PŪRONGO Ā-TAU

REANNZ ANNUAL REPORT

Year ended 30 June 2026



REANNZ

CONTENTS /

BOARD CHAIR'S FOREWORD	2
CHIEF EXECUTIVE'S FOREWORD	4
ABOUT REANNZ	6
2026 BY THE NUMBERS	8
MILESTONES	9
CASE STUDY #1 / SCIENTISTS ARE STARTING TO SEE HOW THE BRAIN RECOVERS FROM METHAMPHETAMINE	10
THE NETWORK	12
GLOBAL RESEARCH AND EDUCATION COMMUNITY	14
REANNZ'S ROLE FOR THE SECTOR	16
WHAT REANNZ PROVIDES	17
STRATEGIC APPROACH	19
CASE STUDY #2 / WHY THE INTERNET DEPENDS ON A RADIO TELESCOPE NORTH OF AUCKLAND	22
CASE STUDY #3 / HOW SCIENTISTS ARE REHEARSING FUTURE EARTHQUAKES	24
CASE STUDY #4 / CAN AI FIX NEW ZEALAND'S WEATHER FORECASTING GAP?	26
GOVERNANCE	28
OUR PEOPLE	30
END OF YEAR REPORTING	31
GOOD EMPLOYER STATEMENT	32
GOVERNANCE STATEMENT	34
STATEMENT OF RESPONSIBILITY	36
INDEPENDENT AUDITOR'S REPORT	37
STATEMENT OF PERFORMANCE	41
FINANCIAL STATEMENTS	49
NOTES TO THE FINANCIAL STATEMENTS	53
STATUTORY REMUNERATION DISCLOSURES	67
REANNZ MEMBERS	68

Presented to the House of Representatives under Sections 150–157 of the *Crown Entities Act 2004*.

REANNZ is the Research and Education Advanced Network New Zealand.
Level 5, PlanIT House 5/22 The Terrace, Wellington Central, Wellington 6011
engagement@reannz.co.nz
www.reannz.co.nz



TURNING ADVANCED DIGITAL INFRASTRUCTURE INTO NATIONAL ADVANTAGE

REANNZ connects researchers, educators and innovators to the networks, computing power, data services and expertise they need to move faster, solve harder problems and create more value for New Zealand.

BOARD CHAIR'S FOREWORD /



REANNZ Chair Helen Robinson

The REANNZ Board is pleased to present this annual report for the financial year ended 30 June 2026.

New Zealand's research, education and innovation system is entering a period of profound technological change. Artificial intelligence, advanced computing, data-intensive science, cyber security, and global research platforms are no longer specialist concerns. They are becoming the operating environment for how knowledge is created, shared and applied.

In this context, REANNZ has an increasingly important role as kaitiaki of the digital infrastructure that underpins discovery and collaboration in Aotearoa New Zealand. We are a cornerstone of the eResearch system: connecting people, institutions, data, technology and global capability so the sector can move with confidence into what comes next.

For the Board, preparing the sector for the future is as important as keeping essential services running. It means guiding a technology organisation that can anticipate change, simplify access to advanced capability, and help turn shared national infrastructure into a platform for research impact, innovation and resilience.

FY2026 has given REANNZ a stronger base from which to lead. The organisation delivered well against its core responsibilities while strengthening its strategy, operating model and customer focus. This matters because the next generation of research infrastructure will be judged not only by technical performance, but by how easily people can find, access and use it to solve complex problems.

The opportunity ahead is to build on this foundation with pace and purpose. REANNZ is well placed to be the preferred partner for eResearch infrastructure, helping New Zealand make better use of national capability, connect more deeply with global peers, and ensure its researchers, educators and innovators have the infrastructure they need to change the world.

Financial result

REANNZ remained in a strong financial position throughout FY2026, reporting a net surplus of $2.547 million, compared with a budgeted surplus of $1.471 million. This result was achieved during a year of significant organisational change, including the successful integration of New Zealand eScience Infrastructure (NeSI) services and the investment required to support REANNZ's expanded role within New Zealand's eResearch ecosystem. The organisation closed the year with net assets of $60.63 million, reflecting both prudent financial management and investment in the infrastructure, capabilities and services needed to support New Zealand's research, education and innovation communities. The Board is pleased that REANNZ remains well positioned to meet its long-term obligations while continuing to invest for the future.

Performance outcomes

FY2026 was a year of significant delivery and transition for REANNZ. The organisation maintained reliable services for members while completing the integration of New Zealand eScience Infrastructure (NeSI) and preparing for its broader role in national eResearch infrastructure. REANNZ achieved most of the objectives set out in its Statement of Performance Expectations, with some targets not achieved where delivery depended on external decisions, partner timing or wider sector readiness.

Connecting New Zealand to global capability

New Zealand's researchers, educators and innovators need to be connected to global infrastructure, expertise and trusted networks if they are to work at the scale and speed modern research demands.

That is why REANNZ's international role remains central to the value it delivers for New Zealand. Through the global research and education network community, REANNZ helps ensure Aotearoa New Zealand is connected into the systems, standards and relationships that underpin international research collaboration.

This work is becoming increasingly important as national research and education networks work together on shared challenges in connectivity, cyber security, resilience, common standards and the responsible use of advanced digital infrastructure. REANNZ contributes to this global system through formal forums, technical collaboration and leadership roles, including its involvement in the Global Research and Education Network CEO Forum and as Co-Chair of the Security Policy Alliance workstream.

