



ISSN 3142-0869 (Print)
ISSN 3142-0877 (Online)
investnewzealand.nz

© Copyright Invest New Zealand 2026.

Disclaimer: This document only contains general information and is not formal advice. The New Zealand Government and its associated agencies ('the New Zealand Government') do not endorse or warrant the accuracy, reliability or fitness for any purpose of any information provided. It is recommended that you seek independent advice on any matter related to the use of the information. In no event will the New Zealand Government be liable for any loss or damage whatsoever arising from the use of the information. While every effort is made to ensure the accuracy of the information contained herein, the New Zealand Government, its officers, employees and agents accept no liability for any errors or omissions or any opinion expressed, and no responsibility is accepted with respect to the standing of any firms, companies or individuals mentioned.

JUNE 2026



Statement of Performance Expectations

2026-27



CONTENTS

| | |
|---|----|
| Statement of Responsibility | 01 |
| Executive Summary | 01 |
| Purpose | 02 |
| Functions | 02 |
| Governance | 02 |
| Strategic Objectives | 03 |
| Stakeholders | 04 |
| Operating Model | 04 |
| People | 05 |
| Priorities and Activities | 05 |
| Performance Framework | 07 |
| Funding | 07 |
| Table of Strategic Priorities and Performance Measures | 08 |
| Prospective financial statements | 09 |
| Notes to the prospective financial statements | 11 |

STATEMENT OF RESPONSIBILITY

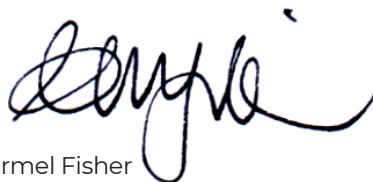
The information contained in the Invest New Zealand Statement of Performance Expectations 2026-27 has been prepared in accordance with the Crown Entities Act 2004. In signing this statement, we acknowledge

our responsibility for the information and confirm the appropriateness of the assumptions underlying the prospective operations and financial statements of Invest New Zealand.

Signed on behalf of the Board of Invest New Zealand.



Rob Morrison
**Invest New Zealand
Chair**



Carmel Fisher
**Invest New Zealand
Deputy Chair**

EXECUTIVE SUMMARY

Global economic conditions remain uncertain, with uneven growth and geopolitical/geoeconomic risks continuing to shape investment decisions. Competition for international capital has intensified with jurisdictions increasingly using targeted incentives and policy settings to attract investment. Against this backdrop, investors are more selective, placing greater emphasis on economic resilience, regulatory certainty, access to skills, energy and digital infrastructure, and clear pathways to investment.

In 2026-27, Invest New Zealand will transition from its establishment to sustained delivery. We will deepen market and investor insights, identify practical barriers that slow or deter investment into New Zealand, and strengthen the metrics and evidence base needed to target effort where Invest New Zealand can have the greatest impact on international capital to support growth and productivity.

To achieve these objectives, Invest New Zealand will focus on:

- Leading New Zealand's engagement with international institutional and strategic investors and multinational corporations, to build a comprehensive view of investment opportunities in New Zealand companies with high-growth and productivity potential.

- Assessing New Zealand's attractiveness for international capital, relative to other countries, and advise on policy settings and incentives that could enhance this.
- Analysing and recommending long-term performance measures for Invest New Zealand.
- Setting and adjusting the investment settings and processes for managed funds and direct investments in the Growth category of the AIP scheme, with Immigration New Zealand
- Finalising and embedding a new operating model and organisation structure to attract people with appropriate skills and capabilities to deliver results.
- Understanding and embedding the relevant attributes of leading, comparable investment promotion agencies; including Economic Development Board (Singapore) and Invest in Denmark.

PURPOSE

Invest New Zealand is the single, coordinating agency for international institutional and strategic investors seeking to increase investment into New Zealand, supporting the Government's objectives to lift productivity and deliver sustainable, long-term economic growth.

In line with this mandate, the purpose of Invest New Zealand is: "To materially increase the flow of international capital into New Zealand, targeting sectors with the greatest growth and productivity potential."

