

ANNUAL REPORT

2024/25



NEW ZEALAND
TRADE & ENTERPRISE
Te Taurapa Tūhono

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OUR PURPOSE

NZTE's purpose is to grow companies internationally for the good of New Zealand. We do this by working with exporters to help them scale so that they can independently compete in global markets. We have also matched domestic and international investors with New Zealand investment opportunities.

NZTE is a Crown Entity with 606 employees working across 10 New Zealand offices and 37 international locations. It is funded through appropriations under Vote Business, Science and Innovation. The Ministry of Business, Innovation and Employment (MBIE) and the Ministry for Foreign Affairs and Trade (MFAT) are NZTE's monitoring agencies.

As a Crown entity, we operate under the Crown Entities Act 2004, the Public Finance Act 1989 and the New Zealand Trade and Enterprise Act 2003. The Ministers responsible for NZTE are the Minister for Economic Growth and the Minister for Trade and Investment. NZTE is governed by a board of directors who set our strategy and monitor our performance. The Board has extensive knowledge in business, investment, exporting and public policy, helping to ensure that NZTE delivers on its purpose.

NZTE PERFORMANCE SUMMARY

The goal

The New Zealand Government's goal
Double the value of exports in 10 years.

NZTE's purpose and contribution
to the Government's goal

To grow companies internationally for the good
of New Zealand.

Our customers

Export customers	2024/25 Results
Engaged (light touch) customers	4,855
Focus (high intensity) customers	932
Māori customers	358
Focus portfolio value ¹	\$60.81 billion
Export deals	\$4.83 billion
Export customer NPS	+78

Investment customers

Investors in network	4,984
Investment value (pDEI)	\$5.40 billion
Investment NPS	+64
Investment deals pipeline	552
Māori investment deals pipeline	151
Investment pipeline value	\$74.88 billion

Expenditure

FY25 expenditure	\$214 million
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People and networks

People	606
International locations	37
New Zealand locations	10
People located offshore	267
Private advisors (Beachheads)	450
Employee NPS	+45

Our NZ Inc partners

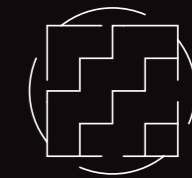
Education New Zealand (ENZ)
Invest New Zealand (Invest NZ)
Ministry for Primary Industries (MPI)
Ministry for the Environment
Ministry of Business Innovation and Employment (MBIE)
Ministry of Foreign Affairs and Trade (MFAT)
New Zealand Export Credit Office (NZECO)
New Zealand Growth Capital Partners (NZGCP)
New Zealand Story Group (NZ Story)
Te Puni Kōkiri (TPK)
The Treasury
Tourism New Zealand (TNZ)

Our Characters

Ambition Drives Us



Adventure Teaches Us



Honesty Frees Us



Trust Binds Us



Manaaki Is Us



¹ Total international revenue for all companies in the Focus portfolio as at 30 June 2025.

LETTER FROM THE CHAIR AND CHIEF EXECUTIVE

As the Government's international business development agency, New Zealand Trade and Enterprise's purpose is to grow companies internationally for the good of New Zealand. As a country with a domestic market of only 5.3 million people, New Zealand can't afford to only sell to itself. Global trade and investment are essential to maximise New Zealand's potential. The success of our country's economic prosperity is closely aligned to the success of our exporters.

Launched in February 2025, 'Going for Growth' is the Government's approach to turbo-charging our economy. To accomplish this, the Government has set a target to double the value of exports in 10 years. New Zealand Trade and Enterprise, alongside NZ Inc partners, is committed to delivering our part, as we help New Zealand export businesses build scale, connections and capability in international markets.

Success in a challenging environment

The global economic environment posed a number of challenges for New Zealand exporters in FY25. Geopolitical instability and a turbulent trading environment contributed to a slowing global growth rate. However, strong commodity prices meant that New Zealand recorded extremely strong food and fibre exports.

In this challenging and constrained ecosystem, NZTE has carefully managed our fixed resources to deliver our most successful year ever. Highlights for FY25 include:

- \$4.83 billion of export deals were achieved
- a total of 3,832 international growth outcomes (IGOs) were achieved, against a target of 1,700
- the potential direct economic impact (pDEI) of investment deals totalled \$5.40 billion against a target of \$5 billion
- the net promoter score (NPS) from our export customers remained high at +78.

These results reflect NZTE's continued refinement of how we wrap the most effective services and resources around the businesses we work with.

The second half of FY25 was marked by an increase in trade barriers, most notably the April 2025 announcement by the United States of a 10% tariff on all New Zealand goods.² NZTE and other NZ Inc agencies joined forces to provide support to exporters to ensure they had access to accurate information, tools

and advice to help them navigate this change. This support included online market updates, joint webinars with MFAT, and co-funding to help exporters access commercial trade expertise.

A major cornerstone of our support and alignment with Government objectives is the continued prioritisation of Government-led trade missions to build the profile of New Zealand exporters and open doors. In FY25, we supported successful trade missions to Malaysia, South Korea, Brazil, China, Viet Nam, India and Australia where a number of exporters made significant announcements and deals, securing their ongoing growth in these markets.

In FY25 the Government announced the establishment of a stand-alone agency dedicated to attracting foreign direct investment. NZTE oversaw the establishment of Invest New Zealand by transferring its investment functions to the new agency and refocusing on its core role of supporting the growth of export businesses. This year will be the final Annual Report that NZTE reports on its investment attraction results.

Focus for FY26 and beyond

The Government has been clear about its goal to double the value of exports over the next 10 years – from \$95bn to \$190bn. It is an exciting goal for NZTE to contribute to with its new single mandate to support New Zealand businesses to export more and grow international markets.

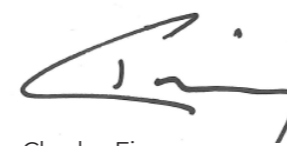
Building on our successful FY25, our ambitious FOCUS Strategy FY25-28 has set out how we intend to do this over the next three years:

- GROW the Core Customers: Maximise the growth of companies within the Focus 1000 portfolio, providing intensive support to ambitious companies ready for growth, helping them scale and compete internationally.

- ACCELERATE High Potentials: Identify high-growth potential exporters and wrap support around these companies to accelerate their export development.
- SUPERCHARGE Māori Economic Potential: working alongside owners of the Māori asset base to help translate assets into exports and increase their contribution to the broader goal of doubling exports.
- DELIVER WITH NZ INC: Creating value with NZ Inc to implement our new single export mandate and deliver productive trade missions, and focused support on growing key markets, particularly in South and South-East Asia.

- LIFT People and Productivity through focusing on leadership development, boosting productivity with artificial intelligence, and strengthening our ability to make smarter, faster decisions through embedded data and insights.

The success of New Zealand's economy is directly related to the strength of our exporters. As we head into FY26, we continue to support exporters to succeed in a challenging global environment and focus on delivering services and expertise that support the growth of our customers.



Charles Finny
Chair, NZTE Board



Peter Chrisp
Chief Executive, NZTE

STATEMENT OF RESPONSIBILITY

The NZTE Board is responsible for preparing the annual financial statements and statement of performance, and the judgements used in them. This includes responsibility for any end-of-year performance information provided by NZTE, 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 2025 fairly reflect the financial position and operations of NZTE.

On behalf of the Board



Charles Finny
Chair, NZTE Board



Sarah Paterson
Chair, Audit and Risk Committee NZTE

31 October 2025

² The tariff was changed in July 2025 to 15% but falls outside the reporting period.

SECTION 1: INTRODUCTION

THE OVERALL EXPORT SECTOR³

A wide range of domestic and global factors affect company performance. These factors can include exchange rate and interest rate fluctuations, global commodity prices, trade policies, regulatory settings, access to skilled labour, geopolitical volatility, climate events, logistic disruptions, technology advancements, production costs, infrastructure efficiency and global demand fluctuations.

\$ value of goods and services exports increased

New Zealand export revenue (excluding travel, transportation services and insurance services) grew at a compound annual rate (CAGR) of 5% over five years, reaching \$80 billion⁴ by March 2025, up from \$62 billion in March 2021. Goods exports rose from \$56 billion to \$70 billion (5% CAGR), and services exports increased from \$6 billion to \$10 billion (10% CAGR), despite ongoing global challenges.

Decrease in the number of smaller exporters over five years

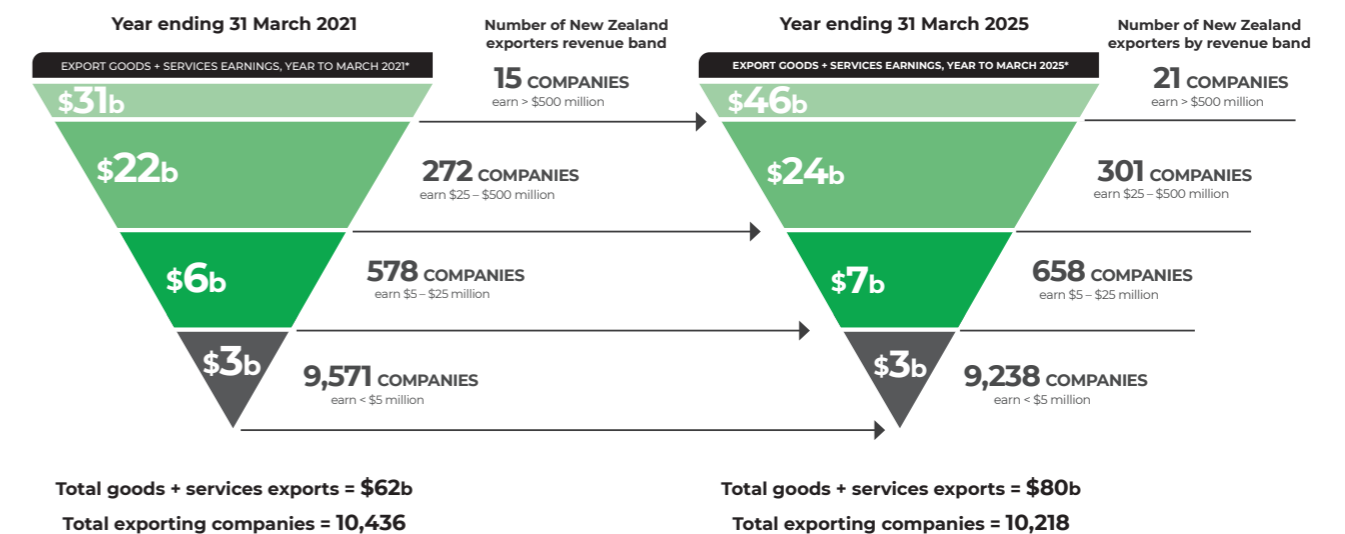
In 2025, the total number of companies exporting declined by 218 compared to 2021 reflecting elevated global inflation, rising logistics costs, supply chain disruption, heightened international competition and foreign regulation complexities. These factors disproportionately affect smaller businesses that often

lack the resources to absorb rising costs or effectively manage complex compliance obligations. Between 2021 and 2025, the number of exporters that earned <\$5 million export revenue declined 3%.

Increase in exporters earning >\$5 million over five years

The number of exporters that earned between \$5 million and \$500 million export revenue grew steadily from 850 to 959 companies. Companies with export earnings over \$500 million increased from 15 to 21, with the majority being goods exporters. Their export revenue rose from \$31 billion to \$46 billion.

Services exporters with earnings over \$25 million nearly doubled from 49 in 2021 to 71 in 2025, with export revenue rising from \$3.6 billion to \$7 billion. Goods exporters earning over \$25 million increased by 15 to 254 companies, with revenue growing from \$49 billion to \$63 billion over the same period.



³ This analysis by NZTE over the past five years is based on Statistics New Zealand data on goods and services exporting companies, excluding travel, transportation services and insurance services. Five years of data was selected for ease of analysis and to show recent trends.

⁴ \$105 billion including travel, transportation services and insurance services. Trade and Economic Update – Q1 2025: New Zealand Exports show growth and resilience despite global trade uncertainty | New Zealand Ministry of Foreign Affairs and Trade.

WHAT WE DO TO GROW EXPORTERS

NZTE's contribution to the growth of New Zealand's export economy is focused on providing **support to exporting companies** by helping them build their capability, enter offshore markets and scale faster internationally so that they can independently compete in global markets. We do this by providing individual companies with knowledge, services, connections and the confidence to face the risks of growing internationally.

To maximise impact, NZTE targets its support at two key export customer segments. The Focus portfolio of 1000 exporters (+/- 100) receive an intensified service from NZTE. Engaged customers have a less intensive relationship with NZTE. They are generally exporters who are at an early stage in their international journey or exporters that have not reached out for ongoing support.

Investment is also critical to economic growth. Over the past 12 months NZTE has continued to support both exporters who need capital and local and international investors who are prepared to invest. Our role here has been **matching domestic and international investors with New Zealand investees**, generating deals for the future and growing new economies such as clean technology, advanced

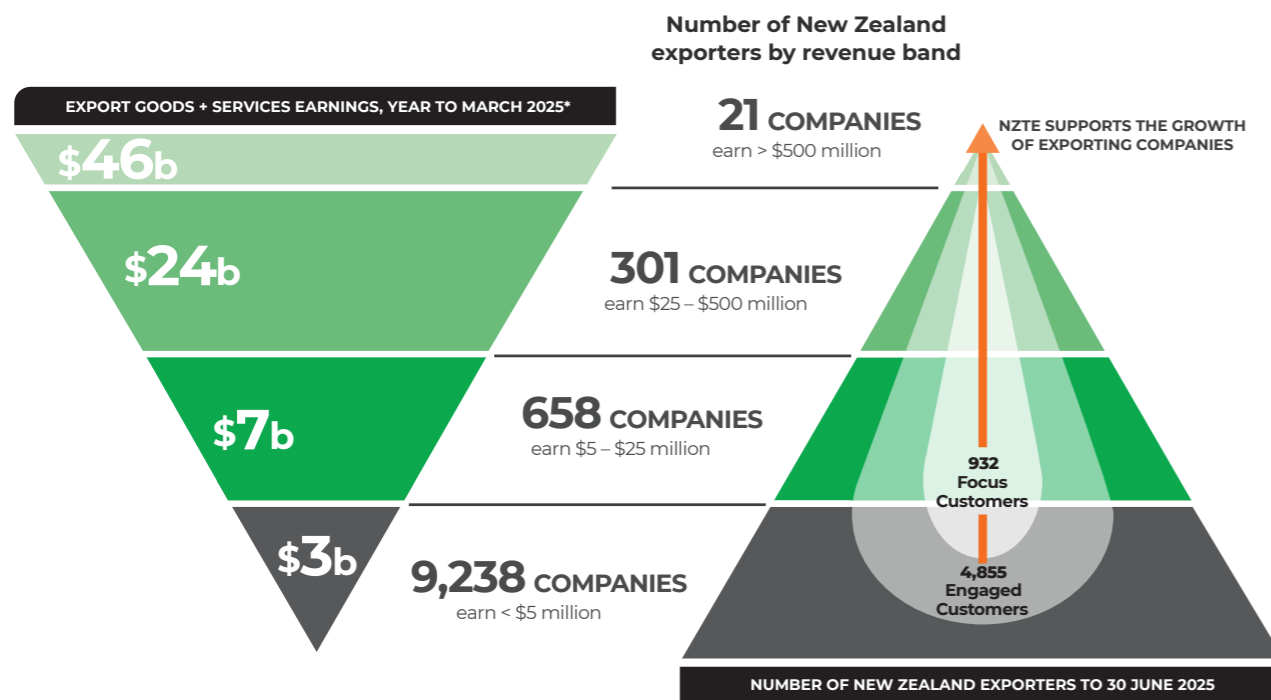
transport, aquaculture and renewable energy⁵. With the 1 July 2025 establishment of Invest New Zealand, this annual report marks the final NZTE reporting on investment deliverables and performance.

We also play a key role in trade missions and the growth of New Zealand's international brand.

NZTE's **Statement of Performance Expectations 2024-25** pages 6-12 contain more detail on how NZTE works with its export and investment customers.

NZTE's services are determined by the Intervention Logic agreed with the Ministry of Economic Development (a predecessor to MBIE), Treasury and NZTE in 2011. Refer Appendix 1.

NZTE supports the growth of exporting companies



*Source: Statistics New Zealand (generalised). Data is based on goods and services companies excluding travel, transportation services, and insurance services.

The tear drop shape represents NZTE customers within the total pool of New Zealand exporting companies. Focus and Engaged customer numbers are as at 30 June 2025. Numbers may vary as customers enter and exit the Focus portfolio.

⁵ On 1 July 2025 Invest NZ was established from the NZTE Investment team, a small set of capability remained at NZTE to provide limited functions.

IMPLEMENTING GOVERNMENT PRIORITIES

The importance of exports in driving economic growth led the Government to announce a goal to double exports by value in 10 years (from \$95 to \$190 billion), a compound growth rate of approximately 7% per year.

Doubling exports will require material shifts in the domestic productivity of our exporters, their capability to succeed in export markets, their access to those export markets and attraction of high-value capital to fund growth. It is a broad challenge and one that requires contributions from a range of Government agencies, including NZTE, as well as from business and industry organisations.

Our strategic intentions

NZTE responded to the challenge with four strategic intentions, each designed to maximise the growth of New Zealand's exports to deliver our part in the Government's ambition to double the value of exports (see diagram below).

FY25 has seen NZTE intensify its focus on ambitious, growth-orientated companies, deepen our partnership with Māori business to support the growth of the Māori economy, and target high quality investment as an enabler for the growth of New Zealand.

The successful growth of our customers across each strategic intention is underpinned by our intent to **lift people and productivity** – enabling the high performance and growth of our people and making it easier for them to do their jobs by using data and AI.

Timing for reporting against strategic intentions

To support increasing foreign direct investment the Government established a new entity, Invest New Zealand, on 1 July 2025. The new entity was created to scale up NZTE's attraction of international capital, businesses and talent to New Zealand. Following this NZTE is wholly focused on export growth by growing company capability, ensuring New Zealand businesses have the necessary support to expand their international reach.

NZTE's 2025-29 Statement of Intent (SOI) will now be produced by 30 June 2026, following an extension granted by the Minister for Economic Growth and the Minister for Trade and Investment to accommodate further development of future priorities.

This means that NZTE's 2024-25 Statement of Performance Expectations (SPE) contains our current areas of focus (strategic intentions), updating those in the 2022-26 SOI to reflect our contribution to the Government's Going for Growth approach and double exports goal. NZTE's purpose, core operating model and performance framework remain constant across both documents⁶, allowing NZTE to provide an informed assessment of our overall performance and progress.

This report therefore assesses our progress against the below four strategic intentions as outlined in our 2024-25 SPE.



⁶ Note that the 2022-26 SOI includes three more performance measures than those listed in the 2024-25 SPE. MBIE agreed to remove those three measures as reported on pages 51 and 52 of NZTE's 2023-24 Annual Report.

IMPLEMENTING GOVERNMENT PRIORITIES

Additional Government priorities

Baseline savings

NZTE is funded by the Government under a Vote Business, Science and Innovation non-departmental multi-category appropriation (MCA). In FY25 this was \$175.8 million for operating expenses and a multi-year appropriation (MYA) of \$31.9 million for co-investment funds.

NZTE's operating baseline appropriation was reduced by \$3.5 million in 2024-25. These savings were achieved by reductions in our operating functions. In FY26 NZTE's appropriation decreased by a further \$2.5 million.

Contractor and consultant spend reduced by \$5.7 million due to the end of Industry Transformation Programmes (ITPs) and KiwiSaaS⁷ which were temporary programmes heavily reliant on short term resourcing.

In addition, the International Growth Fund (IGF) appropriation decreased by \$20.0 million over five years to \$163.4 million.

Other Government and ministerial priorities

In addition to contributing to the goal of doubling the value of exports through NZTE's support to exporters, investors and investees, Government priorities related to NZTE include:

- supporting the Government's objective to undertake the most **trade missions** in a single term
- supporting the establishment of **Invest New Zealand**
- including firm-level robust business support data in the **Longitudinal Business Database**
- enhancing information sharing across NZ Inc on **non-tariff barriers**.

Support the delivery of more trade missions

Trade missions are designed to support our export and investment growth and achieve business outcomes. The Government has set an ambitious target to conduct 20 trade missions, the highest number of any parliamentary term. This year, seven trade missions were completed, with six led by Prime Minister Rt Hon Christopher Luxon. This brings the total number of completed missions to 12.

A greater focus on commercial outcomes and deliverables has led to more effective tracking with 156 deliverables recorded, totalling over \$1.5 billion in potential trade value.

NZTE supports trade missions by managing the business delegation programme, alongside NZ Inc (MPI, MBIE, Tourism New Zealand and Education New Zealand), with MFAT leading the Ministerial programme.

Establish Invest New Zealand

NZTE has supported the establishment of Invest New Zealand as a new entity, working as part of a joint NZTE/MBIE project team.

Relevant investment team members have transferred to the new entity and a memorandum of understanding covering shared services and co-location arrangements has been put in place as part of the transition of investment functions from NZTE to Invest New Zealand. NZTE will continue to support investment needs for exporters and work alongside Invest New Zealand to ensure export businesses are accelerated through appropriate international investment.

Longitudinal Business Database (LBD)

NZTE is committed to supporting efforts that strengthen the evidence base for analysis and policy development related to NZTE business support. A data sharing agreement between NZTE and Stats NZ was formalised this year and a bi-annual data process was established for loading data into the LBD. Two firm level data transfers were completed in December 2024 and June 2025.

