Antarctica New Zealand

ANNUAL REPORT

2025–2026



Antarctica
New Zealand

NEW ZEALAND ANTARCTIC INSTITUTE
(Antarctica New Zealand)
Presented to the House of Representatives pursuant to section 150(3) of the Crown Entities Act 2004.
Reporting year 2025-2026

ABOUT ANTARCTICA NEW ZEALAND

Antarctica New Zealand is the Crown entity responsible for developing, managing and delivering New Zealand's activities in Antarctica and the Southern Ocean. It manages Scott Base, maintains and enhances Antarctic science, protects Antarctica's unique environment and works with national and international partners to advance New Zealand's strategic interests in the Antarctic Treaty System.

OUR VISION

Antarctica New Zealand is regarded as a global leader and trusted partner, striving to value, protect and understand Antarctica and the Southern Ocean.

Working alongside government agencies, researchers, international partners and the logistics community, Antarctica New Zealand enhances science, improves environmental stewardship and optimises operational capability that benefits both New Zealand and the international Antarctic community.

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ISSN 1174-3948 (Print)
ISSN 1177-9462 (Online)



IN MEMORIAM

Professor Peter Barrett

Antarctica New Zealand dedicates this Annual Report to the memory of Professor Emeritus Peter Barrett FRSNZ, FGS (Hon), PM, NZAM.

Peter's contribution to Antarctic science was extraordinary. Over more than five decades, his research transformed understanding of Antarctica's geological and climate history and helped establish New Zealand as a world leader in Antarctic science.

A respected scientist, leader, teacher and mentor, Peter inspired generations of researchers and played a pivotal role in building New Zealand's Antarctic science capability. His influence extended far beyond his own work, shaping scientific inquiry, international collaboration and understanding of Antarctica's importance in our changing world.

Peter's legacy endures through the people he inspired, the knowledge he generated and the lasting contribution he made to Antarctic research.

Antarctica New Zealand acknowledges Peter's remarkable service to science and extends its condolences to his family, friends, colleagues and the wider Antarctic community.



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VALUED.
PROTECTED.
UNDERSTOOD.

BOARD CHAIR'S REPORT
LEON GRICE

TE PŪRONGO A TE TIAMANA ME TE TUMU WHAKARAE

The last year has been one of significant progress for Antarctica New Zealand and New Zealand's Antarctic programme. Antarctica New Zealand maintained its year-round continuous presence at Scott Base to support great science while maintaining high standards of environmental stewardship in the Ross Sea region.

Antarctica New Zealand delivered the logistical support for the multinational science event: Sensitivity of the West Antarctic Ice Sheet to 2°C warming (SWAIS2C) event at the Crary Ice Rise. This is a complex deep field event where the Ross Sea ice shelf is grounded on the seafloor. The science team drilled through 523 metres of ice shelf and recovered 228 metres of sediment core from beneath the Ross Ice Shelf. The core captures approximately 23 million years of environmental and climate history. It is a scientifically invaluable geological archive that provides snapshots of past climate and ice-sheet behaviour and gives us insight into what happens to the West Antarctic Ice Sheet when the world is 2°C warmer. Earth Sciences New Zealand are co-leaders in this science event.

Alongside this achievement the majority of our planned science and environmental event programme was successfully delivered despite the usual challenges of managing events in the world's most extreme environment.

A major part of the Board's focus during the year was oversight of the Scott Base Redevelopment programme which successfully transitioned into delivery after two and a half years of intense work after its reset. The Detailed Business Case was approved by the Board in April 2026 and subsequently approved by Cabinet in May 2026. This milestone means construction will begin in October 2026. The redevelopment will deliver all of the original scope of requirements and will remain within the approved funding envelope. The Board is grateful for the focus and commitment of our monitoring agency, MFAT, as well as Treasury and the Infrastructure Commission as our team rebuilt the programme.

Another major focus of the Board has been to support the upgrade of health and safety and risk management processes and systems. Board members are very aware that Antarctica is an extreme and unpredictable environment and health and safety, risk management and assurance are crucial for keeping people safe. There is a strong safety culture at Scott Base but there is always more that we can do to ensure that this is backed up with stronger systems, processes, culture and assurance.

Antarctica New Zealand achieved 27 of its 29 performance standards during the year, with one performance standard partially achieved and one not achieved. The performance standard assessed as partially achieved relates to the Antarctic Science Platform, while the performance standard not achieved relates to the Ross Island Wind Farm replacement programme. Overall, these results reflect a year of strong operational performance while managing a significant infrastructure programme alongside business-as-usual activities.

International collaboration in science and logistics continued to strengthen New Zealand's Antarctic programme. Partnerships with government agencies, research organisations and other national Antarctic programmes enhanced science, logistics and environmental outcomes while reinforcing New Zealand's contribution to the Antarctic Treaty System.

On behalf of the Board, I thank Antarctica New Zealand's staff, programme participants, contractors, research partners and stakeholders for their professionalism, expertise and commitment throughout another successful year. Their work underpins New Zealand's national interests and ensures we continue to play a respected and influential role in Antarctica and the Southern Ocean.



Leon Grice
Chair

CEO'S REPORT
JORDY HENDRIKX

The 2025/26 year demonstrated Antarctica New Zealand's ability to deliver a complex and demanding operational programme while preparing for one of the most significant infrastructure investments in the organisation's history.

Despite weather and mechanical disruptions early in the Antarctic season, Antarctica New Zealand successfully supported 80 science and non-science events across the Ross Sea region while maintaining New Zealand's continuous presence at Scott Base. Detailed planning, strong collaboration and continuous adaptability enabled the organisation to deliver a successful programme in a challenging operating environment.

One of this year's most significant achievements was progress on the Scott Base Redevelopment. Following approval of the Detailed Business Case by both the Board and Cabinet, and the subsequent Approval to Deliver, the programme has now transitioned from planning into delivery. Detailed design activities were completed, enabling works progressed in Antarctica and preparations commenced for the first major construction season. Maintaining momentum while remaining within the approved budget reflects the commitment and expertise of the project team and our delivery partners.

Supporting high-quality science remains at the heart of Antarctica New Zealand's purpose. Throughout the year we maintained and enhanced research aligned with New Zealand's Antarctic and Southern Ocean Research Directions and Priorities, supporting projects that improve understanding of Antarctica's role in the global climate system and contribute to international scientific collaboration. The publication of the annual Science Achievements Report highlighted the breadth and impact of this work.

Across the year, Antarctica New Zealand successfully delivered nearly all the requested logistics support to meet the agreed objectives. This included support for science on the slopes of Mt Erebus, beneath the sea ice of McMurdo Sound, across the Ross Ice Shelf, and in the valleys of Victoria Land. In total, we supported more than 14,700 bed nights at Scott Base and facilitated 326 southbound passenger movements in support of science and operations.

Antarctica New Zealand maintained a disciplined financial approach throughout the year while continuing to support science, operations and major infrastructure investment. The organisation recorded a surplus of $1.2 million in core business, and an overall net deficit of $2.62 million compared with a budgeted deficit of $12.74 million, representing a favourable variance against budget. This reflects some delays in science grant outlays, careful financial management, alongside continued investment in the Scott Base Redevelopment.

International relationships continued to strengthen New Zealand's Antarctic programme. Collaboration with partner nations supported science, logistics and environmental initiatives while reinforcing New Zealand's leadership within the Antarctic Treaty System and related international forums.

Environmental stewardship remained integral to every aspect of our work. Antarctica New Zealand maintained certification of its environmental management systems, met its environmental compliance obligations and recorded no moderate or higher environmental incidents during the reporting period. Likewise, there were no notifiable injuries, illnesses or incidents, reflecting our strong safety culture and ongoing commitment to ensuring every person returns home safely.

Looking ahead, our priorities remain clear. We will continue progressing the Scott Base Redevelopment, supporting high-quality Antarctic science, seeking philanthropic support, strengthening international partnerships and ensuring New Zealand maintains a safe, effective and enduring presence in Antarctica.

I would like to acknowledge and thank our staff, programme participants, partners, contractors and Board members for their dedication and professionalism throughout the year. Their expertise and commitment continue to strengthen Antarctica New Zealand's role in Antarctic science, operations, and environmental stewardship.



Prof. Jordy Hendrikx
Chief Executive Officer



Prof. Jordy Hendrikx
Chief Executive Officer

ANTARCTICA NEW ZEALAND BOARD OF DIRECTORS 2025/2026

TE POARI O NGĀ KAIWHAKAHAERE O ANTARCTICA NEW ZEALAND 2025/2026



Leon Grice
Chair

Leon has had a diverse career in business and Government service. He started in public affairs and investor relations before specialising in overseas investment facilitation. Most recently, Leon co-founded Rako Science which rapidly deployed COVID-19 saliva testing. Prior to that he worked in the COVID-19 Operations Command Centre, which solved some of the early logistics and planning challenges of the pandemic. From 2012-2017 he served as New Zealand Consul General in Los Angeles. He also led the office set up by the Government to oversee the 2011 Rugby World Cup leverage and legacy programme. Leon has been a Government advisor, and has extensive experience in business and start-up companies, building new teams, and managing complex projects.



Craig Ellison

Craig was an advisory board member of the Antarctic Science Platform continuing his relationship with Antarctica starting from his time as an undergraduate student spending 10 weeks at Scott Base (when huskies were still there). Most recently he was the Chief Executive of Sanford and prior to that the Chief Executive at Ngāi Tahu Holdings Corporation. Craig was also Chair of the Wellington Zoo Trust Board. Past roles show a long involvement in the Fisheries and Seafood sector, including being a Commissioner and Deputy Chair of Te Ohu Kai Moana. Craig was Co-chair of the Pacific Economic cooperation Council Task Force for Fisheries Development and Cooperation.



Dr Neil Gilbert

Dr Neil Gilbert has four decades' experience in environmental management and has spent most of his career working on polar issues. He has worked in policy and management roles for central government in the UK and New Zealand and has spent many years developing environmental and health and safety systems in an Antarctic context. Neil has represented both the UK and New Zealand at many international Antarctic fora. He is a former Chair of the Antarctic Committee for Environmental Protection, and former editor of the Antarctic Environments Portal, run by the Scientific Committee on Antarctic Research. Neil also holds an Adjunct Senior Fellow position at Gateway Antarctica, University of Canterbury.



Neville Harris QSO

Neville Harris brings governance experience and a background in managing construction, engineering and infrastructure projects. Working most of his career in the public sector, he was a deputy secretary at the Ministry of Economic Development until 2013. Neville has held Project Director roles on the Christchurch Justice and Emergency Services Precinct and new Dunedin Hospital. He was involved in the redevelopment of Eden Park ahead of the 2011 Rugby World Cup and the construction of the temporary Christchurch Stadium of which he was a trustee for nine years. Neville is on the Board of Crown Regional Holdings and is also Chair of the Racing Integrity Board. In 2014 he received a Queen's Service Order for services to the State.



Keiran Horne

Keiran is a professional director with experience in both the public and private sectors. Prior to her governance career, Keiran worked as an accountant specialising in business rescue and insolvency, strategic planning, change management and commercial transactions. She has significant governance experience in strategic risk management, assurance and climate related disclosures, having chaired numerous Audit and Risk Committees. Keiran has held a range of governance roles including TVNZ, Lotto and Solid Energy. She is currently on the boards of The Co-operative Bank, Enable Network Services Ltd, and Quayside Holdings Ltd. Keiran is a Chartered Accountant and Chartered Member of the Institute of Directors.



Heather Simpson

Heather has extensive government and policy experience, including serving as Chief of Staff to the Prime Minister and Special Advisor to the United Nations Development Programme. Heather has led a range of government reviews and advisory groups, including a review of New Zealand's health and disability system and a ministerial group supporting the Ministry of Health's work to improve COVID-19 border security. Heather is Deputy Chair of Antarctica New Zealand, Deputy Chair of Ferry Holdings Ltd, and Chair of the Greyhound Transition Agency. Heather holds a BA (Hons) in Economics and brings extensive experience in public policy, governance and strategic leadership to her board roles.

Year at a glance



27 of 29

Performance standards achieved



94%

Logistics satisfaction across supported activities



80

Science and non-science events supported



14,740

Scott Base bed nights supported



1,793

Field nights supported



326

Southbound passenger movements



0

Notifiable injuries, illnesses or incidents



0

Moderate or higher environmental incidents

Financial Snapshot

Total Revenue

$37.74m

Total Expenditure

$40.36m

Net Deficit

$2.62m



$203.8m

Total Assets



$196.8m

Equity



$54.6m

Cash and Investments

Antarctica New Zealand delivers its work through three key funding streams*

Core Business
supporting New Zealand's year-round Antarctic presence and operations

Revenue

$23.5m

Expenditure

$22.3m

Scott Base Redevelopment
securing New Zealand's long-term Antarctic capability

Revenue

$6.16m

Expenditure

$11.96m

Antarctic Science Platform
supporting world-leading Antarctic and Southern Ocean research

Revenue

$8.05m

Expenditure

$6.08m

*See Note 21 Funding Streams Report, page 54.

Key Achievements

During 2025/26 Antarctica New Zealand:

- maintained New Zealand's continuous operational presence at Scott Base;
- secured Cabinet approval of the Scott Base Redevelopment detailed business case, and subsequent approval of the Approval to Deliver;
- progressed the Scott Base Redevelopment from planning into delivery;
- supported 80 science and non-science events across the Ross Sea region;
- continued internationally significant Antarctic science aligned with Government research priorities;
- provided logistical support for the world leading multinational research project SWAIS2C, and a number of other international science collaborations;
- strengthened international partnerships through new and expanded science and logistics collaborations with the United States, Italy, Germany, Australia, the Republic of Korea, Switzerland and the United Arab Emirates, including new funding initiatives to support future research collaboration;
- maintained a strong leadership role in Antarctic environmental governance through active participation and leadership in the Committee for Environmental Protection and related international forums;
- strengthened partnerships with Antarctic programmes and research organisations around the world;
- maintained ISO 45001 and ISO 14001 certification;
- recorded no notifiable injuries, illnesses or incidents;
- recorded no moderate or higher environmental incidents; and
- progressed the establishment of the New Zealand Antarctic and Southern Ocean Trust to support philanthropic investment in Antarctica and New Zealand's long-term Antarctic interests.

Statement of Service Performance

	2026 Actual $000	2026 Budget $000	2025 Actual $000
CROWN REVENUE			
Maintain New Zealand's continuous and effective presence in Antarctica	18,527	13,176	19,461
Enhance New Zealand's Antarctic and Southern Ocean Science	651	1,275	693
Leadership and Cooperation	4,488	5,469	6,393
Protect Antarctic Environments	770	1,016	889
Total Appropriation	**24,436**	**20,936**	**27,436**
CROWN CAPITAL			
Scott Base Redevelopment	22,580	0	22,000
Total Appropriation	**22,580**	**0**	**22,000**

Critical judgements made in selecting, measuring and presenting service performance information.