To achieve this, Invest New Zealand will systematically engage with international investors to gain a detailed understanding of their investment priorities and the regulatory, policy, and market constraints that inhibit investment in New Zealand and promote New Zealand as an investment destination, particularly in our priority sectors. High-quality and insight-led engagement with global investors will allow Invest New Zealand to advise Ministers, companies and domestic investors on the availability of international capital, and the steps necessary to improve New Zealand's attractiveness for investment.

FUNCTIONS

The Invest New Zealand Act 2025 sets the main statutory function 'to facilitate and enable increased overseas investment in New Zealand', this requires Invest New Zealand to:

- (a) connect and collaborate with overseas investors, New Zealand companies and investors, research institutions, public service agencies, organisations, and providers of opportunities for international capital to invest.
- (b) build sector- and project-specific knowledge about:
 - (i) overseas investors;
 - (ii) the investment environment in New Zealand; and
 - (iii) investment opportunities in New Zealand.
- (c) utilise the knowledge described in paragraph (b) to develop investible opportunities, support the execution of investments, and engage with domestic and international parties to facilitate international capital to support New Zealand companies.
- (d) provide advice and information to the Minister for Trade and Investment on any policies and legislation needed to attract overseas investment, including identifying and advising on options for reform that are likely to enable further overseas investment¹.
- (e) administer the Growth Category of the Active Investor Plus (AIP) visa scheme and connects with individual applicants and visa holders who have the greatest potential to support the purpose of Invest New Zealand.
- (f) carry out any additional function in relation to investment that the Minister may direct in accordance with section 112 of the Crown Entities Act 2004.

GOVERNANCE

As an Autonomous Crown Entity, Invest New Zealand is governed by an independent Board that sets the organisation's strategic direction, appoints the Chief Executive, sets the performance framework, and oversees delivery within approved budget parameters. Invest New Zealand operates under the Crown Entities

Act 2004, the Public Finance Act 1989 and the Invest New Zealand Act 2025. The Minister for Trade and Investment is the responsible Minister (the Minister), and the Ministry of Business Innovation and Employment (MBIE) serves as a special adviser to the Board and acts as Invest New Zealand's monitoring department.

¹ s11 Invest New Zealand Act 2025

STRATEGIC OBJECTIVES

Attract Investment into Strategic Growth Opportunities

Attracting international capital to support long-term growth and productivity requires a systematic and deliberate prioritisation of sectors in which investment capital can have the greatest impact. This strategic approach avoids ad hoc changes that will significantly lessen the impact of Invest New Zealand. We have identified sectors where significant investment will most effectively support the Government's Going for Growth strategy and position New Zealand to capture value from global trends and opportunities.

- **Digitisation, data infrastructure and Artificial Intelligence:** increasing capability and ensuring an enabling environment, supporting new and existing economic activity at scale.
- **Renewable energy:** existing and new technologies to support long-term electricity supply, decarbonisation, sustainable business operations and energy transition.
- **Technologies:** such as digital technologies (including film & gaming), AgriTech, MedTech, Space Tech and FinTech.
- **Infrastructure:** presenting opportunities for strategic investment at scale.
- **Advanced manufacturing and processing.**

Invest New Zealand will support investment opportunities where significant capital is committed to support the companies aligned with these priority sectors.

Provide advice to improve investment outcomes

Under its statutory mandate, Invest New Zealand holds a critical role in advising on policies and legislative settings that support and could enhance overseas investment. This includes identifying and recommending reforms that could materially enhance New Zealand's attractiveness to international investors. Moving towards targeted project- and industry-specific interventions can best mobilise international capital with expertise in productive and innovative companies.

The use of incentives by other countries is increasing and Invest New Zealand will work to provide clear, evidence based advice to the Minister on where sector level or bespoke interventions may be required to secure significant investments. This advice will be direct and specific, setting out necessary changes to improve competitiveness and unlock investment at scale.

Maximising the long-term value of the AIP scheme and investor relationships

The AIP visa scheme can attract investor migrants with significant human and financial capital to further support New Zealand's growth companies and productive sectors.