Non-tariff barriers (NTBs)

NZTE plays an active role in bringing any NTBs experienced by our customers to the attention of MFAT, MPI and the New Zealand Customs Service (NZCS), the key agencies involved in resolving these barriers. We also work closely with these agencies to solve ad-hoc market entry problems experienced by NZTE customers.

Other significant budget decisions

Budget 2025 (for FY26) reflected a reduction in operating funding of \$9.9 million from International Business Growth Services, and \$1.2 million from the Strategic Investment Fund to fund the newly established Crown entity Invest New Zealand.

SECTION 2: PROGRESS AGAINST STRATEGIC INTENTIONS

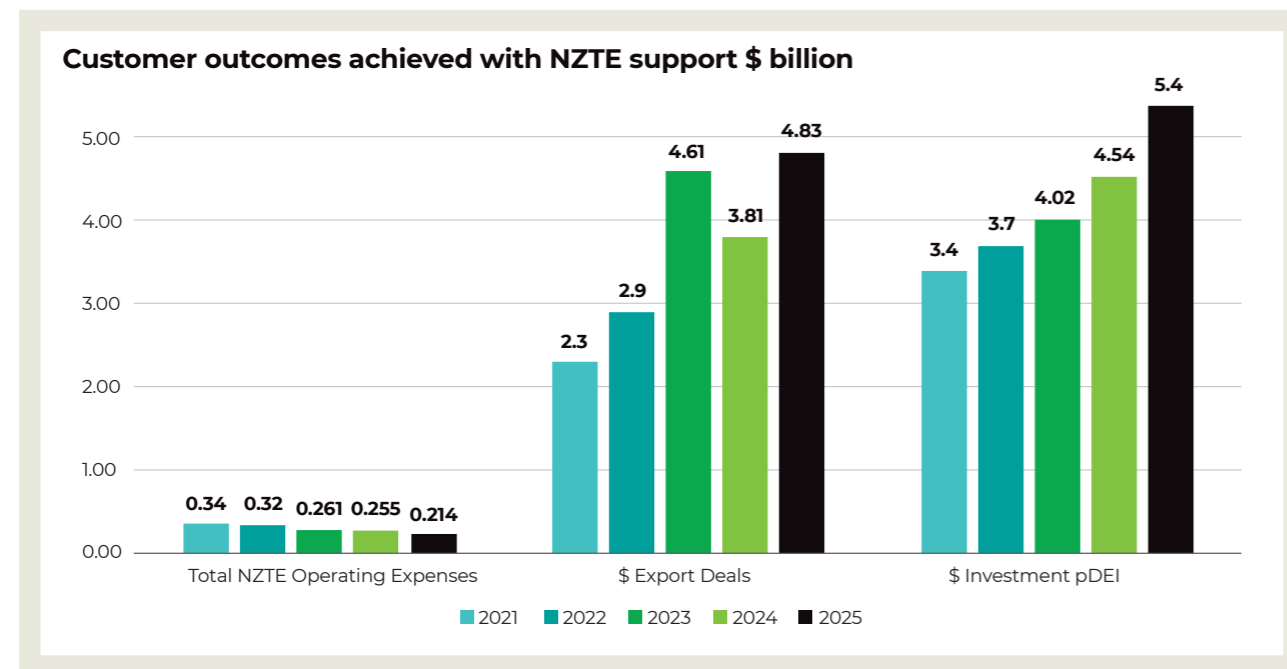
⁷ KiwiSaaS is New Zealand's software-as-a-service community.

PROGRESS HIGHLIGHTS

Results from FY25, the first year of implementation of our strategic intentions GROW, ACCELERATE, SUPERCHARGE and INVEST, indicate that the sharpened focus on growth is lifting overall performance while maintaining NZTE's fiscal reduction targets and spending priorities outlined by the Government. Overall, NZTE has achieved more with less funding.

Record results were achieved in FY25 export deals and investment pDEI, our key export and investment growth performance measures⁸.

↑	26.7%	The dollar value of export deals achieved by customers with the assistance of NZTE increased from \$3.81 billion in FY24 to \$4.83 billion in FY25
↑	19%	Investment customers achieved a record \$5.40 billion in pDEI in FY25, up from \$4.54 billion in FY24.



The following sections provide an assessment of progress against each strategic intention, our enabling 'LIFT' work programme to grow our internal capability, and our collaboration with NZ Story to grow New Zealand's international reputation.

⁸ The full suite of our performance measures is outlined in Section 3: Statement of Performance.

PROGRESS AGAINST EACH STRATEGIC INTENTION

GROW Focus 1000 exporters – maximising the growth of the exporters within our focus 1000 portfolio

Grow Focus 1000 is designed to drive customer growth and support the Government's goal to double exports. By intentionally focusing our limited resources on ambitious companies ready for intensive growth support, these companies can help create greater prosperity for New Zealand.

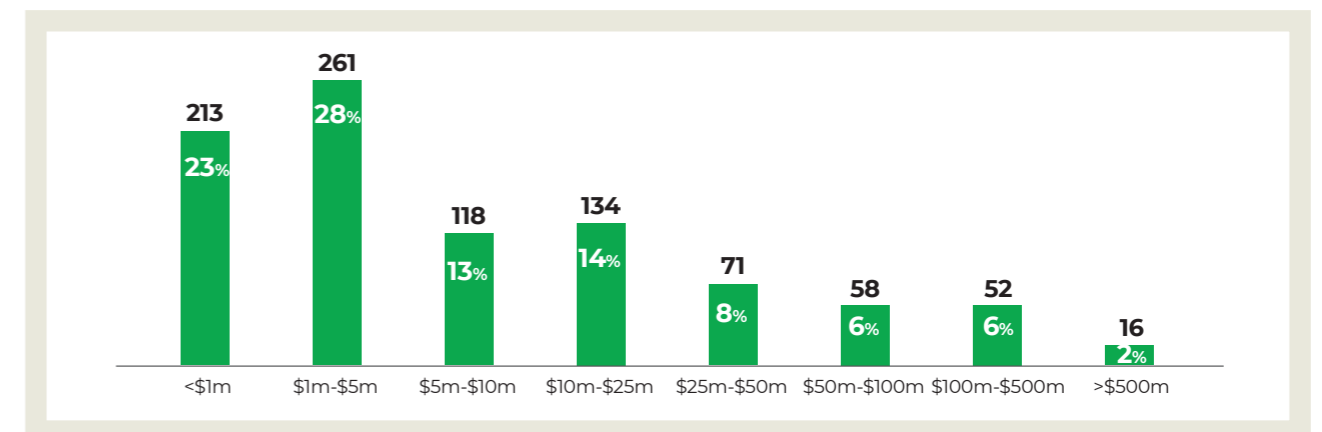
The Focus exporter portfolio

The Focus portfolio generates roughly 56%⁹ of New Zealand's export revenue total. Part of our role in doubling exports is to accelerate the growth of ambitious companies who are ready for intensive

engagement so that they reach a scale and maturity where they can compete and grow internationally on their own terms, without continued intensive government support, enabling them to contribute more to New Zealand's economic growth.

Reflecting NZTE's purpose to grow companies, the majority of the Focus portfolio are small to medium-sized exporters. 64% of customers' earned international revenue below \$10 million as at 30 June 2025. Even then, many of NZTE's larger customers are still small in scale in comparison to their international competitors.

Focus exporter portfolio by international revenue band as at 30 June 2025



Assessment of progress

We are encouraged by the progress to date as our ability to identify and support ambitious companies has improved through a more data-informed, growth-focused approach involving increased analysis of both past and projected international revenue. Early assessment is that this approach is contributing to an uplift in the growth trajectory of companies within the Focus portfolio as indicated by NZTE's key export growth performance measures:

Deals made with the assistance of NZTE

- approximately 75% (\$3.63 billion) of the total deal value (\$4.83 billion) was from customers with less than \$500 million in international revenue, reflecting

our reach across a broad range of small and medium sized customers

- the median deal value per customer rose to \$1.244 million, up from \$1.15 million in FY24 and \$1.07 million in FY23. FY25 also saw a rise in high-value deals (those exceeding \$5 million)
- 714 customers recorded a deal in FY25, up from 701 the year before and 682 in FY23
- the United States, United Kingdom, and Australia made up 48% of the export deal value this year as customers continue to target high GDP per capita markets for premium earnings.

⁹ Based on the total international revenue for Focus portfolio customers as at 30 June 2025 (\$60.81 billion).

PROGRESS AGAINST EACH STRATEGIC INTENTION

International growth outcomes (IGOs) achieved with the assistance of NZTE

NZTE also records outcomes where customers establish a significant platform for future international growth.

- over the year 3,832 international growth outcomes (IGOs) were achieved, a 38% percentage increase over the previous year

- product listings, employment contracts and distributor or agent agreements remain the top three types of IGOs
- the United States and Australia recorded the highest numbers of IGOs which is consistent with the previous year.

Performance highlights for Focus customers	FY23	FY24	FY25
Total number of export customers (Focus and Engaged)	6,436	5,650	5,787
Total number of Focus customers	1,342	1,029	932
Total value of trade deals	\$4.61billion	\$3.81 billion	\$4.83 billion
International growth outcomes (IGOs) achieved	2,511	2,771	3,832
Focus customer NPS	+75	+72	+78

Refer to pages 30-33 for more detailed information on NZTE's key performance metrics.

Assessment of operations – key work programmes delivered this year

NZTE has intensified its focus on ambitious high-potential exporters through more active portfolio management, deeper discovery of the growth needs of Focus customers, aligning our services and global network of experts to the identified growth needs, and ongoing delivery of in-person support through our customer managers and international teams to provide global connections and advice.

Active portfolio management

NZTE's team of business advisors support around 4,855¹⁰ New Zealand businesses in the Engaged¹¹ portfolio with linkages to appropriate information on NZTE's digital platform myNZTE, referrals to NZ Inc partners and access to courses and workshops.

This year the focus has been on identifying businesses with growth potential using analysis of existing data and targeting them with relevant resources as they are moved down an engagement 'funnel', towards the Focus portfolio. This is resulting in companies entering the Focus portfolio when their ambition, resourcing levels (both financial and human) and existence of an emerging export strategy signify that a partnership with NZTE has the potential to boost and accelerate their growth.

Deeper discovery of growth needs

After transitioning to the Focus portfolio, we now invest more time aligning each company for growth. This involves collecting detailed data on customers' expansion goals, including international revenue forecasts for the company and each of their target markets. We then collaborate with customers to validate these forecasts, strengthen execution plans, and determine our optimal support.

Aligning our services and network of experts to identified growth needs

Exporters access expertise and insights to help them be successful internationally through the Beachheads advisory network globally and other specialist solutions like the International Growth Fund.

Beachheads advisory network

Beachhead advisors, a global network of 450 independent private sector experts, draw on deep global expertise to support the growth of NZTE customers.

Following deeper discovery of growth needs, we have added relevant advisors, introduced small group workshops, and drawn on advisors to develop resources. This has included supporting customers navigate a fluid trade environment, building their

resilience and ability to pivot to new markets. Aligning the network to changing needs has seen a lift in engagement with 73%¹² of Focus portfolio customers accessing Beachhead expertise, up from 66% last year, with an NPS of +86.

Following the introduction of the 15% tariff for New Zealand we also partnered with other experts and with MFAT to provide information via fortnightly webinars.

International Growth Fund (IGF)¹³

The IGF is a critical part of a broader suite of solutions for Focus customers. It supports international growth projects that are likely to generate strong commercial returns for the business and economic benefits for New Zealand.

Over the past year we reduced the government contributions from 50% to 40% of the project with the customer contributing 60%. We also targeted funding to Focus customers with less than \$100 million total revenue and refined how projects are selected to increase contestability and additionality.

Increased targeting coupled with tough economic conditions have resulted in a reduction in projects co-funded this year. 386 international growth projects were approved this year across all three fund types for 261 Focus customers (compared to 498 projects last year) amounting to \$23.6 million invested.

We have also seen a higher percentage of projects executed during COVID-19 completed this year which has reduced the realised Direct Economic Impact (rDEI) over the 2020-2025 period. Refer page 40 for more information.

Delivering support through our international teams

Customers continue to prioritise markets with high GDP that demand premium products and services, while also maintaining a strong presence in regions with a rapidly growing middle class, such as parts of Southeast Asia. The top markets targeted by Focus customers were the United States, Australia and the United Kingdom, followed by China and Japan.

Customer deal flow from the **North America** region (including Canada) surpassed \$1 billion again this year, with a 12% increase from the previous year.

The **Europe Middle East Africa** region also saw significant growth assisted by tariff reductions under the NZ-UK Free Trade Agreement, with deal values increasing 56% from last year.

Southeast and East Asia remains a key focus for New Zealand, with NZTE offices hosting over 700 customer visits this year. The region was also the leading source of investment pDEI to New Zealand, up 14% from last year. Exporters are interested in India as one of the fastest-growing major economies but are conducting thorough due diligence before committing to this large market.

Region ¹⁴	#Focus customers targeting each region	Export deals*	Investment pDEI
North America	403	\$1.25 billion	\$252 million
Europe, Middle East & Africa	398	\$1.17 billion	\$230 million
South East and East Asia	375	\$919 million	\$1.7 billion
Australia and the Pacific	307	\$640 million	\$756 million
Greater China	188	\$546 million	\$1.2 billion
Latin America	129	\$239 million	\$0

*Does not include \$67 million of deals not assigned to a specific region.

¹² This % is as at beginning of July 2025 and is calculated by the number of Focus customers that have used at least one Beachhead service in the past 12 months divided by the total number of Focus customers.

¹³ The fund is structured around different stages of a customer's internationalisation journey: Springboard (short term capability building projects), Validation (12-month market validation projects), and Expansion (long-term larger scale international growth projects).

¹⁴ Refer to NZTE's International Network map on pages 88 to 89 for a breakdown of NZTE's regions.

¹⁰ 4,855 businesses in the Engaged portfolio as at 30 June 2025.

¹¹ Engaged customers are generally at an early stage in their internationalisation journey and have a less intensive relationship with NZTE.

PROGRESS AGAINST EACH STRATEGIC INTENTION

GROW FOCUS 1000 CASE STUDY

OHMIO AUTOMOTION LIMITED

Focus Customer Ohmio is a global leader in autonomous transport solutions. Their mission is to revolutionise transportation through innovative autonomous solutions that prioritise safety, accessibility, and sustainability.

Founded in 2017 and based in Auckland, the team has grown from an original base of 27 in total to more than 20 New Zealand-based employees, as well as 200 employees based internationally.

From a strong base and having grown international revenue by 17% in their last financial year, Ohmio are looking to double their international revenue in the next three years, targeting export receipts of \$50 million by 2028.

Since 2022, NZTE's global team has worked intensively with Ohmio in New Zealand and in three international markets, and provided support in an additional ten markets, assisting their growth ambitions in this fast-growing sector. Support has included international market strategy sessions, connections to service providers, market intelligence, introductions and product demonstrations to potential private and government projects helping Ohmio achieve \$7.48 million in deals over the past two years.

Alongside the work of the NZTE team, Ohmio have accessed a range of NZTE services with two New Zealand-based strategy sessions with private sector Beachheads Advisors, and seven sessions internationally across North America, Europe, the Middle East and South East Asia focused on market insight and intelligence, as well as understanding of local procurement requirements. Ohmio also attended curated webinars on topics including supply chain management and tariff navigation to help build their market knowledge and strategies to manage risk.

"The NZTE team has been incredibly involved and genuinely engaged with our business journey. Whether it's through advice, connections, or helping us navigate complex opportunities. What stands out most is their sense of ownership; they don't treat us like just another client but truly invest in our success as if it were their own. The team's knowledge of new markets and their insights into the opportunities available are particularly valuable, as they help businesses make informed decisions and develop strategies that are tailored to their specific needs. This partnership approach makes a real difference and is deeply appreciated"

– Executive Chairman Mohammed Hikmet

ACCELERATE high potentials – identifying high growth potential exporters and wrapping support around these companies to accelerate their export development

New Zealand needs more companies operating at scale in global markets. The intent of 'Accelerate' is to address the difficulty many companies face in surpassing \$100 million in international revenue. Starting with a small cohort of companies earning \$25 million to \$70 million in international revenue, we aim to develop and test intervention models that can support them to scale to \$100 million in international revenue within three years. This work is designed to not only accelerate this specific cohort, but also to generate insights and models that strengthen our ability to support all customers.

Assessment of progress

Work on this ambitious initiative has highlighted that each customer requires a very bespoke approach given that they have different opportunities, targets and challenges. It has been critical to allow time to ensure buy-in from customers' management teams, and that the pace of this work is customer-led as this allows each customer to plan and allocate adequate resourcing to both business-as-usual and the deep discovery work. To date, nine companies have been identified and agreed to participate in the FY26 pilot of this programme.

Assessment of operations – key work programmes delivered this year

Exploratory work began with quarterly CEO peer-to-peer sessions with 20 high growth potential customers focused on strategies for scaling international revenue above \$100 million. Areas identified as possible growth enablers included AI, business models, sales strategies and knowledge of geopolitical trends that could impact export strategies.

Five of the nine companies that have agreed to take part in the pilot programme are now entering deep discovery to identify their growth enablers, blockers, and accelerators. To test what further value external specialists may bring over our existing Beachhead service some companies will work with external specialists with customer contribution to the cost, and others will work with our Beachhead advisors.

Key deliverables of the deep discovery include individual company reports, a cross-company analysis of growth challenges and opportunities, and recommendations for scalable support models.

PROGRESS AGAINST EACH STRATEGIC INTENTION

SUPERCHARGE Māori economic potential – creating an environment within which Māori economic potential can thrive

The Māori asset base has grown to \$126 billion with a notable portion in sectors across forestry, fishing, and other primary industries. Despite this, Māori exports only represent an estimated \$5.2 billion or roughly 5.6%¹⁵ of New Zealand's total exports indicating that Māori businesses have the potential to become a major contributor towards doubling exports.

NZTE's intent is to support the growth of the Māori economy by maintaining intensity in our engagement with Māori companies and iwi, supporting the conversion of Māori assets into exports including the diversification of existing exports from commodity dependence to high-value margin product lines, and by accelerating investment opportunities to drive this growth and diversification.

Assessment of progress

Export results achieved by Māori customers with NZTE assistance

Steady progress has been made as demonstrated by the lift in our key performance measures, deals and IGOs. While it is too early to fully attribute the increases to our intensified focus on growth, these are positive indicators that the strategy is on track to drive future growth.

- the dollar value of deals achieved by Māori customers with the assistance of NZTE increased 30%, from \$98 million in FY24 to \$127.6 million in FY25
- 44 Māori customers recorded deals in FY25 compared to 38 last year
- 344 IGOs were achieved, a 35% increase over the previous year, representing strong foundations for future growth.

Investment outcomes for Māori customers

Investment outcomes for Māori customers declined this year primarily due to the increased focus on supporting Māori greenfield opportunities, which naturally require more time to reach final investment decisions. Merger and acquisition (M&A) deals decreased, indicating a stabilising and growing Māori economy.

- 17 deals were supported by NZTE this year with a combined projected economic impact for New Zealand of \$728 million
- 14 of these deals were equity capital raises for Māori land trusts, iwi post-settlement governance entities and promising Māori enterprises. By fostering partnerships between Māori businesses and early-stage investors, Māori entrepreneurs are able to launch and scale their operations effectively
- three M&A deals were also concluded during the year. NZTE supported preparation and/or connections for Māori investment into two Māori businesses and one iwi post-settlement governance entity to diversify their asset bases through M&A activity.

Assessment of operations – key work programmes delivered this year

NZTE aimed to maintain intensive engagement with early-stage Māori exporters, identify high impact projects with potential to convert Māori assets to exports and to increase the capability to grow margins from existing exports.

Performance highlights for Māori customers ¹⁶	FY23	FY24	FY25
Total Māori export customers	391	346	358
Total Focus customers	107	118	98
Number of Engaged customers	284	228	260
International growth outcomes (IGOs)	198	255	344
Export trade deals	\$122 million	\$98 million	\$127.6 million
Investment deals	21	20	17
Investment pDEI	\$1.120 billion	\$1.15 billion	\$728 million

¹⁵ <https://www.mbie.govt.nz/dmsdocument/30486-te-ohanga-maori-2023-report-pdf> Page 22

¹⁶ These results are a subset of NZTE's overall performance results and are not additional.

Early-stage exporters

There is a noticeable gap in the number of Māori companies with international revenue between \$3 million to \$25 million compared to non-Māori businesses. This year the number of Māori companies in the Focus portfolio reduced by 20 companies (118 in FY24 to 98 in FY25). However, the pipeline of Māori companies NZTE is actively working with in the Engaged portfolio increased by 32 companies (228 in FY24 to 260 in FY25). We expect to see more companies transition to the Focus portfolio in the coming year.

Assets to exports

NZTE aims to identify and support 10 projects that will unlock an additional \$1 billion of export revenue from the Māori economy.

Over FY25 NZTE identified 22 international market opportunities and matched these to 32 potential Māori entities aiming to grow asset returns. High level engagement plans were developed with eight

Māori entities, identifying required infrastructure, capital, and capabilities. The next phase will see in-depth validation of the projects and their potential international revenue uplift.

