF Science has been reporting on its greenhouse gas emissions since 2019. The 2025–26 report marks our sixth consecutive year of emissions reporting, reflecting our ongoing commitment to transparency and continuous improvement in environmental performance.

The latest available/verified emissions inventory was for FY25. Our total organisational emissions were 12,588 tonnes of carbon dioxide equivalent (tCO₂e).

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, total emissions in FY25 and FY26 were significantly influenced by the Kenepuru Science Centre rebuild. As a major infrastructure project, it represents a significant but temporary contributor to the organisation's emissions profile.

No new emissions reduction projects were completed or implemented during the 2025–26 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

PHF Science continued to progress waste reduction initiatives during 2025–26, including the ongoing use of Enviro360 soft plastic recycling bags at both the Christchurch and Mt Albert Science Centres to divert soft plastics from landfill.

During the year, improvements to waste management services focused on enhancing waste data quality, improving landfill diversion rates, and identifying opportunities to minimise waste across our operations. These efforts support more informed decision-making and help embed sustainable waste management practices throughout the organisation.

The Lab Waste Action Group has been a key driver of this work, championing waste minimisation initiatives and identifying practical opportunities to improve recycling and resource efficiency.



Commuter emissions reduction

In August 2025, PHF Science conducted a staff commuter survey to better understand travel patterns and identify opportunities to reduce commuter-related emissions. The findings supported Toitū audits undertaken in October 2025 and have informed the development of targeted initiatives to encourage lower-emission travel choices.

Data transparency

As part of our commitment to transparency and accountability, PHF Science developed and published an emissions dashboard on our intranet. The dashboard provides accessible and up-to-date information on our greenhouse gas emissions, enabling staff and stakeholders to monitor progress against our sustainability targets and better understand our environmental performance.

Staff wellbeing and equity

As part of our commitment to staff wellbeing and equity, PHF Science implemented a Period Positivity initiative across all sites. The programme provides free menstrual products in the workplace, helping to remove barriers to participation, support gender equity, and promote the health, wellbeing and dignity of our people.



Health, safety and wellbeing

PHF Science's employees 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 are given opportunities to engage in the continuous improvement of our health and safety environment through industry-standard tools that enable our employees and all levels of management and governance to submit feedback on essential components of leadership, risk management and worker engagement.

Work has been undertaken to improve collaboration and engagement within the organisation with over 700 HSW engagements recorded by the HSW team across all areas of the business. These engagements have included formal monthly and quarterly health and safety meetings, conversations and support to all organisational levels, from ELT to key operational staff.

The increased engagement has provided a clear understanding of the work that has been done, confirmation of good operational health and safety risk management practices in place throughout the organisation, and improved visibility and assurance to management.

The HSW team in collaboration with laboratory managers and team leaders also undertook HSW reviews in several laboratories to verify the effectiveness of critical controls for the critical risks of hazardous substances, biological hazards and plant machinery and equipment. Over 160 critical controls were reviewed across six operational teams with 95 per cent verified as in place and effective.

Those identified as not fully effective have provided minor opportunities for improvement. Future reviews will evolve as we further develop our critical risk management in line with the new Health and Safety at Work Amendment Act due to come into effect early 2027.

Several new HSW documents, procedures and processes have been introduced or are in development to improve our health and safety systems, performance, visibility and focus.

Our commitment to being a good employer

PHF Science 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 leadership, accountability and culture

The leadership expectations introduced into PHF Science in 2025 have provided the foundation for the development and delivery of our leadership development programme.

Commencing delivery in August 2025, cohorts of leaders at all levels have participated in this key programme to build leadership capability that can be applied in the workplace and to support a culture that leverages people's strengths.

Our refreshed performance acceleration 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.

New induction processes and learning programmes have also been introduced and we have started quarterly pulse surveys to complement our engagement framework. 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 leaders to take advantage of the refreshed online courses we provide to address bias in the workplace and to ensure the best candidate is selected in a fair and equitable manner.

Employee development, promotion and exit

PHF Science supports employee-led networks, such as our Early Careers Group. We have also committed to developing a formal graduate development programme.

More generally, professional development is an ongoing key discussion during the year as part of our performance acceleration framework as well as a key consideration for attendance at local and global forums. 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 continued to be available. Leading through change also featured in our leadership development programme.

Feedback from employees who left over the year was obtained through our refreshed 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

PHF Science continues to meet or exceed standard terms and conditions and offers long service leave as well as competitive/market benchmarked remuneration. PHF Science also actively builds on our ongoing relationships with our union partners and on-site union delegates to maintain a high level of transparency and to build trust.

Harassment and bullying prevention

PHF Science promotes a respectful workplace free from bullying and harassment. Our active Diversity, Equity, Inclusive and Belonging Council (one of our employee-led networks), together with our Code of Conduct, refreshed e-learning resources and active support of related activities such as Pink Shirt day, ensures regular reinforcement of respecting and caring for each other.

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, and the provision of resources and training for all staff. For more information see page 36.



Our governance and leadership teams

PHF Science'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 PHF Science'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, PHF Science's Board has established two standing committees:

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

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

Directors



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

Photo: PHF Science

Director profiles

Professor Sarah Young (Chair)	Professor Sarah Young is the Deputy Vice-Chancellor Education at the University of Auckland, and she is currently the Board Chair of the New Zealand Institute of Public Health and Forensic Science (PHF Science). Recent prior leadership roles include being the Dean of the Faculty of Science at the University of Auckland, 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 has a PhD in Immunology and her research focuses on immune modulations 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/engagement consultant, serving on a number of boards across the health, insurance, environment, energy, and R&D/science sectors, with previous directorships across the food and fibre sector, alongside volunteer/not-for-profit positions. Justine is the former Chief Executive of regional development agency Venture Taranaki, and previously held a range of senior roles in central government. Justine has law and arts degrees, and resides in Taranaki with her young family.
Kate Thomson	Kate was previously based in Australia working in the engineering and research sectors, and as of 31 August 2026 is Chief Executive at Upper Hutt City Council. Kate is an experienced executive and has held several senior roles in the commercial sector during her career. Kate holds a Bachelor of Commerce, FCA, and a postgraduate degree in science and technology, 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 Bioeconomy Science Institute. 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, Matt 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.



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 board of Whakarongorau Aotearoa, the national telehealth provider, and previously on the International Accreditation New Zealand (IANZ) board. In 2024, she received the Women in Security Aotearoa award for Combatting Fraud and Misrepresentation, recognising her leadership in tackling online scams.

Catherine 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 the Bioeconomy Science Institute and the Accreditation Council. 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 has extensive experience in developing innovation strategies that link science and business to benefit prosperity, nature and people.