Under the instruction of Immigration New Zealand, specific to the Growth category of the AIP scheme, Invest New Zealand is responsible for assessing managed funds and direct investments to ensure compliance with specific objectives and investment criteria. Immigration New Zealand retains overall responsibility for the AIP scheme. Invest New Zealand will recommend changes to ensure the AIP scheme continues to attract international capital while aligning with the objectives of the Government.

There is significant opportunity to foster connections between AIP applicants and New Zealand businesses. In recognising the significant intellectual property, commercial capability, and additional investment capacity of select participants in the AIP scheme, Invest New Zealand will work with private sector partners to coordinate investor engagement with New Zealand's business community.

Flexibility and responsiveness

Invest New Zealand retains the flexibility to allocate resources to other sectors where investment activity aligns with the Government's broader strategic priorities and delivers tangible benefits to regions and local economies. The agency will also support time bound government priorities that contribute to productivity and economic growth, such as film infrastructure and critical minerals.

STAKEHOLDERS

The ability to attract large scale international capital depends on trusted, high quality relationships with senior investment decision makers within corporations, pension funds, sovereign wealth funds, and institutional investors. These partners rely on Invest New Zealand's market insight, judgment, and discretion to engage credibly in complex, competitive investment projects.

Invest New Zealand supports the work of private advisers, companies, and investment managers – including private equity, venture and growth capital, and infrastructure funds – by helping to align opportunities with investor requirements. We also work across government to provide structured feedback from international investors on the attractiveness and feasibility of prospective capital programmes and policies.

A clear understanding of the capabilities and capital of domestic investors – including the Guardians of New Zealand Superannuation, ACC, KiwiSaver funds, iwi, and regional stakeholders – enables Invest New Zealand to identify and broker credible local partnerships for international investors and companies.

Invest New Zealand works closely with New Zealand Trade and Enterprise (NZTE), MBIE, the Overseas Investment Office, and the Ministry of Foreign Affairs and Trade regarding Government initiatives that support capital flows into New Zealand.

Invest New Zealand maintains a partnership with the National Infrastructure Funding and Financing Co (NIFFCo) specific to the development of public infrastructure. Leveraging its international networks and market knowledge, Invest New Zealand connects global investors to NIFFCo's projects and investments.

OPERATING MODEL

A strong New Zealand-based team provides the foundation for targeted international representation in priority markets and enables flexible engagement across other jurisdictions as investment opportunities and demand emerge. Staff will have international investment experience, proven ability to work across international business cultures, with ambition and drive.

The core of our organisation is the delivery of investment projects. This requires a deep understanding of international investor interests, preferences and expectations, applying these insights to strengthen the readiness and positioning of New Zealand investment opportunities, and supporting the private sector in the execution of transactions, capital raisings and other capital-led transactions. The work is led by experienced investment professionals who combine market

experience and analytical capability to generate credible insights and high-value connections for partners and stakeholders.

Delivery of the Growth category of the AIP scheme and effective stewardship of investor migrants to maximise the benefit to New Zealand, requires a small multidisciplinary team. These capabilities include assessment and monitoring of investment products alongside the facilitation of high-value engagement between companies, private sector funds, and investor migrants.

A dedicated operations function underpins the Invest New Zealand's effectiveness, providing legal, risk, financial, and business operations, and stakeholder management capabilities.

PEOPLE

In the next year we will confirm an approach to the retention, hiring and compensation of a high-performance and collaborative team which reflects the expertise and experience of the investment decision makers which Invest New Zealand interacts

with globally, and within New Zealand. This will reflect the efficiencies available with the use of modern technologies and data. Our culture and team will reflect both the diversity of New Zealand and of our international investment partners.

PRIORITIES AND ACTIVITIES

The Board has considered the matters set out in the Minister for Trade and Investment's Letter of Expectations, along with the insights from the Invest New Zealand Reference Group and Invest New Zealand Establishment Board, to set the following operational priorities for the management team.

The work of Invest New Zealand must reflect its Strategic Objectives, and therefore the Board has elected to state the activities that both will be and will not be undertaken.