In preparing this Statement of Service Performance in accordance with PBE FRS 48 Service Performance Reporting, Antarctica New Zealand has made judgements on the information to be reported and the application of financial reporting standards, as follows:

Selecting

- Reflecting priorities set by the Minister of Foreign Affairs and feedback from the Ministry of Foreign Affairs and Trade (MFAT) which has responsibility for New Zealand's overall interests in Antarctica and the Southern Ocean.
- Aligning with the statutory functions of the organisation.
- Ensuring a balance of quantitative and qualitative performance measures and descriptions.
- Representing coverage across the wide range of engagement and services provided by Antarctica New Zealand to its clients and stakeholders.
- Including internal activities and processes where necessary to assess Antarctica New Zealand's overall health and performance.

Measuring

- Determining items of significance which may be financial, strategic, or high-impact in other ways such as through innovation or involving multiple stakeholders.
- Independently evidencing the quality of bespoke services delivered or strategic engagement activities performed.
- Auditing key systems' performance against international standards.
- Utilising internally generated project management documentation to provide a comprehensive measure of progress in delivering key organisational projects.

Presenting

- Aligning with strategic planning documents and frameworks previously published, such as *Antarctica New Zealand's Statement of Intent 2022 – 2026*.
- Including narrative explanations to enhance understanding of performance, or not if the results are considered self-explanatory.
- Presenting service performance information in a wider context to enhance understanding, for example including science results and outcomes delivered by third-party researchers where their achievement depended on the services and support provided by Antarctica New Zealand.

Antarctica New Zealand – Why We Exist

Our Legislative Mandate

Antarctica New Zealand operates under the New Zealand Antarctic Institute Act 1996. The Act establishes Antarctica New Zealand as the Crown entity responsible for:

- developing, managing and executing New Zealand's activities in Antarctica and the Southern Ocean, particularly within the Ross Dependency;
- maintaining and enhancing the quality of New Zealand Antarctic scientific research; and
- cooperating with organisations in New Zealand and internationally that have objectives similar to those of the Institute.

Our Strategic Direction

Antarctica New Zealand's strategic direction is guided by its Statement of Intent and supports New Zealand's interests in Antarctica and the Southern Ocean through science, environmental stewardship, international cooperation and the maintenance of a year-round presence in Antarctica.

Our Medium And Long-Term Objectives

Over the medium to long term, Antarctica New Zealand seeks to:

- maintain a continuous and effective New Zealand presence in Antarctica;
- support high-quality Antarctic and Southern Ocean science that improves understanding of Antarctica's role in the global climate system;
- advance New Zealand's strategic interests through international cooperation, influence and leadership in Antarctic affairs;
- protect Antarctic and Southern Ocean environments through active stewardship, monitoring and environmental management; and
- ensure New Zealand continues to have the capability, infrastructure and partnerships required to support Antarctic activities for future generations.

Our Strategic Priorities

Antarctica New Zealand reports its service performance against four Strategic Priorities:

Maintaining New Zealand's continuous and effective presence in Antarctica

Enhancing New Zealand's Antarctic and Southern Ocean science

Leadership and cooperation

Protecting Antarctic and Southern Ocean environments

These Strategic Priorities form the basis of the Statement of Service Performance that follows.

Tō Mātou Aronga me Ā Mātou Mahi Matua



Wright Valley, Lake Vanda.
© **Antarctica New Zealand**

Maintaining Our Presence

Maintaining New Zealand's year-round presence in Antarctica is fundamental to delivering the Government's Antarctic interests. During 2025/26, Antarctica New Zealand continued to operate Scott Base safely while supporting science, logistics and environmental activities across the Ross Sea region. Despite weather and mechanical disruptions early in the Antarctic season, the organisation successfully delivered the vast majority of its planned programme and maintained the operational capability required to support research and national interests in Antarctica.

The year also marked a significant milestone for the Scott Base Redevelopment. Approval of the detailed business case by both the Board and Cabinet, and subsequent Ministerial Approval to Deliver, enabled the programme to transition from planning into delivery, ensuring New Zealand remains on track to maintain a permanent Antarctic presence for decades to come.

The table below summarises the funding and expenditure associated with this Strategic Priority during 2025/26.

MAINTAINING NEW ZEALAND'S CONTINUOUS AND EFFECTIVE PRESENCE IN ANTARCTICA

	2026 ACTUAL				2026 BUDGET				2025 ACTUAL
	Core Business $000	Scott Base Redevelopment $000	Antarctic Science Platform $000	Total $000	Core Business $000	Scott Base Redevelopment $000	Antarctic Science Platform $000	Total $000	Total $000
Revenue – Crown	15,027	3,500	–	18,527	13,176	–	–	13,176	19,461
Revenue – Other	817	1,481	–	2,298	705	812	–	1,517	4,623
Total Revenue	15,844	4,981	–	20,825	13,881	812	–	14,693	24,084
Total Expenses	14,230	10,774	–	25,004	13,853	13,575	–	27,428	32,549

Scott Base Redevelopment project Crown revenue is higher than budgeted due to a release from the tagged contingency to cover operational requirements for the year. Core Business Crown revenue for this output class is higher than budgeted due to reduced allocations across other output classes in line with reduced expenditure.

SBR project expenditure for this output class is lower than budget due to earlier capitalisation of enabling works than budgeted. Core Business expenditure for this output class is higher than budget due to additional intercontinental flight requirements.

Science & Non-Science Events Supported

80

Logistics Achievement

94%

Scott Base Bed Nights

14,740

Field Nights

1,793

Passenger Movements

326

Whakapūmautia Te Noho



Rendering of the future Scott Base redevelopment. The grey buildings represent the new base, which will be green when completed. © **Antarctica New Zealand**

Scott Base facilities are able to safely support current and future science needs	
To maintain a year-round operational presence supporting high-quality science at Scott Base.	●
Prepare a revised detailed business case to deliver the Scott Base Redevelopment Project, within the funding set aside in the tagged contingencies by 30 June 2026.	●
To deliver the 2025/2026 component of the Scott Base Redevelopment project plan for a Ross Island wind farm replacement to agreed milestones, in scope, on time and within annual budget allocation.	●
Plans to secure $50M in philanthropic funding to support Scott Base and New Zealand's Antarctic interests have been developed and are actively being pursued.	●
To fully comply with the parameters of the Comprehensive Environmental Evaluation for the Scott Base Redevelopment. This includes no major non-compliance events and all minor events communicated to the Ministry of Foreign Affairs to their satisfaction.	●
New Zealand Antarctic programme activities are conducted safely	
There are no serious injuries or illnesses (rated at a critical risk level).	●
To maintain independent ISO 45001 certification for the Health and Safety Management System by 30 June 2026.	●
Science, environmental and logistics activities are well planned, coordinated and delivered	
To ensure science, environment and logistics activities are well coordinated by maintaining a 3–4 year operational plan by 30 June 2026.	●
Antarctic programme participants' rating of how well their logistics support objectives were achieved against the agreed plan ≥85%.	94%

Performance Measure Outcomes

● Achieved ● Partially achieved ● Not achieved

Partially achieved is defined as where ≥ 50% of the target's underlying performance metrics are achieved.

Performance Commentary

Operational planning remained a key strength throughout the year, enabling Antarctica New Zealand to respond effectively to changing conditions while supporting science, logistics and environmental activities across the Ross Sea region.

The Scott Base Redevelopment continued to shape long-term operational planning. During the year, detailed design activities were substantially completed, enabling works progressed in Antarctica and preparations continued for the first major construction season. At the same time, Scott Base continued to support year-round operations and scientific research, demonstrating the organisation's ability to balance delivery of a major infrastructure programme with ongoing operational commitments.

Implementation of the Battery Energy Storage System (BESS) was deferred to the following season, resulting in the annual KPI milestone not being achieved, despite the broader Ross Island wind energy programme remaining on track.

Progress also continued on philanthropic funding initiatives, including establishment of the New Zealand Antarctic and Southern Ocean Trust to support future investment in Antarctica and New Zealand's Antarctic interests.

Performance targets relating to operational capability, health and safety, logistics delivery and redevelopment milestones were mostly achieved. Logistics satisfaction exceeded target at 94 percent, with Antarctica New Zealand supporting 80 events, more than 14,700 Scott Base bed nights and almost 1,800 field nights throughout the reporting period.

Looking Ahead

The coming year will focus on delivering the first major construction season for the Scott Base Redevelopment while maintaining operational support for science and New Zealand's Antarctic programme. Continued collaboration with domestic and international partners will be essential to achieving these objectives safely and efficiently.

Enhancing Our Science

Whakamarohitia Te Pūtaiao

Science is at the heart of Antarctica New Zealand's purpose. The organisation maintains and enhances high-quality research that improves understanding of Antarctica and the Southern Ocean. A particular focus is on how Antarctica and the Southern Ocean are responding to climate change, and the impacts this is having on these regions, and how this will impact New Zealand, and the rest of the world. The work we support underpins evidence-based decision-making, international collaboration and New Zealand's strategic interests.

During 2025/26, Antarctica New Zealand continued to support research aligned with the Government's Antarctic and Southern Ocean Research Directions and Priorities. Research undertaken during the year contributed to scientific knowledge, international collaboration and policy development while reinforcing New Zealand's reputation as a trusted Antarctic science partner. New science funding provided support to strengthen and grow our strategic partnerships in Antarctica, including via a new Catalyst grant for closer NZ-US collaborations, and funding for closer NZ-UAE collaborations.

ENHANCING NEW ZEALAND'S ANTARCTIC AND SOUTHERN OCEAN SCIENCE

	2026 ACTUAL				2026 BUDGET				2025 ACTUAL
	Core Business $000	Scott Base Redevelopment $000	Antarctic Science Platform $000	Total $000	Core Business $000	Scott Base Redevelopment $000	Antarctic Science Platform $000	Total $000	Total $000
Revenue – Crown	651	–	–	651	1,275	–	–	1,275	693
Revenue – Other	1,610	–	8,054	9,664	1,800	–	6,996	8,796	8,451
Total Revenue	2,261	–	8,054	10,315	3,075	–	6,996	10,071	9,144
Total Expenses	2,604	–	6,084	8,688	3,075	–	6,996	10,071	10,333

Other revenue is higher than budget due to additional unbudgeted funding received by the Antarctic Science Platform from MBIE.

Expenditure for this output class is lower than budget primarily due to Antarctic Science Platform funded research grant expenditure and delivery which was deferred to future financial years.

Publications Supported

64

Six-Year Citations

6,852

Science Achievements Report

Published



Enhancing our Science *continued*

	Result
Antarctica New Zealand supports relevant science.	
To ensure research supported by Antarctica New Zealand is aligned with the Government's Antarctic and Southern Ocean Research Directions and Priorities 2021-2030	●
To ensure a strategic, transparent and objective process for the allocation of logistics to support science is applied where demand exceeds supply	●
Host the Antarctic Science Platform and support it to be successful.	
To ensure annual key performance measures agreed with MBIE are delivered in full.	●
The quantity and quality of Antarctic research produced by Antarctica New Zealand-supported researchers increases over time.	
To measure the quality of science produced by Antarctica New Zealand-supported researchers.	●
To publish an annual Ross Sea region-focused report on New Zealand's scientific achievements in Antarctica by 30 June 2026.	●
New Zealand's Antarctic research outcomes support national and international policymakers.	
To include Antarctica New Zealand-supported research in papers presented to the Antarctic Treaty System meetings.	●

A scientific diver ascends towards an access hole cut through sea ice. The green hue beneath the ice is caused by ice algae, which form the base of the Antarctic marine food web.
© **Erik Wurz/Finnish Scientific Diving Academy/Antarctica New Zealand**

Performance Commentary

Antarctica New Zealand continued to deliver a science programme that balanced scientific excellence with operational practicality. Science support was allocated through transparent planning processes, ensuring available logistics and operational capability were directed towards projects that aligned with New Zealand's strategic priorities.

The organisation supported a diverse programme of Antarctic and Southern Ocean research throughout the reporting period, including internationally significant collaborations that advanced understanding of climate processes, ice-sheet dynamics and Antarctic ecosystems. Publication of the annual Science Achievements Report highlighted the breadth and impact of research supported during the year.

MBIE's assessment of Antarctic Science Platform performance found that the majority of Platform KPIs were achieved or on track during 2025/26. One KPI relating to international research alignment was assessed as partially achieved, reflecting strong collaborative progress through existing and emerging international partnerships while noting that the requirement for a significant new or expanded international collaboration beyond the established baseline had not yet been fully demonstrated. Overall, science performance remained strong, and all Antarctica New Zealand-supported science activities aligned with national research priorities.

Looking Ahead

Antarctica New Zealand will continue to support world-class Antarctic science by working closely with researchers, government agencies and international partners to ensure science remains aligned with New Zealand's strategic priorities and delivers lasting environmental, scientific and societal benefits. Ongoing prioritisation will be required to balance the demands of the Scott Base Redevelopment and the science programme. While the Scott Base Redevelopment is underway, our capacity to support science activity will be more constrained, requiring careful prioritisation to ensure available resources are directed to the highest-priority research programmes and outcomes.



The SWAIS2C project recovered 228 metres of sediment core from beneath the Ross Ice Shelf, providing new insights into Antarctica's climate and ice-sheet history. © **Ana Tovey/SWAIS2C**

SWAIS2C

523m
ice shelf drilled through

228m
sediment core recovered

~23 million **years of climate history captured**

Leadership and Cooperation

International collaboration is fundamental to New Zealand's Antarctic programme. Through strong partnerships with governments, research institutions and other national Antarctic programmes, Antarctica New Zealand helps maximise scientific outcomes, strengthen operational capability and reinforce New Zealand's influence within the Antarctic Treaty System.

During 2025/26, Antarctica New Zealand continued to build strategic relationships that supported science, logistics and environmental stewardship while contributing to New Zealand's broader Antarctic objectives. These partnerships enabled more effective use of shared resources, strengthened international cooperation and supported New Zealand's reputation as a trusted Antarctic partner. This included new Catalyst funding for NZ-US collaboration, following the signing of the first ever Memorandum of Cooperation between the US National Science Foundation and New Zealand, focused specifically on Antarctic Science.

LEADERSHIP AND COOPERATION

	2026 ACTUAL				2026 BUDGET				2025 ACTUAL
	Core Business $000	Scott Base Redevelopment $000	Antarctic Science Platform $000	Total $000	Core Business $000	Scott Base Redevelopment $000	Antarctic Science Platform $000	Total $000	Total $000
Revenue – Crown	4,488	–	–	4,488	5,469	–	–	5,469	6,393
Revenue – Other	156	–	–	156	152	–	–	152	256
Total Revenue	4,644	–	–	4,644	5,621	–	–	5,621	6,649
Total Expenses	4,711	–	–	4,711	5,621	–	–	5,621	6,649

Expenditure for this output class is lower than budget primarily due to reduced costs associated with New Zealand Defence Force support of activities in Antarctica, FTE reduction savings, and reduced international travel due to vacant roles. The lower expenditure than budgeted has reduced the allocation of Crown revenue against this output class.