Bruce is a recipient of the 2023 Companion of the New Zealand Order of Merit, 2017 Prime Minister's Science Prize, 2017 Horticulture New Zealand Industry Service Award, and 2016 Royal Society Te Apārangi Thomson Medal for outstanding leadership of agricultural and horticultural science.

Board activity

During 2025–26, a total of 26 Board and Committee meetings were held. Meetings were a mix of in-person across PHF Science's sites and video conference.

Risk and Assurance Committee (RAC)

Helps 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, Catherine Abel-Pattinson, Professor Sarah Young.

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

Property Development (PD) Committee

Helped the Board in discharging its responsibilities in relation to overseeing PHF Science's property developments including PHF Science's new Kenepuru Science Centre. Members were Kate Thomson (Chair), Justine Gilliland, Dr Matthew Glenn, Professor Sarah Young, Catherine Abel-Pattinson.

The March PD Committee meeting was the final meeting of the PD Committee. The Committee was subsequently disbanded, with oversight of the Kenepuru Science Centre development transitioning to the full Board through regular reporting.

PHF Science Charitable Solutions Limited (PCSL) Board

Acts as an independent board to direct the activities of PCSL and ensures it continues to meet its charitable purpose. Directors (who are also all directors of PHF Science) are Dr Bruce Campbell CNZM (Chair), Justine Gilliland, Catherine Abel-Pattinson.

Board and Committee attendance for the year ending 30 June 2026

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.

Board of Directors	Board (out of 10)	RAC (out of 4)	PCP (out of 4)	PD (out of 4)	P CSL (out of 4)
Prof Sarah Young	10	3	4	2	–
Justine Gilliland	9	4	4	3	4
Kate Thomson	9	4	4	3	–
Dr Matthew Glenn	9	–	4	4	–
Dr Bruce Campbell	8	–	4	–	4
Catherine Abel-Pattinson	7	3	3	3	3

Executive Leadership Team



Sir Ashley Bloomfield
KNZM
Chief Executive



Mark Ottaway
Deputy Chief Executive,
General Manager Business
Services



Professor David Murdoch
Chief Scientist



Kirsten Beynon
General Manager
Health Security



Tanja van Peer
Acting General Manager
Forensic



Bronwyn Kingdom
Acting General Manager
People and Culture



Natalie Lombe
Director PRO Change
Programme



Our performance

Our system-level performance

All PROs across the science, innovation and technology system are monitored by the same set of performance measures to provide a consistent view of performance. Our performance against the set of organisational-level indicators aligned to system outcomes are in the table below.

MBIE Core Generic Performance Indicators

Government Priorities	Strategic Objectives	Performance Measure	Purpose	FY25 year-end result	FY26 Budget / Target	FY26 Result
Growing investment in research, science, and innovation	Strengthening business systems and processes	End-user collaboration: revenue per full-time equivalent 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.	\$173,563	\$162,761	\$176,860
Effective and efficient investment practices	Strengthening business systems and processes	Financial indicators: revenue per FTE	Amount of revenue per FTE.	\$233,849	\$212,214	\$233,763
Increasing the diversity and quality of the research science and innovation workforce, including growing excellence and collaboration in research activity	Reshaping PHF Science's science	Science quality: impact of science publications*	Impact of science publications (measured using a web of science citations for the previous calendar year).	4.5	4.5	4.3 <i>This is very close to our target, with relatively stable performance overall</i>
	Reshaping PHF Science's science	Research collaboration: publications with collaborators	These refer to publications prepared in collaboration with authors at other New Zealand institutes and/or international authors.	86%**	≥85%	84% <i>This is very close to our target, with relatively stable performance overall</i>
	Reshaping PHF Science's science	Technology and knowledge transfer: commercial reports per scientists 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.	0.2	0.18	0.16 <i>This is very close to our target, with relatively stable performance overall.</i>

* Science quality is measured by SCImago 2-year impact factor, SJR ranking – measured using citations for the previous calendar year (1 January to 31 December 2025).

** Reported as number in previous reports; now reported as a percentage.

*** Target has been updated to align with FY25 reporting.



Our operational performance

PHF Science's key performance indicators (KPIs) document the progress of our strategic and operational work programme and our performance on an annual level.

In addition to the measures reported below, PHF Science continues to monitor a range of operational performance indicators relevant to sector partners, and quality assurance metrics. These indicators support transparency, reliability and continuous improvement in service delivery.

Over 2026/27, PHF Science is reshaping its internal measures to reflect its strategy as a PRO and align with Government science priorities.

PHF Science Performance Indicators

Strategic focus area	Performance measure	Purpose and intention	FY26 Target	FY26 Result	Commentary
Greater impact with and for Māori and to be a leading Te-Tiriti-partnered PRO	Percentage increase in the number of iwi co-designed research projects.	To demonstrate growth in PHF Science's investment in a pipeline of impactful Māori research.	≥20%	12%	The lower-than-target end-of-year result is due to a subsequent review of our Māori Impact projects to ensure alignment with the organisation's direction.
	Percentage of SSIF funding allocated to projects led by and co-designed with Māori.	To demonstrate growth in PHF Science's investment in a pipeline of impactful Māori research.	≥20%	11%	The percentage of SSIF allocated to Māori Impact projects in FY26 was 11%. Subsequent review of Māori Impact project alignment with PHF Science's direction reduced the percentage of projects in this category.
Public health, emergency preparedness and response	Percentage of surveillance delivered to the health sector on time for all notifiable diseases.	To support reduced mortality and impact on the health system from disease and contamination.	90%	>95%	End-of-year result was 95% achieved (100% for Early Aberration Reporting System and Public Health Aberrant Disease Events surveillance).
Data science collaborations with partners leading to funding applications	Number of new data science collaborations with local or international partners, leading to funding applications.	To demonstrate informed technology uptake and use to improve intervention decision-making.	2	2	PHF Science participated in two of the four proposals selected for the final round of the NZ Institute of Advanced Technology AI Research Platform, alongside a range of collaborators, domains and industries.
Building partnerships, both international and domestic	Percentage of international proposals funded.	To demonstrate alignment of science capability to deliver innovative solutions with global reach.	30%	14%	The low FY26 percentage reflects a higher than usual number of applications due in part to our ability to access Horizon Europe.
	Percentage of external research proposals funded.		≥15%	21%	There was a total of 24 bids in FY26.