Priority 1: Deliver international investment, aligned with our strategy for scale and priority sectors

- a) Engage with international pension and sovereign wealth funds, and multi-national companies, to build and maintain a comprehensive understanding of the relative attractiveness of New Zealand as an investment destination.
- b) Develop a pipeline of investment opportunities, reflecting the strategy of Invest New Zealand, for the delivery of material investment.
- c) As the single, coordinating entity for international investment, facilitate opportunities for New Zealand agencies, departments and companies to engage directly with international investors.

These will be measured by:

- Report monthly and quarterly on the progress of Invest New Zealand's key investment projects and engagements to the Board and the Minister.
- Provide quarterly cross-agency FDI Dashboard for Ministers and other stakeholders.
- Maintain a pipeline of investment opportunities.

- Gather input on opportunities and impediments for investment from international investors on what needs to change to attract investment and report to Government by Q3.

Invest New Zealand will not: prioritise any single group of domestic investors; take equity; debt of other financial investments in the projects pursued; take on any regulatory or financial oversight obligations associated with providing advice to financial transactions; nor manage capital on behalf of other parties.

Priority 2: Policy and regulatory advice to achieve long-term productive international investment

- a) Report on constraints to investment from international investors, including the relative attractiveness of New Zealand in comparison to other countries, and potential specific policy changes that will allow capital to be invested on a sector or company basis and enhance the flow of investment, expertise and intellectual property to New Zealand.
- b) Following the submission of advice by Invest New Zealand, if approved by the responsible Minister, engage with relevant departments and/or agencies to support the development of policy and regulations.
- c) Support, and lead components of, a small number of high-impact occasions for engagement between the Government and international investors.

This will be measured by:

- Gather insights from international investors on what needs to change to attract investment and deliver a Report on this back to Government by Q3.

PRIORITIES AND ACTIVITIES

- Policy and regulatory advice delivered to the Minister and MBIE through monthly and quarterly reporting.
- Delivery of investor engagement and content for biannual (once per two year) summits.

Invest New Zealand will not: provide this advice directly, without consent, other than to the Minister, nor conduct independent policy development; and will not be resourced to accompany all international engagement by Ministers nor solely-deliver summits/conferences.

Priority 3: Development of AIP scheme and engagement with applicants with high potential

- a) Take a proactive approach to reviewing the investment settings for the Growth category, to support the continued development of and reduce risk to the AIP scheme.
- b) Deliver on the potential for human and financial capital to support the development of businesses and sectors with high growth and productivity potential, including through the identification of AIP migrant visa holders with significant potential.

These will be measured by:

- Alignment and clear operational boundaries maintained with Immigration NZ, as evidenced by well managed changes to AIP policy settings and clear investor communications.
- Investment settings working as intended as evidenced by the quarterly re-certification process.
- A strategy to identify, engage and support AIP applicants with significant potential positive impact to New Zealand, designed by end of Q1.
- High-quality guidance and online documents developed and maintained for providers of investment products (managed funds and direct investments) for the AIP growth category.

Invest New Zealand will not: be promoting the AIP scheme through international and domestic events to “activate” interest and potential applicants; recommend any specific investment product within the Growth category; provide general domestic or migration support for applicants; and will not deliver an equal level of engagement for all AIP applicants and visa holders.

Priority 4: Organisational establishment and capability

- a) Develop an operating model, together with roles and remuneration to attract best-in-class investment expertise, for the support of the long-term delivery of the Invest New Zealand strategy
- b) Deploy staff internationally in support of Invest New Zealand’s mandate and purpose, aligning with international capital flows to New Zealand, the location of international investment decision makers, and project-specific opportunities.
- c) Programme of high-value engagement between Ministers and international investors in support of specific projects, initiatives and the long-term goals of Investment New Zealand.

This will be measured by:

- Operating Model and Organisational Structure signed off by the Invest New Zealand Board by Q1.
- Performance Framework approved by the Board by Q1.
- Remuneration strategy approved by the Board by Q2.
- Critical roles filled by Q2.
- Shared Services Memorandum of Understanding with New Zealand Trade and Enterprise (NZTE) reviewed and a long-term framework for shared services agreed by Q2.
- Rolling 12-month plan for Ministerial engagement with international investors.