Through this wider engagement, REANNZ helps ensure New Zealand remains part of a secure, high-performing and globally aligned research and education ecosystem, so our sector can collaborate at scale and contribute with confidence on the world stage.

Governing REANNZ

REANNZ would like to acknowledge departing Director Sara Brownlie, who retired from the Board on 30 June 2026 after almost eight years of service. We thank Sara for her contribution to REANNZ and to the research, education and innovation sectors during a period of significant change and growth.

We also welcomed Sharon Cresswell to the Board from 13 July 2026. Sharon brings valuable governance and finance experience, and we look forward to her contribution as REANNZ continues to strengthen its role in national eResearch infrastructure.

My thanks also to my fellow Directors, Chief Executive Amber McEwen, and the entire REANNZ team for their leadership, commitment and work throughout the year.



Helen Robinson ONZM
Chair

CHIEF EXECUTIVE'S FOREWORD /

FY2026 marked a turning point for REANNZ: the year we brought network, compute, data and research support together around a clearer national role for eResearch infrastructure.

We continued to deliver the trusted infrastructure our customers and users rely on, while evolving the organisation for a more complex and demanding technology environment.

Researchers, educators and innovators are working with larger datasets, more distributed teams, more advanced tools and higher expectations for cyber security, usability and support. REANNZ's role is to support the sector to navigate that complexity and reach the capability it needs.

Increasingly, that means brokering as well as building. REANNZ will continue to operate critical national infrastructure, while also connecting the sector with a broader ecosystem of services, platforms, expertise and partnerships in New Zealand and internationally.

Turning strategy into delivery

During the year, we completed a new five-year strategy for REANNZ, setting out a broader national role for the organisation from FY2027. The strategy, developed with the sector, builds on our core infrastructure role and extends it, so REANNZ can continue to operate trusted services while helping institutions and researchers reach advanced capability that would be difficult to access individually.

To deliver on that role, we designed a new operating model and organisational structure that combines the strengths of REANNZ and NeSI and aligns our people, services and systems behind the new strategy.

Together, these changes provide the foundations for a more coordinated national approach to eResearch infrastructure,



Amber McEwen, Chief Executive Officer

helping REANNZ turn integration into lasting value for researchers, educators, innovators and the institutions that support them.

Looking ahead

Looking ahead, the next phase of this work is about creating a clearer front door into REANNZ's services and the wider capability available to the sector.

A new customer portal, service catalogue and supporting service processes will make it easier for members and researchers to see what is available, request support and navigate the right pathway into network, compute, data, identity, security and research support services.

A new pricing and access model will give customers and users greater transparency over cost, usage and options for accessing advanced computing and related services.

Together, these changes sit beyond the reporting period, but they show the direction of travel - a better customer experience, clearer choices, and greater visibility of demand, investment and use across the system.

Strengthening our leadership team

Since year end, we have strengthened our executive leadership team with the permanent appointment of a Chief Technology Officer, a Chief Corporate and Financial Officer, and a Director Partnerships and Engagement. These roles support the organisation REANNZ is becoming: more scalable, more customer-focused, and better able

to connect technology, operations, partnerships and investment behind the needs of the sector.

I want to thank every member of the REANNZ team for their energy, expertise and commitment throughout the year. Their work kept critical services running while helping build the foundations for a more connected, capable and future-focused organisation.



Amber McEwen
Chief Executive Officer

ABOUT REANNZ /

Behind many of New Zealand's biggest research and innovation ambitions is a simple need: the ability to move data securely, analyse it at scale, and access the computing power to turn it into insight. REANNZ exists to make this possible, providing the advanced digital infrastructure, platforms and expertise that help researchers, educators and innovators work faster, connect globally and turn complex ideas into real-world impact.

REANNZ brings together two core national capabilities for the research, education and innovation sector: high-performance connectivity and advanced computing. Our National Research and Education Network is a purpose-built, high-capacity fibre optic network designed for research and education. It connects institutions across Aotearoa New Zealand to each other and to the global research and education network community, enabling secure, data-intensive collaboration at national and international scale.

REANNZ also provides national-scale advanced computing and data capability, backed by specialist software, tools, training and expert support. These services help researchers analyse large datasets, model complex systems, train advanced models and accelerate work that can be difficult or impossible to do within a single institution.

A Crown-owned technology company and membership organisation, REANNZ works across the sector to solve shared technology challenges at national scale. Our members and users include research organisations, wānanga, universities, tertiary institutions, museums, libraries and government organisations. Together, we help build the digital foundations New Zealand needs for discovery, innovation and long-term resilience

OUR VISION /

A globally connected and thriving research and education sector.

OUR MISSION /

Connecting researchers and educators so they can change the world.

OUR MINDSET /

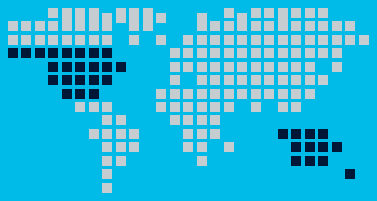
REANNZ's core values support it to achieve its aspirations for the sector

Values	Actions
Trust Earning trust and enabling discovery	**We are** > **Transparent** > **Accountable** > **Understanding** > **Humble**
Collaboration Together, everyone achieves more	**We are** > **United** > **Respectful** > **Inclusive** > **Tolerant**
Innovation Redefining the possible	**We are** > **Resourceful** > **Forward thinking** > **Empowered** > **Courageous**
Excellence Delivering our best, every time	**We are** > **Customer centric** > **Reliable** > **Pragmatic** > **Solution focused**
Integrity The foundation of all we do	**We are** > **Honest** > **Fair** > **Trustworthy**

2026 BY THE NUMBERS /



100 Gbps
National bandwidth available



240 Gbps
International network capacity to Australia and the United States



215 Petabytes
total traffic flow



99.997%
Acceptability in packet delay variation



99.9997%
Successful packet delivery



433,780,420
cyber threats disrupted via Malware Free Networks



100% availability
on the international network



99.999% availability
on the national network



46 training programmes
completed



42.5% growth
in sites deploying eduroam



56% growth
in unique devices authenticated via eduroam



92% of customers
who say the REANNZ network is valuable and essential

MILESTONES /

2025



NeSI integrates with REANNZ. New Zealand's national eResearch capability is brought together with REANNZ, creating an organisation that spans network, compute, data and research support.