Strategic focus area	Performance measure	Purpose and intention	FY26 Target	FY26 Result	Commentary
Diversified and stronger revenue streams	Percentage growth above FY25 Budget in customer-driven revenue (Government and private commercial revenue, excluding research and Te Niwha)	To monitor revenue sources to ensure financial profitability.*	≥2.5%	4.3%	Strong service delivery and increased volumes lifted customer-driven revenue to 4.3% above full-year Budget, particularly driven by New Zealand Police, Ministry of Health, STRmix™ and private sector clients.
Accelerate workforce development and opportunities	Annual Gallup Engagement result	Reports the level of staff engagement with PHF Science.	3.9	N/A	This annual measure was paused for FY26 to focus on more regular Pulse surveys.
	Annual Gallup Satisfaction result	Reports the level of staff satisfaction with the working environment and conditions of PHF Science.	3.6	3.54	Employee satisfaction was measured in May 2026 via a Pulse survey. Overall participation was 58%. The satisfaction mean score shows satisfaction has remained stable since the previous survey. This result provides a new baseline for satisfaction as the organisation continues its transition to a PRO.

**Wording of this measure varies from that in the 2025–2030 Statement of Corporate Intent but retains its intent. This change has been made to align with the MBIE definition of ‘commercial revenue’ as private non-Governmental income.*

Key financial performance measures

	Actual 2026	Budget 2026	Actual 2025
Revenue *	\$120m	\$111m	\$117m
Operating margin	8.3%	6.3%	7.4%
<i>Earnings before interest, tax, depreciation and amortisation (EBITDA) as a percentage of revenue</i>			
Return on equity	3.2%	0.8%	4.7%
<i>Net profit after taxation as a percentage of equity</i>			
Return on assets	3.0%	0.2%	3.0%
<i>Earnings before interest and tax as a percentage of total assets</i>			
Profit volatility	18%	17%	14%
<i>The standard deviation of EBITDA as a percentage of average EBITDA over the preceding 7 years</i>			
Acid test ratio	1.9	1.0	1.7
<i>Current assets excluding prepayments and inventory to current liabilities excluding deferred revenue</i>			
Equity ratio	66.3%	66.0%	67.7%
<i>Equity as a percentage of total assets</i>			
Gearing	8.0%	12.5%	3.3%
<i>Debt (including lease liabilities) as a percentage of debt and equity</i>			
Revenue per full time equivalent employee *	\$233,800	\$212,000	\$234,000
Operating margin per full time equivalent employee	\$20,400	\$13,400	\$20,100
<i>Earnings before interest, tax, depreciation and amortisation, per average full time equivalent employee for the year</i>			

* Actual and budget excludes PHF Science's research revenue from stage 1 (Te Niwha) and stage 2 of Infectious Disease Research Platform, to be comparable with the Statement of Corporate Intent budget that excludes this revenue.



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Independent auditor's report.

To the readers of New Zealand Institute for Public Health and Forensic Science Limited's group financial statements for the year ended 30 June 2026

The Auditor-General is the auditor of New Zealand Institute for Public Health and Forensic Science Limited (the company) 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 that comprise the statement of financial position as at 30 June 2026, 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 policy information 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 2026, and its financial performance and cash flows for the year then ended, in accordance with New Zealand Equivalents to International Financial Reporting Standards (NZ IFRS) and International Financial Reporting Standards Accounting Standards (IFRS Accounting Standards).

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 for the audit of the financial statements* 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 opinion.

Responsibilities of the Board of Directors for the financial statements

The Board of Directors is responsible on behalf of the company for preparing financial statements that are fairly presented and comply with NZ IFRS and IFRS Accounting Standards.

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 company 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 intends to liquidate the group or 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.



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 audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for the purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Board of Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Our responsibilities arise from the Public Audit Act 2001.

Other information

The Board of Directors is responsible for the other information. The other information comprises all of the information included in the annual report other than 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 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)* as applicable for audits of public interest entities issued by the New Zealand Auditing and Assurance Standards Board.

In addition to the audit, PricewaterhouseCoopers has carried out an engagement in the area of an audit related service, which is compatible with the independence requirements. Other than the audit and this engagement, we have no relationship with, or interests in, the group.

A handwritten signature in black ink that reads "Sarah Turner". The signature is written in a cursive, flowing style.

Sarah Turner

PricewaterhouseCoopers

On behalf of the Auditor-General

Wellington, New Zealand

16 September 2026



Statement of profit or loss and other comprehensive income

For the year ended 30 June 2026

Group		Group Actual 2026 \$'000s	Group Budget 2026 unaudited \$'000s	Group Actual 2025 \$'000s
	Note			
Revenue				
Revenue from contracts with customers	2	98,759	89,139	98,507
Grant revenue *	2	27,988	28,223	37,192
		126,747	117,362	135,699
Operating expenses				
Scientific materials		9,067	9,209	8,445
Subcontracting, commissions and royalties		18,266	16,228	28,241
Personnel		68,305	64,522	67,685
Depreciation and amortisation	5/6	6,225	6,719	6,161
Other expenses	3	20,640	20,397	21,244
		122,503	117,075	131,776
Operating profit		4,244	287	3,923
Interest income		844	838	2,651
Finance expense		(122)	(121)	(129)
		722	717	2,522
Profit before income tax expense		4,966	1,004	6,445
Income tax expense	4	2,001	281	2,593
Profit for the year attributable to the shareholders of the parent		2,965	723	3,852
Other comprehensive income		–	–	–
Total profit or loss and other comprehensive income for the year attributable to the shareholders of the parent		2,965	723	3,852

* These numbers include the actuals and budget for research grant revenue from Stage 1 (Te Niwha) and Stage 2 of Infectious Disease Research Platform because the Board approved budget included this revenue.

Certain comparative amounts have been reclassified to conform with the current year's presentation. The reclassifications have no material impact on the previously reported profit, total assets, total liabilities, net assets or cash flows. See Note 1 Corrections to comparative information.

The accompanying notes form an integral part of these financial statements

Statement of changes in equity

For the year ended 30 June 2026

Group	Note	Share Capital \$'000s	Retained earnings \$'000s	Total equity \$'000s
Balance at 30 June 2024		18,494	54,539	73,033
Issue of new shares	15	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
Balance at 30 June 2025		33,494	58,391	91,885
Profit for the year		–	2,965	2,965
Other comprehensive income		–	–	–
Total comprehensive income		–	2,965	2,965
Balance at 30 June 2026		33,494	61,356	94,850