Exporter capability

Around 86% of the international revenue from NZTE's current Māori portfolio comes from commodity-based companies with aspirations to move up the value chain. Key challenges for these customers include maintaining sustainable growth margins from their existing products and markets.

To address this challenge, NZTE partnered with MPI and KPMG to develop an Accelerated Export Capability programme. The programme involves an independent strategy assessment, mapping of the value-chain cost and profit apportionment and a review of new opportunities. Piloted by Māori Kiwifruit Growers this year, the goal is to have six to eight customers participate in the programme annually.

CASE STUDY

MĀORI KIWIFRUIT GROWERS (MKG)

MKG is a collective of Māori land trusts and incorporations growing kiwifruit. With a collaborative marketing arrangement¹⁷ authorised by Kiwifruit New Zealand to export kiwifruit in partnership with Zespri, MKG is committed to accelerated capability building to attract premium pricing.

Since 2023, NZTE's global team has supported MKG with Beachhead advice on strategy development, supply chain optimisation, market research, and market entry for Taiwan. Through IGF Springboard funding, MKG also tested and localised their branding to suit the Hawaiian market.

With support from NZTE, MKG achieved a 396% revenue uplift in FY25, underpinned by \$1.9 million in deals in Hawaii. This growth stemmed from brand localisation, targeted marketing, and listings with new channel partners – a significant milestone in MKG's export journey.

Building on this success, MKG turned its focus to future markets. In May 2025, they piloted NZTE and MPI's Accelerated Export Capability programme to identify growth opportunities in the United Arab Emirates (UAE). This marked a shift from market entry to strategic market selection and capability building for long-term growth. With strong collaboration across NZTE, MPI, TPK and MBIE, MKG undertook an in-market value-chain assessment visit to the UAE. The pilot mapped their opportunities for growth, providing a deep understanding of their future in these export markets, their value chain, and their partner assessment and selection options. It also led them through a robust review of their trading performance, forecasting assumptions, and capability needs.

The in-market visit validated MKG's values-led approach to the UAE market, helping them open doors and build meaningful connections. As a result, MKG is now equipped with metrics to manage growth and profitability and make stronger decisions regarding their export markets.

“Working with NZTE and their partner agencies has been a game changer. We've gained the tools to explore new markets with confidence, and the clarity to make decisions that support our growth — not just for today, but for the long haul.” – Amy Tocker, Director

¹⁷ A collaborative marketing arrangement allows another entity to export kiwifruit (other than to Australia) in collaboration with Zespri and are approved by Kiwifruit New Zealand under the Kiwifruit Export Regulations 1999. Collaborative Marketing – Kiwifruit New Zealand

PROGRESS AGAINST EACH STRATEGIC INTENTION

INVEST in new economies – maximise New Zealand’s export potential through the growth and alignment of new parts of the New Zealand economy.

To maximise New Zealand’s export potential, we aim to attract investment into areas of large and emerging opportunity where New Zealand has a distinct competitive advantage. This includes attracting multinationals to establish a base in New Zealand and assisting New Zealand businesses to raise capital for their growth. Alongside this, NZTE has continued to advance the Active Investor Plus (AIP) visa, which is helping attract global individuals who bring both capital and capability to support New Zealand’s innovation economy.

Assessment of progress

Overall investment performance

Despite ongoing financial market headwinds, overall investment performance improved for the fifth year in a row with a record \$5.40 billion of pDEI to New Zealand this year, marking the achievement of a longstanding internal goal to achieve \$5 billion pDEI by 2025. Other notable changes have been an uplift in both the quality of the investments made and in the future investment pipeline:

- the pDEI ratio (the potential economic return for every dollar invested) increased from \$3.12 to \$3.77 reflecting a focus on deals with a higher return to New Zealand
- 85 deals were completed, with a total dollar amount invested in New Zealand of \$1.43 billion, in line with last year
- the value of NZTE’s investment pipeline increased by \$60.87 billion, a 434% increase from last year

- the number of investors in NZTE’s investor network increased by 11% compared to last year. This marks a continued upward trend in investor engagement and interest in New Zealand ventures, despite global capital market volatility.

Growing investment into new economies

FY25 saw NZTE focus its future investment pipeline growth into sectors of Government priority; renewable energy, advanced transportation, aquaculture and clean technologies – sectors that are central to improving national productivity and building economic resilience. NZTE aimed to achieve \$5 billion of pDEI from these ‘new economies’ in three years. The first year of this focus delivered solid results:

- the pDEI to New Zealand in the four new economy sectors was \$1.70 billion; representing 31% of the total pDEI achieved this year
- renewable energies were the main contributor with \$1.37 billion of pDEI
- the dollar amount invested into these sectors in New Zealand was \$752 million, representing 53% of the total dollar amount invested this year.

To achieve this NZTE increased international outreach, including supporting strong ministerial engagement with international investors throughout the year. Investment analyst and investment management resources were allocated to these sectors, and the strategic investment fund was aligned to support feasibility studies across these growth sectors. NZTE also prepared investment prospectuses for each of these

sectors that were launched at the Government’s March 2025 New Zealand Infrastructure Investment Summit.

The focus on high-growth industries, alongside the New Zealand Infrastructure Investment Summit and changes to the Active Investor Plus visa settings in April 2025, are reinforcing New Zealand’s reputation as a credible, forward-looking investment destination.

The establishment of Invest New Zealand will provide a scaled-up focus on securing foreign direct investment that delivers sustained impact for New Zealand’s economy, including to these priority sectors.

Assessment of operations – key work programmes delivered this year

Attracting investment to New Zealand (greenfield investment)

Although the number of greenfield deals was less than the prior year this was offset by a significant increase in pDEI reflecting the focus on deals with a higher potential return to the New Zealand economy:

- the year saw 18 greenfield investment deals completed with a total pDEI of \$3.34 billion and the creation of 302 jobs
- five of these deals involved multinationals establishing or expanding their operations in New Zealand, mainly in the renewable energies sector.

International connections are key for greenfield investment and NZTE supported a range of targeted investment and attraction activities throughout the year.

A key example was the Infrastructure Investment Summit that brought together over 300 investors, project developers, iwi, ministers, and sector leaders to explore large-scale opportunities across infrastructure and innovation-led sectors. NZTE played a central role, curating investment-ready deals, hosting targeted one-on-one investor meetings, and facilitating deeper conversations about investment-readiness and long-term economic growth. An iwi-led Māori economy presentation during the Summit also provided international investors with insights into the Māori economy and opportunities for investment.

Supporting New Zealand companies to raise capital

Overall, investment support across all customers increased this year, with more companies actively engaging in capital raising as they pursued offshore expansion. This marks a continued upward trend in investor engagement and interest in New Zealand ventures.

This year saw 64 New Zealand businesses secure a combined \$452 million in investment, \$183 million from international sources and \$269 million from domestic investors. These investments are forecast to generate a potential direct economic impact (pDEI) of \$2 billion through increased profits, employment, and supplier spend across New Zealand. Companies reported accelerated growth, expanded global footprints, and improved strategic capability as a result.

Investor migrants

MBIE is responsible for the policy settings and visa approvals for investor migrants, while NZTE led the operational delivery of the Active Investor Plus (AIP) visa programme, from global promotion and investor engagement to assessing direct investments and managed funds for AIP eligibility.

Since inception in September 2022, the AIP programme has attracted a total of 248 applications. 157 visas have been approved to date representing \$170 million of investment into New Zealand.

On 1 April 2025 new visa settings were implemented with re-tailored investment guidelines and changes to time-in-country requirements. This resulted in a significant uplift in applications:

- 202 visa applications were received in FY25. Of these, 149 were received in the three months from 1 April 2025 to 30 June 2025 (under the new settings) also signalling an upward trend in investor interest in New Zealand
- of the 202 applications, 108 visas have been approved in principle by Immigration New Zealand representing \$70 million already invested with a further \$1.21 billion expected
- NZTE approved 146 direct investment opportunities and 21 managed funds as eligible AIP investments that benefit New Zealand.

Performance highlights for investment customers	FY23	FY24	FY25
Total investors	4,060	4,488	4,984
New investors	836	445	496
pDEI: \$ benefit of investment deals	\$4.02 billion	\$4.54 billion	\$5.40 billion
Total \$ invested in New Zealand	\$1.5 billion	\$1.5 billion	\$1.43 billion
pDEI ratio: \$ benefit from each investment \$ for New Zealand	\$2.75	\$3.12	\$3.77
Number of jobs created	2,020	1,717	1,298
Investment deals completed	83	81	85

PROGRESS AGAINST EACH STRATEGIC INTENTION

ATTRACTING INVESTMENT TO NEW ZEALAND CASE STUDY

KING COUNTRY PET FOOD NEW ZEALAND LIMITED

King Country Pet Food, a subsidiary of listed Chinese company Petpal Pet Nutrition Technology Co., Ltd, recently developed a large-scale premium pet food manufacturing facility in Taumarunui, in New Zealand's central North Island. The facility produces up to 40,000 tonnes of high-quality kibble annually for global export.

Set in the heart of the King Country region, the plant will harness New Zealand's reputation for world-class meat production and food safety, delivering premium pet nutrition products to meet growing international demand. The development is expected to generate over 80 full-time jobs and significantly boost the local economy through regional employment, supply chain partnerships, and infrastructure investment. Local farmers and producers will also benefit from increased demand for high-quality protein inputs, creating value across the wider food and fibre ecosystem.

The project represents a capital investment of \$100 million¹⁸.

With the help of New Zealand Trade and Enterprise (NZTE), Petpal identified Taumarunui as a strategic location for manufacturing – supported by access to high-quality protein, efficient logistics, and strong regional partnerships. NZTE provided support on site selection, regulatory navigation, and engagement with local government and suppliers, and continues to support the company as it ramps up operations and exports.

“New Zealand offers an ideal environment for premium food manufacturing – trusted systems, great natural resources and strong support. With NZTE's help, we've been able to get established quickly and are proud to be part of the King Country community.”

– Jing Zhang, CEO of Petpal Pet Nutrition NZ Ltd.

¹⁸ The number of full time jobs and capital investment amount are as at September 2025.

LIFT people and productivity – enabling high performance and growth of our people and making it easier for them to do their jobs

Recognising that financial acumen is a foundation of commercial discussions, and artificial intelligence and use of data is likely to be an enabler of global business over coming years, NZTE focused on these areas in FY25.

Further develop the capability of our customer facing teams

All customer facing employees have completed an online, internally developed course entitled “Unlocking Growth Through Financials” that continues to build expertise in analysis of financial reports and understanding the impacts of various business decisions and strategies on a company's' financial position.

AI and new technology

AI adoption presents significant opportunity to create efficiencies and increase productivity. Following work to ensure our approach to using AI protected our data, we deployed Teams Premium (for AI generated meeting summaries and actions) across our customer-facing teams and commenced deployment of M365 copilot (AI embedded into Microsoft office applications such as Word, Excel and Outlook), with positive results:

- 74% of people use AI three times a week or more, with 40% of people using it 10 times a week or more
- our people have adopted M365 copilot at four times the rate of our peer group, based on benchmarking data from Microsoft that compared NZTE with organisations of similar size and industry across Australia and New Zealand.

Improve decision making through data

As our customer-facing teams invest more time aligning each Focus company for growth, collecting and recording international revenue forecasts for the company and each of their target markets, a new data warehouse is under continuous development to enable tracking of this data over time. The aim of this development is to make it easier for both our customers and our people to access and gain growth-related insights from the data.

As a result, we anticipate our ability to generate deeper and more reliable insights on customers, sectors and markets will improve over time as more data is collected. Aggregate insights will also be shared with NZTE's monitoring departments to help inform policy development.

PROGRESS AGAINST EACH STRATEGIC INTENTION

Growing New Zealand's Brand: New Zealand Story Group (NZ Story)

Alongside our four strategic intentions, NZTE collaborates with NZ Story, a joint venture focused on growing New Zealand's reputation internationally.

New Zealand's brand is valued at USD \$292 billion (a 16.8% increase from 2024), making it one of the country's key strategic assets. NZ Story's role is to ensure global perceptions translate into export growth, investment, tourism and talent attraction. NZ Story is hosted within NZTE.

In FY25 NZ Story:

- won the international 'Place Brand of the Year' Award on behalf of New Zealand for the work done to define our country's values and ensure these were embedded in government agencies' marketing campaigns
- developed and piloted New Zealand Brand Guidelines to ensure government agencies use powerful and aligned visuals when promoting New Zealand internationally

- collaborated with NZTE to develop the Mission Storytelling Kit, a collection of imagery, videos and key messages for use by exporters and government agencies. For example, the new Trade Partnership Story video promotes New Zealand as a trusted global trading partner. This video was played during various international trade missions this year.
- collaborated with NZTE and MPI to develop the New Zealand Grass-Fed Standard. The Grass-Fed FernMark was launched at Fieldays
- delivered 'Export Storyteller' programmes – courses, online modules and webinars – to 154 companies to build their international marketing capability
- continued to connect leaders from New Zealand's iconic international brands to share marketing insights and to explore opportunities for collaborative in-market promotions.

NZ Story is also responsible for The FernMark Licence Programme. This programme now has 620 companies proudly 'flying the fern' for New Zealand. The FernMark logo has trademark protection in 45 jurisdictions across a range of core classes of goods and services.

Performance highlights for NZ Story	FY24	FY25	% Change
Registered users of the New Zealand Story toolkit	23,388	24,331	+4.0%
Assets downloaded from the New Zealand Story toolkit ¹⁹	278,218	300,893	+8.2%
Net promoter score (NPS) for New Zealand Story	+78	+75	-3
FernMark licensees	587	620	+5.6%

¹⁹ The NZ Story Toolkit includes free imagery, videos and other resources that exporters and government agencies can use for their own international promotions.

SECTION 3: STATEMENT OF PERFORMANCE

STATEMENT OF PERFORMANCE

Section 3 of the annual report constitutes NZTE’s service performance information and year end performance information for appropriations presented in accordance with service performance reporting standard PBE FRS-48.

Supporting export growth

NZTE’s purpose is to contribute to New Zealand’s economic growth by supporting companies to grow internationally for the good of New Zealand. Export-led growth is critical given the small size of the New Zealand domestic economy. The importance of export growth is reinforced by the Government’s goal to double the value of exports by value in 10 years.

NZTE’s contribution to export growth is supporting companies to grow internationally and attracting investment to New Zealand. NZTE’s customers are companies that export or are looking to export from New Zealand. Investment customers are companies exporting from New Zealand that need capital to grow, foreign companies looking to establish operations in New Zealand and investor migrants.

NZTE’s four strategic intentions are designed to deliver on the Government’s priorities, achieving growth that focusses on companies with strong growth ambitions:

- **GROW Focus 1000** – maximising the growth of companies within our Focus 1000 portfolio
- **ACCELERATE high potentials** – identifying high growth potential exporters and wrapping support around these companies to accelerate their export potential
- **SUPERCHARGE Māori economic potential** – creating an environment within which Māori economic potential can thrive
- **INVEST in new economies** – maximising New Zealand’s export potential through the growth and alignment of new parts of the New Zealand economy.

Section 2, Progress on strategic intentions, contains further information on NZTE’s role and our strategic intentions.

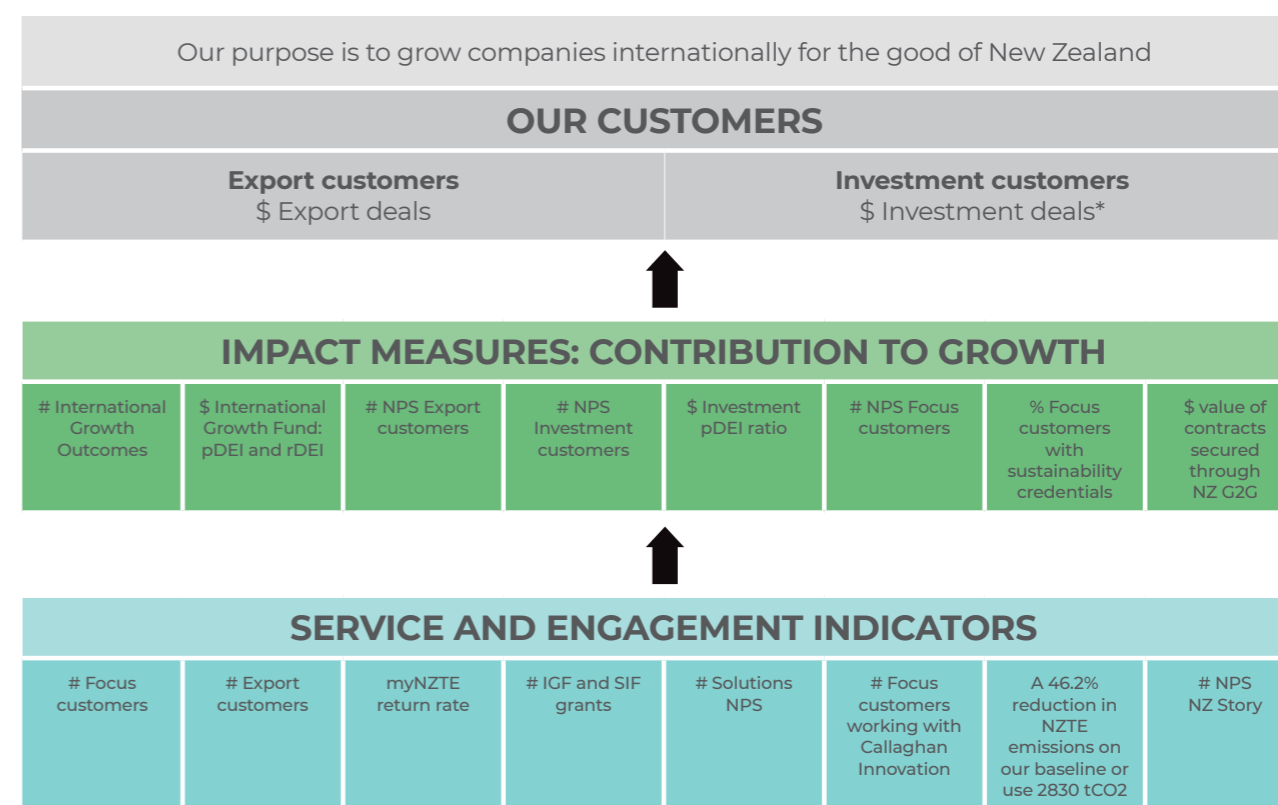
Measuring our performance

FY25 was the first year of our work programme to deliver our strategic intentions.

Our Performance Framework reflects the desired outcomes of our strategic intentions, their work programmes and the link to our overall purpose.

The performance measures are consistent with information presented in NZTE’s 2024-25 Statement of Performance Expectations²⁰, and consistent with measures used to monitor performance and guide decision-making throughout the year.

The Government’s Goal: Double exports by value in 10 years



* Annual investment impact pDEI

pDEI – Potential direct economic impact
 rDEI – Realised direct economic impact
 NPS – Net promoter score
 IGF – International growth fund
 SIF – Strategic investment fund

²⁰ The row of organisation health measures and the number of Māori customers measure outlined in the 2024/25 SPE performance framework is not included in this framework diagram as that row contained internal management measures (not externally reported measures), with the exception of the 46.2% reduction in NZTE emissions measure which is now included as part of our service and engagement indicators.

STATEMENT OF PERFORMANCE

Financial Reporting Standard 48 (PBE FRS 48)

Our approach for developing service performance information follows the Public Benefit Entity Financial Reporting Standard 48 (PBE FRS 48). By aligning the selection of our service performance measures with the following qualitative characteristics, we can provide more useful information to our stakeholders:

- Relevant** – selecting service performance information.
- Representative** – our service performance information is complete, neutral and free from material error.
- Understandable** – striving to report service performance information with clarity.
- Timely** – delivering our service performance information promptly to ensure it is useful for our stakeholders' accountability and decision-making purposes.
- Comparable** – our service performance information can be viewed by our stakeholders against previous years.
- Verifiable** – our service performance information will be capable of measurement or description in a consistent manner, capable of independent verification, and exclude unsubstantiated claims.

As acknowledged for entities in PBE FRS 48, the constraints on reporting service performance information are materiality, cost-benefit, and balance between the qualitative characteristics. Each of these constraints is factored into our selection process for service performance information.

Our measurement structure

Our measurement structure provides a clear understanding of NZTE's priorities and the outcomes we deliver in pursuit of the government's economic objective to double the value of exports in 10 years.

Intervention Logic for NZTE

NZTE's services are determined by the Intervention Logic (refer Appendix 1) agreed with the Ministry of Economic Development (a predecessor to MBIE), Treasury and NZTE in 2011. The logic outlines that NZTE's support is often critical to overcoming the inherent challenges of exporting from New Zealand and getting exporters successfully started on their export journey or accelerating their export growth

and is designed to ensure NZTE invests in areas that are likely to maximise additionality and have the most impact for exporters.

NZTE delivers this by:

- leveraging the government's reputation to open doors, provide credibility and a New Zealand Government voice for New Zealand-based exporters
- reducing transaction costs and replicating the benefits of a large firm to help New Zealand exporters overcome disadvantages of scale and distance
- remaining commercially neutral and operating for the benefit of New Zealand. This means we can offer support to a broad range of companies
- leveraging the goodwill and expertise of the local and international business community for the benefit of New Zealand. An example is the extensive network of private sector advisors (Beachheads) in New Zealand and internationally who help New Zealand exporters.