REANNZ turns 20. Two decades of connecting New Zealand's research and education communities to the world.



New strategy endorsed. MBIE endorses REANNZ's future-focused strategy, setting a new direction for the organisation following the NeSI integration.

2026



A new model for national research infrastructure. REANNZ's operating model is endorsed, supporting a more connected and accessible eResearch ecosystem.

eResearch 2026: Researchers, infrastructure providers and international partners come together to explore the future of AI, advanced computing and digital research.



Cascade becomes available. Researchers gain a new pathway to national high-performance computing capability.



A new international backup route is established via Raglan to ensure more resilient connectivity in the event of disruption.



eduroam reaches new heights. 180 new sites added in a single year, significantly expanding access across Aotearoa New Zealand.

Case study #1

SCIENTISTS ARE STARTING TO SEE HOW THE BRAIN RECOVERS FROM METHAMPHETAMINE

Can recovery after methamphetamine use be seen in the brain? At Mātai in Gisborne, Dr Maryam Tayebi and the Hīkoi programme team are using advanced MRI and REANNZ's research computing capability to find out.

Scientists understand many of the ways methamphetamine harms the brain. What is far less clear, and far more urgent for people trying to rebuild their lives, is whether the brain can recover after use stops.

That gap matters because evidence of brain recovery could give clinicians better tools to support more people.

At Gisborne's Mātai Medical Research Institute, Dr Maryam Tayebi and her team are working to build that evidence. Their research begins with a simple question: can the changes people live through also be seen inside the brain?

"If someone stops using meth, is there hope that recovery happens in the brain?" Dr Tayebi asks. "If there is, how much recovery is possible? Which areas can recover, and which cannot?"

Following the brain through recovery

To answer those questions, Dr Tayebi and her colleagues follow participants for a year after they stop using methamphetamine, combining repeated MRI scans with clinical assessments.

The study uses several advanced MRI techniques because no single image can show the full picture. Some reveal how the brain regions communicate; some map the pathways between them, and others look for structural change or signs of inflammation linked to long-term methamphetamine use.

Together, these techniques reveal a more complete view of how the brain changes over time.



"We connect the MRI data with what the psychiatrist can tell us," Dr Tayebi says. "If someone's attention is improving, we can look at the areas of the brain involved and see whether change is happening there."

Why the scans need serious computing power

Each participant returns for four MRI sessions over the course of a year. Each session produces about 10 different scan sequences, and each sequence can generate multiple analyses. Together, that creates thousands of data points that need to be processed, checked and compared.

Handling that volume of data requires specialist research computing and reproducible analytical workflows. Each scan needs to be processed in exactly the same way, so changes seen over time reflect a participant's recovery rather than differences in the analysis.

That is where REANNZ's role becomes essential.

REANNZ provides the research computing environment and expertise needed to analyse the data at scale. Instead of processing scans manually, the team can use automated workflows that run consistently across every participant and every time point.

"It allows us to do complicated imaging analysis in a very short and time-efficient manner," Dr Tayebi says. "I don't need to worry whether I've forgotten a step or whether somebody else has processed the data differently. Everything is managed consistently."

The people behind the pictures

For Dr Tayebi, the precision of the analysis matters because behind every scan is a person trying to rebuild their life.

Earlier in her career, Dr Tayebi's work centered on medical images and data. At Mātai, the people behind those images are much closer to the research. Participants often spend hours at the institute during each visit, with time between scans for coffee and conversation.

"In other studies that I was part of, I was always dealing with images and numbers," Dr Tayebi says. "Now I'm connecting with participants and hearing their stories."

She talks about people rebuilding relationships with their families, mothers who have remained drug-free through pregnancy, and participants beginning to plan for futures that once seemed impossible.

The project has also helped challenge some of the fears participants bring with them.

"Some people expect there to be a hole in their brain because they have used meth," Dr Tayebi says.

Instead, the scans become an opportunity for education as well as reassurance. For many participants, seeing their brain becomes another step in making sense of their recovery.

The early signs are getting noticed

The first signs that the approach could work came from an early pilot. Abstinence rates were around 80 percent, giving Dr Tayebi and her colleagues the confidence to expand the study and gather stronger evidence of what may be changing in the brain.

At international conferences, Dr Tayebi says other researchers are struck by the team's ability to recruit participants, keep them engaged and follow them over time, something notoriously difficult in addiction studies.

She says much of this success comes from the strong community engagement led by the Hīkoi community and clinical team, whose trusted relationships with participants help build the confidence and connection needed for people to stay engaged over time. Closer to home, communities facing high rates of methamphetamine harm are asking whether the approach could work in their own regions.

A larger study now underway at Mātai will test whether those early results hold across a bigger group. If they do, the evidence could help bring the programme to more communities across New Zealand, giving more people access to an approach that is already showing promise.