The accompanying notes form an integral part of these financial statements



Statement of financial position

As at 30 June 2026

Group		Group Actual 2026 \$'000s	Group Budget 2026 unaudited \$'000s	Group Actual 2025 \$'000s
	Note			
Non-current assets				
Property, plant and equipment	5	102,984	103,934	61,325
Right-of-use assets	7	2,567	2,323	2,933
Other investments		30	30	30
Intangible assets	6	5,278	6,114	5,214
Deferred taxation	14	–	339	–
		110,859	112,740	69,502
Current assets				
Cash and cash equivalents	8	8,406	3,817	14,355
Investment cash	8	8,500	–	36,500
Trade and other receivables	9	13,351	16,043	13,130
Contract assets	2	393	2,838	655
Inventories – scientific materials and consumables		1,525	1,070	1,375
Derivative financial instruments	20	–	–	295
Income tax receivable	13	–	807	–
		32,175	24,575	66,310
Current liabilities				
Trade and other payables	10	8,416	11,211	10,718
Contract liabilities	2	6,603	6,223	8,387
Grants received in advance	2	11,958	3,765	10,233
Employee benefits	11	5,613	6,709	5,413
Lease liability	7	462	398	454
Derivative financial instruments	20	464	–	–
Income tax payable	13	300	–	397
		33,816	28,306	35,602
Net current (liabilities)/assets		(1,641)	(3,731)	30,708
Non-current liabilities				
Grants received in advance	2	2,760	2,760	2,951
Employee benefits	11	2,965	2,317	2,342
Lease liability	7	2,299	2,617	2,652
Borrowings	12	5,500	10,000	–
Deferred taxation	14	844	–	380
		14,368	17,694	8,325
Net assets		94,850	91,315	91,885
Equity				
Share capital	15	33,494	33,494	33,494
Retained earnings		61,356	57,821	58,391
Total equity		94,850	91,315	91,885

Authorised for issue for and on behalf of the Board of Directors


Professor Sarah Young

Chair

16 September 2026


Kate Thomson

Risk and Assurance Chair

16 September 2026

Certain comparative amounts have been reclassified to conform with the current year's presentation. The reclassifications have no material impact on the previously reported profit, total assets, total liabilities, net assets or cash flows. See Note 1 Corrections to comparative information.

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



Statement of cash flows

For the year ended 30 June 2026

Group		Group Actual 2026 \$'000s	Group Budget 2026 unaudited \$'000s	Group Actual 2025 \$'000s
	Note			
Cash flows from/(used in) operating activities				
<i>Cash was provided from:</i>				
Customers and grants		126,544	117,180	137,547
Interest received		1,257	733	2,987
		127,801	117,913	140,534
<i>Cash was applied to:</i>				
Suppliers and employees		(117,847)	(116,900)	(130,607)
Income tax paid	13	(1,635)	(519)	(577)
		(119,482)	(117,419)	(131,184)
Net cash inflow from operating activities	16	8,319	494	9,350
Cash flows from/(used in) investing activities				
<i>Cash was provided from:</i>				
Investment cash maturities		61,935	38,000	82,593
		61,935	38,000	82,593
<i>Cash was applied to:</i>				
Purchase of property, plant and equipment		(45,071)	(44,460)	(24,381)
Purchase of intangible assets		(2,057)	(1,937)	(2,161)
Transfers to investment cash		(33,935)	(8,500)	(79,338)
		(81,063)	(54,897)	(105,880)
Net cash outflow from investing activities		(19,128)	(16,897)	(23,287)
Cash flows from/(used) in financing activities				
<i>Cash was provided from:</i>				
Borrowings	12	5,500	10,000	–
Capital contribution from the Crown	15	–	–	15,000
		5,500	10,000	15,000
<i>Cash was applied to:</i>				
Interest on borrowings	12	(55)	(56)	–
Repayment of lease liabilities		(585)	(572)	(565)
		(640)	(628)	(565)
Net cash inflow from financing activities		4,860	9,372	14,435
Net (decrease)/increase in cash held		(5,949)	(7,031)	498
Cash and cash equivalents at the beginning of the year		14,355	10,848	13,857
Cash and cash equivalents at the end of the year	8	8,406	3,817	14,355

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 New Zealand Institute for Public Health and Forensic Science Limited and its subsidiaries ("PHF Science" or the "Group") are for the year ended 30 June 2026.

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

PHF Science is a Crown Research Institute (now known as Public Research Organisation) 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 to improve the health, safety, economic, and social wellbeing of people and communities in New Zealand.

Statement of compliance

The financial statements have been prepared in accordance with the requirements of the Crown Entities Act 2004, the Crown Research Institutes 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.

As part of the reforms to New Zealand's science, innovation and technology system announced by the Prime Minister on 23 January 2025, legislation to convert New Zealand Institute for Public Health and Forensic Science Limited from a Crown Research Institute to a Public Research Organisation is expected to be introduced to Parliament. As the legislation is still being drafted, it is currently unclear when it will be enacted, or whether its enactment will result in any

changes to New Zealand Institute for Public Health and Forensic Science Limited's activities.

As at 30 June 2026, the Group is in a net current liability position. This position is primarily driven by contract liabilities and grants received in advance, included within current liabilities. These balances do not represent obligations requiring settlement from existing cash resources and will be recognised as revenue as the related performance obligations are satisfied or the associated funding conditions are met. Accordingly, management does not consider the net current liability position to indicate any uncertainty regarding the Group's ability to continue as a going concern. The financial statements have therefore been prepared on a going concern basis.

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.

Judgement is required in determining whether certain research funding arrangements are contracts with customers under NZ IFRS 15. Management assess whether the funder has contracted to obtain research services or other outputs of the Group's ordinary activities in exchange for consideration, or whether the substance of the arrangement is funding the Group's participation in a broader research programme. For certain arrangements, management has concluded that the funder is not a customer and the funding is therefore accounted for as grant income.

Grants

Government grants

Strategic science investment funding

PHF Science 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 PHF Science recognises as expenses the related costs for which the grants are intended to compensate when the requirements under the funding agreement have been met.

PHF Science co-hosted Phase 1 of the Infectious Disease Platform (Te Niwha) with University of Otago which concluded during the 2026 financial year. From Phase 2 onwards, PHF Science is the sole host organisation for the Infectious Disease Research Platform. Funding received through the Strategic science investment fund is treated as a Government grant under IAS 20 and recognised gross in the Statement of Profit or Loss as the related research activities are performed.

Ministry of Health

During the 2023 financial year, the Ministry of Health funded a refit of a sequencing laboratory 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.

Non-Government grants

The Group receives grant funding from domestic and international non-government organisations to support its research activities. Funding is accounted for under this policy where the arrangement does not represent consideration for the transfer of goods or services to the funder and is therefore outside the scope of NZ IFRS 15. As the funding is received from non-government sources, NZ IAS 20 does not apply directly.

In the absence of a NZ IFRS that specifically applies to these arrangements, the Group has developed an accounting policy in accordance with NZ IAS 8, having regard to the requirements of NZ IAS 20 as guidance dealing with similar and related transactions. The Group applies the recognition principles of NZ IAS 20 by analogy.