Performance measures

Our suite of performance measures is longstanding, reflecting the long-term nature of generating outcomes. A wide range of national, international and company settings influence a company's performance. For example, interest rates, exchange rates, consumer confidence, real wages, access to technology and appropriate skills and talent, levels of infrastructure and political stability. This means direct attribution of NZTE's support to customers' international growth is not achievable. For this reason, our collection of performance measures is designed to provide the best possible indicators of our impact. These are complimented with customers' own assessment of the value of the support they receive.

To calculate some of our performance measures, we rely on information supplied by customers within the confines of available commercial information. NZTE reviews the information for reasonableness.

The following Statement of Performance contains narrative on our performance against each performance measure linked to our strategic intentions and core service offerings with additional information available in Section 1, Introduction, and Section 2, Progress against strategic intentions.

STATEMENT OF PERFORMANCE

2024/2025

Output Class One: International business growth services statement of performance

To support the Government's goal to double the value of exports, we work with individual or groups of companies to build their capability and growth in international markets, and we match quality investment with opportunities. The majority of NZTE support is funded from this output class.

We help companies to internationalise by:

- improving their capability and readiness to grow internationally
- identifying and pursuing international market opportunities
- overcoming internationalisation barriers and enabling access to international business networks.

We support investment opportunities that help our economy grow at a faster rate than it otherwise would, and provide more jobs and higher incomes for all New Zealanders by:

- supporting growth stage companies to accelerate their ability to scale and compete internationally through investment
- promoting New Zealand as an investment destination, developing and assessing the feasibility of business cases, building local market context, making connections to global and domestic sources of capital and access to markets and knowledge
- supporting the attraction, activation and aftercare of investor migrants who will contribute skills, experience and networks to New Zealand.²¹

Our New Zealand-based customer managers and international teams provide tailored support, advice and linkages for our customers. Around this, we wrap solutions to help build capability, connect with global opportunities, access capital, and develop effective strategies for growth.

Statement of Cost of Service – International business growth services

Output expense	Actual 2022/23 \$000	Actual 2023/24 \$000	Budget 2024/25 \$000	Actual 2024/25 \$000
Revenue Crown	179,144	188,078	172,361	172,361
Revenue other	10,043	12,927	6,686	7,178
Total revenue	189,187	201,005	179,047	179,539
Expense	185,716	198,691	179,047	176,547
Net result	3,471	2,314	–	2,992
Use of prior year surplus	–	–	(10,000)	–
Fair value of 2025/26 derivatives	(8,401)	(417)	48	3,901
Unrealised FX	(353)	(950)	–	353
Reconciled to the Statement of Comprehensive Revenue and Expense	(5,211)	1,046	(9,952)	7,246

²¹ NZTE is not involved in the processing or decision making of investor visas through the Active Investor Plus (AIP) scheme, this responsibility sits with Immigration New Zealand.

STATEMENT OF PERFORMANCE

2024/2025

Performance results for Grow, Accelerate and Supercharge strategic intentions and our core services

The following performance measures reports overall export customer outcomes resulting from our collective efforts under the following strategic intentions and our core work with exporters that sits alongside our strategic intentions:

- Grow Focus 1000 – maximising the growth of companies in the Focus portfolio
- Accelerate future stars – identifying high growth potential exporters and wrapping support around these companies to accelerate their export potential
- Supercharge Māori economic development – creating an environment within which Māori economic potential can thrive.

Refer to pages 14 to 20 for further information.

About our measures

The following judgements or limitations apply when calculating NZTE's Business Growth Services performance measures presented in this section:

Comparability: unless otherwise stated, all results are comparable to prior years

Measure: Total value of export deals achieved with NZTE involvement

About this measure: An export deal is an international sale of goods or services that an Export customer has achieved over a defined period, with help from NZTE. This measure reports the total value of export deals approved between 1 July and 30 June.

Actual 2022/23	Actual 2023/24	Target 2024/25	Actual 2024/25
\$4.61 billion	\$3.81 billion	\$2.7 billion	\$4.83 billion

Comment: The dynamic nature of international trading conditions makes it challenging to set precise export deal targets and this year's result is higher than expected. When the FY target was set, we expected business conditions to remain challenging with global economic growth lagging behind forecasts and ongoing geopolitical tensions pushing up prices and impacting international trade.

Two trends are influencing this year's increase. The median deal value per customer increased to \$1.244m, up from \$1.15m in FY24 and \$1.07m in FY23. There was also a rise in high-value deals – those exceeding \$5m. Customers in the food and beverage sector recorded the highest proportion of deals at \$1.7 billion compared to \$1.5 billion in FY24 reflecting the cornerstone nature of this sector for New Zealand's overall export performance. Tech and Services customers generated the next highest deal results at \$1.4 billion up from \$986 million in FY24 in keeping with the lift in New Zealand's overall Services exports.

The increase in deal values from the prior year could indicate a sharper focus on working with companies with the ambition and potential to scale is gaining traction, however it is considered too early to determine if this is a trend.

More about the measure: The Deals measure is a simple proxy of the commercial value customers achieve with our assistance. We do not attempt to attribute certain percentages of each deal to the level of assistance provided, or to specific individual services. This would be both impossible and impractical. While there are some inherent limitations to this measure, it is a broad indicator for commercial value added.

The total value of multi-year deals is claimed in the first year rather than spreading it over the life of the contract. Deals can be reported before the revenue is received and NZTE does not systematically follow up on whether the revenue eventuated, nor adjust prior year reports if the revenue does not eventuate.

Deals and IGOs: Judgement is used when determining whether each deal or IGO meets the stated 'NZTE Deals and IGO Guidelines'. A range of policies help promote good judgements when recording deals and IGOs, such as:

- requiring 'one up' approval
- written confirmation from customers for all deals over \$10 million
- sample checks by a dedicated Guideline Auditor
- an Outcome Panel for review and advice on complex cases.

NZTE does not follow up on whether an IGO results in significant international growth.

NPS: results can fluctuate when there are low response rates.

Customer numbers: NZTE uses judgement when segmenting customers into and out of the Engaged and Focus portfolios

Measure: Number of international growth outcomes (IGOs) achieved with NZTE involvement

About this measure: Reports the total number of IGOs approved between 1 July and 30 June. An IGO is a result achieved in New Zealand or an international market with the assistance of NZTE, that is not a sale, but a result that provides a significant platform for future international growth. Examples include:

- appointing a licenced distributor or agent
- establishing an international legal entity
- assisting with marketing and public relations that results in, for example, successfully executing a significant campaign with KPIs achieved
- improving manufacturing capability or capacity
- change to a governance structure that delivers international capability
- an investment or acquisition
- regulatory approval
- product listings or supply agreements
- implementing a digital platform.

We consider this one of the most useful measures in our suite of performance metrics as it reflects a broader range of growth outcomes than deals alone and provides a more direct line of sight between the type of NZTE service used and outcome achieved.

Actual 2022/23	Actual 2023/24	Target 2024/25	Actual 2024/25
2,511	2,771	2,000	3,832

Comment: Focus Customers experienced a 38% increase in the number of IGOs, with the number of customers having two or more IGOs rising by 23%.

With the emphasis on growth, we are seeing a notable uplift primarily across regions that hosted ministerial visits, Prime Minister-led missions, and FTA-related activities. This growth is relatively consistent across sectors, with the most significant increases observed in:

- marketing and public relations, reflecting the maturing of New Zealand businesses internationally, as they deepen their understanding of what it takes to succeed in highly competitive global markets
- distributor appointments, indicating a strategic approach to risk mitigation, as customers seek to diversify across both existing and new markets.

Results are directly comparable to FY24 but not with previous financial years due to the addition of two new IGO categories in FY24: Manufacturing Programmes and Practices and Marketing & Public Relations. The scope of the sustainability category was also widened from assisting the customer to gain sustainability credentials to implementing sustainability practices that provide competitive advantage.

Measure: Total net promoter score (NPS)²² for Focus customers

About this measure: Reports whether Focus customers perceive NZTE as adding value and measures the likelihood of customers recommending the service to others.

Actual 2022/23	Actual 2023/24	Target 2024/25	Actual 2024/25
+75	+72	+65	+78

Comment: NZTE continues to see strong advocacy from customers with an NPS of +78. The higher than planned performance of +78 against a target of +65 can be explained by verbatim feedback where customers were overwhelmingly positive about NZTE's support.

This result is based on all NPS responses received from contacts of Focus customers who are invited to participate in the Export Customer Tracker survey twice during the financial year (974 responses from 3,530 invitations or a 28% response rate).

Results are largely comparable over the reporting period as the same questions were asked of our customers. This year survey responses were anonymised to remove any potential barrier to providing open and honest feedback.

²² NPS is calculated by subtracting the percentage of detractors (those that gave a score of zero 0 to 6) from the percentage of promoters (those that gave a score of 9 or 10). This measures the likelihood of customers recommending the service to others and is an indicator of the perceived value of that service.

STATEMENT OF PERFORMANCE

2024/2025

Measure: Total number of Focus customers

About this measure: The total number of Focus customers receiving intensive support as at 30 June 2025.

Actual 2022/23	Actual 2023/24	Target 2024/25	Actual 2024/25
1,342	1,029	900-1,100	932

Comment: This year's result of 932 Focus customers is within the target range of 900 to 1,100 reflecting that the total number is influenced by business ambitions and readiness for intensive engagement. More companies left the portfolio this year than joined (153 left and 56 entered). This reduction reflects the impacts of geopolitical volatility on the growth ambitions of some companies as companies' growth ambitions are naturally cautious amid challenging global economic conditions.

The segmentation criteria has remained largely unchanged from the previous year. With no significant changes, the criteria has not had a material impact on customer numbers in FY25.

Results are not comparable over the reporting period due to the portfolio resizing resulting from the cessation of COVID-19 Response and Recovery Funding (CRRF) funding on 30 June 2024.

Measure: Total number of export customers in the NZTE portfolio

About this measure: The total number of export customers engaged with NZTE at the end of the financial year. This measure aggregates the total number of customers in each of the two export customer segments: Engaged (4,855) and Focus (932)

Actual 2022/23	Actual 2023/24	Target 2024/25	Actual 2024/25
6,436	5,650	4,500 (demand driven)	5,787

Comment: At 5,787, the total number of export customers is above the target of 4,500 customers, reflecting the demand driven nature of this target. The FY25 result is higher than the FY24 result of 5,650 because of a higher number of Engaged customers entering the portfolio.

Additional export customer performance measures

The following export customer measures are used for internal management purposes and are no longer considered indicative of our impact. They have been removed from NZTE's 2025/26 Statement of Performance Expectations with MBIE's agreement.

Measure: Total net promoter score (NPS) for export customers

About this measure: Reports where export customers (Focus and Engaged) perceive a service as adding value and measures the likelihood of customers recommending the service to others.

This measure includes all NPS responses received from export customers who respond to surveys after completing NZTE solution offerings, using the myNZTE website or participating in one-to-one and multi-customer activities that take place in New Zealand and internationally such as international trade shows, workshops and seminars.

Actual 2022/23	Actual 2023/24	Target 2024/25	Actual 2024/25
+73	+73	+65	+72

Comment: At +72 against a target of +65, service performance is higher than planned performance, reflecting the higher-than-expected positive feedback from all survey responses received during the financial year (2,287 responses out of 16,683, a 14% response rate).

Measure: Total net promoter score (NPS) for NZTE solutions

About this measure: Reports how satisfied export customers are after engaging with NZTE solutions that build customer capability, provide access to expertise and funding, and connect people through events and learning experiences.

Actual 2022/23	Actual 2023/24	Target 2024/25	Actual 2024/25
+73	+72	+65	+77

Comment: Service performance is higher than planned performance reflecting the higher-than-expected positive feedback from export customers who completed one-to-one solution offerings such as Beachhead advisors, digital clinics, market research and one-to-many offerings such as our Export Essentials course and Essential Selling workshops. The +77 actual result is based on 906 respondents from 6,564 surveys, a 14% response rate.

Results are generally comparable over time, reflecting continuing delivery of core offerings such as Beachheads and market research, though new solutions can be established and old offerings retired reflecting changing customer need.

Measure: myNZTE return rate

About this measure: Based on the number of unique returning browsers divided by the number of unique browsers that visited myNZTE within a month. It then averages monthly return rates to give an overall annual result. A browser is an application to find and view websites and the return period is the past 90 days.

Actual 2022/23	Actual 2023/24	Target 2024/25	Actual 2024/25
20%	21%	17%	26%

Comment: myNZTE is a portal for customers that provides curated guides, information and access to tools for learning. It allows NZTE to work with customers online, as well as in person, thereby expanding our reach to help more exporters grow. The average monthly return rate for the year is 26%, 5% higher than FY24.

STATEMENT OF PERFORMANCE

2024/2025

Measure: Proportion of NZTE Focus customers with sustainability credentials

About this measure: The proportion of NZTE Export customers with at least one accreditation from a sustainability organisation including organisational certifications and product certifications.

We obtain company accreditation data directly from the following certifiers; B Corp, Toitū, EKOS, Science Based Targets, NZAVS, Fairtrade, UN Global Compact Members, BioGro, Environmental Product Declaration, and Living Wage. This list of accredited companies is then compared against businesses in the Focus Export customer portfolio at 30 June 2024.

	Actual 2022/23	Actual 2023/24	Target 2024/25	Actual 2024/25
	6.0%	15.9%	10%	15.9%

Comment: NZTE supports customers to obtain sustainability certifications to help validate their sustainability story in international markets. Of our 932 Focus Export customers, 148 have at least one sustainability credential. The result of 15.9% is the same as last year and higher than expected due to the lower number of Focus customers this year (932 compared to 1,029 last year) and a downward movement of performance targets in consideration of the reduction from Focus 1400 with CRRF funding to a tighter Focus 1000 portfolio, a challenging global economic outlook and high business costs indicating sustainability certifications would be less accessible to some businesses.

As agreed with MBIE this is the final year of reporting this measure as we evolve our interventions to apply our direction of effort to where we will have the greatest impact. Our primary sustainability goal is enabling Focus portfolio exporters in key export sectors and markets facing ESG regulations with high quality knowledge and follow-through support in collaboration with the sustainability ecosystem.

Customers that have achieved a certification without receiving sustainability support from NZTE are also included in this measure. The percentage is impacted by the number of customers in the Focus portfolio.

Judgement is required when determining which sustainability certifiers should be used to assess customers against.

The FY25 result is comparable with FY24, but not comparable with FY23 as the measure changed from including all export customers (6436 in FY23) to only including Focus Export customers (1029 in FY24).

Strategic intention: Invest in new economies

NZTE attracts high quality investment to New Zealand, contributing to the development of world-class innovative ecosystems, in high-potential new economies. These performance measures reflect our efforts to attract companies to New Zealand, raise capital for New Zealand businesses and attraction of investor migrants.

Refer pages 21 to 23 for further information.

Measure: \$ potential direct economic impact (pDEI) for investment deals

About this measure: pDEI is the forecast return to the economy through increased profits, wages and domestic supplier spend from investment deals.

When an investment deal is completed, we calculate what the pDEI for New Zealand is because of the investment project. pDEI measures what the impact of the project is (over and above what would have happened without the investment event) and is calculated using:

- capital investment
- number of new jobs created each year of the project and the average salary of those jobs in New Zealand
- incremental expenditure on goods and services in New Zealand
- incremental earnings before interest and taxes (EBIT) retained in New Zealand

The number of years captured in the calculation is between three and 10 years depending on the project and use of funds. We then use a nominal discount rate to calculate the present-day value of the project to provide the pDEI from the completed project.

	Actual 2022/23	Actual 2023/24	Target 2024/25	Actual 2024/25
	\$4.02 billion	\$4.54 billion	\$3 billion	\$5.40 billion

Comment: pDEI of \$5.4 billion in FY25 is higher than our target reflecting NZTE's continued focus on high-impact deals. This year's result is 85 deal transactions completed; 64 deals for growth company capital raises, 18 greenfield transactions and three merger and acquisition transactions.

The following judgements apply when calculating pDEI:

- potential impact is assessed; actual results may vary
- the period of benefit realisation varies depending on the industry, so the period is selected using professional judgement based on best available information
- economic benefit is from three to 10 years depending on the project and use of funds
- NZTE relies on information supplied by the customer and reviews it for reasonableness, however, cannot confirm its accuracy
- a discount rate is applied as determined by Treasury
- an inflation rate is also applied as determined by Treasury at the start of the financial year, the actual rate may vary.

Measure: Ratio of potential direct economic impact (pDEI) for investment deals

About this measure: Potential direct economic impact for every \$1 invested.

	Actual 2022/23	Actual 2023/24	Target 2024/25	Actual 2024/25
	2.75 to 1	3.12 to 1	2.5 to 1	3.77 to 1

Comment: The pDEI ratio for all investment deals completed during FY25 is 3.77 to 1 against the target of 2.5 to 1. This means there is the potential for \$3.77 of direct economic impact for every \$1 of investment.

Typically, different deal types have different pDEI ratios (e.g. a merger and acquisition deal would usually have a lower ratio than a greenfield deal). The ongoing focus on quality greenfield and company capital raises resulted in a higher pDEI ratio than the target.

The judgements outlined for \$pDEI (see above) also apply when calculating the ratio of pDEI.

STATEMENT OF PERFORMANCE

2024/2025

Measure: Total net promoter score (NPS) for investment deals

About this measure: NPS reports how satisfied customers are who have completed investment deals. It measures the likelihood of customers recommending the service to others and is an indicator of the perceived value of NZTE's service.

Actual 2022/23	Actual 2023/24	Target 2024/25	Actual 2024/25
+91	+81	+65	+64

Comment: Investment's NPS of +64 against a target of +65 is due to 24 of the 33 responses received being 'promoters' (a score of 9 or 10), 6 'passives' (a score of 7 or 8) and 3 'detractors' (score between 0 and 6).

The drop in NPS from FY24 is partially due to a significantly lower response rate (a response rate of 67.5% in FY24 to 45% in FY25) due to issues with spam filters blocking emails. 33 responses were received out of 74 surveys sent. NPS can fluctuate significantly when there are a low number of responses.

Organisation Health and Capability: Carbon Neutral Government Programme

NZTE is committed to reducing emissions under the Carbon Neutral Government Programme.

Measure: A 46.2% reduction in NZTE emissions on the 2018/19 financial year (baseline)

About this measure: Under the Carbon Neutral Government Programme, total carbon emissions for our organisation include all:

- scope 1 (direct emissions from sources we own or control)
- scope 2 (indirect emissions from the generation of purchased electricity)
- mandatory scope 3 emissions (other indirect sources).

Actual 2022/23	Actual 2023/24	Target 2024/25	Actual 2024/25
3,369 tCO ₂ e	2772 tCO ₂ e	3,884 tCO ₂ e	3,146 tCO ₂ e

Comment: The 2024/2025 result of 3,146 tCO₂e is lower than the planned target of 3,884 tCO₂e and represents a 45% reduction since our 2018/19 base year total of 5,733 tCO₂e. This year's result is an increase on the emissions for 2023/24, which is mainly due to increased international travel post pandemic.

Judgment is required when determining our organisational boundary and when deciding which emissions sources to include. NZTE has completed 'significance screening' under the guidance of our certifier, Toitū Envirocare, to determine which sources to include. NZTE also commissions an annual external audit by Toitū Envirocare to verify the emission calculations.

Output Class Two: Collaborative activity and special events

We collaborate with other New Zealand agency partners to:

- leverage New Zealand's profile and brand in international markets
- secure and capitalise on special events or opportunities that support New Zealand's export growth.

Activities within this output class include:

- New Zealand Government-to-Government (NZ G2G) – established with MFAT to internationalise our public sector skills, systems and know-how
- New Zealand Story Group (NZ Story) – a joint venture focused on growing New Zealand's country brand reputation internationally. Refer page 25 for further information.
- identification of innovation intensive companies that are supported by Callaghan Innovation that may be ready for internationalisation support from NZTE.

Statement of Cost of Service – Collaborative activity and special events

Output expense	Actual 2022/23 \$000	Actual 2023/24 \$000	Budget 2024/25 \$000	Actual 2024/25 \$000
Revenue Crown	6,086	5,703	2,760	3,465
Revenue other	2,687	3,680	1,150	2,172
Total revenue	8,773	9,383	3,910	5,637
Expense	8,701	9,284	3,910	5,637
Net result	72	99	-	-

Measure: Value of contracts secured through NZ G2G

About this measure: Total international revenue generated by New Zealand suppliers from the contracts brokered by NZ G2G to sell New Zealand innovation, science and research expertise. NZ G2G was a joint venture with MFAT that takes New Zealand government skills, systems and know-how to market on a commercial basis. G2G is short for Government to Government.

Actual 2022/23	Actual 2023/24	Target 2024/25	Actual 2024/25
\$786,000	\$7.993 million	\$10 million	\$108.6 thousand

Comment: In FY24 this work programme was managed by a separate entity within NZTE. Following a strategic review NZ G2G has been dis-established. The \$108.6 thousand in deals recorded this year represents the final outcome under the contracts brokered by NZG2G.

Each former G2G customer has now been integrated into a relevant Customer Manager's portfolio, ensuring they receive the appropriate level of support for their business.

As agreed with MBIE, this is the final year of reporting on this performance measure.