"Our big goal is to provide this framework as a plan for government and national groups, to show that this method and this work can happen anywhere," Dr Tayebi says.

A collaboration that continues to deliver

Access to advanced computing resources has formed the foundation of REANNZ's support of Mātai research over the years, but our collaboration with their researchers has extended into other areas too. Through multiple Consultancy projects, REANNZ Research Software Engineers helped accelerate Mātai's research productivity, reduce manual processing, and enable their research teams to focus on scientific discovery and clinical impact. REANNZ also previously partnered closely with Mātai to support its undergraduate summer internship programme on the REANNZ HPC platform, enabling early career researchers to gain practical experience in an advanced computing environment.

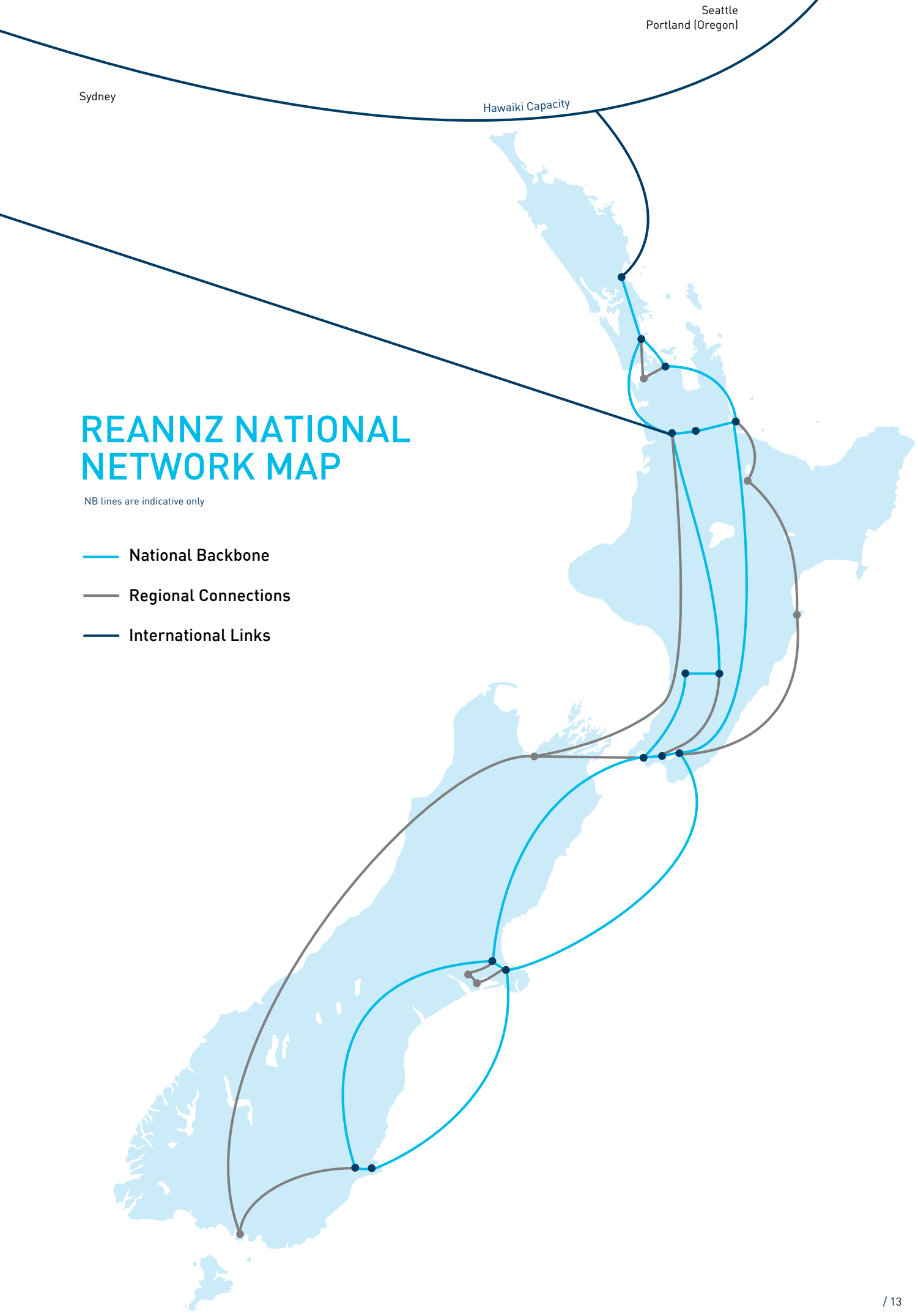
Together, these collaborations are helping Mātai advance research into methamphetamine recovery, while deepening REANNZ's understanding of how research computing and software engineering support can help translate innovative medical research into real-world impact for communities across Aotearoa.

THE NETWORK /

Research no longer happens in a single laboratory, institution or country. It depends on fast, reliable connections between people, data, facilities and ideas, wherever they are.

REANNZ provides the digital infrastructure that makes those connections possible. Our national network links research and education institutions across Aotearoa New Zealand, while our international connections provide access to a global community of collaborators, platforms, datasets and research infrastructure.

Purpose-built for research and education, the REANNZ network enables the secure movement of data at scale and supports the increasingly digital, data-intensive nature of modern research. Together, our national and international networks ensure New Zealand's researchers, educators and innovators can participate fully in the global knowledge system.