Grant funding is recognised when there is reasonable assurance that the Group will comply with the conditions attaching to the funding and that the funding will be received. Grant income is recognised in profit or loss on a systematic basis over the periods in which the related costs for which the funding is intended to compensate are recognised.

Amounts received before the related grant income recognition criteria are met are recognised as grants received in advance and released to profit or loss as the related grant income recognition criteria are met.

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 PHF Science'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.

Corrections to comparative information

During the current year, the Group reviewed the accounting treatment of funding received from non-government grant providers. The review identified that certain funding arrangements had been incorrectly classified as contracts with customers. As a result, income from those arrangements was incorrectly presented as revenue from contracts with customers rather than grant revenue, and the corresponding amounts received in advance were incorrectly presented as contract liabilities rather than grants received in advance.

It was also identified that a portion of a capital grant received in advance had been incorrectly classified as current. The portion of the related obligation expected to be settled beyond 12 months after the reporting date should have been classified as non-current to reflect the recognition of the grant in profit or loss over the expected useful lives of the related capital assets.

The comparative information has therefore been retrospectively restated. The correction has no material impact on the previously reported surplus, total assets, total liabilities, net assets or cash flows. There was no material impact on opening net assets at the beginning of the comparative period.



The effect of the correction on the comparative information is as follows:

Statement line item	Previously reported \$'000s	Reclassified \$'000s	Restated comparative \$'000s
Revenue from contracts with customers	105,235	(6,728)	98,507
Grant revenue	30,464	6,728	37,192
Contract liabilities	11,975	(3,588)	8,387
Grants received in advance – current	9,596	637	10,233
Grants received in advance – non-current	–	2,951	2,951

Statement line item	1 July 2024 Opening comparative \$'000s	Adjustment \$'000s	Restated \$'000s
Contract liabilities	9,143	(471)	8,672
Grants received in advance – current	14,013	(2,667)	11,346
Grants received in advance – non-current	–	3,138	3,138

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. Any initial high level review of the impact has been undertaken with further work planned to assess changes required. The Group expects to apply the standard for the year ending 30 June 2028, with comparative information for the year ending 30 June 2027.

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 2026	Domestic \$'000s	International \$'000s	Total \$'000s
Core government contracts	74,971	–	74,971
Research	1,099	301	1,400
Commercial products and services	4,894	17,494	22,388
	80,964	17,795	98,759

Group – year ended 30 June 2025	Domestic \$'000s	International \$'000s	Total \$'000s
Core government contracts	77,238	–	77,238
Research	1,455	553	2,008
Commercial products and services	5,456	13,805	19,261
	84,149	14,358	98,507

Note that the overall research output of the Group includes activity funded by \$18,780,000 (2025: \$30,464,000) of Strategic Science Investment Funding and \$9,208,000 (2025: \$6,728,000) of other grant funding. This funding is accounted for as a 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 \$9,978,000 as at 30 June 2026 (2025: \$13,538,000), split between current and non-current as below:

	2026 \$'000s	2025 \$'000s
Current	4,459	7,233
Non-current	5,519	6,305
	9,978	13,538

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	2026 \$'000	2025 \$'000
Trade receivables	10,340	10,243
Contract assets	393	655
Contract liabilities	6,603	8,387
Grants received in advance	14,718	13,184

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 nil as at 30 June 2026 (2025: \$144,000). These costs are initially capitalised and then amortised systematically as the related performance obligation is satisfied.

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 \$4,137,000 (2025: \$4,091,000) 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) Grants

Government grants

	2026 \$'000s	2025 \$'000s
Opening balance	10,521	14,013
Grants received during the year	20,726	28,019
Grant income recognised	(22,067)	(31,511)
Closing balance	9,180	10,521

Non-government grants

	2026 \$'000s	2025 \$'000s
Opening balance	2,663	471
Grants received during the year	8,796	7,873
Grant income recognised	(5,921)	(5,681)
Closing balance	5,538	2,663

3. Other expenses

Group	Note	2026 \$'000	2025 \$'000
Bad debts written off		32	5
Communication costs (including network charges)		250	305
Depreciation expense on right-of-use assets		484	469
Directors' expenses		36	34
Directors' fees	19	311	337
Fair value loss/(gain) on forward exchange contract		527	(344)
Fair value loss on interest rate swaps		231	–
Fees paid to PricewaterhouseCoopers for:			
- audit of the statutory financial statements		319	285
- audit related services		39	98
IT systems maintenance and licence costs		4,428	4,017
Legal and consulting fees		1,269	1,666
Occupancy and insurance		4,760	4,615
Office and administration		2,164	2,225
Other operating costs		183	1,034
Outsourced costs		3,041	3,115
Rental and lease costs		117	225
Restructuring expense		866	1,652
Reversal of impairment		(2)	(22)
Travel		1,585	1,528
Total other expenses		20,640	21,244

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

Audit-related services relate to the special purpose audit of the Schedule of Expenditures of Federal Awards of New Zealand Institute for Public Health and Forensic Science Limited. The 2026 fee relates to the special purpose audit work for the year ended 30 June 2026. The 2025 fee relates to the special purpose audits of the Schedule of Expenditures of Federal Awards for the years ended 30 June 2025 and 30 June 2024.

4. Taxation

Group	Note	2026 \$'000	2025 \$'000
The taxation charge has been calculated as follows:			
Profit before income tax expense		4,966	6,445
Prima facie taxation at 28%		1,390	1,805
<i>Plus taxation effect of:</i>			
Deferred tax impact on FY24 building costs capitalised to work in progress (net of future Investment Boost tax deductions)		616	785
Net prior period adjustments		(93)	5
(Assessable)/non-deductible items		88	(2)
Tax expense for the year		2,001	2,593
<i>The tax expense for the year is represented by:</i>			
Current taxation	13	1,635	1,874
Deferred taxation	14	366	719
Tax expense for the year		2,001	2,593



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	Buildings and leasehold improvements	IT equipment	Plant equipment and vehicles	Assets under construction	Total
	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s
At 1 July 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
Year ended 30 June 2026						
Net book value at the beginning of the year	476	17,271	1,805	7,683	34,090	61,325
Additions	–	122	694	1,776	43,368	45,960
Transfers from assets under construction	–	22	–	91	(113)	–
Disposals	–	(10)	(8)	(51)	–	(69)
Depreciation for the year	–	(1,359)	(939)	(1,934)	–	(4,232)
Net book value at the end of the year	476	16,046	1,552	7,565	77,345	102,984
At 30 June 2026						
Cost	476	39,433	9,999	39,925	77,345	167,178
Accumulated depreciation	–	(23,387)	(8,447)	(32,360)	–	(64,194)
Net book value at the end of the year	476	16,046	1,552	7,564	77,345	102,984

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

The Group has approved the redevelopment of the Kenepuru Science Centre. As at 30 June 2026, assets under construction of \$77.345 million principally relate to this redevelopment project, including design, demolition and pre-construction costs. Related capital commitments are disclosed in Note 18.