Invest New Zealand will not: sustain internationally based staff to support investment engagement on behalf of New Zealand in all potentially relevant markets; and will not have the capacity to support all Ministerial engagement with investors internationally.

PERFORMANCE FRAMEWORK

Invest New Zealand remains at an early stage of its development, and its full, measurable impact will emerge over time. Entering its second year of operation, and less than six months after the appointment of a permanent Board and inaugural Chief Executive, performance expectations for 2026-27 are appropriately focused on establishing a durable operating model, securing high calibre capability, and building strong relationships with key stakeholders, particularly international investors. These priorities are measurable, and specific performance targets are set out in the Performance Measurement Framework for 2026-27 on page 08.

Invest New Zealand's progress will be evidenced through improved access to global investment decision makers, a stronger and more investable project pipeline, clearer and more actionable feedback on

policy and incentive settings, and the continued development of the AIP scheme. The resulting impact on international capital will be reflected in two ways: (1) through investments where Invest New Zealand has had a direct and demonstrable role; and, (2) through increases in capital flows that arise as a country level outcome of the agency's activities, where direct attribution is not possible. Both forms of impact deliver value to New Zealand and are expected to flow from the agency's work.

The Board is focused on developing a transparent and evidence-based performance measurement approach, which will in time identify annual changes to level of international investment in New Zealand² and the allocation of this capital among priority sectors (as a proxy for areas of greatest potential growth and productivity).

FUNDING

We are funded by an appropriation of approximately \$21 million under the Vote Business, Science and Innovation non-departmental appropriation through MBIE. The details of our forecast expenditure in included on page 09.

² A proxy for this outcome may be the total stock of Foreign Direct Investment (FDI), however, there are general challenges in the statistical measurement of FDI (sampling and temporal) and challenges specific to New Zealand (the level of FDI contributed by overseas-owned financial institutions operating in New Zealand).

TABLE OF STRATEGIC PRIORITIES AND PERFORMANCE MEASURES

| PRIORITIES | MEASURES | DATA SOURCES |
|--|---|---|
| Priority 1: Investor origination and facilitation of significant international capital opportunities | | |
| 1.1 Deliver international investment, aligned with our strategy for scale and priority sectors. | Report monthly and quarterly on the progress of key investment projects and engagements to the Board and the Minister. | Reports from Invest New Zealand to Board and Ministers |
| 1.2 Engage with institutional investors and multi-national companies, to hold a comprehensive understanding of the attractiveness of New Zealand as an investment destination. | Provide quarterly cross-agency FDI Dashboard for Ministers and other stakeholders. | FDI Dashboard Invest New Zealand internal CRM system |
| 1.3 Develop a pipeline of investment opportunities, reflecting the strategy of Invest New Zealand. | Maintain a pipeline of investment opportunities. | Report to Minister |
| 1.4 Lead New Zealand agencies, departments and companies to engage with international investors. | Provide input on opportunities and impediments for investment from international investors and report to Government by Q3. | |
| Priority 2: Policy and regulatory advice | | |
| 2.1 Report on constraints and potential specific policy changes that will allow capital to be invested on a sector or company basis and increase investment in New Zealand. | Report on constraints to investment from international investors and report to Government by Q3. | Report(s) to Minister |
| 2.2 Advise the responsible Minister and if agreed, engage with relevant departments and/or agencies. | Policy and regulatory advice delivered to the Minister and department through monthly and quarterly reporting. | |
| 2.3 Lead components of high-impact engagement between the Government and international investors. | Milestones towards successful investment summit. | |
| Priority 3: Development of AIP scheme and engagement with applicants with high potential | | |
| 3.1 Take a proactive approach to reviewing the AIP policy settings. | Well managed engagement with Immigration NZ on changes to immigration policy settings and clear investor communications. | Reports to Board / Ministers |
| 3.2 Engage AIP applicants with significant human and financial capital to support New Zealand businesses and sectors with high growth and productivity potential. | Policy settings working as intended as evidenced by the quarterly recertification. AIP investor strategy designed by end of Q1. | Invest New Zealand website |
| Priority 4: Organisational establishment and capability | | |
| 4.1 Develop an operating model to support the long-term delivery of the Invest New Zealand strategy. | Board approved organisational structure Q1. | Board reports |
| 4.2 Locate staff internationally to support international investment decision makers, and project-specific opportunities. | Performance Framework approved by the Board by Q1. Remuneration strategy approved by the Board Q2. | Shared service documents Plan for Ministerial meetings |
| 4.3 High-value engagement between Ministers and international investors in support of specific projects. | Critical roles filled by Q2. Framework for shared services with NZTE by Q2. Rolling 12-month plan for Ministerial engagement. | |