Passengers arrive in Antarctica as part of the New Zealand–United States Joint Logistics Pool, a long-standing partnership that enables science, operations and year-round Antarctic presence.
© **Jean-Christophe Varnier/ Antarctica New Zealand**

Te Ārahi me te Mahi Tahi

	Result
Antarctica New Zealand holds leadership positions within the CEP and COMNAP.	
To lead at least one intersessional contact group, expert group or Chair at CEP and/or Executive Committee role at COMNAP.	●
MFAT indicates satisfaction with leadership on environmental policy through the Committee for Environmental Protection.	●
Facilitate cooperation and collaboration amongst National Antarctic Programmes.	
To ensure New Zealand meets its agreed commitments to the joint United States/New Zealand logistics pool.	●
To ensure activities are conducted under individual cooperation agreements with Ross Sea neighbours and Australia.	●
International science linkages are strengthened.	
To ensure New Zealand has at least two significant science collaborative projects with the United States underway during the year.	●
Cooperation with institutions and organisations both within and outside New Zealand	
Contribute to and support implementation of the Christchurch Antarctic Office strategy.	●
To provide annual support for the Antarctic Heritage Trust's hut conservation and maintenance programme.	●
Education, outreach and communication actions are planned and undertaken annually.	
To ensure at least two stakeholder outreach functions are held annually.	●
Achieve media targets for total media exposure, social media engagement and advertising value equivalent.	●



Ceisha Poirot, General Manager Policy and Environment, Antarctica New Zealand, chairs the Committee for Environmental Protection (CEP) meeting in Hiroshima, Japan. The CEP provides advice and recommendations to Antarctic Treaty Consultative Meetings on the implementation of the Protocol on Environmental Protection to the Antarctic Treaty.

INTERNATIONAL LEADERSHIP

CEP Leadership.

NSF Memorandum of Cooperation.

Partnerships with the United States, Italy, Germany, Australia, the Republic of Korea, Switzerland and the United Arab Emirates.

Antarctic Treaty System Engagement.

Performance Commentary

International partnerships continued to deliver significant value throughout the reporting period. Collaboration with partner nations, research organisations and logistics providers strengthened New Zealand's ability to support science while improving operational efficiency and resilience.

During the year, Antarctica New Zealand continued developing collaborative relationships with partners including the United States, Italy, Germany, Australia, the Republic of Korea, Switzerland and the United Arab Emirates. These partnerships supported shared scientific research, logistics capability and environmental initiatives while reinforcing New Zealand's contribution to international Antarctic cooperation.

The organisation also continued supporting New Zealand's leadership within the Antarctic Treaty System by contributing scientific expertise, environmental management and operational experience to international discussions. This included the re-election of Ceisha Poirot as the Chair of the Committee for Environmental Protection for a second two-year term. Strong relationships across government, the science sector and the wider Antarctic community ensured Antarctica New Zealand remained well positioned to support New Zealand's strategic interests.

Annual media exposure and stakeholder engagement targets were achieved, supporting greater understanding of Antarctica New Zealand's role and the importance of Antarctic science and environmental stewardship.

Looking Ahead

Antarctica New Zealand will continue strengthening strategic partnerships that enhance science, logistics and operational capability while supporting New Zealand's influence within the Antarctic Treaty System. As the Scott Base Redevelopment progresses, collaboration with domestic and international partners will become increasingly important to successful programme delivery.



Ceisha Poirot (Centre), General Manager Policy and Environment, Antarctica New Zealand, chairs the Committee for Environmental Protection (CEP) meeting in Hiroshima, Japan.



The New Zealand–United States Joint Logistics Pool, a long-standing partnership that enables science, operations and year-round Antarctic presence.
© **Jean-Christophe Varnier/Antarctica New Zealand**

Protect Antarctic and Southern Ocean Environments

Protecting Antarctica's unique environment underpins everything Antarctica New Zealand does. Environmental stewardship is integrated into planning, operations and programme delivery to ensure New Zealand meets its environmental obligations while supporting world-class science and maintaining a continuous presence in Antarctica.

During 2025/26, Antarctica New Zealand demonstrated strong environmental performance while maintaining compliance with environmental management requirements while supporting scientific and operational activities. Operations were conducted with no significant environmental incidents or regulatory non-compliances recorded and continued improvement of environmental monitoring and management across the Ross Sea region.

The table below shows the Crown funding and expenditure associated with this Strategic Priority during the reporting period. These figures reflect the resources invested in delivering the outcomes and services reported in this section.

PROTECT ANTARCTIC ENVIRONMENTS

	2026 ACTUAL				2026 BUDGET				2025 ACTUAL
	Core Business $000	Scott Base Redevelopment $000	Antarctic Science Platform $000	Total $000	Core Business $000	Scott Base Redevelopment $000	Antarctic Science Platform $000	Total $000	Total $000
Revenue – Crown	770	–	–	770	1,016	–	–	1,016	889
Revenue – Other	27	–	–	27	28	–	–	28	36
Total Revenue	797	–	–	797	1,044	–	–	1,044	925
Total Expenses	797	–	–	797	1,044	–	–	1,044	925

ENVIRONMENTAL PROTECTION

Maintained compliance
with environmental permits

Progressed
the New Zealand Antarctic **Environmental Assessment**

maintained ISO 14001
certification

0
moderate or higher environmental incidents

Whakahamarutia te Taiao

	Result
New Zealand's Antarctic programme is an exemplar of sustainability.	
To ensure there are no environmental incidents risk-assessed with an impact of moderate or greater.	●
To maintain independent ISO 14001 certification for the Environmental Management System by 30 June 2026.	●
To ensure Antarctica New Zealand fully complies with the terms of its environmental permit to operate in Antarctica.	●
MFAT indicates satisfaction with the quality and timeliness of environmental advice provided.	●
The state of the Ross Sea region environment is better understood and managed.	
To develop tools and processes to effectively track the state of the Ross Sea region environment by preparing a project plan to implement a New Zealand Antarctic Environmental Assessment report.	●

Performance Commentary

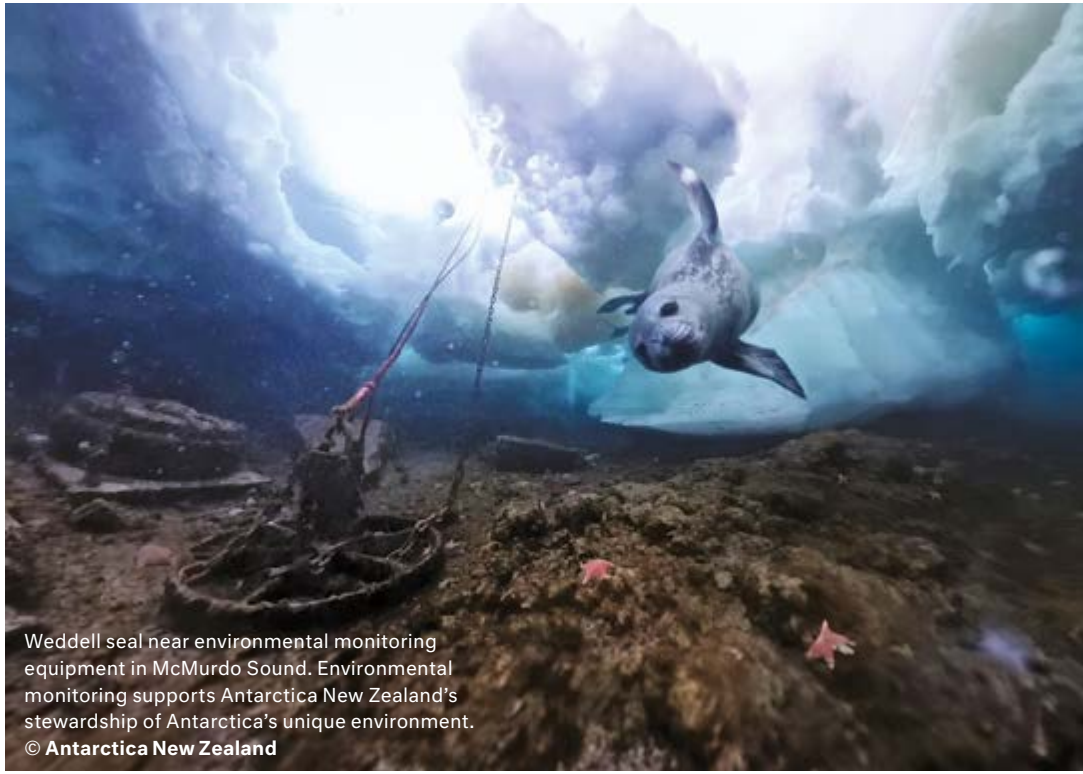
Environmental performance remained strong throughout the reporting period. Antarctica New Zealand met its environmental obligations while continuing to support science, logistics and redevelopment activities in one of the world's most environmentally sensitive regions.

Comprehensive environmental management systems supported day-to-day operations, redevelopment activities and long-term environmental planning. Work also progressed to strengthen environmental monitoring through the identification of environmental indicators and improved data collection across the Ross Sea region.

Maintaining ISO 14001 certification and recording no moderate or higher environmental incidents demonstrates the organisation's commitment to responsible environmental stewardship and continuous improvement. These achievements provide confidence that Antarctica New Zealand continues to balance operational delivery with the protection of Antarctica's globally significant environment.

Looking Ahead

Future work will focus on strengthening environmental monitoring, supporting delivery of the Scott Base Redevelopment and continuing to meet New Zealand's obligations under the Antarctic Treaty System and associated environmental agreements.



Weddell seal near environmental monitoring equipment in McMurdo Sound. Environmental monitoring supports Antarctica New Zealand's stewardship of Antarctica's unique environment.
© **Antarctica New Zealand**

Sustainability Reporting

Carbon Neutral Government Programme

As part of the Carbon Neutral Government Programme (CNGP), Antarctica New Zealand has measured and independently verified its greenhouse gas emissions since the 2008/09 season through the Toitū Carbon Reduce certification programme. Antarctica New Zealand reviewed its Emissions Management and Reduction Plan in the 2025/26 season setting new intensity targets that will support organisation wide carbon emission reductions in line with the Paris Agreement.

Independent verification

Antarctica New Zealand's carbon footprint is independently verified annually by the Toitū carbonreduce programme. Antarctica New Zealand's carbon footprint disclosure statements are available upon request. In September 2026 Antarctica New Zealand completed its 18th year of Toitū Carbon Reduce certification. Total verified emissions were 3,928.77 tCO_2-e, representing a 49% reduction against the 2015/16 baseline.

Greenhouse Gas Emissions

In 2025/26 Antarctica New Zealand emitted 3,928.77 tonnes of carbon dioxide equivalent greenhouse gases (tCO_2e) of which 3,665.4 tCO_2e were from mandatory reported emissions.

For the 2025/26 financial year total gross emissions were reduced compared to the base year and the previous year. This slight decrease of 24.2 tCO_2e was despite an increase in the emissions from air cargo which had risen from 548.31 tCO_2e to 761.3 tCO_2e, a 39% increase. The reductions made in other emission sources have mitigated the impact of this rise. Scott Base AN8 use was down 17% and emissions from employee commuting also fell by over 50%.

Category (ISO 14064-1:2018)	Scopes (ISO 14064-1:2006)	Baseline 2015/2016	2023/2024	2024/2025	2025/2026*
Category 1: Direct emissions	Scope 1	895.17	1,103.56	1,140.92	1,095.68
Category 2: Indirect emissions from imported energy (location-based method*)	Scope 2	34.13	25.29	30.59	22.99
Category 3: Indirect emissions from transportation	Scope 3	6,712.69	2,708.31	2,592.5	2,600.85
Category 4: Indirect emissions from products used by organisation	Scope 3	4.57	305.38	188.95	209.24
Category 5: Indirect emissions associated with the use of products from the organisation	Scope 3	–	–	–	–
Category 6: Indirect emissions from other sources	Scope 3	–	–	–	–
Total direct emissions		**895.17**	**1,103.56**	**1,140.92**	**1,095.68**
Total indirect emissions*		**6,751.38**	**3,038.98**	**2,812.04**	**2,833.08**
Total gross emissions*		**7,646.55**	**4,142.54**	**3,952.97**	**3,928.77**
Category 1 direct removals		–	–	–	–
Purchased emission reductions		–	–	–	–
Total net emissions		**7,646.55**	**4,142.54**	**3,952.97**	**3,928.77**

* These emissions results align with the Ministry for the Environment's 2026 Measuring Emissions Guidance which uses the 100-year Global Warming Potentials (GWPs) in the IPCC Fifth Assessment Report (AR5). To account for our emissions, the operational control approach has been taken to best fit our organisational activities.

Emission intensity by FTE and expenditure

Since the 2015/16 baseline, Antarctica New Zealand has experienced a growth in expenditure and full time equivalent employees, this is largely due to the Scott Base Rebuild programme. Despite this, we have seen an overall reduction in total gross emissions per FTE and per million dollars of expenditure (Table below). In 2025/26 this intensity measure did increase on the previous two years due to a reduction in staff numbers across the financial year.

KPIs for FTEs and expenditure by financial year

	Baseline 2015/2016	2023/2024	2024/2025	2025/2026*
KPI				
FTE	48	96	81	75
Expenditure ($M)	17.59	51.15	47.41	40.33
KPI				
Total gross emissions per FTE in tCO_2e	159.6	43.15	48.8	52.38
Total emissions per person travelling to Scott Base tCO_2e	24.09	13.9	11.98	12.05
Total emissions per Scott Base Bed Night tCO_2e	0.63	0.28	0.28	0.27
Total gross emissions per million dollars of expenditure in tCO_2e	435.51	80.99	83.38	97.41

Emissions Reduction Targets

At the end of the financial year the Emissions Management and Reduction Plan was refreshed with updated intensity targets to support the absolute target set for 2030

Our absolute target:

- 2030 target: 42% reduction against 2015/16 baseline (excluding Scott Base Redevelopment Project emissions).

Our intensity targets:

- total gross emissions per FTE in tCO_2e reduced by 73% of the 2015/16 baseline to 40.92 tCO_2e per FTE;
- total emissions per person travelling to Scott Base tCO_2e reduced by 69% of the 2015/16 baseline to 7.35 tCO_2e; and
- total emissions per Scott Base Bed Night tCO_2e by 65% of the 2015/16 baseline to 0.22 tCO_2e.