STATEMENT OF PERFORMANCE

2024/2025

Measure: Total net promoter score (NPS) for New Zealand Story Group

About this measure: NPS survey sent to people who attended a New Zealand Story (NZ Story) webinar, event, or participated in the Export Storyteller Programme. It also includes NPS ratings from people who opted in to provide an NPS rating after downloading New Zealand Story Toolkit resources.

Refer page 25 for further information.

	Actual 2022/23	Actual 2023/24	Target 2024/25	Actual 2024/25
	+72	+78	+65	+75

Comment: The +75 actual result is based on 356 survey responses out of 1,421 surveys sent, a 25% response rate. This year's result is driven by:

- the International Values Film launched in December 2024
- the China Perceptions Research launched in December 2024
- the USA Perceptions Research launched in February 2025
- the Trade Partnership Story resources launched in May 2025
- the Export Storyteller Programme that ran throughout the year.

Results are not comparable with previous years due to a change in survey methodology from an opt out to an opt in model. The NPS result does not include Toolkit users that opted out of the Toolkit NPS survey, as the platform does not capture this data. NPS results can fluctuate with low response rates.

Measure: Total number of organisations working with Callaghan Innovation and NZTE as a Focus customer

About this measure: Quantifies the total number of Focus customers who are also working with Callaghan Innovation – those that have had at least one engagement with Callaghan Innovation during the financial year. This is the last year of reporting this measure due to the disestablishment of Callaghan Innovation.

	Actual 2022/23	Actual 2023/24	Target 2024/25	Actual 2024/25
	444	321	300	250

Comment: This year's result of 250 is lower than the target of 300 due to a lower number of customers actively utilising Callaghan Innovation services over the past 12 months and a reduction in the number of customers in NZTE's Focus portfolio compared to last year (932 compared to 1,029 in FY24).

No judgement is used when calculating this measure, though judgements are made by both agencies when assessing businesses against each agency's customer criteria.

Direct funding

NZTE administers two funds, the International Growth Fund and the Strategic Investment Fund.

International Growth Fund (IGF)

Refer to page 16 for further information. The IGF enables New Zealand businesses that are part of our Focus portfolio to accelerate growth, build export capability, overcome export barriers and connect with the right partners and investors. The fund co-invests in international growth projects that deliver a positive impact to the economy and are good for New Zealand. The impact of IGF co-investment is captured via a measure called direct economic impact (DEI). DEI is a proxy for economic return and outcomes delivered by Expansion IGF projects. DEI is only calculated for Expansion projects (3-to-5-year projects).

Comparability: unless otherwise stated, all results are comparable to prior years.

Statement of Cost of Service – International Growth Fund

Output expense	Actual 2022/23 \$000	Actual 2023/24 \$000	Budget 2024/25 \$000	Actual 2024/25 \$000
Revenue Crown	47,197	44,618	36,000	31,715
Total revenue	47,197	44,618	36,000	31,715
Expense	47,197	44,618	36,000	31,715
Net result	-	-	-	-

IGF performance measures

Measure: Potential direct economic impact ratio (pDEI) for approved IGF expansion funds

About this measure: pDEI is the forecast return from IGF Expansion projects arising from jobs created in New Zealand, cashflow, and supplier spend in New Zealand.

The higher the pDEI, the greater the potential positive impact on New Zealand resulting from the project. For every \$1 of taxpayer funds invested in a project, NZTE expects four times the economic return. This 4 to 1 ratio is used as a benchmark for determining which projects are funded.

For each IGF Expansion customer, the value of their international expansion project is forecast and calculated on:

- the incremental income to the New Zealand owners of that company (EBITDA²³) over each year of project implementation
- the incremental income to New Zealand employees in that company (wages) for each year of project implementation, and
- the incremental purchases from New Zealand suppliers (cost of goods sold) made by that company for each year of project implementation.

The total forecast incremental value is discounted to provide a present-day value, then divided by the amount of the government IGF co-funding to give the project pDEI.

This measure reports the average of all approved projects' pDEI in this financial year.

	Actual 2022/23	Actual 2023/24	Target 2024/25	Actual 2024/25
	9.1 to 1	7.9 to 1	4 to 1	8.1 to 1

Comment: 31 expansion projects were approved in FY25 with a total forecast pDEI value of \$136 million against funding approved (government contribution) of \$15.7 million, resulting in an average pDEI across projects of 8.1.

This measure is based on forecast project revenues for each year of the project provided by the customer. These forecasts are underpinned by assumptions and are reviewed for reasonableness.

²³ EBITDA is the Earnings Before Interest, Tax, Depreciation and Amortisation, which is representative of the free cashflow generated by a business.

STATEMENT OF PERFORMANCE

2024/2025

Measure: Realised direct economic impact ratio (rDEI) for completed IGF expansion funds

About this measure: This measure reports on the realised return to the economy from expansion projects completed over the past five years.

The DEI calculated at the end of the project represents the actual realised return from the project. The rDEI is calculated on the same basis as the pDEI except project gains are based on actuals instead of forecasts. The total realised incremental value is discounted to provide a present-day value, then divided by the amount of the government IGF co-funding to give the project rDEI.

This measure reports the average of all completed projects' rDEI for the preceding 5 financial years

Actual 2022/23	Actual 2023/24	Target 2024/25	Actual 2024/25
6.6 to 1	6.2 to 1	4 to 1	2.6 to 1

Comment: In FY25, the realised result for every \$1 invested was \$2.6 dollars returned across jobs created in New Zealand, cashflow and supplier spend in New Zealand for projects completed over 2020 to 2025.

277 Expansion projects were completed with a realised rDEI value of \$0.9 billion, representing a rDEI of 2.6. From a sector perspective, Food, Beverage and Consumer Goods projects delivered an average rDEI of 3.7, Manufacturing 3.1 and Tech & Services 1.

The drop in rDEI is partly due to a larger proportion of COVID projects (2019-2022) closing during this period and some projects with large rDEIs contributing to the rDEI average in previous years that have now dropped out of the five-year annual average. Compared to previous periods, approximately 71% of the 277 projects completed during 2020-2025 were impacted by COVID compared to 52% from 2019-2024. Tougher economic and international trade conditions also impacted the number of projects that delivered a positive rDEI result. The percentage of projects achieving an rDEI result greater than 4 dropped from 21% (2019-2014) to 17% (2020-2025) impacting the overall rDEI result for the portfolio.

This measure is not comparable to previous years as from 1 July 2022, the rDEI calculation was updated to measure project-specific returns and returns on government funds only, instead of measuring returns on the total project cost. We made this change to more accurately reflect benefits to the New Zealand economy from the project.

This means that the five-year period (2020-25) includes projects completed under both the old and new DEI methodologies referred to above. 269 completed projects were approved and calculated under the old methodology with an average rDEI of 2.6, eight completed projects were approved and calculated under the new DEI methodology with an average rDEI of 1.3. Each year's result is still comparable to the target benchmark of 4 to 1 which has remained unchanged.

We rely on customers providing actual project performance to calculate the rDEI result.

Measure: Number of IGF projects co-funded

About this measure: The number of IGF projects co-funded for Focus customers across three IGF types: Springboard (short term projects that address a specific need, capability gap or opportunity), Validation (12-month market validation projects), and Expansion (long-term larger scale international growth projects).

Actual 2022/23	Actual 2023/24	Target 2024/25	Actual 2024/25
486	498	250 ²⁴ (demand driven)	386

Comment: The IGF is a demand driven fund which is reflected in service performance being higher than planned performance. The number of projects co-funded changes each year depending on the type and size of projects and the economic context. The target reduced for FY25 in line with the appropriation funding reduction following the end of CRRF funding. However, demand for co-funding of smaller projects pushed the number of projects co-funded within that reduced appropriation higher than expected.

In FY25, Springboard projects accounted for 78% of funds by volume. Validation project volumes dropped 57% from the last financial year on account of greater economic pressures and uncertainty in international markets. Expansion project volumes reduced as we tightened eligibility thresholds to target the IGF for impact and to prepare for the transition to a smaller appropriation next year. Validation and Springboard projects account for a smaller portion of the fund in terms of value but are higher in volume.

No judgement is required when calculating this measure, though judgement is used when assessing applications against funding criteria.

²⁴ Note: refer to 2025/26 SPE for the correct target figure of 250. The 2024/25 SPE contained the incorrect figure of +65.

STATEMENT OF PERFORMANCE

2024/2025

Sector strategies and facilitation / Strategic Investment Fund (SIF)

The SIF co-funds feasibility studies for developing and presenting the business case for investment in New Zealand.

Statement of Cost of Service – Sector Strategies and Facilitation

Output expense	Actual 2022/23 \$000	Actual 2023/24 \$000	Budget 2024/25 \$000	Actual 2024/25 \$000
Revenue Crown	330	1,392	1,204	215
Total revenue	330	1,392	1,204	215
Expense	330	1,392	1,204	215
Net result	-	-	-	-

SIF performance measure

Measure: Number of SIF funds awarded

About this measure: The number of SIF funds awarded for feasibility studies approved for developing and presenting investment business cases.

	Actual 2022/23	Actual 2023/24	Target 2024/25	Actual 2024/25
	8	7	7 (demand driven)	7

Comment: The SIF is a demand-driven co-funding mechanism with demand the same as planned performance this year. It provides up to 50% of the cost of a feasibility study, up to a maximum of \$250,000 (GST exclusive) for studies that align with a specific investment deal, and that have the potential to generate positive benefit for New Zealand.

SIF supports significant foreign direct investment (FDI) in New Zealand, and New Zealand-based companies considering significant outward direct investments (ODI).

No judgement is applied when calculating this performance measure. Judgement is used when assessing applications against the funding criteria.

Appropriation funding

	Estimate \$000	Final Vote \$000	Actual \$000
Vote Business, Science and Innovation: Support the growth and development of NZ firms, sectors and regions MCA			
International business growth services			
Revenue – Crown	172,001	172,361	172,361
Collaborative activity and special events			
Revenue – Crown	3,120	3,465	3,465
Total	175,121	175,826	175,826

Vote Business, Science and Innovation: Sector Strategies and Facilitation (Annual Appropriation)

Sector strategies and facilitation			
Revenue – Crown	1,204	1,890	215
Total	1,204	1,890	215

Vote Business, Science and Innovation: International Growth Fund 2022-2027 MYA

International growth fund			
Revenue – Crown	44,268	40,268	31,715
Total	44,268	40,268	31,715

SECTION 4:

ORGANISATION HEALTH AND CAPABILITY

ORGANISATION HEALTH AND CAPABILITY

Managing risk

NZTE's risk-management framework supports our strategy, operational effectiveness and efficiency, protection of our people, informed decision-making, and compliance with applicable laws and regulations. The Board has delegated responsibility to monitor or review the effectiveness of NZTE's risk management framework to the Audit and Risk Committee.

Our independent internal audit function reports directly to the Audit and Risk Committee, and our external auditors also provide input to the committee about our risk-management framework and internal controls.

NZTE's policies provide a simple, clear framework for making decisions and outline the fixed and flexible rules. This includes fixed rules on managing conflicts of interest for Board members and employees.

Carbon Neutral Government Programme

NZTE is committed to supporting New Zealand's climate commitments by reducing emissions under the Carbon Neutral Government Programme (CNGP). We also encourage and support export businesses to meet international sustainability requirements.

NZTE has set two emissions reduction targets that meet CNGP requirements. These are supported by more ambitious internal targets which ensure we prioritise operational efficiencies to reduce emissions. Our CNGP targets are:

- by 2025: a 32% reduction in gross emissions compared with our 2018/19 baseline
- by 2030: a 46.2% reduction in gross emissions compared with our 2018/19 baseline.

Total annual emissions

Our gross emissions for the FY25 year were 3,146 tCO₂e, representing a 45% reduction compared to our 2018/19 base year. NZTE's largest emissions sources are air travel, electricity use and employee commuting.

NZTE has achieved a voluntary carbon reduce certification from Toitū Envirocare, which means our emissions are measured in accordance with ISO14064-1:2018 standards.

Our reduction strategy

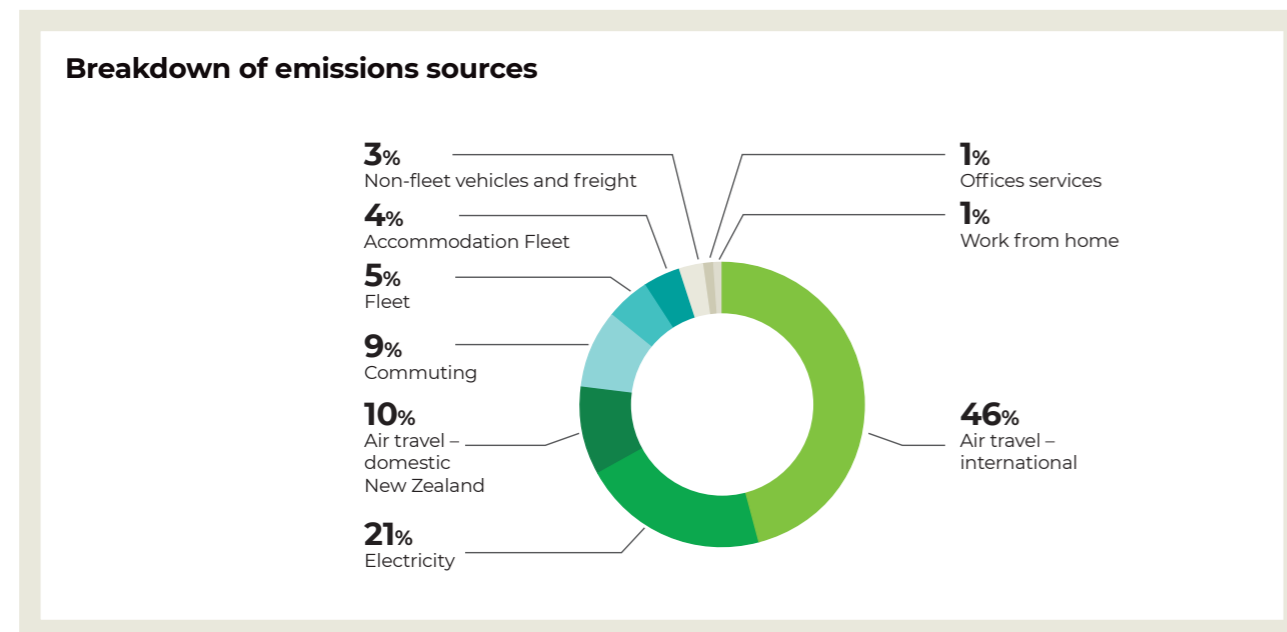
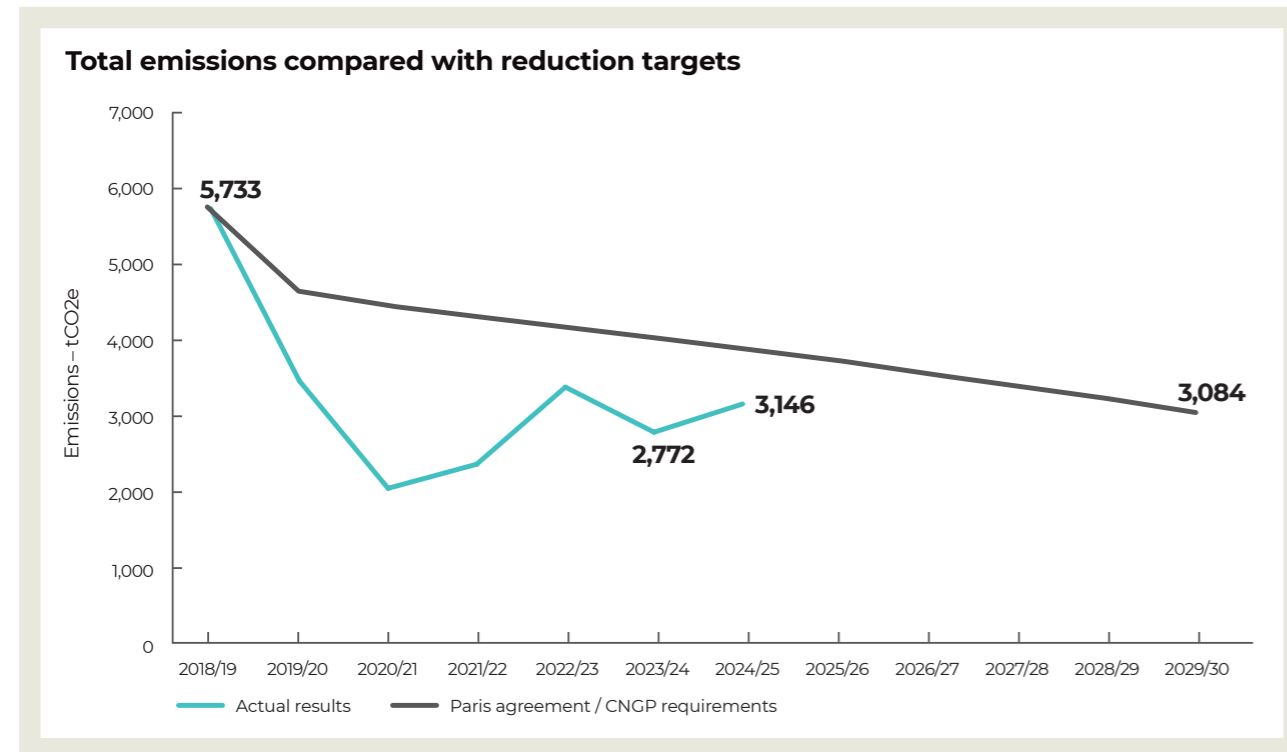
NZTE has achieved significant carbon reduction and we are committed to ongoing improvements that keep us on track to meet our targets.

NZTE first introduced carbon budgets for travel in FY23. We have confidence in this process and now use financial budgets as a proxy for carbon tonnes.

NZTE continues to convert New Zealand based fleet vehicles to electric, with the aim to have a fully electric / hybrid fleet by 31 December 2025. Offshore, hybrid and electric vehicles are prioritised when vehicles are due to be replaced.

Employee-led Green teams in our offices help to foster a sustainability culture internally. The Green teams organize employee events with guest speakers, and office sustainability initiatives, such as an annual waste audit in our Auckland and Wellington offices.

ORGANISATION HEALTH AND CAPABILITY



Strengthening our culture

We are committed to ensuring we have a strong culture and engaged global workforce and that we meet all elements of being a good employer. Some key areas are outlined below:

Our culture – engagement survey results

Our annual engagement survey was run in May/June 2025. Our engagement score has improved by 8%, returning to 74% of employees feeling engaged with a high participation rate of 90%. There were improvements across almost all questions.

The survey indicated that people are highly engaged with our purpose, feel empowered, know how they contribute to NZTE's success, have autonomy, collaborate well to deliver work and access learning opportunities, and feel proud to work at NZTE.

- 93% know how their work contributes to NZTE goals (+ 2% from FY24)
- 91% know what they need to do to be successful in their role (same as FY24)
- 92% of our people agree they are proud to work for NZTE (+ 6%)
- 91% have enough autonomy to perform their roles effectively (+ 8%)
- 85% have access to learning and development to do their jobs well (+ 3%).

Similarly, our employee NPS score has improved from +19 in FY24 to +45. This is supported by 88% of our people agreeing they would recommend NZTE as a good place to work, compared to 81% in FY24.

Our characters (values) and leadership model are embedded in our organisation. They are regularly reinforced through performance and leadership development, onboarding and recognition through our employee recognition programme where peers nominate others for living our leadership model and characters through exceptional performance.

Learning and development is a core priority as part of our commitment to grow our people, 82% strongly agree or agree that their team at NZTE will make a great contribution to their career development.

Our culture – One Global Team

As a global organisation, our culture is designed to be One Global Team, wrapped around our customers. Our engagement survey results show that 85% of our people agree that teams at NZTE collaborate well to get the job done.

NZTE is committed to a safe, healthy workplace for all. Our Safety and Wellbeing Framework identifies key risks and outlines controls to manage them. Seven regional health and safety committees ensure shared responsibility and continuous improvement globally. Employees also have access to wellbeing resources and workshops focused on personal safety and resilience.

This safe work environment also includes Safe to Speak Up (harassment and bullying prevention) being accessible and understood through a review our safe to speak up process. 75% of our people agreed they could voice a contrary opinion without fear of negative consequences (up 10% from last year).

Pay gaps

NZTE is committed to fair and equitable reward practices that recognise performance, align with internal and external benchmarks and remain financially sustainable.

As of 30 June 2025, across all employees (internationally and domestically), excluding CEO²⁵:

- the average position in range (PIR) was 0.8% higher for men than for women
- the median position in range was 0.3% higher for men than women.

As of 30 June, across only New Zealand paid employees, excluding the CEO²⁶:

- the average position in range (PIR) was 5.9% higher for men than for women, down from 9% in 2024
- the median position in range was 6.7% higher for men than women, down from 8.6% in 2024.

²⁵ Excludes the Chief Executive to align with Kia Toipoto reporting requirements.

²⁶ Only New Zealand-paid people are included in our average pay calculations. This is due to the complexities of converting local currencies to New Zealand dollars and the different labour market conditions across our international locations. For our internationally paid people, we use Position in Range (PIR) to analyse any inconsistencies in pay.

ORGANISATION HEALTH AND CAPABILITY

Demographic profile

The following numbers are based on people data as at 30 June 2025. Calculated based on permanent, fixed term employees, including secondees out but excluding secondees into NZTE.