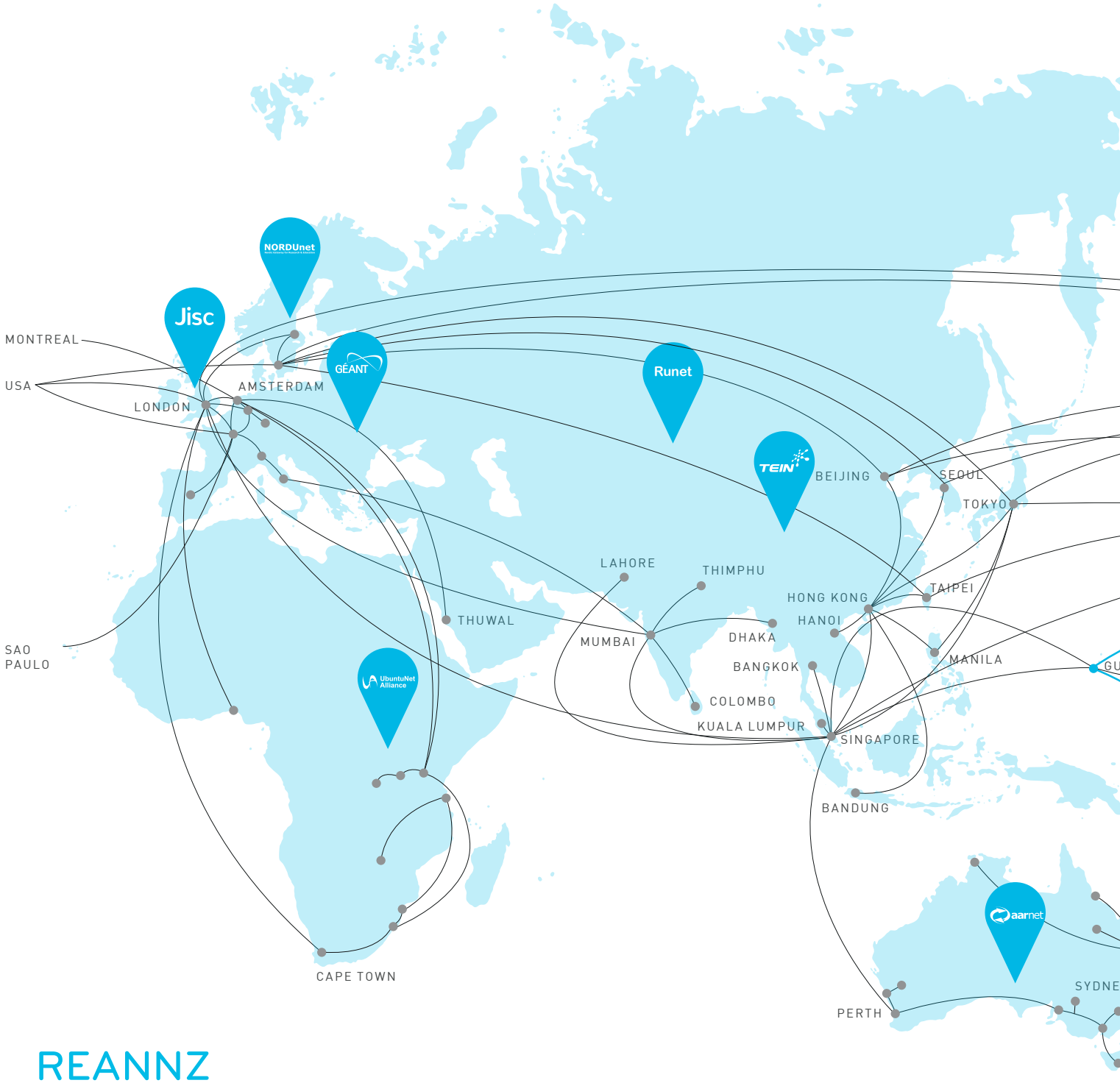


REANNZ NATIONAL NETWORK MAP

NB lines are indicative only

- National Backbone
- Regional Connections
- International Links

GLOBAL RESEARCH AND EDUCA



REANNZ INTERNATIONAL NETWORK

NB lines are indicative only, they do not show precise routes and include committed services.

TION COMMUNITY /



OUR ROLE FOR THE SECTOR /

Connecting the research, education and innovation sector to cutting-edge digital infrastructure, services and expertise.

Research increasingly depends on digital capability that no single institution can build or sustain alone. As advanced computing, artificial intelligence, cybersecurity and research data needs continue to grow, the challenge is no longer simply providing infrastructure. It is helping the sector discover, access and use the right capability at the right time.

REANNZ helps the sector achieve more collectively. We provide critical national infrastructure and trusted services, while making it easier for institutions and researchers to reach a broader ecosystem of capability in New Zealand and overseas.

The integration of New Zealand eScience Infrastructure (NeSI) strengthened this role, bringing advanced computing and research support together with REANNZ's network, identity, security and international capabilities. The expanded organisation is better placed to support data-intensive and computationally demanding research, and to connect researchers with the services, expertise and platforms they need.

Our role is increasingly to broker as well as build. We will continue to own and operate infrastructure where that delivers the best result for New Zealand, while also connecting the sector with capability available through commercial providers, research partners, national infrastructure and the international research and education network community.

As New Zealand's National Research and Education Network, REANNZ also connects the country to a global community of NRENs, infrastructure providers and research partners. These relationships help bring proven services to New Zealand, open pathways to regional and international capability, and give the sector a voice in the development of the global research network.