PROSPECTIVE FINANCIAL STATEMENTS

These prospective financial statements provide information on the future financial performance, position and cash flows of Invest New Zealand. They are based on assumptions of future events that

Invest New Zealand reasonably expects to occur. Actual results for the forecast periods are likely to vary from the information presented, and variations may be material.

Prospective financial statements

| Prospective statement of comprehensive revenue and expense for the year ended 30 June 2027 | Note | Forecast 2026 \$000 | Forecast 2027 \$000 |
|--|------|------------------------|------------------------|
| Revenue | | | |
| Crown revenue – operating | | 21,150 | 21,150 |
| Total Revenue | | 21,150 | 21,150 |
| Expenses | | | |
| Personnel expenses | | 10,624 | 10,794 |
| Other operating expenses | 1 | 6,226 | 11,048 |
| Total expenses | 2 | 16,850 | 21,842 |
| Surplus/(deficit) | | 4,300 | (692) |

1. Include the following major categories: Travel, Property, Professional Services, Technology, and Content & Events.
2. Forecast expenditure is expected to increase in 2026-27 as Invest New Zealand moves from establishment into sustained delivery of its statutory functions and strategic priorities.

| Prospective statement of financial position for the year ended 30 June 2027 | Note | Forecast 2026 \$000 | Forecast 2027 \$000 |
|---|------|------------------------|------------------------|
| ASSETS | | | |
| Current assets | | | |
| Cash and cash equivalents | | 4,448 | 4,157 |
| Prepayments | | 117 | 117 |
| Total Current Assets | | 4,565 | 4,274 |
| Total Assets | | 4,565 | 4,274 |
| LIABILITIES | | | |
| Current liabilities | | | |
| Trade and other payables | | – | 400 |
| Employee Entitlements | | 265 | 265 |
| Total Current Liabilities | | 265 | 665 |
| Total Liabilities | | 265 | 665 |
| NET ASSETS | | 4,300 | 3,609 |
| EQUITY | | | |
| Accumulated funds | | 4,300 | 3,609 |
| Total Equity | | 4,300 | 3,609 |

PROSPECTIVE FINANCIAL STATEMENTS

| Prospective statement of changes in equity for the year ended 30 June 2027 | Note | Forecast 2026 \$000 | Forecast 2027 \$000 |
|---|------|---------------------------|---------------------------|
| Opening Equity | | – | 4,300 |
| Total comprehensive revenue and expense for the year | | 4,300 | (692) |
| Closing Balance | | 4,300 | 3,609 |

| Prospective statement of cash flow for the year ended 30 June 2027 | Note | Forecast 2026 \$000 | Forecast 2027 \$000 |
|---|------|---------------------------|---------------------------|
| Cash flows from operating activities | | | |
| Receipts from Crown – operating | | 21,150 | 21,150 |
| Receipts from other revenue | | – | – |
| Interest received | | – | – |
| Payments to suppliers | | (6,078) | (10,682) |
| Payments to employees | | (10,624) | (10,794) |
| Insurance | | – | – |
| Net cash flows from operating activities | | – | – |
| Net increase/(decrease) in cash and cash equivalents | | | |
| Cash and cash equivalents at beginning of the year | | – | 4,448 |
| Cash and cash equivalents at end of period | | 4,448 | 4,122 |

NOTES TO THE PROSPECTIVE FINANCIAL STATEMENTS

1. Purpose

The prospective financial statements have been prepared for the purpose of meeting Invest New Zealand's statutory reporting obligations under the Crown Entities Act 2004 and the Financial Reporting Act 2013, and to communicate Invest New Zealand's expected financial performance, financial position, and cash flows in relation to the Statement of Performance Expectations. The information contained in these prospective financial statements may not be appropriate for purposes other than those described above.