Employees	
Customer Focused (customer facing, customer facing support)	68%
Backbone	32%
New Zealand based	56%
International based	44%
Total number of FTEs	606.4

Employees by gender	Employees %	Leadership % New Zealand-paid leaders Tiers 1-3
Women	55.5%	55.6%
Men	40.2%	44.4%
Undisclosed / Not stated	4.3%	0%

Employees by ethnicity	Employees %	Leadership % New Zealand-paid leaders Tiers 1-3
European	59.3%	78.0%
Asian	26.7%	7.3%
Other	12.5%	17.1%
Undisclosed / Not stated	10.7%	8.9%
Māori	8.0%	12.2%
Middle Eastern/Latin American/ African	5.5%	0%
Pacific Peoples	2.1%	2.4%

Employee remuneration

The table below shows the number of employees who received remuneration and/or benefits of \$100,000 or more during the year²⁷.

Band	2025			2024		
	NZ-based	Intl-based	Total	NZ-based	Intl-based	Total
100,000-110,000	19	13	32	28	14	42
110,000-120,000	22	11	33	34	13	47
120,000-130,000	34	21	55	24	19	43
130,000-140,000	23	15	38	36	13	49
140,000-150,000	38	10	48	41	15	56
150,000-160,000	27	8	35	27	16	43
160,000-170,000	27	13	40	29	15	44
170,000-180,000	11	17	28	7	8	15
180,000-190,000	12	13	25	11	20	31
190,000-200,000	8	9	17	15	9	24
200,000-210,000	10	12	22	4	2	6
210,000-220,000	1	3	4	9	3	12
220,000-230,000	6	3	9	3	6	9
230,000-240,000	3	4	7	1	4	5
240,000-250,000	2	3	5	3	2	5
250,000-260,000	2	4	6	2	6	8
260,000-270,000	2	3	5	3	4	7
270,000-280,000	2	6	8	4	5	9
280,000-290,000	2	6	8	0	4	4
290,000-300,000	0	5	5	0	3	3
300,000-310,000	0	3	3	0	2	2
310,000-320,000	0	2	2	1	4	5
320,000-330,000	2	4	6	0	0	0
330,000-340,000	0	3	3	0	4	4
340,000-350,000	0	4	4	1	1	2
350,000-360,000	0	3	3	0	3	3
360,000-370,000	0	3	3	0	2	2
370,000-380,000	0	1	1	2	2	4
380,000-390,000	0	1	1	0	1	1
390,000-400,000	0	2	2	2	1	3
400,000-410,000	1	3	4	1	0	1
410,000-420,000	0	0	0	0	3	3
420,000-430,000	1	2	3	0	3	3
430,000-440,000	1	1	2	2	0	2
440,000-450,000	2	0	2	1	1	2
450,000-460,000	0	0	0	0	2	2
460,000-470,000	0	1	1	0	0	0
470,000-480,000	0	1	1	0	0	0
480,000-490,000	0	0	0	0	2	2
500,000-510,000	0	0	0	0	1	1
510,000-520,000	0	1	1	0	0	0
520,000-530,000	0	1	1	1	0	1
>650,000	1	0	1	1	0	1
Grand total	259	215	474	293	213	506

²⁷ International based roles reported in NZD are subject to foreign exchange fluctuations.

ORGANISATION HEALTH AND CAPABILITY

Board member remuneration

The total value of remuneration paid or payable to each Board member for FY25 was:

	Actual 2025 \$000	Actual 2024 \$000
Charles Finny (Chair since March 25)	17.2	0
Jennifer Kerr (Chair until March 25)	38.3	56.0
Mike O'Donnell (Deputy Chair until May 25)	28.1	30.6
Sarah Paterson (Board member and Chair of Audit and Risk Committee)	26.9	26.9
Carl Carrington (Board member)	24.5	24.5
Victoria Spackman (Board member)	24.5	24.5
Deb Shepherd (Board member and Chair of Culture & People Committee)	24.7	24.5
Matanuku Mahuika (Board member)	24.5	24.5
Total Board member remuneration	208.7	211.5

NZTE has provided a Deed of Indemnity to each Board Member, which indemnifies that Board Member for "Excluded Acts and Omissions" as defined by and permitted by sections 126 and 122 of the Crown Entities Act 2004, respectively. The indemnity does not extend beyond acts performed in good faith by Board members in performance or intended performance

of NZTE's functions. NZTE has Directors' and Officers' Liability and Professional Indemnity insurance cover during the financial year for the liability or costs of Board members and employees.

No Board members received compensation or other benefits relating to cessation (FY24: \$nil).

SECTION 5: FINANCIAL STATEMENTS

FINANCIAL STATEMENTS

Statement of comprehensive revenue and expense

for the year ended 30 June 2025

	Notes	Actual 2025 \$000	Budget 2025 \$000	Actual 2024 \$000
Revenue				
Funding from Crown – operating	2	175,826	175,121	193,781
Funding from Crown – grants	3	31,930	37,204	46,010
Interest revenue	2	2,059	780	2,028
Other revenue	2	11,545	7,056	14,579
Total revenue		221,360	220,161	256,398
Expenses				
Personnel expense	4	116,482	115,440	133,542
Depreciation and amortisation expense	12,13	3,873	5,200	6,085
Capital charge	7	2,176	2,097	1,697
Grants expense	3	31,930	37,204	46,010
Other operating expenses	5	59,653	70,172	68,018
Total expenses		214,114	230,113	255,352
Surplus/ (deficit)		7,246	(9,952)	1,046
Total comprehensive revenue and expense		7,246	(9,952)	1,046

Explanations of major variances against budget are provided in Note 22. The accompanying notes form an integral part of these financial statements.

Statement of changes in equity

for the year ended 30 June 2025

	Actual 2025 \$000	Budget 2025 \$000	Actual 2024 \$000
Balance at 1 July	37,126	41,933	36,080
Total comprehensive revenue and expense for the year	7,246	(9,952)	1,046
Balance at 30 June	44,372	31,981	37,126

Explanations of major variances against budget are provided in Note 22. The accompanying notes form an integral part of these financial statements.

Statement of financial position

as at 30 June 2025

	Notes	Actual 2025 \$000	Budget 2025 \$000	Actual 2024 \$000
Current assets				
Cash and cash equivalents	8	50,501	30,641	46,223
Receivables – operating	9	973	2,000	285
Receivables – grants	3	19,305	18,000	25,341
Prepayments and deposits	10	5,732	6,180	7,047
Derivative financial instruments	11	1,464	-	-
Total current assets		77,975	56,821	78,896
Non-current assets				
Prepayments and deposits	10	1,144	2,000	783
Property, plant and equipment	12	4,391	5,988	4,143
Intangible assets	13	3,581	6,321	4,737
Total non-current assets		9,116	14,309	9,663
Total assets		87,091	71,130	88,559
Current liabilities				
Payables and deferred revenue	14	8,024	6,914	9,555
Payables – grants	3	19,967	18,000	25,341
Employee entitlements	15	8,711	10,513	10,417
Derivative financial instruments	11	246	-	2,683
Lease incentives	6	72	179	219
Provisions	16	396	-	-
Total current liabilities		37,416	35,606	48,215
Non-current liabilities				
Employee entitlements	15	3,504	3,462	3,113
Lease incentives	6	49	81	105
Provisions	16	1,750	-	-
Total non-current liabilities		5,303	3,543	3,218
Total liabilities		42,719	39,149	51,433
Net assets		44,372	31,981	37,126
Equity				
Contributed capital		15,648	15,648	15,648
Accumulated surplus/(deficit)		28,724	16,333	21,478
Total equity		44,372	31,981	37,126

Explanations of major variances against budget are provided in Note 22. The accompanying notes form an integral part of these financial statements.

For and on behalf of the members of the Board, which authorised the issue of the financial statements on 31 October 2025.



Charles Finny
Chair, NZTE Board



Sarah Paterson
Chair, Audit & Risk

FINANCIAL STATEMENTS

Statement of cash flows

for the year ended 30 June 2025

	Notes	Actual 2025 \$000	Budget 2025 \$000	Actual 2024 \$000
Cash flows from operating activities				
Receipts from Crown – operating		175,826	175,121	192,200
Receipts from Crown – grants		38,066	37,204	49,820
Receipts from other revenue		6,515	7,056	16,413
Interest received		2,059	780	2,028
Payments to suppliers		(58,089)	(71,670)	(69,263)
Payments to employees		(117,840)	(113,540)	(132,267)
Payments to grant recipients		(37,305)	(37,204)	(49,820)
Payments for capital charge		(2,176)	(2,097)	(1,697)
GST (net)		155	-	283
Net cash flows from operating activities		7,211	(4,350)	7,697
Cash flows from investing activities				
Receipts from sale of property, plant and equipment and intangibles		35	-	104
Purchase of property, plant and equipment		(1,993)	(2,500)	(637)
Purchase of intangible assets		(975)	(2,700)	(2,151)
Net cash flows from investing activities		(2,933)	(5,200)	(2,684)
Net increase/(decrease) in cash and cash equivalents		4,278	(9,550)	5,013
Cash and cash equivalents at beginning of the year		46,223	40,191	41,210
Cash and cash equivalents at end of the year	8	50,501	30,641	46,223

Explanations of major variances against budget are provided in Note 22. The accompanying notes form an integral part of these financial statements.

Reconciliation of surplus/(deficit) to net cash flow from operating activities

	Actual 2025 \$000	Actual 2024 \$000
Surplus/(deficit)	7,246	1,046
Add/(less) non-cash items		
Depreciation and amortisation	3,873	6,085
Net (gains)/losses on derivative financial instruments	(3,901)	417
Total non-cash items	(28)	6,502
Add/(less) items classified as investing activities		
(Gains)/losses on disposal of property, plant and equipment	(35)	28
(Gains)/losses on disposal of intangible assets	3	-
Total items classified as investing	(32)	28
Add/(less) movements in statement of financial position items		
(Increase)/decrease in receivables, prepayments and deposits	266	2,488
(Increase)/decrease in receivables – grants	6,036	3,810
Increase/(decrease) in payables	(1,734)	(3,332)
Increase/(decrease) in payables – grants	(5,374)	(3,810)
Increase/(decrease) in employee entitlements	(1,315)	1,005
Increase/(decrease) in provisions	2,146	(40)
Net movements in working capital items	25	121
Net cash flow from operating activities	7,211	7,697

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

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2025

Note 1: Statement of accounting policies

Reporting entity

New Zealand Trade and Enterprise (NZTE) is a Crown entity as defined by the Crown Entities Act 2004 and is domiciled in New Zealand. NZTE's parent is the New Zealand Crown.

The consolidated financial statements of the Group consist of the parent entity, NZTE, and its wholly owned subsidiary, NZ G2G Partnerships Limited, together they are referred to as NZTE. NZ G2G Partnerships Limited has been disestablished, the remaining contracts are being managed by NZTE.

NZTE's primary objective is to encourage New Zealand businesses to grow internationally. NZTE does not operate to make a financial return.

NZTE has designated itself as a public benefit entity (PBE) for financial reporting purposes.

The financial statements for NZTE are for the year ended 30 June 2025, and were approved by the Board on 31 October 2025.

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 NZTE have been prepared in accordance with the requirements of the Crown Entities Act 2004, which includes the requirement to comply with New Zealand Generally Accepted Accounting Practice (NZ GAAP).

NZTE is a Tier 1 entity and the financial statements have been prepared in accordance with and comply with PBE Standards.

Presentation currency and rounding

The financial statements are presented in New Zealand dollars, which is NZTE's functional currency. All values are rounded to the nearest thousand dollars (\$000).

Basis of measurement

The financial statements have been prepared on an historical cost basis, except for derivative financial instruments, which are valued at fair value through the surplus or deficit.

New or amended standards adopted

Amendments to PBE IPSAS 1 Disclosure of Fees for Audit Firms' Services

The amendments to PBE IPSAS 1 requires entities to disclose the fees incurred for services from its audit firm, a description of each service using specified categories of audit of the financial report and other non-audit services. Applications of this amendment are required for accounting periods beginning on or after 1 January 2024, with early applications permitted. NZTE has assessed the impact on financial statements and adopted the amendments. The impact on the financial statement from adoption of the amendments was minimal.

Other changes in accounting policies

There have been no other changes in NZTE's accounting policies since the date of the last audited financial statements.

Standards issued and not yet effective and not early adopted

Standards and amendments, issued but not yet effective, that have not been early adopted are:

2024 Omnibus Amendments to PBE Standards

2024 Omnibus Amendments to PBE Standards is an amending Standard that updates PBE IPSAS 1. The amendments to PBE IPSAS 1 clarify the principles for classifying a liability as current or non-current. Application of the amendments to PBE IPSAS 1 is required for accounting periods beginning on or after 1 January 2026 but have not ended or do not end before 21 November 2024. NZTE has not yet assessed the impact on financial statements and does not intend to early adopt the amendments.

Summary of significant accounting policies

Significant accounting policies are included in the notes that they relate to.

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 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.

Goods and services tax

Items in the financial statements are presented exclusive of GST, except for receivables and payables, which are presented on a GST inclusive basis. Where GST is not recoverable as input tax, it is recognised as part of the asset or expense.

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

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

Commitments and contingencies are disclosed exclusive of GST.

Income tax

NZTE is a public authority and consequently is exempt from paying income tax. Accordingly, no provision has been made for income tax.

Budget

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.

Critical accounting estimates and assumptions

In preparing these financial statements, NZTE has made estimates and assumptions concerning the future. These estimates and assumptions might differ from the subsequent actual results. Estimates and assumptions are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

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 is measuring retirement, long service leave and other employee entitlements – refer to Note 15.

Critical judgements in applying accounting policies

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

- grant expenditure and payables – refer to Note 3.
- employee entitlements – refer note 15.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2025

Note 2: Revenue

Funding from the Crown

NZTE is primarily funded by the Crown. This funding is restricted in its use for the purpose of NZTE meeting the objectives specified in the Statement of Performance Expectations 2024/25 and the scope of appropriation funding. NZTE considers there are no conditions attached to the funding and it is recognised as revenue

at the point of entitlement. This is considered to be the start of the appropriation period to which the funding relates. The fair value of revenue from the Crown has been determined to be equivalent to the amounts due in the funding arrangements.

	Actual 2025 \$000	Actual 2024 \$000
Crown – operating baseline	175,826	169,781
Additional COVID-19 Recovery and Response	–	24,000
Total funding from Crown – Operating	175,826	193,781
Interest revenue		
Interest income	2,059	2,028
Total interest revenue	2,059	2,028
Other revenue		
Gains on derivative financial instruments – unrealised	3,901	–
Net foreign exchange gains – unrealised	353	–
Rental revenue from property subleases	1,949	1,425
Other income	4,934	12,741
Government to Government consultancy services	408	413
Total other revenue	11,545	14,579

Note 3: Grants

Grant revenue and receivables

Grant revenue is recognised when the revenue conditions have been met, which is when the related grant expenditure is incurred, or accrued expenditure is recognised.

Receivables from Crown – grants are due from the Ministry of Business, Innovation and Employment (MBIE) to pay grants administered by NZTE with payment terms of 7 days.

Grant expenditure and payables

Grant expenditure is recognised when the third-party recipient incurs expenditure that meets the grant condition arrangements. For reporting purposes grant expenditure and the accrual is calculated by assessing the probability of a grant recipient having incurred qualifying expenditure for which a claim has not yet been received and management's estimation of project progress. The grant payable is an accrual which consists of all open grant contracts which is then discounted by the estimated grant drawdown rate (between 88% to 98%). The drawdown rate is calculated based on historic drawdown rates.

	Actual 2025 \$000	Actual 2024 \$000
Funding from Crown – grants	31,930	46,010
Total funding from Crown – grants	31,930	46,010
Grants expense	31,930	46,010
Total grants expense	31,930	46,010
Receivables – grants	19,305	25,341
Total receivables – grants	19,305	25,341
Payables – grants	19,967	25,341
Total payables – grants	19,967	25,341
Total grants commitments	40,790	59,590

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2025

Note 4: Personnel expenses

Salaries and wages

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

Superannuation schemes (defined contribution schemes)

Employer contributions to KiwiSaver, the Government Superannuation Fund, and the State Sector Retirement Savings Scheme are accounted for as defined contribution superannuation schemes and are expensed in the surplus or deficit as incurred.

	Actual 2025 \$000	Actual 2024 \$000
Salaries and wages	106,192	123,751
Training and professional development	940	1,340
Defined contribution plan employer contributions	2,981	3,200
Board fees	208	212
Other personnel costs	4,802	3,305
Increase/(decrease) in employee entitlements	1,359	1,734
Total personnel expenses	116,482	133,542

During the year ended 30 June 2025, 37 (2024: 83) employees received compensation and other benefits in relation to cessation totalling \$2.2 million (2024: \$5.56 million).

Note 5: Other operating expenses

Operating lease expenses

An operating lease is a lease that does not transfer substantially all the risks and rewards of ownership to the lessee. Lease payments under an operating lease are recognised as an expense in the surplus or deficit on a straight-line basis over the lease term.

NZTE leases a number of properties in New Zealand and around the world in order to carry out its activities. NZTE has assessed that these leases do not transfer substantially all the risks and rewards of ownership to NZTE from the landlord and therefore are treated as operating leases.

	Actual 2025 \$000	Actual 2024 \$000
Fees to auditor		
– fees to Audit New Zealand for audit of financial statements*	275	313
– fees to Audit New Zealand for disbursement	25	16
Professional services	4,375	6,063
Operating lease expenses	19,365	17,941
Marketing and research	4,814	8,344
Digital operations	8,528	9,595
International multi-customer activity and events	3,568	4,546
Telling the New Zealand Story	2,035	4,377
Advisory boards and panels	1,768	1,760
Travel	5,307	4,514
Insurance	1,247	1,183
Losses from derivative financial instruments – unrealised	–	418
Losses from derivative financial instruments – realised	883	1,305
Net foreign exchange losses – unrealised	–	949
Costs to third party service providers for sale of consulting services	408	413
Other expenses	7,055	6,281
Total other operating expenses	59,653	68,018

*NZTE's financial statements and service performance information for the year ended 30 June 2025 (the "financial report") are audited by Audit New Zealand on behalf of the Auditor-General.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2025

Note 6: Operating leases as lessee and lease incentives

Operating leases as lessee

NZTE leases property in the normal course of its business.

NZTE's non-cancellable operating leases have varying terms, escalation clauses, and renewal rights. The majority of these leases are for premises that have

a non-cancellable leasing period ranging from 1 to 5 years, with regular rent reviews.

The future aggregate minimum lease payments to be paid under non-cancellable operating leases is as follows:

	Actual 2025 \$000	Actual 2024 \$000
Non-cancellable operating lease commitments		
Not later than one year	13,013	15,380
Later than one year and not later than five years	14,027	15,246
Later than five years	284	147
Total non-cancellable operating lease commitments	27,324	30,773

Lease incentives

Lease incentives received are recognised in the surplus or deficit as a reduction in lease expense on a straight-line basis over the minimum term of the lease.

	Actual 2025 \$000	Actual 2024 \$000
Lease incentive – current	72	219
Lease incentive – non-current	49	105
Total lease incentives	121	324

The balance of lease incentives represents rent free periods for four non-cancellable operating leases.

Note 7: Capital charge

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

The capital charge paid to the Crown is calculated based on NZTE's equity as at 30 June and 31 December each year. The capital charge rate for the year ended 30 June 2025 was 5% (2024: 5%).

Note 8: Cash and cash equivalents

Cash and cash equivalents include cash on hand, deposits held on call with banks, and other short-term, highly liquid investments with original maturities of three months or less. Although cash and cash equivalents on 30 June 2025 are subject to the expected credit loss requirements of PBE IPSAS 41, no loss allowance has been recognised because none are expected.

	Actual 2025 \$000	Actual 2024 \$000
Cash at bank and on hand	35,501	46,223
Term deposits with maturities of three months or less	15,000	-
Total cash and cash equivalents	50,501	46,223

Note 9: Receivables – operating

Short-term receivables are recorded at the amount due, less an allowance for expected credit losses. NZTE applies the simplified expected credit loss model of recognising lifetime expected credit losses (ECLs) for receivables.

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

ECLs are recognised in two stages. ECLs are provided for credit losses that result from default events that are possible within the next 12 months (a 12-month ECL). However, if there has been a significant increase in credit risk since initial recognition, the loss allowance is based on losses possible for the remaining life of the financial asset (Lifetime ECL).

When determining whether the credit risk of a financial asset has increased significantly since initial recognition, NZTE considers reasonable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis based on NZTE's historical experience and informed credit assessment and including forward-looking information.

There have been no changes since 1 July 2024 in the estimation techniques or significant assumptions in measuring the loss allowance.

	Actual 2025 \$000	Actual 2024 \$000
Receivables from related parties (exchange transactions)	389	-
Receivables from non-related parties (exchange transactions)	584	285
Total receivables – operating	973	285

Receivables from non-related parties are non-interest bearing and are generally receivable on 20th of month following invoice terms. Receivables are shown net

of an allowance for expected credit losses amounting to \$47,118 (2024: \$53,693).

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2025

Note 10: Prepayments and deposits

	Actual 2025 \$000	Actual 2024 \$000
Current portion		
Prepayments	4,936	5,949
Accommodation deposits	796	1,098
Total current portion	5,732	7,047
Non-current portion		
Prepayments	369	177
Accommodation deposits	775	606
Total non-current portion	1,144	783
Total prepayments and deposits	6,876	7,830

Accommodation deposits represent deposits paid for residential and office leases.