Progress Towards Targets

During 2025/26, total gross emissions were 3,928 tCO_2e, compared with 3,952.97 tCO_2e in 2024/25. Though some activities had lower carbon footprints than previous years (such as Scott Base fuel), overall net emissions were influenced by:

- the carbon footprint from air cargo was 761.27 tCO_2e in 2025/26 compared to 548.31 tCO_2e in 2024/25; and
- an increase in the carbon footprint of the food purchase order.

Antarctica New Zealand continues to monitor progress towards its emissions reduction targets while balancing the operational requirements of maintaining New Zealand's presence in Antarctica and supporting Antarctic science programmes.

Even though our emissions in 2025/26 did decrease a small amount, we are not quite on track with these targets. However, the focus on delivering the Scott Base Redevelopment project has resulted in increased activities across the organisation that cannot easily be designated as project emissions.

Progress During the Year

Antarctica New Zealand continued implementing initiatives to reduce organisational emissions while maintaining critical Antarctic science, logistics and operational capability.

Key initiatives during the year included:

- continuation of the Scott Base Redevelopment Project and replacement of the wind farm with the foundations for the first turbine ready for installation in the 2026/27 season. Wind farm will produce 3x renewable power;
- field cargo weights were reduced by changing field food to dehydrated meals where practical;
- more fluorescent lightbulbs were replaced with LED at Scott Base; and
- a meat-free day was introduced at Scott Base at the beginning of the winter season (March 2026).

Future Focus

Priorities for the coming year include:

- delivering actions under the Emissions Management and Reduction Plan;
- improving emissions data and reporting capability;
- identifying opportunities to reduce operational emissions; and
- supporting emissions reductions associated with Antarctic operations and logistics where practicable.

Our People Ō mātou tāngata

Workforce Measures

The expertise, professionalism and commitment of our people remain central to Antarctica New Zealand's success. Delivering science, logistics and operational support in Antarctica requires a highly capable workforce that can adapt to complex and challenging environments while maintaining the highest standards of safety, teamwork and performance.

Throughout 2025/26, Antarctica New Zealand continued investing in organisational capability, workforce planning and leadership while supporting the delivery of major programmes including the Scott Base Redevelopment.

Health, safety and wellbeing remained organisational priorities. Antarctica New Zealand maintained certification under ISO 45001, recorded no notifiable injuries, illnesses or incidents and continued to strengthen systems that support safe operations both in New Zealand and Antarctica.

Further improving organisational culture, developing specialist capability and fostering strong relationships with programme participants and partners will remain important as the organisation prepares for the next phase of the Scott Base Redevelopment.

	Result
ISO 45001 Certification	Maintained
Notifiable Injuries, Illnesses or Incidents	0
Moderate or Higher Environmental Incidents	0

Looking Ahead

The year ahead will see Antarctica New Zealand continue delivering New Zealand's Antarctic programme while entering the next phase of the Scott Base Redevelopment.

Construction activities at Scott Base will increase significantly, supported by detailed planning, strong governance and close collaboration with domestic and international partners. Maintaining uninterrupted support for science and operations throughout this period will remain a key organisational priority.

Antarctica New Zealand will also continue supporting high-quality Antarctic and Southern Ocean research, strengthening international partnerships and protecting Antarctica's unique environment. Together, these activities ensure New Zealand remains a respected Antarctic nation, contributing scientific knowledge, environmental stewardship and operational capability that benefits both New Zealand and the international community.



Scott Base Summer Staff 2025–26.
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FINANCIAL STATEMENTS

Statement of Responsibility for the year ended 30 June 2026

Antarctica New Zealand is the trading name of the New Zealand Antarctic Institute (NZAI), a Crown Entity as defined by the Crown Entities Act 2004.

The NZAI Board (the 'Board') is responsible for the preparation of the Annual Financial Statements and Statement of Performance, and for the judgements used in them.

This includes responsibility for any end-of-year performance information provided by NZAI, under section 19A of the Public Finance Act 1989, whether or not that information is included in this annual report.

The Board is also responsible for establishing and maintaining a system of internal controls designed to provide reasonable assurance as to the integrity and reliability of financial reporting.

In the opinion of the Board, the Annual Financial Statements and Statement of Performance for the year ended 30 June 2026 fairly reflect the financial position and operations of NZAI.

Signed on behalf of the NZAI Board:

Leon Grice
Board Chair
14 October 2026

Keiran Horne
Audit & Risk Committee Chair
14 October 2026



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The Audit Office
Te Mana Arotake

Independent Auditor's Report

To the readers of New Zealand Antarctic Institute's financial statements and performance information for the year ended 30 June 2026

The Auditor-General is the auditor of New Zealand Antarctic Institute. The Auditor-General has appointed me, Peter Taylor, using the staff and resources of KPMG New Zealand, to carry out the audit of the financial statements and performance information on his behalf.

Opinion

We have audited:

- the financial statements of the entity that comprise the statement of financial position as at 30 June 2026, the statement of comprehensive revenue and expenses, statement of changes in equity, and statement of cash flows for the year ended on that date and the notes to the financial statements that include accounting policies and other explanatory information on pages 30 to 55; and
- the performance information that consists of the statement of performance of the entity for the year ended 30 June 2026 on pages 8 to 21.

In our opinion:

- The financial statements of the entity 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 Public Benefit Entity Reporting Standards.
- The performance information of the entity is appropriate and meaningful and prepared in accordance with the entity's measurement bases or evaluation methods and Public Benefit Entity Reporting Standards and presents fairly, in all material respects:
    - the entity's service performance and actual revenue and expenses for each reportable class of outputs for the year ended 30 June 2026 compared to the forecast standards and budgets included in the statement of performance expectations for the year.

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, the International Standards on Auditing (New Zealand), and New Zealand Auditing Standard 1 (Revised): *The Audit of Service Performance Information* issued by the New Zealand Auditing and Assurance Standards Board. Our responsibilities under those standards are further described in the *Responsibilities of the auditor* section of our report.

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

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

Responsibilities of the Board of Directors for the financial statements and the performance information

The board of directors is responsible on behalf of the entity for preparing financial statements and performance information that are fairly presented and comply with Public Benefit Entity Reporting Standards. This includes:

- the selection of elements/aspects of service performance, performance measures and/or descriptions, and measurement bases or evaluation methods to enable the presentation of service performance information that is appropriate and meaningful; and
- the preparation of a statement of performance, in accordance with the entity's measurement bases or evaluation methods, that provides an appropriate and meaningful basis to enable readers to assess what has been achieved for the year.

The board of directors are responsible for such internal control as they determine is necessary to enable them to prepare financial statements and performance information that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements and performance information, the board of directors are responsible on behalf of the entity for assessing the entity'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 there is an intention to merge or to terminate the activities of the entity or there is no realistic alternative but to do so.

The board of director's responsibilities arise from the Crown Entities Act 2004, the Public Finance Act 1989 and the New Zealand Antarctic Institute Act 1996.

Responsibilities of the auditor for the audit of the financial statements and the performance information

Our objectives are to obtain reasonable assurance about whether the financial statements and performance information, 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 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 the financial statements and performance information.

For the budget information reported in the financial statements and the performance information, our procedures were limited to checking that the information agreed to the entity's statement of performance expectations.

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

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 and performance information, 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 entity'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 obtain an understanding of the process applied by the entity to select its elements/aspects of service performance, performance measures and/or descriptions and the measurement bases or evaluation methods.
- We evaluate whether:
    - the selection of elements/aspects of service performance, performance measures and/or descriptions and measurement bases or evaluation

methods present an appropriate and meaningful assessment of the entity's service performance; and

- the performance information is prepared in accordance with the entity's measurement bases or evaluation methods, and presents fairly, in all material respects in accordance with Public Benefit Entity Reporting Framework and for each class of reportable outputs;
  - the actual performance of the entity as compared with the forecast standards of performance included in the entity's statement of performance expectations for the financial year; and
  - the actual revenue earned and output expenses incurred as compared to the expected revenues and the proposed output expenses included in the entity's statement of performance expectations for the financial year.

- 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 entity'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 information we audited 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 entity to cease to continue as a going concern.
- We evaluate the overall presentation, structure and content of the financial statements and the performance information, including the disclosures, and whether the financial statements and performance information represent the underlying transactions and events in a manner that achieves fair presentation.

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 are responsible for the other information. The other information comprises all of the information included in the annual report, but does not include the financial statements, the performance information consisting of the statement of performance and our auditor's report thereon.

Our opinion on the financial statements and the performance information 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 and the performance information, our responsibility is to read the other information. In doing so, we consider whether the other information is materially inconsistent with the financial statements and the performance information 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 entity 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.

Other than in our capacity as auditor, we have no relationship with, or interests in, the New Zealand Antarctic Institute.



Peter Taylor
KPMG Christchurch
On behalf of the Auditor-General
Christchurch, New Zealand
16 October 2026

INTRODUCTION TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2026

This introduction provides background and context to the New Zealand Antarctic Institute's (NZAI) recent financial performance and current financial position.

Overview

NZAI has three separately funded business streams:

- Core Business – conducting NZAI's principal functions under the New Zealand Antarctic Institute Act 1996, funded by government appropriation.
- Scott Base Redevelopment (SBR) – a capital investment project to redevelop Scott Base including its associated wind farm, funded by one-off government project funding.
- Antarctic Science Platform (ASP) – a Strategic Science Investment Fund to provide a stable funding environment for Antarctic research, funded under contract with the Ministry of Business, Innovation and Employment (MBIE).

A summary statement of financial performance and current financial position by funding stream is provided in Note 21 to the financial statements.

The project nature and scale of the Scott Base Redevelopment relative to the other funded business streams leads to some significant variances between years in NZAI's financial statements. Explanations for these between 2026 and 2025 are provided below.

Revenue

In 2026 NZAI's Crown Revenue decreased by $3.0 million compared to 2025. $2.5 million of the decrease was due to operational funding for the SBR project now being held in a tagged contingency, and reserves carried forward being used in the first instance.

Core Business Crown Revenue reduced by $0.5 million as a result of one-off non-operational funding received in 2025 from MFAT of $0.5 million for a contribution to participation in Science Cooperation Arrangements with other National Antarctic Programmes.

Additional Grant Revenue of $1.0 million was received by the Antarctic Science Platform to progress new science initiatives with UAE.

Interest income decreased by $2.7 million ($2.4 million of this decrease is within the SBR project) compared to 2025. This was the result of lower interest rates and a reduced balance of cash on hand following the drawdown of SBR project reserves during the 2026 year.

Expenditure

Overall expenditure was $40.4 million in 2026, a decrease of $10.4 million over the previous year. SBR project expenditure decreased $5.6 million, Core Business decreased $2.5 million, and ASP decreased $2.3 million compared to the prior year.

Business as usual funding remained relatively stable during the year, with efficiencies realised across the organisation helping to manage cost pressures and support continued service delivery. The most significant expenditure movements relate to the Scott Base Rebuild programme activity. Looking ahead, strategic reserves will be reinvested in priority capability enhancements, including systems, data stewardship and data monitoring, to strengthen organisational resilience, governance and long-term performance.

SBR project related decreases in costs over 2025 levels included;

- decrease in impairment costs of $3.3 million. The 2025 impairment was recognised as a result of the alternative design approach adopted to bring the project within budget;
- decreased personnel costs as a result of recommencing capitalisation of costs during the 2025 year (decrease of $0.5 million) .
- decreased operating expenses as a result of selection of a preferred design in December 2025 and capitalisation of design costs from that point on (decrease of $1.6 million)

Core Business expenditure was lower in 2026 due to the restructure that took place resulting in reduced FTEs, renegotiation of the memorandum of understanding with NZDF and reduced accelerated depreciation expense following approval of the SBR project detailed business case and revised project timelines.

The ASP funded research grants decreased by $2.2 million as a result of entering Phase 2 of the ASP.

Net Operating Result

Overall NZAI reported a net operating deficit of $2.6 million in 2026 compared to a $9.6 million deficit in 2025 for the reasons noted above.

Changes in Equity

Overall NZAI's total equity increased by $20.0 million during 2026. The net operating deficit of $2.6 million noted above was offset against a Crown capital contribution of $22.6 million to fund SBR project capital investment.

Cash and Investments

- Cash Flow

Net cash outflows from operating activities decreased by $8.6 million to ($4.1) million in 2026 as a result of reduced payments to suppliers.

Net cash outflows from investing activities (excluding the impact of cash flows associated with term deposits with maturities less than 12 months) increased by $10.1 million due to increased capital investment for the year in the SBR project assets and reduced interest income received due to lower interest rates and cash balances.

Net cash inflows from financing activities increased by $0.6 million to $22.6 million reflecting a small increase in the Crown's capital contribution to fund its capital investment for the year in the SBR project assets.

- Cash and Short-Term Investments

Total cash and short-term investments have decreased by $14.9 million to $54.6 million predominantly as a result of utilising reserves carried forward to fund the SBR project.

Capital Expenditure

Capital expenditure of $37.2 million in 2026 was $8.2 million higher than the previous year as a result of the SBR project moving out of the pause and reset phase and into redesign of a preferred option.

Budget Variances

An explanation of significant variances to NZAI's 2026 budget is provided in Note 22 to the financial statements.

STATEMENT OF COMPREHENSIVE REVENUE AND EXPENSES
for the year ended 30 June 2026

	Note	NZAI 2026 Actual $000	NZAI 2026 Budget $000	NZAI 2025 Actual $000
Revenue from non-exchange transactions				
Crown revenue	2	24,436	20,936	27,436
Grant revenue	2	8,739	8,033	7,650
Other non-exchange revenue		331	10	11
Onerous contracts	11/15	1,140	–	325
		34,646	**28,979**	**35,422**
Revenue from exchange transactions				
Interest revenue		1,920	1,457	4,601
Other operating revenue		1,156	993	943
Finance income		21	–	168
		3,097	**2,450**	**5,712**
Total revenue		**37,743**	**31,429**	**41,134**
Expenditure				
Personnel costs	3	8,197	8,982	9,831
Operating expenses	4	12,317	14,261	15,618
Research grants	5	5,639	6,340	6,949
Crown capital charge	6	8,877	8,663	8,727
Finance costs		–	–	27
Depreciation and amortisation expense	11/12	5,295	5,918	6,256
Impairment	11	30	–	3,376
Net loss/(gain) on sale of property, plant & equipment	11	7	–	(3)
Total expenditure		**40,362**	**44,164**	**50,781**
Net operating (deficit)/surplus	7	**(2,619)**	**(12,735)**	**(9,647)**
Other comprehensive revenue and expenses		–	–	–
Total comprehensive revenue and expenses for the year	7	**(2,619)**	**(12,735)**	**(9,647)**

A breakdown of the items included above by separately funded business stream is detailed in Note 21 and explanations of significant variances against budget are detailed in Note 22.