Our new strategy takes this role further: from providing trusted infrastructure to helping the sector discover, access and use the right capability wherever it sits. The opportunity ahead is a more connected system — one where expertise, services and investment are better coordinated, and New Zealand's researchers can get to the tools they need to do their best work.

WHAT REANNZ PROVIDES /

REANNZ provides the digital infrastructure, services and expertise New Zealand's research, education and innovation sector needs to work securely, move data, access advanced capability and collaborate nationally and internationally.



Network and connectivity

REANNZ connects people, campuses, laboratories, cloud platforms and research infrastructure through New Zealand's dedicated research and education network. Designed for data-intensive research, the REANNZ network supports collaboration, large-scale data transfers, cloud access and advanced research activities in New Zealand and overseas.



Compute

REANNZ provides access to national advanced computing infrastructure for modelling, simulation, data analysis and machine learning workloads. Through Mahuika and related services, researchers can use high-performance CPUs, specialised GPUs, high-memory nodes, interactive computing environments, research software and flexible cloud-based development environments.



Data

REANNZ supports research data throughout its lifecycle, from active project storage and high-performance storage through to longer-term archival options. Our data transfer services help researchers move, share and access data securely and efficiently, whether they are collaborating across New Zealand or with partners around the world.



Identity and access

REANNZ simplifies access to research, education and collaboration services through trusted digital identity solutions. Tuakiri enables users to securely access services using existing institutional credentials, eduroam keeps people connected across participating institutions around the world, and managed access services extend trusted access beyond the campus or office environment.



Security and protection

REANNZ helps protect critical research and education systems from cyber threats while maintaining the performance and openness that collaboration depends on. Our security and network protection services help organisations improve resilience, reduce disruption and block known malicious activity before it reaches users, services and infrastructure.



Consultancy and advisory

REANNZ works alongside institutions and research teams to solve technical challenges, improve workflows and build capability. Our specialists provide practical advice across advanced networking, research software, data engineering, computational workflows and tailored service design.



Training and community

REANNZ builds skills, shares knowledge and connects national and international communities of researchers, educators and technical specialists. Through workshops, webinars, instructor training, events and communities of practice, REANNZ helps grow the capability needed to make effective use of advanced digital research infrastructure.

STRATEGIC APPROACH /

FY2026 was a year of preparation, integration and delivery.

We continued to deliver critical services for the research, education and innovation sector while embedding NeSI and preparing the organisation for a broader role in national eResearch infrastructure. This expanded role brings together network connectivity, high-performance computing, data analytics platforms and research-support services.

During the year, REANNZ worked with the sector, government and key stakeholders to develop a new strategy for FY2027 onwards. The strategy positions REANNZ as the preferred partner for eResearch infrastructure, strengthens the sector's ability to act collectively, and creates a platform for future infrastructure innovation. Alongside this, REANNZ progressed a new operating model, customer model and pricing model to support the next phase of delivery from FY2027.

Throughout FY2026, REANNZ remained focused on the strategic priorities that underpin our Statement of Intent and Statement of Performance Expectations:

People and culture

Building a culture that supports our purpose, reflects our values and enables our people to deliver for the sector. This includes investing in capability, strengthening understanding of te ao Māori and creating a cohesive organisation following the integration of NeSI.

Connecting Aotearoa

Providing researchers, educators and learners with access to the infrastructure, connectivity and services they need to advance their work, regardless of location. This includes supporting digital equity, expanding access to trusted digital services and ensuring New Zealand's research and education infrastructure remains fit for the future.

Building our global connections

Connecting New Zealand to the global research and education community and ensuring the sector benefits from international expertise, partnerships, infrastructure and innovation. Through our global relationships, REANNZ helps New Zealand researchers and educators access opportunities and services that would be difficult to achieve independently.

Making it easy

Delivering reliable, trusted and customer-focused services that create value for members. This includes ensuring services are easy to access, responsive to member needs and aligned with the changing requirements of the sector.

Preparing for the future

Working to fully integrate the services of NeSI and REANNZ into one organisation, including a strategy co-designed with the sector, a new operating model to fully integrate our products and services, and an organisational restructure based on that operating model. In addition, introducing a new pricing and access model to introduce consistent transparent pricing for customers aligned with international best practice.

REANNZ STRATEGY 2025–2030: SHAPED WITH OUR SECTOR

STRATEGIC INTENT

Strategic enabler and connector for the research, education and innovation sector

FOCUS AREAS

Preferred partner	Leverage the sector's collective strengths to increase impact	Infrastructure innovation hub
› Lower the bar to access › Deliver at scale › Broker and aggregate to increase choice › Outstanding customer service and experience › Build awareness and participation	› Community building to increase capability and cohesion › Federate access to innovative tools, services and infrastructure that institutions can't access alone › Consistent tools and frameworks › Co-ordinated investment › Sector leadership and advocacy	› Support the sector to leverage new tech and leverage the innovation curve › Broker as well as build › Consultancy to support research innovation › Access to cutting-edge platforms, tools and research environments for collaboration and experimentation



GIVING BIG IDEAS THE POWER TO GO FURTHER

Supporting the ambitious research and innovation that could shape New Zealand's future.

Case study #2

WHY THE INTERNET DEPENDS ON A RADIO TELESCOPE NORTH OF AUCKLAND

By measuring signals from distant galaxies, SpaceOps NZ helps support the global timing and positioning systems that modern communications depend on.

The internet depends on accurate time.

At a rural site north of Auckland, SpaceOps NZ helps maintain that precision by listening to radio signals from some of the most distant objects in the universe.