Note 11: Derivative financial instruments

Derivative financial instruments are used to manage exposure to foreign exchange risk arising from NZTE's operational activities. NZTE does not hold or issue derivative financial instruments for trading purposes. NZTE 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. The associated gains or losses on derivatives are recognised in 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.

	Actual 2025 \$000	Actual 2024 \$000
Derivative financial instrument assets – current	1,464	-
Derivative financial instrument liabilities – current	(246)	(2,683)
Net derivative financial instrument assets/(liabilities) – current	1,218	(2,683)

The notional principal amounts of outstanding forward foreign exchange contracts in NZD as at balance date were as follows:

	Actual 2025 \$000	Actual 2024 \$000
Australian dollar	9,823	9,921
Canadian dollar	1,439	1,257
Chinese renminbi	7,697	8,712
Euro	5,466	5,589
Great Britain pound	5,087	4,659
Hong Kong dollar	1,044	1,595
Japanese yen	1,191	1,202
Singapore dollar	5,962	5,724
United States dollar	26,646	28,833
UAE dirham	3,749	4,906
Total forward foreign exchange contracts notional principal amount	68,104	72,398

The fair values of forward foreign exchange contracts have been determined using a discounted cash flow valuation technique based on quoted market prices. The inputs into the valuation model are from independently sourced market parameters such as currency rates. Most market parameters are implied from forward foreign exchange contract prices.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2025

Note 12: Property, plant and equipment

Property, plant, and equipment consists of four asset classes, which are measured as follows:

- leasehold improvements, at cost less accumulated depreciation and impairment losses
- furniture and office equipment, at cost less accumulated depreciation and impairment losses
- computer hardware, at cost less accumulated depreciation and impairment losses
- motor vehicles, at cost less accumulated depreciation.

Additions

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 NZTE and the cost of the item can be measured reliably.

Work in progress is recognised at cost less impairment and is not depreciated.

In most instances, an item of property, plant, and equipment is initially recognised at cost. Where an asset is acquired through a non-exchange transaction, it is recognised at fair value as at the date of acquisition.

Costs incurred subsequent to initial acquisition are capitalised only when it is probable that future economic benefits or service potential associated with the item will flow to NZTE and the cost of the item can be measured reliably.

The costs of day-to-day servicing of property, plant, and equipment are expensed in the surplus or deficit as they are incurred.

Disposals

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount of the asset. Gains and losses on disposals are reported net in the surplus or deficit. When revalued assets are sold, the amounts included in revaluation reserves in respect of those assets are transferred to the accumulated surplus or deficit within equity.

Depreciation

Depreciation is provided on a straight-line basis on all property, plant, and equipment other than land, at rates that will write off the cost (or valuation) of the assets to their estimated residual values over their expected useful lives. The expected useful lives and associated depreciation rates of major classes of property, plant, and equipment have been estimated as follows:

- leasehold improvements up to 12 years, 8%-33%
- furniture and office equipment 4 to 5 years, 20%-25%
- computer hardware 3 years, 33%
- motor vehicles 4 years, 25%.

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

Impairment

NZTE does not hold any cash-generating assets. Assets are considered cash-generating where their primary objective is to generate a commercial return.

Property, plant, and equipment are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount might not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable service amount. The recoverable service amount is the higher of an asset's fair value, less costs to sell, and value in use.

Value in use is the present value of an asset's remaining service potential. It is determined using an approach based on either a depreciated replacement cost approach, a restoration cost approach, or a service units approach. The most appropriate approach used to measure value in use depends on the nature of the impairment and availability of information.

If an asset's carrying amount exceeds its recoverable service amount, the asset is regarded as impaired and the carrying amount is written down to the recoverable service amount. Total impairment loss is recognised in the surplus or deficit. The reversal of an impairment loss on a revalued asset is credited to other comprehensive revenue and expense.

	Leasehold improvements \$000	Furniture and office equipment \$000	Computer hardware \$000	Motor vehicles \$000	Total \$000
Cost or valuation					
Balance at 1 July 2023	23,302	5,220	5,826	2,793	37,141
Additions	488	108	13	29	638
Disposals	(2,060)	(37)	(43)	(353)	(2,493)
Balance at 30 June 2024	21,730	5,291	5,796	2,469	35,286
Balance at 1 July 2024	21,730	5,291	5,796	2,469	35,286
Additions	662	833	258	240	1,993
Disposals	(2,250)	(119)	(93)	(210)	(2,672)
Balance at 30 June 2025	20,142	6,005	5,961	2,499	34,607
Accumulated depreciation and impairment loss					
Balance at 1 July 2023	17,724	4,904	5,795	2,190	30,613
Depreciation expense	2,455	158	30	247	2,890
Elimination on disposal	(1,927)	(37)	(43)	(353)	(2,360)
Balance at 30 June 2024	18,252	5,025	5,782	2,084	31,143
Balance at 1 July 2024	18,252	5,025	5,782	2,084	31,143
Depreciation expense	1,418	129	7	191	1,745
Elimination on disposal	(2,250)	(119)	(93)	(210)	(2,672)
Balance at 30 June 2025	17,420	5,035	5,696	2,065	30,216
Carrying amount					
At 1 July 2023	5,578	316	31	603	6,528
At 30 Jun 2024	3,478	266	14	385	4,143
At 30 June 2025	2,722	970	265	434	4,391

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2025

Restrictions

There have been no restrictions on property, plant and equipment throughout the reporting period.

Work in progress

Work in progress is recognised at cost less impairment and is not depreciated. Where an asset is acquired through a non-exchange transaction, it's recognised at its fair value as at the date of acquisition.

NZTE has the following work in progress at balance date:

	Actual 2025 \$000	Actual 2024 \$000
Other	584	203
Total work in progress	584	203

Capital commitments

The amount of contractual commitments for the acquisition of property, plant, and equipment at the reporting date is:

	Actual 2025 \$000	Actual 2024 \$000
Leasehold improvements	142	50
Total capital commitments	142	50

Note 13: Intangible assets

Software acquisition and development

Software licenses are capitalised based on the costs incurred to acquire and bring to use the specific software.

Costs that are directly associated with the development of software for internal use are recognised as an intangible asset. Direct costs include software development employee costs and an appropriate portion of relevant overheads.

Employee training costs are recognised as an expense when incurred. Costs associated with maintaining software are expensed when incurred.

Costs associated with development and maintenance of NZTE's website are expensed when incurred.

Amortisation

The carrying value of an intangible asset with a finite life is amortised on a straight-line basis over its expected useful life. Amortisation begins when the asset is available for use and ceases at the date when the asset is derecognised. The amortisation charge for each financial year is expensed in the surplus or deficit.

The useful lives and associated amortisation rates of major classes of intangible assets have been estimated as follows:

- acquired software 4 to 5 years, 20%-25%
- internally generated software 3 to 5 years, 20%-33%.

Impairment

All intangible assets are non-cash generating. At each reporting date NZTE assesses whether there is an indication that a non-cash generating intangible asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, NZTE estimates the asset's recoverable service amount. An asset's recoverable service amount is the higher

of the non-cash generating asset's fair value less costs to sell, and its value in use.

Where the carrying amount of an asset exceeds its recoverable service amount, the asset is considered impaired and is written down to its recoverable service amount.

	Acquired software \$000	Internally generated software \$000	Total \$000
Cost or valuation			
Balance at 1 July 2023	3,348	10,093	13,441
Additions	-	2,151	2,151
Disposals	-	(2,240)	(2,240)
Balance at 30 June 2024	3,348	10,004	13,352
Balance at 1 July 2024	3,348	10,004	13,352
Additions	-	975	975
Disposals	(2,051)	(1,086)	(3,137)
Balance at 30 June 2025	1,297	9,893	11,190

Accumulated amortisation and impairment loss

Balance at 1 July 2023	3,218	4,442	7,660
Amortisation expense	92	3,103	3,195
Elimination on disposal	-	(2,240)	(2,240)
Balance at 30 June 2024	3,310	5,305	8,615
Balance at 1 July 2024	3,310	5,305	8,615
Amortisation expense	38	2,090	2,128
Elimination on disposal	(2,051)	(1,083)	(3,134)
Balance at 30 June 2025	1,297	6,312	7,609

Carrying amount

At 1 July 2023	130	5,651	5,781
At 30 June 2024	38	4,699	4,737
At 30 June 2025	-	3,581	3,581

Restrictions

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

The majority of intangible assets are internally generated software projects.

Work in progress

The total amount of work in progress included in intangible assets is \$0.1m (2024: \$0.1m).

Capital commitments

The amount of contractual commitments for the acquisition of intangible assets is \$nil (2024: \$nil).

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2025

Note 14: Payables and deferred revenue

Short-term payables are recorded at the amount payable.

	Actual 2025 \$000	Actual 2024 \$000
Payables due to non-related parties (exchange transactions)	3,841	5,500
Payables due to related parties (exchange transactions)	90	28
Income in advance (exchange transactions)	903	957
Taxes payable – GST, FBT, WHT and PAYE (non exchange transactions)	3,190	3,070
Total payables and deferred revenue	8,024	9,555

Note 15: Employee entitlements

Short-term employee entitlements

Employee benefits that are due to be settled within 12 months after the balance date in which the employee provides the related service are measured based on accrued entitlements at current rates of pay. These include salaries and wages accrued up to balance date, annual leave earned but not yet taken at balance date, and sick leave.

A liability and an expense are recognised for performance incentives where there is a contractual obligation or where there is past practice that has created a constructive obligation and a reliable estimate of the obligation can be made.

Long-term employee entitlements

Employee benefits that are due to be settled beyond 12 months after the balance date in which the employee provides the related service, such as retirement and long service leave, have been calculated on an actuarial basis. The calculations are based on:

- likely future entitlements accruing to employees, based on years of service, years to entitlement, the likelihood that employees will reach the point of entitlement, and contractual entitlement information, and
- the present value of the estimated future cash flows.

Critical accounting estimates and assumptions

Measuring retirement and long service leave obligations

The value of retirement and long service leave obligations are measured by the actual liability as at balance date as required under contractual arrangements (including local legalisation). Any employment changes may affect the carrying amount of the liability.

	Actual 2025 \$000	Actual 2024 \$000
Current portion		
Accrued salaries and wages	1,468	1,903
Annual leave	7,056	7,375
Sick leave	130	130
Retirement, long service and other employee entitlements	57	1,009
Total current portion	8,711	10,417
Non-current portion		
Retirement, long service and other employee entitlements	3,504	3,113
Total non-current portion	3,504	3,113
Total employee entitlements	12,215	13,530

Note 16: Provisions

A provision is recognised for future expenditure of uncertain amount or timing when:

- there is a present obligation (either legal or constructive) as a result of a past event
- it is probable that an outflow of future economic benefits or service potential will be required to settle the obligation
- a reliable estimate can be made of the amount of the obligation.

Provisions are measured at the present value of the expenditure expected to be required to settle the obligation using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the obligation.

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.

NZTE has a non-cancellable operating lease for the Wellington office space that was subleased to a tenant that no longer needed the office space and vacated the premises. The provision covers the period between July 2025 to the lease end in April 2026.

Lease make-good provision

A provision for a lease make-good is recognised when NZTE has an obligation to repair any damage caused to a leased premise and / or return a leased premise to its original state at the expiration of a lease. The cash flows associated with the non-current portion of the lease make-good provision are expected to occur after July 2027.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2025

	Actual 2025 \$000	Actual 2024 \$000
Current portion		
Lease make-good	50	–
Onerous Lease	346	–
Total current portion	396	
Non-current portion		
Lease make-good	1,750	–
Total non-current portion	1,750	–
Total provisions	2,146	–

Note 17: Contingencies

Contingent liabilities

NZTE had no legal disputes at balance date. (2024: nil for potential contractual disputes).

Contingent assets

NZTE has no contingent assets (2024: \$nil).

Note 18: Related party transactions

NZTE is controlled by the Crown.

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

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

Further, 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.

	Actual 2025 \$000	Actual 2024 \$000
Key management personnel remuneration		
NZTE Board Members		
Remuneration	208	212
Full-time equivalent members	0.95	0.96
NZTE Leadership Team		
Remuneration	3,557	3,619
Full-time equivalent members	7.75	8
Total key management personnel remuneration	3,765	3,831
Total full-time equivalent members	8.70	8.96

The full-time equivalent for Board members has been determined based on the frequency and length of Board meetings and the estimated time for Board members to prepare for meetings.

An analysis of Board member remuneration is provided in Section 5: Organisation Health and Capability.

Note 19: Joint ventures

The New Zealand Way Limited

NZTE has a 50% shareholding in The New Zealand Way Limited, a joint venture between NZTE and Tourism New Zealand. The activities of the joint venture are limited to the marketing and promotion of Brand New Zealand (both within New Zealand and offshore), the licensing and control of the use of Intellectual Property, and such other activities as may be unanimously agreed in writing by the parties. The New Zealand Way Brand provides marketing opportunities to those companies which meet quality and environmental standards. The Brand is promoted as a mark of outstanding quality, superior service and unique New Zealand characteristics. There were no impairment losses relating to the joint venture and no capital commitments or other commitments relating to the joint venture.

During the year, there were no transactions in The New Zealand Way Limited (2024: \$nil). Therefore, the share of the joint venture revenue and (deficit)/surplus for the year is \$nil (2024: \$nil).

Te Hono

NZTE partnered with the New Zealand Merino Company Limited for the purpose of accelerating the transformation of Aotearoa, New Zealand's Food & Fibre Sector from volume to value – for the good of the world. The operating entity, Te Hono, was a joint initiative that managed the annual Stanford Bootcamp and National Summit.

NZTE contributes funding towards Te Hono initiatives as well as providing the financial administration of the entity. NZTE is obligated for any financial shortfall or liability of Te Hono and is entitled to the legal ownership of all Te Hono property.

Te Hono ceased operations on 29 November 2024, and utilised all its funds. NZTE cleared all obligations for Te Hono as there were no assets or liabilities remaining.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2025

Note 20: Financial instruments

NZTE is exposed to interest rate risk, foreign currency risk, credit risk and liquidity risk. NZTE's senior management oversees the management of these risks and is supported by the Audit and Risk Committee that provides assurance to the Board that NZTE's financial risks are identified, measured and managed in accordance with NZTE's policies and procedures.

Financial instrument categories

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

	Notes	Actual 2025 \$000	Actual 2024 \$000
Mandatorily measured at fair value through surplus or deficit			
Derivative financial instrument assets	11	1,464	–
Derivative financial instrument liabilities	11	246	2,683
Total mandatorily measured at fair value financial instruments		1,710	2,683
Financial liabilities measured at amortised cost			
Payables (excluding deferred revenue, taxes payable)	14	3,931	5,528
Other non-current liabilities	16	1,750	–
Total financial liabilities measured at amortised cost		5,681	5,528
Financial assets measured at amortised cost			
Cash and cash equivalents	8	50,501	46,223
Receivables	3,9	20,278	25,626
Accommodation deposits	10	1,571	1,704
Total financial assets measured at amortised cost		72,350	73,553

Fair value

For those instruments recognised at fair value in the statement of financial position, fair values are determined according to the methods and assumptions listed below:

Derivatives

The fair value of forward exchange contracts has been determined using a discounted cash flow valuation methodology based on quoted forward foreign exchange market rates.

Where discounted cash flow techniques are used, estimated future cash flows are based on management's best estimates and the discount rate is a market related rate for a similar instrument at balance date. Where other pricing models are used, inputs are based on market-related data at balance date.

Receivables and payables

For receivables and payables with a remaining life of less than one year, the notional amount is deemed to reflect the fair value.

Financial instrument risk

NZTE's activities expose it to a variety of financial instrument risks, including interest rate risk, foreign currency risk, credit risk and liquidity risk. NZTE has policies to manage these risks and seeks to minimise exposure from financial instruments. These policies do not allow transactions that are speculative in nature to be entered into.

Interest rate risk

Fair value interest rate risk is the risk that the fair value of a financial instrument will fluctuate due to changes in market interest rates. NZTE's exposure to fair value interest rate risk is limited to its bank deposits that are held at fixed rates of interest. NZTE actively manages its exposure to fair value interest rate risk by reviewing its placement of funds.

Foreign currency risk

Currency 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.

NZTE makes purchases of goods and services overseas that require it to enter into transactions denominated in foreign currencies. NZTE holds currency balances in AED, AUD, CAD, CNY, EUR, GBP, HKD, JPY, SGD, and USD to operate its international offices and settle international transactions denominated in foreign currencies when necessary. As a result of these activities, exposure to currency risk arises.

NZTE manages foreign currency risks arising from contractual commitments and liabilities by entering forward foreign exchange contracts to manage the foreign currency risk exposure.

Exchange rate sensitivity analysis

At balance date, if the NZ dollar had weakened/strengthened by 1% against all foreign currencies, with all other variables held constant, the impact on the surplus for the year would have been:

- \$0.86 million (2024: \$0.81 million) lower if the NZ dollar had weakened
- \$0.84 million (2024: \$0.85 million) higher if the NZ dollar had strengthened.

This movement is attributable to foreign exchange gains/losses on translation of foreign currency denominated creditors, bank balances and derivative financial instruments.

Credit risk

Credit risk is the risk that a third-party will default on its obligation to NZTE, causing it to incur a loss.

NZTE is exposed to credit risk from cash and term deposits with banks, prepayments and deposits, receivables, and derivative financial instrument assets. For each of these, the maximum credit exposure is best represented by the carrying amount in the statement of financial position.

Due to the timing of its cash inflows and outflows, NZTE invests surplus cash with registered banks with a Standard and Poor's credit rating of at least AA- for short-term investments. At balance date, NZTE held \$15 million in short-term deposits. NZTE limits the amount of credit exposure to any one financial institution for term deposits to no more than \$60 million. NZTE's investments in term deposits are considered to be low-risk investments. The majority of NZTE's cash and term deposits are held with counterparties that have a Standard and Poor's credit rating of A+ or above. The credit ratings of banks are monitored for credit deterioration.

Security

No collateral or other credit enhancements are held for financial assets that give rise to credit risk.

Liquidity risk

Management of liquidity risk

Liquidity risk is the risk that NZTE will encounter difficulty raising liquid funds to meet commitments as they fall due. Prudent liquidity risk management implies maintaining sufficient cash and the ability to close out market positions.

NZTE manages liquidity risk by continuously monitoring forecast and actual cash flow requirements.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2025

Contractual maturity analysis of financial liabilities, excluding derivative financial instrument liabilities

The table below analyses financial liabilities (excluding derivatives) into their relevant maturity groupings based on the remaining period at balance date to the contractual maturity date. The amounts disclosed are the undiscounted contractual cash flows.

Contractual maturity analysis of financial liabilities, excluding derivative financial instrument liabilities	Carrying amount \$000	Contractual cash flows \$000	Less than 6 months \$000	More than 1 year \$000
2025				
Payables	3,931	3,931	3,931	–
Other non-current liabilities	1,750	–	–	1,750
Total	5,681	3,931	3,931	1,750
2024				
Payables	5,528	5,528	5,528	–
Total	5,528	5,528	5,528	–

Contractual maturity analysis of derivative financial instrument assets and liabilities

The table below analyses derivative financial instrument liabilities that are settled net and all gross settled derivatives into their relevant maturity groupings based on the remaining period at balance date to the contractual maturity date. The amounts disclosed are the undiscounted contractual cash flows.

Contractual maturity analysis of derivative financial assets and liabilities	Asset carrying amount \$000	Liabilities carrying amount \$000	Contractual cash flows \$000	Less than 6 months \$000	6-12 months \$000
2025					
Forward foreign exchange contracts	1,464	246	–	–	–
– outflow	–	–	(68,104)	(39,693)	(28,411)
– inflow	–	–	69,321	40,436	28,885
Total	1,464	246	1,217	743	474
2024					
Forward foreign exchange contracts	–	2,683	–	–	–
– outflow	–	–	(72,398)	(42,128)	(30,270)
– inflow	–	–	69,715	40,668	29,047
Total	–	2,683	(2,683)	(1,460)	(1,223)

Note 21: Discontinued activities

Invest New Zealand

The Government passed legislation to establish Invest New Zealand as a new Crown entity, effective from 1 July 2025. This new agency will focus on increasing foreign direct investment into New Zealand and will be formed from NZTE's existing Investment team. The new agency will operate independently with its own Board and Chief Executive.

NZTE is the incubation agency for Invest NZ and will continue to provide business operations (shared services) support through a Memorandum of Understanding to ensure the successful establishment of Invest NZ as a separate standalone entity.

Discontinued statement of comprehensive revenue and expense	Continued activities Actual 2025 \$000	Discontinued activities Actual 2025 \$000	Total Actual 2025 \$000	Continued activities Actual 2024 \$000	Discontinued activities Actual 2024 \$000	Total Actual 2024 \$000
Revenue	210,210	11,150	221,360	245,248	11,150	256,398
Expenditure	202,964	11,150	214,114	244,202	11,150	255,352
Total comprehensive revenue and expense	7,246	–	7,246	1,046	–	1,046

Discontinued statement of financial position	Continued activities Actual 2025 \$000	Discontinued activities Actual 2025 \$000	Total Actual 2025 \$000	Continued activities Actual 2024 \$000	Discontinued activities Actual 2024 \$000	Total Actual 2024 \$000
Assets	87,016	75	87,091	88,346	213	88,559
Liabilities	42,089	630	42,719	50,967	466	51,433

In 2025/26 NZTE returned retained cash of \$0.76m for Sector Strategies and Facilitation to Invest New Zealand.