The accompanying notes form part of these financial statements.

Antarctica New Zealand

STATEMENT OF CHANGES IN EQUITY

for the year ended 30 June 2026

	Note	NZAI 2026 Actual $000	NZAI 2026 Budget $000	NZAI 2025 Actual $000
Balance at 1 July		176,852	174,609	164,499
Total comprehensive revenue and expenses		(2,619)	(12,735)	(9,647)
Crown capital contribution	7	22,580	–	22,000
Balance at 30 June	7	**196,813**	**161,874**	**176,852**

A breakdown of the items included above by separately funded business stream is detailed in Note 21 and explanations of significant variances against budget are detailed in Note 22.

The accompanying notes form part of these financial statements.

STATEMENT OF FINANCIAL POSITION
as at 30 June 2026

	Note	NZAI 2026 Actual $000	NZAI 2026 Budget $000	NZAI 2025 Actual $000
Equity				
Taxpayers' funds	7	193,813	158,874	173,852
Other reserves	7	3,000	3,000	3,000
Total equity		**196,813**	**161,874**	**176,852**
Represented by:				
Current assets				
Cash and cash equivalents	8	32,452	6,153	24,755
Debtors and other receivables	9	751	900	1,055
Investments	10	22,117	18,191	44,747
Prepayments		1,897	324	473
Total current assets		**57,217**	**25,568**	**71,030**
Non-current assets				
Property, plant and equipment	11	146,253	141,703	114,730
Intangible assets	12	318	234	364
Total non-current assets		**146,571**	**141,937**	**115,094**
Total assets		**203,788**	**167,505**	**186,124**
Current liabilities				
Creditors and other payables	13	5,769	4,752	5,770
Employee entitlements	14	814	879	743
Provisions	15	387	–	2,812
Derivative financial instruments		5	–	(53)
Total current liabilities		**6,975**	**5,631**	**9,272**
Total liabilities		**6,975**	**5,631**	**9,272**
Net assets		**196,813**	**161,874**	**176,852**

A breakdown of the items included above by separately funded business stream is detailed in Note 21 and explanations of significant variances against budget are detailed in Note 22.

The accompanying notes form part of these financial statements.

Antarctica New Zealand

STATEMENT OF CASH FLOWS
for the year ended 30 June 2026

	Note	NZAI 2026 Actual $000	NZAI 2026 Budget $000	NZAI 2025 Actual $000
Cash flows from operating activities				
Cash was provided from:				
Receipts from Crown revenue		24,436	20,936	27,436
Receipts from other revenue (exchange transactions)		1,069	1,332	1,805
Receipts from other revenue (non-exchange transactions)		9,080	8,042	7,661
Total receipts		**34,585**	**30,310**	**36,902**
Cash was applied to:				
Payments to suppliers		(15,185)	(14,572)	(23,712)
Payments to grant recipients		(6,549)	(6,340)	(7,367)
Payments to employees		(8,090)	(8,929)	(9,657)
Payments for Crown capital charge		(8,877)	(8,663)	(8,727)
Goods and services tax (net)		5	–	(175)
Total payments		**(38,696)**	**(38,504)**	**(49,638)**
Net cash from operating activities		**(4,111)**	**(8,194)**	**(12,736)**
Cash flows from investing activities				
Cash was provided from:				
Receipts from sale of property, plant and equipment		1	–	17
Transfer from Term Deposit		22,630	40,000	5,002
Interest received		2,200	1,457	4,681
Total receipts		**24,831**	**41,457**	**9,700**
Cash was applied to:				
Purchase of property, plant and equipment		(35,500)	(32,573)	(27,652)
Purchase of intangible assets		(103)	–	(311)
Transfer to Term Deposit		–	(2,000)	–
Total payments		**(35,603)**	**(34,573)**	**(27,963)**
Net cash from investing activities		**(10,772)**	**6,884**	**(18,263)**

The accompanying notes form part of these financial statements.

STATEMENT OF CASH FLOWS *continued*

for the year ended 30 June 2026

	Note	NZAI 2026 Actual $000	NZAI 2026 Budget $000	NZAI 2025 Actual $000
Cash flows from financing activities				
Cash was provided from:				
Crown capital contribution — SBR project	7	22,580	–	22,000
Net cash from financing activities		**22,580**	**–**	**22,000**
Net increase/(decrease) in cash and cash equivalents		7,697	(1,310)	(8,999)
Cash and cash equivalents at the beginning of the period		24,755	7,463	33,754
Cash and cash equivalents at the end of the period	8	**32,452**	**6,153**	**24,755**

The GST (net) component of operating activities reflects the net GST paid to and received from the Inland Revenue Department. The GST (net) component has been presented on a net basis, as the gross amounts do not provide meaningful information for financial statement purposes.

Explanations of significant variances against budget are detailed in Note 22.

The accompanying notes form part of these financial statements.

Antarctica New Zealand

STATEMENT OF CASH FLOWS *continued*
for the year ended 30 June 2026

	NZAI 2026 Actual $000	NZAI 2025 Actual $000
Reconciliation of surplus/(deficit) to net cash flow from operating activities		
(Deficit)/surplus	**(2,619)**	**(9,647)**
Add/(less) non-cash items:		
Depreciation and amortisation expense	5,295	6,256
Impairment	30	3,376
Total non-cash items	**5,325**	**9,632**
Add/(less) items classified as investing or financing activities:		
Loss/(gain) on disposal of property, plant and equipment	7	(3)
Interest received	(2,200)	(4,680)
Total items classified as investing or financing activities	**(2,193)**	**(4,683)**
Add/(less) movements in statement of financial position items:		
Debtors and other receivables	306	682
Prepayments	(1,424)	(64)
Creditors and other payables	(1,152)	22
Provisions	(2,425)	(8,583)
Employee entitlements	71	(95)
Net movements in working capital items	**(4,624)**	**(8,038)**
Net cash from operating activities	**(4,111)**	**(12,736)**

The accompanying notes form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 June 2026

NOTE 1 Statement of accounting policies

REPORTING ENTITY
Antarctica New Zealand is the trading name of the New Zealand Antarctic Institute (NZAI), a Crown Entity as defined by the Crown Entities Act 2004. NZAI is domiciled in New Zealand and operates in New Zealand as well as Antarctica and the Southern Ocean. NZAI's ultimate parent is the New Zealand Crown.

NZAI is responsible for developing, managing and executing New Zealand Government activities in Antarctica and the Southern Ocean, in particular the Ross Dependency.

NZAI's operations are made up of three distinct activities; Antarctica New Zealand's Core Business, Scott Base Redevelopment Project (SBR) and the Antarctic Science Platform (ASP). Further detail on the results of each activity, its funding stream and associated costs has been provided in Note 21 of this annual report.

NZAI was established by the New Zealand Antarctic Institute Act 1996.

NZAI is a Public Benefit Entity (PBE) and the financial statements and service performance information have been prepared in accordance with PBE standards.

The financial statements for NZAI are for the year ended 30 June 2026, and were approved by the Board on 14 October 2026.

BASIS OF PREPARATION
The financial statements have been prepared on a going concern basis and the accounting policies have been applied consistently throughout the year.

Statement of compliance
The financial statements of NZAI have been prepared in accordance with the Crown Entities Act 2004, which includes the requirement to comply with New Zealand generally accepted accounting practice (NZ GAAP). The measurement base applied is historical cost except where otherwise identified.

NZAI is a Tier 1 reporting entity as it has total expenditure greater than $33 million in the two preceding reporting periods. The financial statements comply with the PBE Accounting Standards as appropriate for Tier 1 Public Benefit Entities.

Presentation currency and rounding
The financial statements are presented in New Zealand dollars and all values are rounded to the nearest thousand dollars ($000) unless otherwise stated.

New accounting standards and amendments adopted in the current year
There are no standards or amendments issued that are relevant to NZAI and adopted in the current year.

Accounting Standards and Interpretations issued but not yet effective
2024 Omnibus Amendments to PBE Standards
The amendments to PBE IPSAS 1 provide further guidance on the current/non-current distinction in the Statement of Financial Position. The amendments to PBE IAS 12 include disclosure requirements under the international tax reform. However, these amendments are not applicable to NZAI because NZAI is a public authority exempt from income tax. Application of the amendments are required for accounting periods beginning on or after 1 January 2026. The amendments have not been early adopted.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
Significant accounting policies are included in the notes to which they relate. Significant accounting policies that do not relate to a specific note are outlined below.

Foreign currency transactions
Foreign currency transactions (including those subject to forward foreign exchange contracts) are translated into NZ dollars (the functional currency) using the spot exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the net operating surplus or deficit for the year.

Goods and Services Tax (GST)
All items in the financial statements are stated exclusive of GST, except for receivables and payables, which are presented on a GST inclusive basis. Where GST is not recoverable as input tax then it is recognised as part of the related asset or expense.

The net amount of GST recoverable from, or payable to, the Inland Revenue Department (IRD) is included as part of receivables or payables in the statement of financial position.

The net GST paid to, or received from the IRD, including the GST relating to investing and financing activities, is classified as an operating cash flow in the statement of cash flows.

Commitments and contingencies are disclosed exclusive of GST.

Income tax

NZAI is a public authority for the purposes of income tax legislation and is exempt from income tax.

Budget figures

The budget figures are derived from the statement of performance expectations as approved by the Board at the beginning of the financial year. The budget figures have been prepared in accordance with NZ GAAP, using accounting policies that are consistent with those adopted by the Board in preparing these financial statements. Budget figures are unaudited.

Critical accounting judgements, estimates and assumptions

The preparation of financial statements in conformity with PBE IPSAS requires judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, revenue 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 most significant judgements, estimates and assumptions made this financial year relate to the SBR project (refer Note 11).

Judgements

Management has exercised the following critical judgements in applying accounting policies:

- when recognising contributions, sponsorship, grants or donation revenue to determine if conditions of these revenue items have been satisfied. This judgement will be based on the facts and circumstances that are evident for each agreement (refer Note 2).
- when determining if Cloud Computing costs incurred meet the definition of a SaaS arrangement.
- when distinguishing between capital expenditure and operating expenditure incurred on the Scott Base Redevelopment project. Expenditure that is a necessary part of the construction process and is directly attributable to the cost of the asset is recognised as capital expenditure. Expenditure that does not meet these criteria is recognised as operating expenditure (refer Notes 11, 15 and 21).

Estimates and assumptions

The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are:

- assessing the useful lives and residual value estimates of property, plant and equipment (refer Note 11).
- assessing impairment of all assets (refer Notes 11 and 12).
- recognition and measurement of provisions: key assumptions about the likelihood and magnitude of an outflow of resources (refer Notes 11 and 15).
- assessing the potential obligation associated with decommissioning and restoring the existing Scott Base and estimating the salvage value of assets (refer Notes 18 and 19).

Comparatives

When presentation or classification of items in the financial statements is amended or accounting policies are changed voluntarily, comparative figures are re-stated to ensure consistency with the current period unless it is impracticable to do so.

NOTE 2 Revenue

Accounting policy

Revenue is recognised to the extent that it is probable that the economic benefit will flow to NZAI, and revenue can be reliably measured. Revenue is measured when earned at the fair value of consideration received or receivable. NZAI classifies its revenue into exchange and non-exchange transactions. The following specific recognition criteria must be met before revenue is recognised:

Revenue from non-exchange transactions

Non-exchange transactions arise where an entity receives value from another entity without giving approximately equal value in exchange (e.g. grants, donations, gifts and pledges).

Revenue from the Crown

NZAI is primarily funded through revenue received from the Crown, which is restricted in its use for the purpose of NZAI meeting its objectives as specified in the Statement of Intent.

Revenue from the Crown is recognised as revenue and is reported in the financial period to which it relates.

	NZAI 2026 Actual $000	NZAI 2025 Actual $000
Crown revenue comprises the following:		
Crown revenue – operational	20,936	20,936
Crown revenue – other	–	500
Crown revenue – SBR project (Note 21)	3,500	6,000
Total Crown revenue	**24,436**	**27,436**

Grants

Grants are classified as non-exchange revenue due to their nature and are recognised as revenue at the point of entitlement. The fair value of grants has been determined to be equivalent to the amounts due in the funding arrangements.

These revenues are recognised when the conditions attached to the grant have been complied with. Where there are unfulfilled conditions attached to the revenue, the amount relating to the unfulfilled condition is recognised as a liability and released to revenue as the conditions are fulfilled.

	NZAI 2026 Actual $000	NZAI 2025 Actual $000
Antarctic Science Platform funding	8,000	7,099
MBIE Strategic Catalyst funding	688	500
MBIE Strategic Investment funding	51	51
Total grant revenue (Note 21)	**8,739**	**7,650**

The grant revenue funding received from MBIE to date has been recognised as income, on the basis that whilst the funding is subject to certain conditions, NZAI has fulfilled these conditions to MBIE's satisfaction as at balance date.

Revenue from exchange transactions

Exchange transactions are transactions in which one entity receives assets or services, or has liabilities extinguished, and directly gives approximately equal value (primarily in the form of cash, goods, services or use of assets) to another entity in exchange. Examples of exchange transactions are the purchase or sale of goods or services or the lease of equipment at market rates.

Interest

Interest revenue is recognised using the effective interest rate method.

Provision of services

Revenue derived through the provision of services to third parties is recognised when earned and is reported in the financial period to which it relates.

NOTE 3 Personnel costs

Accounting policy

Salaries and wages

Salaries and wages are recognised as an expense as employees provide services.

Superannuation schemes

Obligations for contributions to KiwiSaver and the Government Superannuation Fund are accounted for as defined contribution superannuation schemes and recognised as an expense in the net operating surplus or deficit as incurred.

	NZAI 2026 Actual $000	NZAI 2025 Actual $000
Salaries and wages — Christchurch	5,535	7,130
Salaries and wages — Scott Base	2,350	2,528
Defined contribution plan employer contributions	241	268
Increase/(decrease) in employee entitlements	71	(95)
Total personnel costs (Note 21)	**8,197**	**9,831**

NOTE 4 Operating expenses

	NZAI 2026 Actual $000	NZAI 2025 Actual $000
Remuneration of auditor:		
- Audit fees for financial statements audit	94	104
- Fees for assurance and other services	–	–
Directors' remuneration	165	95
Rental and operating lease costs	1,079	1,190
Helicopter and fixed wing aircraft charter in Antarctica	1,037	1,112
New Zealand Defence Force flight charges	316	273
Fuel consumed in Antarctica	714	748
New Zealand air traffic and airport charges	408	554
New Zealand Defence Force accommodation and allowances	993	1,797
Data link between New Zealand and Antarctica	395	589
Equipment maintenance	410	448
Software maintenance	787	627
Digital technology	37	457
Logistics support provided by the Italian National Antarctic Programme	–	589
Scott Base Redevelopment project (Note 21)	1,116	2,710
Antarctic Science Platform expenditure (Note 21)	1,061	1,100
Other operating expenses	3,705	3,225
Total operating expenses	**12,317**	**15,618**

Explanations of significant variances against budget are detailed in Note 22.