To most people, they would be indistinguishable from background noise. By measuring them with extraordinary precision, SpaceOps NZ helps determine the Earth's orientation in space and contributes to the timing systems that underpin modern life.

The work is part of a specialised field known as space geodesy, using a technique known as Very Long Baseline Interferometry (VLBI). It relies on observations from radio telescopes around the world, as well as one of New Zealand's most precise scientific instruments: a hydrogen maser clock housed at the Warkworth Space Centre.

The results help support global navigation satellite systems such as GPS, which are used for everything from navigation and surveying to telecommunications and internet services.

"By looking at colliding galaxies at the edge of the universe, we keep the internet going," says SpaceOps NZ Chief Executive Robin McNeill.

Measuring a moving planet

Although we might think of the Earth as fixed, it is in fact constantly moving.

The planet's rotation varies slightly over time, while the position of the poles shifts due to complex processes occurring deep beneath the Earth's surface. To keep global positioning and timing systems accurate, scientists need to continually measure these changes.



Using the Warkworth antennas and hydrogen maser clock, SpaceOps NZ participates in an international network that observes distant radio sources simultaneously. By comparing those observations, researchers can determine the Earth's orientation with remarkable accuracy.

This precision matters a lot more than many of us realise. While GPS is best known for helping people navigate, the satellite systems also provide highly accurate timing signals that support telecommunications networks, financial systems and critical internet infrastructure around the world.

Without precise timing and positioning information, many of these digital services we rely on every day would quickly begin to drift out of sync.

A petabyte-scale data challenge

Generating the measurements is only part of the challenge.

Each observing session produces huge amounts of data that have to be compared with observations from radio telescopes elsewhere in the world. The resulting datasets can reach petabyte scale.

Before high-capacity research networks became available, many VLBI observations were transported physically on tapes and hard drives to international correlators for analysis. Today, SpaceOps NZ transfers the data electronically to international processing centres, where observations from multiple stations are combined and analysed.

That process depends on REANNZ's high-capacity fibre-optic network.

SpaceOps NZ twice weekly transfers data from Warkworth to international correlators in Europe and elsewhere, moving information at speeds that would be impractical over conventional internet connections.

"We couldn't even get started without the REANNZ network," says McNeill.

The specialised data transfer protocols used for VLBI observations are designed for high-performance research environments. Without dedicated research networking infrastructure, moving the data efficiently and reliably would be significantly more difficult.

From geodesy to space missions

While space geodesy remains a core part of SpaceOps NZ's business, the organisation is also helping support a growing number of commercial and scientific space missions.

The company operates facilities at both Warkworth and Awarua near Invercargill, where its ground station infrastructure provides communications services for spacecraft ranging from low Earth orbit (LEO) satellites to lunar missions.

SpaceOps NZ recently contributed to tracking activities associated with NASA's Artemis programme, and has supported commercial lunar mission operators. It is also working with international partners to help address growing demand for communications infrastructure as more organisations return to the Moon and expand activities beyond Earth orbit.

As the space sector grows, so too will the volume of data generated by spacecraft and Earth observation systems.

SpaceOps NZ is already exploring technologies that would allow radio frequency signals to be transported over fibre networks between sites, as well as future applications involving high-resolution synthetic aperture radar imagery. Individual datasets can reach terabyte scale, creating new opportunities for advanced processing and analysis.

Those requirements could eventually extend beyond networking to high-performance computing.

For REANNZ, the partnership highlights the growing connection between research infrastructure, digital infrastructure and New Zealand's emerging space capability.

Today, REANNZ helps move the data that supports precision timing and positioning. Tomorrow, the same connectivity could help enable new lunar missions, advanced Earth observation programmes and the next generation of space-enabled services.

All of it starts with signals arriving from the farthest reaches of the universe and a network capable of moving that information wherever it is needed.

Case study #3

HOW SCIENTISTS ARE REHEARSING FUTURE EARTHQUAKES

Sixty years ago, weather forecasts relied largely on historical records. Today they're driven by sophisticated computer models. Earthquake science is undergoing the same transformation.

For decades, scientists estimated earthquake hazards largely by looking backwards, using observations from past earthquakes to predict how the ground might shake in the future.

Today, researchers are taking a different approach. Instead of relying primarily on historical records, they are building detailed three-dimensional models of the Earth and simulating hypothetical future earthquake scenarios.

The approach is increasingly complementing traditional empirical methods, helping scientists develop more accurate forecasts of how future earthquakes could affect different parts of New Zealand.

At the University of Canterbury, Professor Brendon Bradley and his QuakeCoRE team are among the researchers leading that transition.

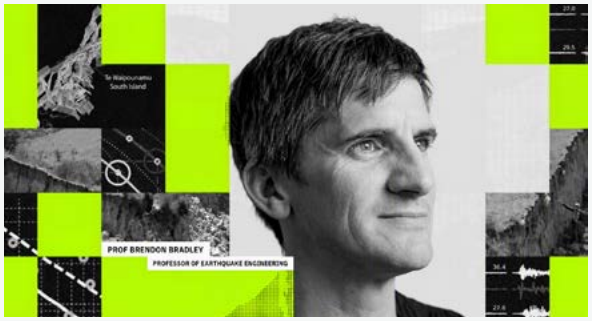
"Earthquake science is going through the same transformation that weather forecasting experienced decades ago.

"We're moving from statistical models based largely on past observations towards numerical simulations that model how seismic waves will travel through the Earth," Professor Bradley says.

Building a digital Earth

Every earthquake sends waves travelling through the Earth's crust.