Discontinued statement of cash flow	Continued activities Actual 2025 \$000	Discontinued activities Actual 2025 \$000	Total Actual 2025 \$000	Continued activities Actual 2024 \$000	Discontinued activities Actual 2024 \$000	Total Actual 2024 \$000
Cash flows from operating activities	6,450	761	7,211	7,697	–	7,697
Cash flows from investing activities	(2,933)	–	(2,933)	(2,684)	–	(2,684)
Net increase in cash and cash equivalents	3,517	761	4,278	5,013	–	5,013

OTHER STATUTORY REPORTING REQUIREMENTS

Note 22: Explanation of major variances against budget

Explanations for major variances from NZTE's budgeted figures in the statement of performance expectations are as follows:

Statement of comprehensive revenue and expense

Other revenue

NZTE received revenue for unrealised gains on derivative financial instruments of \$3.9 million, which was not included in the budget.

Grant revenue and expenditure

Timing differences driven by wider economic factors between when grants were expected to be claimed and when grant recipients' claims are received.

Other Operating Expenses

The reduction in other operating expenses is mainly around professional services and content and events costs, due to the use of contractors instead of professional services to deliver some digital projects, and lower trade mission costs. Less activity was undertaken in the event space with the economic conditions impacting customers willingness to travel to events.

Statement of financial position

Cash and cash equivalents

Fluctuations in cash balances are correlated to fluctuation in other balance sheet items most notably receivables – operating as well as payables and deferred revenue.

Receivables and payables – Crown grants

The balance of grants receivable and payable is driven by the level of approvals and volume of claims by grant recipients in the International Growth Fund (grant programme). Changing economic factors and the cadence of claims by grant recipients has driven the variance.

Property, plant and equipment

Variance due to a higher budget expectation of renovation projects, than was required in the financial year. In addition, there was also a reduction in Intangibles against budget.

Derivative Financial Instruments

NZTE does not budget for derivative financial instruments. Foreign exchange forward contracts are taken to manage foreign currency requirements. Movements in foreign exchange rates between when the contracts were entered into and balance date have resulted in movements in the value of those foreign exchange forward contracts.

Ministerial directions

(Sections 114 and 115 Crown Entities Act 2004)

No directions were given to NZTE in writing by a Minister under any enactment during the year ending 30 June 2025.

Enforcement of Acts

(Section 20(3) Crown Entities Act 2004)

No natural person acts were enforced against NZTE in reliance on section 20 of the Crown Entities Act 2004 during the year ending 30 June 2025.

SECTION 6:

INDEPENDENT AUDITOR'S REPORT

AUDIT NEW ZEALAND
Mana Arotake Aotearoa

INDEPENDENT AUDITOR'S REPORT

To the readers of the New Zealand Trade and Enterprise's group annual financial statements and performance information for the year ended 30 June 2025

The Auditor-General is the auditor of the New Zealand Trade and Enterprise group (NZTE). The Auditor-General has appointed me, Rehan Badar, using the staff and resources of Audit New Zealand, to carry out, on his behalf, the audit of:

- the annual financial statements of NZTE that comprise the statement of financial position as at 30 June 2025, 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 51 to 79;
- the performance information of NZTE that consists of the statement of performance and the year-end performance information for appropriations for the year ended 30 June 2025 on pages 25 to 43.

Opinion

In our opinion:

- The annual financial statements of NZTE:
 - fairly present, in all material respects:
 - † its financial position as at 30 June 2025; and
 - † its financial performance and cash flows for the year then ended; and
 - comply with generally accepted accounting practice in New Zealand in accordance with the Public Benefit Entity Reporting Standards.
- The statement of performance of NZTE fairly presents, in all material respects, NZTE's service performance for the year ended 30 June 2025. In particular, NZTE's statement of performance:
 - provides an appropriate and meaningful basis to enable readers to assess the actual performance of the Group for each class of reportable outputs; determined in accordance with generally accepted accounting practice in New Zealand; and
 - fairly presents, in all material respects, for each class of reportable outputs:
 - † the actual performance of NZTE;
 - † the actual revenue earned; and

- † the output expenses incurred compared with the forecast standards of performance, the expected revenues, and proposed output expenses included in NZTE's statement of performance expectations for the financial year; and
- complies with generally accepted accounting practice in New Zealand in accordance with the Public Benefit Entity Reporting Standards.
- The year-end performance information for appropriations:
 - fairly presents, in all material respects:
 - † what has been achieved by NZTE with the appropriation; and
 - † the actual expenses or capital expenditure incurred in relation to the appropriation as compared with the expenses or capital expenditure that were appropriated or forecast to be incurred; and
 - complies with generally accepted accounting practice in New Zealand in accordance with the Public Benefit Entity Reporting Standards.

Our audit was completed on 31 October 2025. This is the date at which our opinion is expressed.

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.

INDEPENDENT AUDITOR'S REPORT

Responsibilities of the Board for NZTE's annual financial statements and NZTE's performance information

The preparation of the financial statements and performance information of the Group is the responsibility of the Board.

The Board is responsible on behalf of NZTE for preparing financial statements and performance information that are fairly presented and comply with generally accepted accounting practice in New Zealand. This includes preparing performance information that provides an appropriate and meaningful basis to enable readers to assess what has been achieved for the year.

The Board is responsible for such internal control as it determines is necessary to enable them to prepare NZTE annual financial statements, a NZTE statement of performance, and the end-of-year performance information for appropriations that are free from material misstatement, whether due to fraud or error.

In preparing NZTE's annual financial statements, NZTE's statement of performance, and the end-of-year performance information for appropriations, the Board is responsible on behalf of NZTE for assessing NZTE's ability to continue as a going concern.

The Board's responsibilities arise from the Crown Entities Act 2004 and the Public Finance Act 1989.

Responsibilities of the auditor for the audit of NZTE's annual financial statements and performance information

Our objectives are to obtain reasonable assurance about whether NZTE's annual financial statements, statement of performance, and the year-end performance information for appropriations of NZTE, 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 NZTE's annual financial statements, statement of

performance, and the year-end performance information for appropriations of NZTE.

For the budget information reported in NZTE's annual financial statements, statement of performance, and the year-end performance information for appropriations of NZTE, our procedures were limited to checking that the information agreed to NZTE's statement of performance expectations or to the Estimates of Appropriations for the Government of New Zealand for the Year Ending 30 June 2025.

We did not evaluate the security and controls over the electronic publication of NZTE's annual financial statements, statement of performance, and the year-end performance information on appropriations of NZTE.

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 NZTE's financial statements, statement of performance, and the end-of-year performance information for appropriations of NZTE, 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 NZTE's internal control.
- We evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board.
- We evaluate whether NZTE's statement of performance and the end-of-year performance information for appropriations of NZTE:
 - provide an appropriate and meaningful basis to enable readers to assess the actual performance of NZTE in relation to the forecast performance of NZTE for the statement of performance and

what has been achieved with the appropriation by NZTE for the year-end performance information on appropriations. We make our evaluation by reference to generally accepted accounting practice in New Zealand; and

- fairly present the actual performance of NZTE and what has been achieved with the appropriation by NZTE for the financial year.
- We conclude on the appropriateness of the use of the going concern basis of accounting by the Board.
- We evaluate the overall presentation, structure and content of NZTE's annual financial statements, statement of performance, and the year-end performance information for appropriations, including the disclosures, and whether NZTE's annual financial statements, statement of performance, and the year-end performance information for appropriations of NZTE, represent the underlying transactions and events in a manner that achieves fair presentation.
- We plan and perform NZTE's audit to obtain sufficient appropriate audit evidence regarding the financial information, the service performance information, and the year-end performance information on appropriations of the entities or business units within NZTE as a basis for forming an opinion on the annual financial statements, the statement of performance and the year-end performance information for appropriations. We are responsible for the direction, supervision and review the audit work performed for the purposes of NZTE's audit. We remain solely responsible for our audit opinion.

We communicate with the Board 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 is responsible for the other information. The other information comprises all of the information included in the annual report, but does not include NZTE's annual financial statements, statement of performance, and the year-end performance information for appropriations of NZTE, and our auditor's report thereon.

Our opinion on NZTE's annual financial statements, statement of performance, and the year-end performance information for appropriations 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 NZTE's annual financial statements, statement of performance, and the year-end performance information for appropriations of NZTE, our responsibility is to read the other information. In doing so, we consider whether the other information is materially inconsistent with NZTE's annual financial statements, statement of performance, and the year-end performance information for appropriations of NZTE or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on our work, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Independence

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



Rehan Badar

Audit New Zealand
On behalf of the Auditor-General
Wellington, New Zealand

APPENDIX: INTERVENTION LOGIC FOR NZTE

Intervention Logic for NZTE – as agreed on 12 June 2011

Introduction

We are guided in our operation by an intervention logic agreed with MED, Treasury and MFAT. This explains the reasons why government (through a Crown Agency) is actively engaging in economic development.

Common economic policies arguments against active engagement in markets include:

- Government should regulate markets, but not intervene in them
- Its inequitable to tax one part of the economy to subsidise another
- Government failure – governments often get it wrong; why will government agencies be better at business than business?
- Crowding out – subsidised public intervention can crowd out private sector activity and therefore reduce competitiveness.

We acknowledge these arguments and address them by ensuring that our activities are undertaken in accordance with this Intervention Logic and in partnership with and with the advice of business and private sector leaders.

New Zealand Trade and Enterprise's Role and Additionality

Our role is to support New Zealand's export led economic growth and business internationalisation.

Any intervention must meet the test of additionality. This means that the activity engaged in by the beneficiary of NZTE assistance must be additional to [in terms of scale, scope and/ or speed] that which would have incurred anyway, without this assistance.

It also means that the positive business growth effects and spill-over benefits must be greater than the total government cost of the investment. Spill-over benefits are benefits that accrue to other businesses and the wider economy as a consequence of an engagement with one or more customers.

In What Circumstances should New Zealand Trade and Enterprise intervene?

Additionality is most likely to occur in the following circumstances:

- Market failure
- Spill-over benefits
- Barriers to success
- Complementary public inputs.

Market failure arguments have formed a substantial part of the decision criteria in the Intervention Logic that has guided NZTE activities in the past. The difficulty with market failure rationale is that what is or what is not a market failure can be the subject of complex economic debate, and just because a market failure can be demonstrated to exist does not necessarily mean NZTE is in a good position to resolve it. Demonstrated market failure remains an element of the 2011 intervention logic, but is not the driving force.

Potential spill-over benefits may justify government intervention in that without government support the business may under-invest in growth activity valuable to the broader economy, because it cannot capture all the benefits of that investment. The difficulty with spill-over benefits is that they can be difficult to quantify and therefore the activity can be difficult to justify. The existence of spill-over benefits remains a part of the Intervention Logic.

NZTE may be able to reduce or eliminate barriers to business success through the identification of issues or opportunities that require a coordinated government approach or changes to legislation or regulations that are disabling business, without a compelling policy argument for so doing. The emphasis in the NZTE 2011 Intervention Logic is on Complementary Public Inputs. These inputs relate to the resources, skills or core competencies that NZTE can bring to bear in support of business. The Intervention Logic was built on the identification of inputs that would be valued by business, rare in that they don't readily exist elsewhere, are hard to imitate and organisationally embedded²⁸.

The advantages of this approach to the Intervention Logic are that:

- it enables NZTE to develop its intervention strategy based on its unique combination of resources and
- that the four economic arguments against intervention cited in the introduction are countered by virtue of the value business places on NZTE inputs together with their rarity and inability to be easily imitated by the private sector.

What are NZTE's unique Resources and Competencies?

- The imprimatur of government
- The ability to act on behalf of New Zealand to reduce transaction costs and create scale
- Commercial neutrality
- The ability to leverage business goodwill

Whereas other government agencies may be able to offer one or more of these, NZTE is in the best position to leverage these as a set.

The imprimatur mandate or mana of government is valuable to exporters in several circumstances, for example:

- when the customer is itself a government [eg border protection or defence]
- in difficult markets where there is substantial government and political involvement
- where there are complex trade regulations or non-tariff barriers.

Many of our competitors are much larger multinationals who do not act as markets internally. NZTE can reduce transaction costs and replicate the benefits of a large firm to overcome disadvantages of scale and distance to markets. New Zealand exporters typically have to look internationally much earlier in their development than companies with larger domestic or proximate markets. A New Zealand Inc approach can support this with shared market intelligence and aggregated go-to market opportunities.

NZTE is commercially neutral and operates for the benefit of New Zealand so does not need to exclude companies from access to services that provide broad benefits to a wide range of firms.

Companies may prefer to get independent advice on export growth from NZTE who they know are acting in New Zealand's interests rather than from an in market consultancy that has no such New Zealand loyalty and is motivated only by the commercial transaction.

NZTE can leverage business goodwill to develop ideas, services and connections that will make a difference for New Zealand. Examples include Better by Design and Beachheads.

The Intervention Logic suggests that NZTE should focus on:

- Using its offshore network to leverage the value of the government imprimatur and provide services that have the characteristics of public goods;
- Assessing the readiness of New Zealand firms to access this offshore network;
- Ensuring that New Zealand firms who access the offshore network are adequately prepared to do so, such that they add to rather than detract from the imprimatur;
- Coordinating and encouraging private firms to overcome some of the disadvantages of their small scale to strengthen their capacity to export and internationalise – including by facilitating international investment;
- Encouraging greater exports from those areas of the NZ economy that are dominated by public ownership, funding and/or regulation; and
- Feeding market intelligence and practical experience back into the policy system.

²⁸This derives from the resource based view of business strategy. See Barney, Jay B and Hesterly, William S. Strategic Management and Competitive Advantage: Concepts. 2005 Pearson Education, New Jersey

GLOSSARY

Active Investor Plus (AIP) visa	An AIP visa was developed to attract high-net worth investors to apply for residency, on the basis they take a proactive investment role in the development of the New Zealand economy.
Beachhead advisors	Our Beachhead advisors are a global network of 450 private-sector experts who offer perspective and insights to help our export customers shape the direction of their business.
Clean technologies	Technology that makes it possible to reduce or avoid harm to the environment, for example, technologies related to recycling, clean water, or methods of transport that do not cause pollution.
Co-funding	An activity that supports firms or groups of firms where the costs of the activity are shared between NZTE and the participants. This may include programmes where NZTE supports firms with funding however requires participants to also invest in delivering the activity.
CRRF	COVID-19 Response and Recovery Funding. Temporary additional funding of \$54 million (annual) that ceased in FY24. The funding provided additional support to more exporters during the COVID-19 pandemic.
Deals (export deals)	An export deal is a sale of goods and services with a dollar value over a defined time period, achieved with the assistance of NZTE.
Employee Net Promoter Score	A survey that asks employees to rate how likely they are to recommend their organisation as a place to work. The index ranges from -100 to +100.
Engaged customers	Engaged customers are exporters who are generally at an early stage in their international journey and have a less intensive relationship with NZTE.
Focus portfolio	The 1,000 (+/-100) customers who receive an intensified service from NZTE.
Greenfield investment	Projects where there are no existing operations.
In-market support	Activities that occur in an international location (not in New Zealand).
International Growth Fund (IGF)	A service for our Focus customers. IGF co-invests in projects that will have a positive impact on the New Zealand economy.
Investee	Companies seeking investment
International growth outcomes (IGOs)	A result achieved in market with the assistance of NZTE that is not a sale however it provides a significant platform for future international growth.
myNZTE	NZTE's digital portal; a hub of learning, guides, insights and events.
Net promoter score (NPS)	A widely used customer loyalty or satisfaction metric used to measure success across NZTE services. It is an index ranging from -100 to +100 that measures the willingness of customers to recommend a company's products or services to others.

NZ Inc	New Zealand's business support agencies. NZTE works closely with them to provide a consistent and coordinated level of support for the New Zealand business community.
One Global Team	NZTE's team of 606 people in 47 locations around the world.
Potential direct economic impact (pDEI)	pDEI is the forecast return to the economy through increased profits, wages and supplier spend in New Zealand
Realised direct economic impact (rDEI)	rDEI is the realised return to the economy through increased profits, wages and supplier spend in New Zealand.
Strategic Investment Fund (SIF)	The strategic investment fund co-funds feasibility studies that develop and present the business case for investment in New Zealand.

NZTE'S INTERNATIONAL NETWORK

As at 30 June 2025

Our in-market support

6 Regions

32 Languages

37 International locations

450 Private sector advisors

606 NZTE employees

NORTH AMERICA OFFICES

Los Angeles
New York
San Francisco
Vancouver
Washington

Satellite offices

Toronto
Chicago
Denver

LATIN AMERICA OFFICES

Bogotá
Mexico City
Santiago
São Paulo

EUROPE, MIDDLE EAST AND AFRICA OFFICES

Amsterdam
Berlin
Istanbul
London
Madrid
Milan
Paris
Dubai
Riyadh

SOUTH EAST & EAST ASIA OFFICES

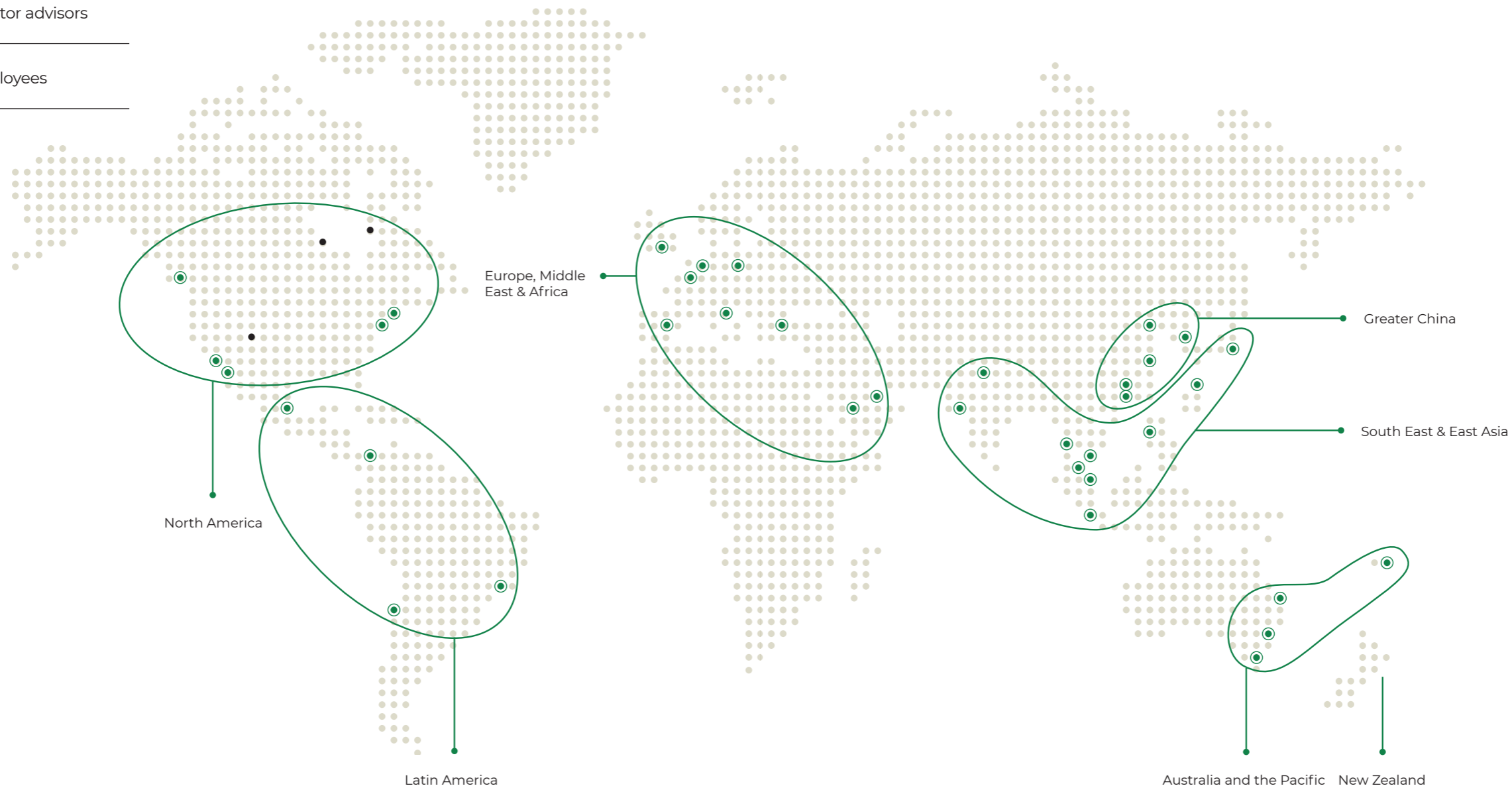
Mumbai
New Delhi
Bangkok
Ho Chi Minh City
Jakarta
Kuala Lumpur
Manila
Seoul
Singapore
Tokyo

GREATER CHINA OFFICES

Beijing
Guangzhou
Hong Kong
Shanghai
Taipei

AUSTRALIA-PACIFIC OFFICES

Brisbane
Melbourne
Sydney
Suva



KEY

● International offices ● Satellite offices



NEW ZEALAND
TRADE & ENTERPRISE
Te Taurapa Tūhono

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OCTOBER 2025