NOTE 5 Research grants

Accounting policy

The research grants expenditure is recognised as an expense following receipt of an invoice in accordance with the terms of the funding agreements providing that any conditions associated with the grant as at balance date have been fulfilled to NZAI's satisfaction.

	NZAI 2026 Actual $000	NZAI 2025 Actual $000
Antarctic Science Platform (ASP) — research grants	4,739	6,949
MBIE Strategic Catalyst — research grants	900	–
Total research grants (Note 21)	**5,639**	**6,949**

NOTE 6 Crown capital charge

Accounting policy

The capital charge is expensed in the financial year to which the charge relates.

NZAI pays a capital charge to the Crown on its taxpayers' funds as at 30 June and 31 December each year. The capital charge rate for the year ended 30 June 2026 was 5% (2025 – 5%).

	NZAI 2026 Actual $000	NZAI 2025 Actual $000
Crown capital charge	8,877	8,727
Total Crown capital charge (Note 21)	**8,877**	**8,727**

NOTE 7 Equity

Accounting policy

Equity

Equity is measured as the difference between total assets and total liabilities. Equity is disaggregated and classified into the following components:

- Taxpayers' Funds
- Other Reserves

Taxpayers' Funds

This relates to NZAI's accumulated net operating surplus or deficit since its formation, adjusted for transfers to/from specific reserves.

Other Reserves

This $3 million reserve comprises the Intercontinental Flight Reserve being funding provided by the Crown to NZAI for intercontinental flights between New Zealand and Antarctica. Unused funds have been carried over for similar use in future years.

Capital management

NZAI's capital is its equity, which comprises accumulated general funds and restricted reserves. Equity is represented by net assets.

NZAI is subject to the financial management and accountability provisions of the Crown Entities Act 2004, which impose restrictions in relation to borrowings, acquisition of securities, issuing of guarantees and indemnities, and the use of derivatives.

NZAI has complied with the financial management requirements of the Crown Entities Act 2004 during the year.

NZAI manages its equity as a consequence of prudently managing revenues, expenses, assets, liabilities, investments, and general financial dealings to ensure that NZAI effectively achieves its objectives and purpose, while remaining a going concern.

	NZAI 2026 Actual $000	NZAI 2025 Actual $000
Taxpayers' funds		
Balance at 1 July	173,852	161,499
Net deficit for the year	(2,619)	(9,647)
Crown capital contribution – SBR project	22,580	22,000
Balance at 30 June	**193,813**	**173,852**
Other reserves		
Intercontinental flight reserve		
Balance at 1 July	3,000	3,000
Transfer from/(to) Taxpayers' funds	–	–
Balance at 30 June	**3,000**	**3,000**
Total equity at 30 June	**196,813**	**176,852**
Total equity by separately funded business stream (Note 21):		
Core Business	30,864	29,661
Scott Base Redevelopment	163,954	147,166
Antarctic Science Platform	1,995	25
Total equity at 30 June (Note 21)	**196,813**	**176,852**

NOTE 8 Cash and cash equivalents

Accounting policy

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

	NZAI 2026 Actual $000	NZAI 2025 Actual $000
Cash on hand and at bank	32,452	24,755
Total cash and cash equivalents	**32,452**	**24,755**
Total cash and cash equivalents by separately funded business stream (Note 21):		
Core Business	9,653	8,816
Scott Base Redevelopment	20,842	14,974
Antarctic Science Platform	1,957	965
Total cash and cash equivalents (Note 21)	**32,452**	**24,755**

Although cash and cash equivalents at 30 June 2026 are subject to the expected credit loss requirements of PBE IPSAS 41, no loss allowance has been recognised because the estimated allowance is trivial.

The carrying value of short term deposits with maturity dates of three months or less approximates their fair value.

Funds held by a separately funded business stream are restricted for use by that business stream.

NOTE 9 Debtors and other receivables

Accounting policy

Debtors and other receivables are recorded at the amount due, less any allowance for expected credit losses.

Short-term receivables are written off when there is no reasonable expectation of recovery.

	NZAI 2026 Actual $000	NZAI 2025 Actual $000
Debtors and other receivables	465	490
Less allowance for credit losses	–	–
Term deposit interest	286	565
Total debtors and other receivables	**751**	**1,055**
Debtors and other receivables comprise:		
Receivables from exchange transactions	402	599
Receivables from non-exchange transactions	349	456
Total debtors and other receivables (Note 21)	**751**	**1,055**

The carrying value of receivables approximates their fair value. No loss allowance has been recognised as none are expected. This assessment has been made based on the nature of the receivables held, analysis of historical credit losses, and a review of specific debtors. All amounts due at balance date have since been received in full.

The carrying amount of receivables that would otherwise be past due, but not impaired, whose terms have been renegotiated is nil (2025 – nil).

As at 30 June 2026 and 2025, all overdue receivables have been assessed for impairment and appropriate provisions applied, as detailed below:

	2026			2025		
	Gross $000	Impairment $000	Net $000	Gross $000	Impairment $000	Net $000
Not past due	465	–	465	478	–	478
Past due 1 – 30 days	–	–	–	12	–	12
Past due 31 – 60 days	–	–	–	–	–	–
Past due 61 – 90 days	–	–	–	–	–	–
Past due > 91 days	–	–	–	–	–	–
Total	**465**	**–**	**465**	**490**	**–**	**490**

NOTE 10 Investments

Accounting policy

Term deposits are initially measured at the amount invested, as this reflects fair value for these market based transactions. Interest is subsequently accrued and added to the investment balance. A loss allowance for expected credit losses is recognised if the estimated loss allowance is not trivial.

	NZAI 2026 Actual $000	NZAI 2025 Actual $000
Current portion of term deposits	22,117	44,747
Total investments	**22,117**	**44,747**
Total investments by separately funded business stream (Note 21):		
Core Business	13,377	11,747
Scott Base Redevelopment	8,740	33,000
Total investments (Note 21)	**22,117**	**44,747**

NZAI considers there has not been a significant increase in credit risk for investments in term deposits because the issuer of the investment continues to have low credit risk at balance date. Term deposits are held with banks that have a long-term AA- investment grade credit rating, which indicates the bank has a very strong capacity to meet its financial commitments.

The carrying amounts of term deposits with maturities of 12 months or less approximate their fair value.

No loss allowance for expected credit losses has been recognised because the estimated 12-month expected loss allowance for credit losses is trivial.

The weighted average effective interest rate for term deposits is 3.07% (2025 — 4.27%).

Term deposits include the Intercontinental Flight Reserve $3 million (Note 7).

NOTE 11 Property, plant and equipment

Accounting policy

Property, plant and equipment are shown at cost less any accumulated depreciation and impairment losses, except for the art collection, which is shown at cost less impairment losses. Where an asset is acquired at no cost or for a nominal consideration, it is recognised at fair value when control over the asset is obtained.

The cost of an item of property, plant and equipment is recognised as an asset only when it is probable that future economic benefits or service potential associated with the item will flow to NZAI and the cost of the item can be measured reliably.

Capital work in progress is recognised at cost and is not depreciated. The total cost of a capital project is transferred to the relevant asset class on its completion and then depreciated.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount of the asset. Gains and losses on disposals are included in the net operating surplus or deficit in the period in which the transaction occurs.

The costs associated with maintaining property, plant and equipment are expensed in the net operating surplus or deficit as incurred.

Depreciation

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

Buildings	40 to 50 years
Building services	30 to 40 years
Clothing	10 years
Communications equipment	5 to 7 years
Computer hardware	2 to 4 years
Leasehold improvements	10 to 15 years
Library collection	20 years
Office equipment	3 to 5 years
Office furniture	3 to 5 years
Plant and machinery	10 years
Scott Base fitout	20 years
Tents	10 years
Vehicles	7 to 10 years
Wind farm	12 to 20 years

Leasehold improvements are depreciated over the unexpired period of the lease or the estimated useful lives of the improvements, whichever is shorter.

Estimating the useful lives and residual values of property, plant and equipment

At each reporting date, the useful lives and residual values of property, plant and equipment are reviewed. Assessing the appropriateness of useful life and residual value estimates of property, plant and equipment requires a number of factors to be considered such as the physical condition of the asset, expected period of use of the asset by NZAI, and expected disposal proceeds from the future sale of the asset.

An incorrect estimate of the useful life or residual value will affect the depreciation expense recognised in the net operating surplus or deficit, and carrying amount of the asset in the statement of financial position. NZAI minimises the risk of this estimation uncertainty by:

- physical inspection of assets;
- asset replacement programmes;
- review of second hand market prices for similar assets; and
- analysis of prior asset sales.

NZAI has not made significant changes to past assumptions concerning useful lives and residual values except for those disclosed below.

Carrying amounts of the existing Scott Base buildings and infrastructure at 30 June 2026

Although funding of $498 million for the future redevelopment of Scott Base has been committed by the Government, the existing facility remains fully operational until decommissioned and continues to have service potential through continued use. As at 30 June 2026 there were no indicators of impairment.

Remaining useful lives of the existing Scott Base buildings and infrastructure

In 2022 Management assessed that the plan for the replacement of Scott Base was sufficiently advanced and likely, and that the remaining useful lives of the current Scott Base infrastructure should be brought forward in the 2022 financial year to reflect that, with a consequential increase to the annual depreciation charge in 2022 and beyond (i.e. accelerated depreciation). The project pause and change in design methodology resulted in a delay of project timelines. As a result, in 2026 an accelerated depreciation credit of $116k (2025: $280k debit) has been booked. This included $5k to extend the useful life of the wind farm and $111k to extend the useful life of the existing Scott Base in line with updated project timelines included in the detailed business case.

The new methodology proposed for the SBR project reset (see “Scott Base Redevelopment” on page 47) will inform the future assumptions concerning useful lives and residual values.

Movements for each class of property, plant and equipment are as follows:

2026	Cost				Accumulated depreciation and impairment losses						Carrying amount
	Balance at 1 July 25	Additions/ Transfers	Disposals	Balance at 30 June 26	Balance at 1 July 25	Depreciation expense	Capitalised depreciation	Eliminate on disposal	Impairment losses	Balance at 30 June 26	at 30 June 26
	$000	$000	$000	$000	$000	$000	$000	$000	$000	$000	$000
Core Business											
Buildings Scott Base	10,955	64	–	11,019	7,994	189	–	–	–	8,183	2,836
Leasehold improvements	794	–	–	794	772	18	–	–	–	790	4
Communications equipment	550	–	–	550	440	37	–	–	–	477	73
Plant and machinery	4,557	–	–	4,557	3,683	211	–	–	–	3,894	663
Wind farm	11,315	–	–	11,315	10,751	395	–	–	–	11,146	169
Vehicles	9,338	258	–	9,596	6,743	629	–	–	–	7,372	2,224
Computer hardware	2,540	272	(316)	2,496	1,845	366	–	(314)	–	1,897	599
Scott Base fitout	13,529	–	–	13,529	10,800	472	–	–	–	11,272	2,257
Office furniture	203	–	–	203	182	5	–	–	–	187	16
Office equipment	244	–	(38)	206	146	21	–	(38)	–	129	77
Clothing	2,074	–	(89)	1,985	1,567	96	–	(89)	–	1,574	411
Tents	760	–	–	760	619	38	–	–	–	657	103
Library collection	135	–	–	135	135	–	–	–	–	135	–
Art collection	352	–	–	352	–	–	–	–	–	–	352
Work in progress	1,090	3	–	1,093	1,051	–	–	–	–	1,051	42
Core Business total	**58,436**	**597**	**(443)**	**58,590**	**46,728**	**2,477**	**–**	**(441)**	**–**	**48,764**	**9,826**
Scott Base Redevelopment project											
Buildings	3,636	–	–	3,636	496	281	–	–	–	777	2,859
Building services	1,292	–	–	1,292	259	148	–	–	–	407	885
Plant and machinery	7,809	–	–	7,809	1,738	763	29	–	–	2,530	5,279
Vehicles	12,902	2,771	–	15,673	3,447	1,017	399	–	–	4,863	10,810
Computer hardware	52	–	–	52	36	13	–	–	–	49	3
Scott Base fitout	2,815	18	–	2,833	708	429	–	–	–	1,137	1,696
Office furniture	67	–	–	67	40	13	–	–	–	53	14
Office equipment	10	–	–	10	5	2	–	–	–	7	3
Clothing	49	–	–	49	15	9	–	–	–	24	25
Work in progress	107,486	33,749	–	141,235	26,352	–	–	–	30	26,382	114,853
SBR total	**136,118**	**36,538**	**–**	**172,656**	**33,096**	**2,675**	**428**	**–**	**30**	**36,229**	**136,427**
Consolidated total	**194,554**	**37,135**	**(443)**	**231,246**	**79,824**	**5,152**	**428**	**(441)**	**30**	**84,993**	**146,253**

2025	Cost				Accumulated depreciation and impairment losses						Carrying amount
	Balance at 1 July 24	Additions/ Transfers	Disposals	Balance at 30 June 25	Balance at 1 July 24	Depreciation expense	Capitalised depreciation	Eliminate on disposal	Impairment losses	Balance at 30 June 25	at 30 June 25
	$000	$000	$000	$000	$000	$000	$000	$000	$000	$000	$000
Core Business											
Buildings Scott Base	10,977	–	(22)	10,955	7,753	263	–	(22)	–	7,994	2,961
Leasehold improvements	755	39	–	794	755	17	–	–	–	772	22
Communications equipment	492	58	–	550	404	36	–	–	–	440	110
Plant and machinery	4,492	65	–	4,557	3,433	250	–	–	–	3,683	874
Wind farm	11,315	–	–	11,315	10,113	638	–	–	–	10,751	564
Vehicles	9,338	–	–	9,338	6,071	672	–	–	–	6,743	2,595
Computer hardware	2,596	158	(214)	2,540	1,613	432	–	(200)	–	1,845	695
Scott Base fitout	13,495	34	–	13,529	10,121	679	–	–	–	10,800	2,729
Office furniture	184	24	(5)	203	181	6	–	(5)	–	182	21
Office equipment	151	93	–	244	136	10	–	–	–	146	98
Clothing	2,074	–	–	2,074	1,467	100	–	–	–	1,567	507
Tents	760	–	–	760	578	41	–	–	–	619	141
Library collection	135	–	–	135	135	–	–	–	–	135	–
Art collection	352	–	–	352	–	–	–	–	–	–	352
Work in progress	1,089	1	–	1,090	998	–	–	–	53	1,051	39
Core Business total	**58,205**	**472**	**(241)**	**58,436**	**43,758**	**3,144**	**–**	**(227)**	**53**	**46,728**	**11,708**
Scott Base Redevelopment project											
Buildings	3,589	47	–	3,636	222	274	–	–	–	496	3,140
Building services	1,292	–	–	1,292	111	148	–	–	–	259	1,033
Plant and machinery	7,809	–	–	7,809	946	792	–	–	–	1,738	6,071
Vehicles	12,902	–	–	12,902	2,123	1,324	–	–	–	3,447	9,455
Computer hardware	52	–	–	52	23	13	–	–	–	36	16
Scott Base fitout	2,766	49	–	2,815	287	421	–	–	–	708	2,107
Office furniture	67	–	–	67	27	13	–	–	–	40	27
Office equipment	10	–	–	10	3	2	–	–	–	5	5
Clothing	49	–	–	49	6	9	–	–	–	15	34
Work in progress	79,284	28,202	–	107,486	23,029	–	–	–	3,323	26,352	81,134
SBR total	**107,820**	**28,298**	**–**	**136,118**	**26,777**	**2,996**	**–**	**–**	**3,323**	**33,096**	**103,022**
Consolidated total	**166,025**	**28,770**	**(241)**	**194,554**	**70,535**	**6,140**	**–**	**(227)**	**3,376**	**79,824**	**114,730**

Scott Base Redevelopment

Context

NZAI paused the Scott Base Redevelopment project in 2023 when it could not agree the main construction contract with its preferred contractor within budget. The replacement Ross Island Wind Farm component of the project was unaffected by the wider project pause.