The useful life of the existing building and plant assets as this site has been reassessed and the Group is accelerating the depreciation on these assets to between 1 and 5 years.

There have been no indications of impairment.



Restriction on title

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

Properties owned by PHF Science 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. PHF Science 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 PHF Science intends to, and has sufficient resources to, complete development and to use or sell the asset, the expenditure attributable to the asset during development can be measured reliably.

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 (2025: 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 of disposal 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 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
Year ended 30 June 2026					
Net book value at the beginning of the year	25	3,988	–	1,201	5,214
Additions	3	64	–	1,990	2,057
Transfers from assets under construction	–	512	–	(512)	–
Disposals	–	–	–	–	–
Amortisation for the year	(22)	(1,971)	–	–	(1,993)
Net book value at the end of the year	6	2,593	–	2,679	5,278
At 30 June 2026					
Cost	5,037	21,825	1,338	2,679	30,879
Accumulated amortisation and impairment losses	(5,031)	(19,232)	(1,338)	–	(25,601)
Net book value at the end of the year	6	2,593	–	2,679	5,278

PHF Science 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				Lease liabilities
	Buildings	Motor vehicles	Printers	Total	
	\$'000s	\$'000s	\$'000s	\$'000s	\$'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
Lease payments	–	–	–	–	(565)
As at 30 June 2025	2,688	61	184	2,933	3,106

	Right-of-use assets				Lease liabilities
	Buildings	Motor vehicles	Printers	Total	
	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s
As at 1 July 2025	2,688	61	184	2,933	3,106
Additions and modifications to contracts	113	5	–	118	118
Depreciation expense	(404)	(38)	(42)	(484)	–
Interest expense	–	–	–	–	122
Lease payments	–	–	–	–	(585)
As at 30 June 2026	2,397	28	142	2,567	2,761

The maturity of the lease liabilities is as follows:

	2026 \$'000s \$	2025 \$'000s
Less than one year	462	454
One to five years	2,299	2,652
Total lease liabilities	2,761	3,106



8. Cash and cash equivalents and investment cash

	2026 \$'000s	2025 \$'000s
Total cash and cash equivalents	8,406	14,355
Total Investment cash current	8,500	36,500

Included in cash and investment cash is \$5,875,000 (2025: \$9,343,000) associated with the Infectious Disease Research Platform and \$5,721,000 (2025: \$2,643,000) held by PHF Science Charitable Solutions Limited.

These figures are restricted to expenditure in accordance with the relevant funding agreements and are not available for the Group's general operating purposes.

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	2026 \$'000s	2025 \$'000s
Trade debtors	9,746	9,811
Other receivables	608	448
Allowance for expected credit losses	(14)	(16)
	10,340	10,243
Prepayments	3,011	2,887
Total trade and other receivables	13,351	13,130

As at 30 June 2026, trade receivables of \$2,822,000 (2025: \$2,651,000) were past due but not credit 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	2026 \$'000s	2025 \$'000s
Past due 1 – 30 days	1,887	1,004
Past due 31 – 60 days	191	875
Past due >61 days	744	772
Total past due trade receivables	2,822	2,651

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	2026 \$'000s	2025 \$'000s
Accrued expenses	5,048	5,941
GST payable	293	376
Trade payables	3,075	4,401
Total trade and other payables	8,416	10,718

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	2026 \$'000s	2025 \$'000s
Annual leave accrual	5,130	5,127
Service leave accrual	400	219
Other	83	67
Total current employee benefits	5,613	5,413
Service leave accrual	2,919	2,297
Retirement leave accrual	46	45
Total non-current employee benefits	2,965	2,342

12. Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred, and are subsequently measured at amortised cost using the effective interest method. Borrowing costs that are directly attributable to the acquisition, construction, or production of a

qualifying asset are capitalised as part of the cost of that asset. All other borrowing costs are recognised as finance costs in profit or loss in the period in which they are incurred.

Group	2026 \$'000s	2025 \$'000s
Secured bank borrowing	5,500	–
Total secured bank borrowing	5,500	–

During the year, the Group entered into a secured bank facility of \$30 million, of which \$5.5 million was drawn at 30 June 2026. The facility bears interest at the Bank Bill Benchmark Rate plus a margin of 0.9% and matures on 3 April 2028. The borrowing is secured by a General Security Agreement. At 30 June 2026, the Group had \$24.5 million of undrawn committed facilities available. The facility includes reporting obligations that apply at 30 June 2026. The Group complied with all applicable reporting requirements at 30 June 2026.

Borrowing costs

During the year, PHF Science capitalised borrowing costs of \$55,000 (2025: nil) relating to the construction of KSC Redevelopment. These borrowing costs have been included within the carrying value of property, plant and equipment.

Reconciliation of liabilities arising from financing activities

Group	2026 \$'000s	2025 \$'000s
Opening balance	–	–
Proceeds from borrowings	5,500	–
Repayments	–	–
Closing balance	5,500	–

This reconciliation provides information about changes in liabilities arising from financing activities as required by NZ IAS 7 Statement of Cash Flows.

13. Income tax payable

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	2026 \$'000s	2025 \$'000s
Balance at the beginning of the year	397	(900)
Current year charge	1,681	2,069
Prior period adjustment	(46)	(195)
Provisional taxation payments	(2,473)	(577)
Refund received	740	–
Total income tax payable	300	397

14. 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	2026 \$'000s	2025 \$'000s
Balance at the beginning of the year	380	(339)
Deferred tax impact on FY24 building costs capitalised to work in progress (net of future investment Boost tax deductions)	–	785
Prior period adjustment	668	201
Charge to settlement of profit or loss and other comprehensive income	(51)	(267)
Total deferred taxation liability	844	380



	Accelerated tax depreciation \$'000s	Employee benefits \$'000s	Provisions and other items \$'000s	Total \$'000s
Year ended 30 June 2025				
Balance at the beginning of the year	1,974	(2,230)	(83)	(339)
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	2,544	(2,078)	(86)	380

Year ended 30 June 2026				
Balance at the beginning of the year	2,544	(2,078)	(86)	380
Under provision in prior years	668	–	–	668
Current year credit to statement of profit or loss and other comprehensive income	(51)	(149)	(4)	(204)
Total deferred taxation liability	3,161	(2,227)	(90)	844

There are no unrecognised deferred tax assets or liabilities.