2. Reporting entity

Invest New Zealand is an autonomous Crown entity as defined by the Crown Entities Act 2004 and is domiciled and operates in New Zealand

3. Basis of preparation

The prospective financial statements have been prepared on a going concern basis. The prospective financial statements comply with generally accepted accounting practice in New Zealand and have been prepared in accordance with Tier 2 Public Benefit Entity (PBE) accounting standards. Invest New Zealand is designated as a public benefit entity for financial reporting purposes. The prospective financial statements have been prepared based on historic cost. They are presented in New Zealand dollars, and all amounts are expressed in thousands (\$000). The prospective financial statements have been prepared based on assumptions about future events that Invest New Zealand reasonably expects to occur at the time the statements were prepared. In preparing these statements, certain assumptions may continue to be refined as Invest New Zealand finalises budgets, delivery plans, and operational inputs. Accordingly, the amounts presented reflect estimates at a point in time and may change as assumptions are finalised. Actual results achieved during the forecast period are likely to vary from the information presented, and these variations may be material. These prospective financial statements were authorised for issue on 29 May 2026 by the Board of Invest New Zealand. The Board is responsible for the prospective financial statements, including the assumptions on which they are based and all required disclosures. Following authorisation, Invest New Zealand does not undertake to update these prospective financial statements to reflect events or circumstances occurring after the date of authorisation.

4. Significant accounting policies

Significant accounting policies are those where Invest New Zealand has exercised judgement, where the policies are material to understanding the prospective financial statements, or where explanation is necessary due to the nature of Invest New Zealand's operations.

Revenue

Funding from the Crown

Invest New Zealand is primarily funded by the Crown through operating appropriations. Crown revenue is restricted to the purpose of meeting Invest New Zealand's objectives as specified in the Statement of Performance Expectations and the relevant appropriation. Invest New Zealand considers that the funding does not contain conditions as defined in PBE IPSAS 23 Revenue from non-exchange transactions. Accordingly, Crown funding is recognised as revenue progressively over the period of entitlement.

Goods and services tax

Items in the prospective financial statements are presented exclusive of GST, except for receivables and payables, which are presented on a GST inclusive basis.

Cash and cash equivalents

Cash and cash equivalents include cash on hand and deposits held at call with banks. All cash and cash equivalents are held in New Zealand.

Income tax

Invest New Zealand is a public authority and is exempt from the payment of income tax. Accordingly, no provision has been made for income tax.

Short-term employee entitlements

Short-term employee entitlements comprise salaries and wages accrued to balance date and annual leave earned but not yet taken. These entitlements are measured at current rates of pay and are expected to be settled wholly within 12 months of balance date. Employer contributions to KiwiSaver are accounted for as defined contribution plans and are recognised as an expense in the period in which related employee services are provided.

Foreign currency transactions

Foreign currency transactions (including those subject to forward foreign exchange contracts) are translated into New Zealand 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 balance date exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the surplus or deficit.

5. Critical accounting estimates and judgements

The preparation of prospective financial statements requires Invest New Zealand to make judgements, estimates and assumptions about future events and circumstances. These estimates and assumptions are based on information available at the time the prospective financial statements were prepared and on management's best judgement.

The principal assumptions underlying these prospective financial statements include:

- continued Crown funding at the levels provided for in the relevant appropriation;
- no significant change in the nature or scale of Invest New Zealand's operations other than as reflected in the Statement of Performance Expectations;
- no requirement for capital expenditure during the forecast period;
- expenditure profiles consistent with planned delivery activity, including increased operating expenditure in FY27 to utilise the full appropriation; and
- settlement of trade payables, employee entitlements, and other short-term obligations in the ordinary course of business.

Actual results may differ from those presented due to changes in operational priorities, timing of Crown funding receipts, timing of expenditure, staffing requirements, delivery schedules, or other factors outside the control of Invest New Zealand. These differences may be material.