Following this NZAI initiated an externally led review of options to deliver the project which was followed up with further design analysis and costing. This process culminated in an independent review and its recommendations were approved by the Board in June 2024.

The independent review recommended resetting the Scott Base Redevelopment project by undertaking master-planning and focusing the redesign processes on specific key priorities ("project reset"). These include constructing one new building (instead of three in the original design), refurbishing the existing Hillary Field Centre building as a dedicated space for scientific work, extending the life of existing buildings where practical and scoping a third building.

In March 2024 Cabinet agreed to set aside the remaining unspent funding for the project in tagged contingencies, except for amounts necessary to deliver the wind farm and complete a revised detailed business case for Cabinet consideration. The revised detailed business case was approved by Cabinet in April 2026.

As a consequence of the above the following unbudgeted expenses were included in the financial deficit for the years' ended 30 June 2026 and 30 June 2025 for the Scott Base Redevelopment project:

Expenditure item	Explanation	2026 $000	2025 $000
Options analysis, design review and costing, independent review costs	Costs incurred to review and investigate alternative options and recommend an alternative approach to deliver the project within the remaining budget.	–	60
Impairment loss	Estimated costs incurred in developing the original design for a new three-building Scott Base that are no longer relevant to the reset project.	30	3,323
Provision for onerous contracts	Estimated costs to cancel agreements that will not be required to deliver the reset project.	(1,140)	(325)
	Total	**(1,110)**	**3,058**

Impairment of property, plant and equipment

NZAI holds non-cash generating property, plant, and equipment assets that have a finite useful life at cost. These assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

The Scott Base Redevelopment project reset noted above was an indication that the cost of capital work in progress for the original design development was impaired.

Calculating the recoverable amount of capital work in progress and the associated impairment loss in the year ended 30 June 2025 was subject to the following uncertainties:

- Final designs and construction methodologies for the project reset were not yet fully developed, and
- Capital work in progress included several categories of costs and overheads relating to the three-building design as-a-whole that could not be directly attributed to specific elements in the project reset.

The main estimates and assumptions that had been applied to resolve these uncertainties and determine the recoverable amount of capital work in progress were as follows:

- The original three-building design was fundamentally driven by the Large Module Delivery Methodology (LMDM). This methodology will not be used in the design reset and so all related costs are fully impaired,
- Preliminary design work and associated project costs capitalised prior to adopting the LMDM approach in 2020 will be held at current carrying value.
- Capital work in progress relating to all on-site works remains fully relevant to the SBR reset, excluding costs incurred to date in respect of large flat deck shipping and transiting LMDM building modules between shore and ship, which are fully impaired.
- A significant number of costs relate to the general design work itself and so will be partly relevant to the project reset. In 2024 judgement was applied to estimate the ongoing value of previous work undertaken by each design discipline which ranged from 25% to 60%. Early contractor involvement costs, general design work and project overheads were carried forward on a weighted average of the carry forward costs for the main design disciplines. In 2025 impairment was carried out only in instances of significant changes in design philosophy from the previous year as confirmed by professional advice from our current lead design architect. 2025 impairment included wind turbine blades that were damaged in transit to Antarctica. 2026 impairment accounted for only minor corrections to balances held in WIP.
- The carrying value of other costs have been assessed on their individual merits.

It is reasonably possible that actual outcomes could differ from these estimates and assumptions which could result in a material adjustment to the carrying amount of capital work in progress.

Provision for onerous contracts

An onerous contract is defined as a contract for the exchange of assets or services in which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits or service potential expected to be received under it.

In the prior year NZAI was a party to agreements with a degree of uncertainty about its relevance to the project reset and the economic benefits to be received under contract. Other uncertainties related to future commercial arrangements between the contracting parties that were yet to be concluded.

The main estimates and assumptions that have been applied to resolve these uncertainties and provide for the cost of onerous contracts are as follows:

- The terms of the legal agreement between the parties apply.
- Where no cost minimisation plan is in place, the minimum contractual exit penalties or commitments are fully provided for — even if there is an intent to implement one in the future.
- Commercial considerations to both minimise the cost of the onerous contract and maximise future economic benefits from continuing to work with the contracted suppliers.

NOTE 12 Intangible assets

Accounting policy

Acquired computer software licences are capitalised on the basis of the costs incurred to acquire and bring to use the specific software.

Intangible assets with finite lives are subsequently recorded at cost less any amortisation and impairment. Amortisation is charged to the net operating surplus or deficit on a straight-line basis over the useful life of the asset. Typically the estimated useful lives of these assets are as follows:

Computer Software 3 to 5 years

The carrying amounts of intangible assets 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 at its recoverable amount and an impairment loss will be recognised. Losses resulting from impairment are reported in the net operating surplus or deficit.

Software as a service (SaaS) arrangements are service contracts providing NZAI 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.

Movement for each class of intangible asset are as follows:

2026	Cost				Accumulated amortisation and impairment losses					Carrying amount
	Balance at 1 July 25 $000	Additions/ Transfers $000	Disposals $000	Balance at 30 June 26 $000	Balance at 1 July 25 $000	Amortisation expense $000	Eliminate on disposal $000	Impairment losses $000	Balance at 30 June 26 $000	at 30 June 26 $000
Acquired software	1,721	103	(14)	1,810	1,357	143	(8)	–	1,492	318
Work in progress	–	–	–	–	–	–	–	–	–	–
Total	**1,721**	**103**	**(14)**	**1,810**	**1,357**	**143**	**(8)**	**–**	**1,492**	**318**

2025	Cost				Accumulated amortisation and impairment losses					Carrying amount
	Balance at 1 July 24 $000	Additions/ Transfers $000	Disposals $000	Balance at 30 June 25 $000	Balance at 1 July 24 $000	Amortisation expense $000	Eliminate on disposal $000	Impairment losses $000	Balance at 30 June 25 $000	at 30 June 25 $000
Acquired software	1,457	311	(47)	1,721	1,288	116	(47)	–	1,357	364
Work in progress	19	(19)	–	–	–	–	–	–	–	–
Total	**1,476**	**292**	**(47)**	**1,721**	**1,288**	**116**	**(47)**	**–**	**1,357**	**364**

There are no restrictions over the title of NZAI's intangible assets, nor are any intangible assets pledged as security for liabilities.

NOTE 13 Creditors and other payables

Accounting policy

Short-term creditors and other payables are recorded at the amount payable.

	NZAI 2026 Actual $000	NZAI 2025 Actual $000
Creditors	1,542	2,516
Accrued expenses	4,127	3,254
Construction Retentions	100	–
Total creditors and other payables (Note 21)	**5,769**	**5,770**
Creditors and other payables comprise:		
Creditors and other payables under exchange transactions	5,769	5,770
Creditors and other payables under non-exchange transactions	–	–

Payables are generally non-interest bearing and are normally settled on the 20th of the month following receipt of an invoice, if not before. Therefore, the carrying value of payables approximates their fair value.

NOTE 14 Employee entitlements

Accounting policy

Employee entitlements

Employee entitlements to be settled within 12 months are reported at the amount expected to be paid and include salaries and wages accrued up to balance date, annual leave and time in lieu earned, but not yet taken at each reporting date and long service leave entitlements.

	NZAI 2026 Actual $000	NZAI 2025 Actual $000
Accrued salaries and wages	250	232
Annual leave, time in lieu and long service leave	564	511
Total employee entitlements (Note 21)	**814**	**743**

NOTE 15 Provisions

Accounting policy

Provisions are recognised when NZAI has a present obligation (legal or constructive) as a result of a past event, and it is probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The expense relating to any provision is presented in the statement of comprehensive revenue and expense.

Onerous contracts

A provision for onerous contracts is recognised when the expected benefits or service potential to be derived from a contract are lower than the unavoidable cost of meeting the obligations under the contract.

The provision is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract.

Restructuring

A provision for restructuring is recognised when either an approved detailed formal plan for the restructuring has been announced publicly to those affected or implementation of it has already commenced. Further operating losses are not provided for.

	NZAI 2026 Actual $000	NZAI 2025 Actual $000
Onerous contracts		
Balance at 1 July	2,500	11,395
Additional provisions made	350	250
Amounts used	(2,500)	(8,504)
Unused amounts reversed	–	(641)
Balance at 30 June (Note 11 and 21)	**350**	**2,500**
Restructuring		
Balance at 1 July	312	–
Additional provisions made	–	312
Amounts used	(275)	–
Unused amounts reversed	–	–
Balance at 30 June (Note 21)	**37**	**312**
Non-current	–	–
Current	387	2,812
Total provisions	**387**	**2,812**

NZAI entered into various contractual commitments as part of the SBR project. Following the adoption of the Independent Review Panel's recommendations a number of these contracts were curtailed. In 2024 a provision was recognised for the lower of the cost to either cancel or fulfil the contract (refer page 44, Note 11). In 2025 a number of these onerous contracts were settled and a contingent liability was identified (refer note 19).

NZAI's Board approved a detailed and formal restructuring plan that was announced in June 2025. Consultation was completed and a final outcome document released in early July 2025. The provision represents the estimated costs for employee termination costs and external consultant costs arising from the restructure. The restructuring plan and associated payments are expected to be completed by August 2026.

NOTE 16 Related party transactions and key management personnel

Accounting policy

NZAI transacts with other Government-related entities on a regular basis, for example the purchase of postage or electricity. Significant transactions are disclosed separately. Transactions that are collectively, but not individually, significant are disclosed in aggregate as transactions from Government-related entities.

NZAI is a wholly owned entity of the Crown.

Related party disclosures have not been made for transactions with related parties that are:

- within a normal supplier or client/recipient relationship; and
- on terms and conditions no more or less favourable than those that it is reasonable to expect NZAI to have adopted in dealing with the party at arm's length in the same circumstances.

Transactions with other government agencies (for example, government departments and Crown entities) are not disclosed as related party transactions when they are on normal terms and conditions consistent with the normal operating arrangements between government agencies.

Directors – related party transactions

Any entity NZAI has transacted with in which a director has an interest has been carried out in accordance with the accounting policy described above. Any potential conflict is recorded in the minutes of the Board meetings for directors. The interest register containing all relevant interests is updated on a regular and timely basis.

Key management personnel compensation	NZAI 2026 Actual $000	NZAI 2025 Actual $000
Board Members remuneration	165	95
Senior Leadership Team remuneration	1,247	1,809
Total key management personnel remuneration	**1,412**	**1,904**
Total full time equivalent personnel	**4.83**	**6.57**

Key management personnel include all Board Members, the Chief Executive, and members of the Senior Leadership Team.

NOTE 17 Financial instruments

Accounting policy

Nature of activities and management policies with respect to financial instruments.

1) Foreign exchange risk
   Foreign exchange risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in foreign exchange rates. NZAI undertakes transactions denominated in foreign currencies. As a result of these activities exposures in foreign currencies arise. It is the policy of NZAI to hedge significant foreign currency risks and it uses forward and spot foreign exchange contracts to manage this exposure.

2) Credit risk
   Credit risk is the risk that a third party will default on its obligation to NZAI, causing it to incur a loss. In the normal course of business NZAI incurs credit risk from trade debtors and financial institutions. There are no significant concentrations of credit risk from trade debtors and exposures to them are monitored on a regular basis. NZAI places its cash and investments (term deposits) with high quality financial institutions that have AA- investment grade credit ratings, which limits the amount of credit exposure. No collateral or security to support financial instruments is required due to the quality of the financial institutions dealt with. It is also NZAI's policy to limit the amount of credit exposure to any one institution

3) Interest rate risk
   Interest rate risk is the risk that the fair value of a financial instrument will fluctuate due to changes in market interest rates. NZAI's interest rate risk is limited to its bank deposits which are held on a short term basis at fixed rates of interest. NZAI actively manages its exposure to interest rate risk by reviewing its placement of new investments.

4) Liquidity risk
   Liquidity risk is the risk that NZAI will encounter difficulty raising liquid funds to meet commitments as they fall due. NZAI structures its cash flows from the Crown in order to meet anticipated commitments. NZAI's policy is to maintain minimum liquid funds of $5.0 million at all times. Financial liabilities consist of creditors and other payables of which maturity dates are less than 60 days.

Derivative financial instruments

Derivative financial instruments are used to manage exposure to foreign exchange risk arising from NZAI's operational activities. NZAI does not hold or issue derivative financial instruments for trading purposes. NZAI has not adopted hedge accounting.

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured to their fair value at each balance date with the resulting gain or loss recognised in the net operating surplus or deficit.

A forward foreign exchange derivative is classified as current if the contract is due for settlement within 12 months of balance date. Otherwise, the forward foreign exchange derivative is classified as non-current.

As at 30 June 2026 NZAI held 1 forward exchange contract for USD $382k Core Business fuel (2025 – 3 forward exchange contracts for AUD ($772k)).

Financial instrument categories

The carrying amounts of financial assets and liabilities in each of the financial instrument categories are as follows:

	NZAI 2026 Actual $000	NZAI 2025 Actual $000
Financial assets mandatorily measured at fair value through surplus or deficit		
Derivative financial instruments	(5)	53
Financial assets measured at amortised cost		
Cash and cash equivalents	32,452	24,755
Debtors and other receivables	751	1,055
Investments (term deposits)	22,117	44,747
Financial liabilities measured at amortised cost		
Creditors and other payables	5,769	5,770

NOTE 18 Commitments

Accounting policy

Operating leases

Lease payments under an operating lease, where the lessor substantially retains the risks and rewards of ownership of an asset, are recognised on a straight line basis over the term of the lease in the net operating surplus or deficit. Lease incentives received are recognised in the net operating surplus or deficit over the lease term as an integral part of the total lease expense.