In March 2024, the New Zealand Government enacted legislation that removed tax depreciation deductions for buildings with useful lives of 50 years or more. As a result, PHF Science recognised an increase in deferred tax liabilities relating to its property, plant and equipment.

In May 2025, the Government introduced the Investment Boost regime, which allows businesses to claim an immediate tax deduction equal to 20% of

the cost of qualifying new assets, including certain commercial and industrial buildings, in addition to normal tax depreciation where available.

PHF Science has accounted for the impact of this change in accordance with NZ IAS 12 *Income Taxes*. For qualifying buildings, 80% of the cost remains non-deductible for income tax purposes and no deferred tax is recognised on that portion under the initial recognition exemption. A deferred tax liability is recognised on the remaining 20% that qualifies for the Investment Boost deduction.

15. 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.

Share capital

Group	2026 \$'000s	2025 \$'000s
33,494,000 (2025: 33,494,000) ordinary \$1 shares (issued and fully paid)	33,494	33,494

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

No dividends were proposed or declared for the 30 June 2026 year (2025: nil).

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.

16. 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 PHF Science 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 PHF Science 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 bank deposits that are not held as part of PHF Science's day-to-day cash management and therefore do not meet the definition of cash and cash equivalents. This includes deposits held for investment or other specific purposes and deposits with original maturities of more than three months.

Investment cash movements are included in investing activities in the statement of cash flows.

Group	Note	2026 \$'000s	2025 \$'000s
Profit for the year after taxation		2,965	3,852
Non-cash items:			
Depreciation and amortisation expense	5/6	6,225	6,161
Depreciation on right-of-use assets	7	484	469
Decrease in allowance for expected credit losses	9	2	(23)
Increase in deferred tax liability	14	464	719
Fair value (gain)/loss on derivative financial instruments		758	(345)
Other non-cash items		2	–
		7,935	6,981
Changes in working capital:			
Decrease in trade and other receivables and contract assets		39	3,864
(Increase) in inventories		(150)	(376)
(Decrease) in trade and other payables and contract liabilities		(2,552)	(5,132)
(Decrease)/increase in income tax payable		(97)	1,297
(Decrease)/increase in employment benefits		823	(671)
		(1,937)	(1,018)
Items classified as investing and financing activities:			
Loss on disposal of property, plant and equipment		53	13
Decrease in trade payables related to property, plant and equipment		(819)	(608)
Finance charge on leases		122	130
		(644)	(465)
Net cash inflow from operating activities		8,319	9,350

17. Investments

Subsidiaries

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of PHF Science as at 30 June 2026 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 PHF Science. 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.

PHF Science has three wholly owned subsidiary companies:

Name	Country	Principle activities	Ownership
PHF Science Limited	New Zealand	Shell company	100%
STRmix Limited	New Zealand	Forensic software that helps resolve complex mixtures of human DNA	100%
PHF Science 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 justice in Aotearoa New Zealand and the Pacific Islands	100%

PHF Science's financial statements include the financial statements of PHF Science and entities controlled by PHF Science. All intra-group transactions balances,

income and expenses are eliminated in full on consolidation.

18. Commitments

Capital commitments

Group	2026 \$'000s	2025 \$'000s
Property, plant and equipment	19,851	50,678
Intangible assets – software	160	210
Total capital commitments	20,011	50,888

PHF Science 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.

19. Related party transactions and key management personnel

Related party transactions

PHF Science is a wholly owned entity of the Crown. PHF Science 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 2026 revenue from commercial transactions with Crown entities amounted to 71% of operating revenue (30 June 2025: 74%).

The following transactions were carried out by PHF Science with related parties:

Group	2026 \$'000s	2025 \$'000s
Salaries and other short-term employee benefits	2,945	2,857
Termination benefits	90	888
Directors' fees	311	337
Total key management personnel compensation	3,346	4,082

- Fees paid to directors during the year were \$311,391 (30 June 2025: \$336,567). There were no Directors' fees payable at balance date (30 June 2025: \$3,571).

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:

20. Financial instruments by category

The designation of financial assets and financial liabilities by PHF Science 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. PHF Science determines the classification of its financial assets at initial recognition.

A financial asset is measured at amortised cost where it is held within a business model whose objective is to collect contractual cash flows and the contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. They are included in current assets, except for maturities greater than 12 months after the reporting date, which are classified as non-current assets. PHF Science'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 PHF Science include trade and other payables, lease liabilities, borrowings and derivatives, as applicable.

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. PHF Science 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		Financial assets at amortised cost \$'000s	Financial assets at fair value through profit or loss \$'000s	Total \$'000s
	Note			
30 June 2026				
Assets as per balance sheet				
Trade and other receivables excluding prepayments	9	10,340	–	10,340
Cash and cash equivalents		8,406	–	8,406
Investment cash		8,500	–	8,500
Total		27,246	–	27,246

		Financial liabilities at amortised cost \$'000s	Financial liabilities at fair value through profit or loss \$'000s	Total \$'000s
	Note			
Liabilities as per balance sheet				
Trade payables and accrued expenses	10	8,123	–	8,123
Lease liabilities	7	2,761	–	2,761
Borrowings	12	5,500	–	5,500
Derivative financial instruments		–	464	464
Total		16,384	464	16,848

Group		Financial assets at amortised cost \$'000s	Financial assets at fair value through profit or loss \$'000s	Total \$'000s
	Note			
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 \$'000s	Total \$'000s
	Note			
Liabilities as per balance sheet				
Trade payables and accrued expenses	10	10,342	–	10,342
Lease liabilities	7	3,106	–	3,106
Total		13,448	–	13,448

21. Financial risk management

PHF Science'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. PHF Science's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on PHF Science'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, PHF Science 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 PHF Science'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. PHF Science is subject to foreign currency risk through its trade receivables and trade payables balances.

PHF Science 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 2026 PHF Science held thirteen (30 June 2025: seven) forward exchange contracts with notional principal amounts totalling \$10,958,000 (US\$5,428,000, AU\$1,450,000) (30 June 2025: \$10,292,000 (US\$6,116,000)). The gains or losses on the forward exchange contracts are 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:

	2026 \$'000s	2025 \$'000s
US dollar	1,959	2,111
Australian dollar	117	389
Euro	75	58
Pound sterling	–	61

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

	2026 \$'000s	2025 \$'000s
US dollar	734	619
Australian dollar	141	97
Euros	4	14
Pound sterling	15	12

ii) Interest rate risk

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

PHF Science is exposed to interest rate risk arising from borrowings subject to variable interest rates. The Group manages this risk through a combination of fixed and floating rate debt and the use of interest rate swap contracts. Under the interest rate swaps, the Group exchanges variable interest rate payments for fixed interest rate payments on a portion of its borrowings.