	NZAI 2026 Actual $000	NZAI 2025 Actual $000
Capital commitments		
Scott Base Redevelopment *	7,556	9,302
Core Business Other property, plant and equipment	329	79
Core Business Intangibles	–	28
Total capital commitments	**7,885**	**9,409**
Non-cancellable operating lease commitments		
Non-cancellable operating lease rentals are payable as follows:		
Less than one year	147	669
One to two years	–	147
Two to five years	–	–
Over five years	–	–
Total non-cancellable operating lease commitments	**147**	**816**

* Of the Scott Base Redevelopment capital commitments at 30 June 2026, $1.8 million relates to the replacement of the wind farm and $5.6 million relates to main base commitments. These commitments form part of the overall SBR project funding of $498 million.

As a result of the SBR project reset in 2024, some contracts were assessed to be curtailed. During the 2025 financial year settlements were negotiated for a number of these contracts. The costs associated with any curtailment of contracts are recognised as a provision at year end (refer Note 15) and not included in the above capital commitments.

The non-cancellable operating lease commitment relates to:

- 38 Orchard Road: Office and warehouse space in Christchurch. The lease was renewed in the 2023 year, which granted 3 further rights of renewal, with the next renewal date being 16 September 2026. The final expiry date under the current lease is now 16 September 2032.
- 342 Lambton Quay: A lease was entered into for office space in Wellington, commencing on 18 May 2025. The first right of renewal is on 18 November 2026, at which point the lease can be extended for a further two years.
- 100 Orchard Road: A lease was entered into for the Scott Base Redevelopment project office in March 2022. This lease was terminated on 30 August 2024 and staff were relocated to the office at 38 Orchard Road.

NOTE 19 Contingent assets and liabilities

Contingent liabilities

Once the new Scott Base facility and wind farm have been completed then the existing Scott Base and associated infrastructure will be deconstructed as described in the Comprehensive Environmental Evaluation available on the NZAI website. In NZAI's judgement, deconstruction costs have not been recognised in the financial statements due to the absence of reliable estimates at this stage of the project. Reliable cost estimates cannot be made now because of the unique nature of the asset, its remote location and the extended timeframe until decommissioning takes place.

At balance date NZAI has two non-cancellable operating leases which may require it to restore or 'make good' the leased asset at the end of the lease term. NZAI has maintained them in the same condition as they were at the commencement of the lease. On this basis the likelihood of any material outflow in settlement is considered remote.

There are no other contingent liabilities that NZAI is aware of (2025 — As part of one onerous contract settlement NZAI agreed to maintain a commercial relationship with the other party. In the event that NZAI decided to cease this commercial relationship a further $1 million settlement will be required beyond the settlements agreed to and paid).

Contingent assets

In NZAI's assessment, it is also probable that the existing Scott Base and associated infrastructure may have some salvage value at the end of their useful lives. However, no salvage value has been recognised due to the absence of reliable estimates at this stage of the project. Reliable estimates of salvage value cannot be made now for the same reasons detailed above.

There are no other contingent assets or liabilities that NZAI is aware of (2025 – nil).

NOTE 20 Events after balance date

On 20 July 2026 the Approval to Deliver (ATD) for the SBR project was approved by the Minister of Foreign Affairs and Trade. Following the approval of the ATD, the main construction contract was entered into with LT McGuinness.

NOTE 21 Funding streams report

The following is an analysis of NZAI's 2026 and 2025 results by activity. It has been provided for information purposes only.

Core Business

Core Business covers the performance of NZAI's principal functions (excluding Scott Base Redevelopment and Antarctic Science Platform as detailed below), funded by non-departmental output expense appropriation to deliver outputs agreed with the Minister of Foreign Affairs.

Scott Base Redevelopment (SBR)

The New Zealand Government has committed $498 million to rebuild Scott Base. This includes renewing the wind farm, which will ensure the new base is powered by renewable energy. The funding was made up of a capital investment of $465 million and operating funding of $33 million.

During the 2026 year capital funding of $23 million and operational funding of $4 million were received following an approval from joint Ministers to release funds from the tagged contingency.

At 30 June 2026 the residual budget available from the Government is $294 million (2025 - $317 million) which is held by the Crown in tagged operating and capital contingencies, the release of which requires joint Ministerial approval.

Refer to Note 11 for information on the SBR project.

Antarctic Science Platform (ASP)

In November 2018 NZAI entered a contract with the Ministry of Business Innovation and Employment (MBIE) to deliver the Antarctic Science Platform for $49 million over a seven year period. The purpose of the Platform is to foster a dynamic and integrated New Zealand Antarctic research community to advance understanding of the impact of Antarctic ecosystems and processes and their influence on the global Earth system, and inform projections of future changes in a warming world. In 2026 the Antarctic Science Platform commenced Tranche two, consisting of a further $49 million over a seven year period with an adjustment of an extra $1 million in year one.

NZAI is the Platform host and receives annual funding for the costs associated with research, science and technology, and to meet the costs of delivering and administering the Platform. NZAI issues grants under the Platform for the research, science and technology to meet its purpose.

	2026				2025			
	Core Business	Scott Base Redevelopment	Antarctic Science Platform	TOTAL	Core Business	Scott Base Redevelopment	Antarctic Science Platform	TOTAL
	$000	$000	$000	$000	$000	$000	$000	$000
Revenue from non-exchange transactions								
Crown revenue	20,936	3,500	–	24,436	21,436	6,000	–	27,436
Grant revenue	739	–	8,000	8,739	551	–	7,099	7,650
Other non-exchange revenue	10	321	–	331	11	–	–	11
Onerous contracts	–	1,140	–	1,140	–	325	–	325
	21,685	**4,961**	**8,000**	**34,646**	**21,998**	**6,325**	**7,099**	**35,422**
Revenue from exchange transactions								
Interest revenue	705	1,161	54	1,920	947	3,528	126	4,601
Other operating revenue	1,156	–	–	1,156	943	–	–	943
Finance income	(23)	44	–	21	–	168	–	168
	1,838	**1,205**	**54**	**3,097**	**1,890**	**3,696**	**126**	**5,712**
Total revenue	**23,523**	**6,166**	**8,054**	**37,743**	**23,888**	**10,021**	**7,225**	**41,134**
Expenditure								
Personnel costs	7,149	819	229	8,197	8,200	1,306	325	9,831
Operating expenses	10,140	1,116	1,061	12,317	11,808	2,710	1,100	15,618
Research Grants	900	–	4,739	5,639	–	–	6,949	6,949
Crown capital charge	1,503	7,319	55	8,877	1,511	7,175	41	8,727
Finance costs	–	–	–	–	2	27	(2)	27
Depreciation and amortisation expense	2,620	2,675	–	5,295	3,260	2,996	–	6,256
Impairment	–	30	–	30	53	3,323	–	3,376
Net loss on sale of property plant and equipment	7	–	–	7	(3)	–	–	(3)
Total expenditure	**22,319**	**11,959**	**6,084**	**40,362**	**24,831**	**17,537**	**8,413**	**50,781**
Net operating surplus / (deficit)	**1,204**	**(5,793)**	**1,970**	**(2,619)**	**(943)**	**(7,516)**	**(1,188)**	**(9,647)**
Assets								
Cash and cash equivalents	9,653	20,842	1,957	32,452	8,816	14,974	965	24,755
Debtors and other receivables	315	323	113	751	211	619	225	1,055
Investments	13,377	8,740	–	22,117	11,747	33,000	–	44,747
Prepayments	363	1,516	18	1,897	455	18	–	473
Derivative financial instruments	–	–	–	–	–	53	–	53
Capital work in progress	41	114,856	–	114,897	39	81,136	–	81,175
Property, plant and equipment	9,784	21,572	–	31,356	11,668	21,887	–	33,555
Intangible assets	318	–	–	318	364	–	–	364
Total Assets	**33,851**	**167,849**	**2,088**	**203,788**	**33,300**	**151,687**	**1,190**	**186,177**
Liabilities								
Creditors and other payables	2,248	3,463	58	5,769	2,650	1,977	1,143	5,770
Employee entitlements	702	77	35	814	677	44	22	743
Provisions	37	350	–	387	312	2,500	–	2,812
Derivative financial instruments	–	5	–	5	–	–	–	–
Total Liabilities	**2,987**	**3,895**	**93**	**6,975**	**3,639**	**4,521**	**1,165**	**9,325**
Net Assets	**30,864**	**163,954**	**1,995**	**196,813**	**29,661**	**147,166**	**25**	**176,852**
Taxpayers' Funds	27,864	163,954	1,995	193,813	26,661	147,166	25	173,852
Other Reserves	3,000	–	–	3,000	3,000	–	–	3,000
Total Equity	**30,864**	**163,954**	**1,995**	**196,813**	**29,661**	**147,166**	**25**	**176,852**

NOTE 22 Explanation of significant variances against budget

Explanations for significant variances from NZAI's budgeted figures are as follows:

Statement of comprehensive revenue and expenses

Crown revenue
Crown revenue is higher than budget due to an unbudgeted release from the SBR project tagged contingency to fund the capital charge cost.

Grant revenue
Grant revenue is higher than budget due to additional funding received from MBIE for the Antarctic Science Platform.

Onerous contracts
Onerous contracts were not budgeted. Revenue from onerous contracts arose because a provisional settlement clause had a favourable outcome as a result of maintaining an ongoing commercial relationship with a supplier.

Interest revenue
Interest revenue is higher than budget due to higher interest rates and higher cash balances than budgeted, particularly within the SBR project.

Personnel costs
Personnel costs are lower than budget due to the Core Business restructure that took place in June/July 2025 resulting in fewer FTEs.

Operating expenses
Operating expenses are lower than budget primarily due to the SBR project. Redesign costs were capitalised during the year following the selection of a preferred design option, resulting in lower operating expenses.

Research grants
Antarctic Science Platform science grants are lower than budgeted as a result of deferral of spend to future financial years.

Depreciation and amortisation expense
Depreciation is lower than budget due to the recalculation of accelerated depreciation on the existing wind farm and main base following the approval of the detailed business case. Useful lives of these assets have been revised in line with the latest project timelines.

Statement of financial position

Cash and cash equivalents, and investments
Combined cash and cash equivalents and investments are higher than budget because the SBR project was not budgeted to receive any operational or capital funding this financial year until after the approval of the detailed business case. However, a request was approved by Cabinet during the year to release funding from the tagged contingency to meet cash requirements for the year.

Prepayments
Prepayments are higher than budget due to a provisional settlement clause that had a favourable outcome as a result of maintaining an ongoing commercial relationship with a supplier.

Property, plant and equipment
Property, plant and equipment is higher than budget due to the SBR project and earlier than budgeted capitalisation of enabling works.

Creditors and other payables
Creditors and other payables are higher than budget due to the reorganisation of SBR project resources to bring forward design and project management.

Taxpayers' funds
Taxpayers' funds are higher than budget due to the unbudgeted release of funds from the SBR project tagged contingency.

Statement of cash flows

Receipts from revenue
Receipts from Crown revenue and other revenue (non-exchange) are higher than budget due to additional funding received as noted above.

Payments to suppliers
Payments to suppliers are above budget due to the settlement of SBR project onerous contracts.

Payments to employees
Payments to employees are lower than budget in line with the reduced personnel expenses noted above.

Interest received
Interest received is higher than budget for the reasons noted above.

Transfer from term deposit
Transfers from term deposits are lower than budget as the SBR Project received unbudgeted funding released from the tagged contingency.

Purchase of property, plant and equipment
Cash applied to the purchase of property, plant and equipment is higher than budget in line with the increased property, plant and equipment purchases noted above.

Crown capital contribution
Cash provided from the crown capital contribution was higher than budget in line with the increase in taxpayers' funds noted above.

STATUTORY REMUNERATION DISCLOSURES
for the year ended 30 June 2026

Employees' remuneration

During the year the following number of employees received remuneration of $100,000 or more:

	NZAI 2026 Actual	NZAI 2025 Actual
Remuneration band	No. of employees	No. of employees
$100,000–$109,999	5	10
$110,000–$119,999	11	7
$120,000–$129,999	6	5
$130,000–$139,999	–	2
$140,000–$149,999	–	4
$150,000–$159,999	2	2
$160,000–$169,999	3	1
$170,000–$179,999	1	2
$180,000–$189,999	1	–
$190,000–$199,999	–	1
$280,000–$289,999	–	1
$290,000–$299,999	–	1
$330,000–$339,999	1	–

The table above contains remuneration information solely about permanent or fixed-term employees of NZAI who have been paid more than $100,000 in respect of the financial year in accordance with the requirements of the Crown Entities Act 2004. Contract personnel are not included.

During the year ended 30 June 2026, 6 (2025 – 6) NZAI employees received compensation and other benefits in relation to cessation of $249k (2025 – $183k). $280k of compensation and other benefits in relation to cessation was provided for in the year ended 30 June 2025 as a result of the restructuring plan that was announced in June 2025. These costs are excluded from the remuneration table above.

Directors' remuneration

Board Members earned the following fees during the year:

	TERM		NZAI 2026 Actual	NZAI 2025 Actual
Board Member	Original Appointment Date	Current Expiry Date	$000	$000
Leon Grice (Chair)	Feb-24	Feb-27	48	28
Keiran Horne (Audit & Risk Committee Chair)	Jul-24	Jul-27	24	13
Dr. Neil Gilbert	Aug-20	Apr-27	22	13
Heather Simpson (Deputy Chair/People & Culture Subcommittee Chair)	Feb-24	Feb-27	25	14
Neville Harris (SBR Subcommittee Chair)	Apr-24	Apr-27	24	14
Craig Ellison	Dec-24	Dec-27	22	8
Dame Therese Walsh (Previous Finance & Audit Committee Chair) *	Jul-17	Apr-25	–	5
Total Board Member remuneration			**165**	**95**

* Term was not a full year

No Board members received compensation or other benefits in relation to cessation (2025 – nil).

The Crown Entities Act 2004 contains standard provisions on immunity from liability, indemnity and insurance in relation to directors, office holders and employees.

NZAI has arranged insurance policies for directors and employees which ensure that they will generally incur no monetary loss as a result of lawful actions undertaken by them as directors or employees. These include, among others, directors' and officers' liability insurance. Certain risks are specifically excluded from the cover provided, including the imposition of penalties and fines in respect of breaches of the law.

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Auditors

KPMG on behalf of the Auditor-General

Solicitors

Chapman Tripp

Bankers

Westpac Banking Corporation





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