At 30 June 2026 PHF Science held four interest rate swaps (30 June 2025: nil) with notional principal amounts totalling \$16,000,000 (30 June 2025: nil).

At 30 June 2026, PHF Science had borrowings of \$5.5 million at floating interest rates. Interest rate swap arrangements are in place for future borrowings, effectively fixing the rates through interest rate swap arrangements and reducing exposure to variable interest rates.

The objective of the Group's interest rate risk management strategy is to provide certainty over future financing costs while maintaining an appropriate level of flexibility. Interest rate swaps are used to hedge exposure to variability in cash flows arising from changes in benchmark interest rates on floating-rate debt.



iii) Market risk sensitivity analysis

PHF Science is exposed to market risk through the holding of the following financial instruments: cash, trade receivables and trade payables. PHF Science 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 PHF Science's reported net profit after tax for the year ended 30 June 2026 would be:

- Foreign currency \$341,000 (30 June 2025: \$362,000)
- Interest rates \$347,000 (30 June 2025: \$549,000).

b) Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations, resulting in financial loss to PHF Science. The financial instruments which expose PHF Science 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 PHF Science'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. PHF Science 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 PHF Science in respect of cash and cash equivalents, investment cash and trade receivables as at 30 June 2026 (30 June 2025: nil).

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

As at 30 June 2026, the trade receivables balance included \$4,937,902 (30 June 2025: \$4,213,905) 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	Total contractual cash flows \$'000s	Less than 1 year \$'000s	1-2 years \$'000s	2-5 years \$'000s	Greater than 5 years \$'000s
2026					
Trade payables	8,123	8,123	–	–	–
Lease Liabilities	4,020	567	545	536	2,372
Borrowings	5,500	–	5,500	–	–
Derivative financial instruments	464	464	–	–	–
	18,107	9,154	6,045	767	2,372
2025					
Trade payables	10,342	10,342	–	–	–
Lease Liabilities	4,480	575	525	915	2,465
Derivative financial instruments	–	–	–	–	–
	14,822	10,917	525	915	2,465

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

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

Each year PHF Science 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 2026 and 30 June 2025 were as follows, along with the relevant annual targets set by PHF Science.

Group	2026 \$'000s	2025 \$'000s
Profit for the year	2,965	3,852
Average equity	93,368	82,459
Actual ratio	3.18%	4.67%
Target ratio	0.80%	0.90%
Gearing ratio		
Net debt		
Lease liabilities – current	462	454
Lease liabilities – non-current	2,299	2,652
Borrowings	5,500	–
	8,261	3,106
Equity	94,850	91,885
Actual ratio	8.0%	3.3%
Target ratio	12.5%	3.8%

22. Contingent liabilities

There are no contingent liabilities as at 30 June 2026 (30 June 2025: nil).

23. Subsequent events

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



Statement of Responsibility

We certify that the New Zealand Institute for Public Health and Forensic Science Limited (PHF Science) has operated in accordance with the principles of the Crown Research Institutes Act 1992 and the Companies Act 1993. PHF Science 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 PHF Science for the year ended 30 June 2026.



Professor Sarah Young

Chair



Kate Thomson

Risk and Assurance Chair

Report of the Directors

The directors present the Annual Report and audited financial statements of the New Zealand Institute for Public Health and Forensic Science Limited for the year ended 30 June 2026.

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

New Zealand Institute for Public Health and Forensic Science Limited is a Public Research Organisation 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 2026 financial year.

Directors' Indemnity

PHF Science 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 PHF Science, 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 \$12,808 during the 2026 financial year.

Remuneration of directors

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

Professor Sarah Young (Chair)	\$85,704
Catherine Abel-Pattinson	\$39,281
Dr Bruce Campbell CNZM	\$42,852
Justine Gilliland (Deputy Chair; People, Culture and Performance Chair)	\$53,565
Dr Matthew Glenn	\$42,852
Kate Thomson (Risk and Assurance Chair, Property Development Chair)	\$47,137
	\$311,391

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 PHF Science's expense.

Directors' development

Directors are encouraged to pursue development opportunities to support their practice and ensure PHF Science maintains strong governance arrangements.

The Board had a budget of \$5,000 to cover directors' development.

Directors' disclosure of interest

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 Audit Office, or independent legal advice is sought with the prior approval of the Board Chair at PHF Science's expense.

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

As at 30 June 2026, the following directors had made the following general disclosures.

Professor Sarah Young (Chair)

Deputy Vice-Chancellor Education, University of Auckland

Adjunct Professor, University of Sydney

Director, ESR Limited

Director, Institute of Environmental Science and Research Limited

Director, PHF Science Limited

Justine Gilliland (Deputy Chair)

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 (and Shareholder), NZ Offshore Wind Limited

Director, PHF Science Charitable Solutions Limited

Managing Director, In Perspective Limited (own consultancy)

Member, EDNZ (Economic Development New Zealand)

Member, Institute of Directors (and Member of Chapter Zero)



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
 Acting Chief Executive Officer, Upper Hutt City Council
 Director, STRmix Limited

Dr Bruce Campbell CNZM

Director, New Zealand Winegrowers Research Centre Limited
 Trustee, Kerikeri Peninsula Conservation 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, PHF Science Charitable Solutions Limited
 Director, New Zealand Institute for Bioeconomy Science Limited

Directors' interests

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

Remuneration

As at 30 June 2026, the following total remuneration above \$100,000 was paid to 361 employees:

Remuneration range	No. of staff
\$100,000 – \$109,999	66
\$110,000 – \$119,999	40
\$120,000 – \$129,999	49
\$130,000 – \$139,999	38
\$140,000 – \$149,999	26
\$150,000 – \$159,999	28
\$160,000 – \$169,999	24
\$170,000 – \$179,999	25
\$180,000 – \$189,999	16
\$190,000 – \$199,999	14
\$200,000 – \$209,999	9
\$210,000 – \$219,999	7
\$220,000 – \$229,999	5
\$230,000 – \$239,999	3
\$240,000 – \$249,999	2
\$250,000 – \$259,999	1
\$260,000 – \$269,999	1
\$280,000 – \$289,999	1
\$290,000 – \$299,999	1
\$350,000 – \$359,999	3
\$360,000 – \$369,999	1
\$560,000 – \$569,999	1
	361

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

Chief Executive's remuneration summary 2025–2026

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	2026	\$561,146
	2025	\$375,578
Peter Lennox	2025	\$634,757

Senior management remuneration summary 2025–2026

The total combined remuneration of our senior management team (excluding the Chief Executive's remuneration) from 2025-2026 was as follows:

Financial year	Total
2026	\$2,474,168
2025	\$2,735,056

PHF Science Centres