Like ripples spreading across the surface of a pond, the waves move through rock, sediment and soil before reaching our towns and cities. But unlike water, the



Earth is far from uniform. Just as neighbourhoods can experience different weather, different geological conditions mean the same earthquake can produce very different levels of shaking in Wellington, Christchurch and Kaikōura.

That complexity is one of earthquake science's greatest challenges.

Researchers are tackling it by building increasingly detailed digital representations of the Earth's subsurface, allowing them to simulate how earthquakes propagate through different geological conditions and estimate the shaking likely to be experienced at specific locations.

This means rather than simply asking what happened during previous earthquakes, scientists are exploring what may happen during future ones.

Better models. Better decisions.

For most New Zealanders, the value of this research isn't the models themselves. It's the decisions they help inform.

The 2022 National Seismic Hazard Model helps inform NZS 1170.5 and New Zealand's Building Code, shaping how buildings and infrastructure are designed across the country. Improving the model gives engineers and policymakers a clearer picture of seismic risk, helping target investment where it will have the greatest impact.

"We don't want to under-invest in places that are genuinely vulnerable. But equally, there's no value in spending large sums of money where it isn't needed. It's really about making the smartest decisions with the finite resources we have," Professor Bradley says.

More accurate modelling means communities can make better-informed decisions about schools, hospitals, transport infrastructure and buildings, improving resilience while making the best use of public investment.

Billions of calculations

Creating these simulations requires enormous computing power.

Researchers divide the Earth into millions of tiny sections before calculating how seismic waves travel through each one. A single ground-motion simulation can involve billions of mathematical calculations, with researchers often running hundreds or even thousands of different earthquake scenarios.

"These problems are fundamentally computationally limited. Even with access to high-performance computing, we're constantly thinking about how to make the most efficient use of those resources", Professor Bradley says.

Researchers develop and validate their models using New Zealand's national high-performance computing capability before scaling up to some of the world's largest supercomputers for their most demanding simulations. In 2026, Professor Bradley's team secured more than 20 million core hours on the MareNostrum 5 supercomputer in Barcelona, one of the largest allocations awarded in that funding round.

REANNZ provides the advanced digital infrastructure that enables researchers to access New Zealand's national HPC capability and connect with international computing resources as their research grows.

Preparing for tomorrow's earthquakes

Earthquakes will always remain difficult to predict. Unlike cyclones, we simply can't see them coming.

But understanding how the ground beneath us is likely to shake, and how that shaking varies from one neighbourhood to the next, is becoming increasingly sophisticated.

Just as weather forecasting has steadily improved over the past several decades, earthquake science is evolving through better observations, more powerful computers and increasingly realistic simulations.

For REANNZ, supporting that work means helping researchers tackle one of New Zealand's most important scientific challenges.

Every simulation brings us that much closer to understanding how the next major earthquake could affect our communities, helping ensure our future decisions about buildings, infrastructure and resilience are based on the best science available.

Case study #4

CAN AI FIX NEW ZEALAND'S WEATHER FORECASTING GAP?

AI researcher Dr Emily O'Riordan is developing models to forecast severe weather locally, improving accuracy for communities and responders.

When severe weather hits New Zealand, the damage is often intensely localised.

When Wellington was hit by heavy rain in April, some suburbs were impacted far more than neighbouring areas. In Canterbury, repeated hailstorms in January devastated some farms while nearby properties saw little damage.

For communities, farmers and emergency responders, this kind of variability makes planning harder. Forecasts don't always capture what happens at the local level, and the cost of getting it wrong can be significant.

At Te Herenga Waka Victoria University of Wellington, AI researcher Dr Emily O'Riordan is exploring whether artificial intelligence and high-performance computing (HPC) could help change that.

Using REANNZ's HPC platform, Dr O'Riordan is developing new AI models designed to generate highly localised weather forecasts for New Zealand at a fraction of the computational cost required by traditional approaches. If successful, her research could eventually support more precise operational forecasting, helping meteorologists better identify severe weather risks before they hit.

Forecasting the unpredictable

Modern weather forecasting relies on Numerical Weather Prediction (NWP) models that solve the physical equations governing the atmosphere. These models divide the Earth and atmosphere into three-dimensional grid cells, calculating how temperature, pressure, wind, and moisture evolve over time.

"Simply put, the higher resolution we can make our grid, the more precise we can get our weather forecasts to be," says Dr O'Riordan.



Global forecasting models currently operate at resolutions of roughly 10 square kilometres. In New Zealand, regional forecasting systems refine that further, typically down to around four kilometres. But many of the most damaging weather events such as intense rain, hail and convective storms occur on much smaller scales.

"Damaging weather events that we're seeing often happen on a very fine scale," says Dr O'Riordan.

Increasing model resolution, however, comes at a significant computational cost. Every reduction in grid-cell size dramatically increases the number of calculations required to model atmospheric behaviour. This means forecasting weather at hyperlocal scales using conventional physics-based methods quickly becomes prohibitively expensive.

It's this challenge that sits at the centre of Dr O'Riordan's research.

Teaching AI to see hyperlocal weather

Dr Emily O'Riordan's research trains AI models to add fine-scale local detail to broader weather forecasts, enabling more precise predictions at lower computational cost.

Dr O'Riordan's project explores whether generative deep learning models can learn the fine-scale patterns missing from lower-resolution weather forecasts.

Rather than replacing existing forecasting systems, the research is designed to work alongside them. A neural

network is trained using large volumes of historical meteorological data, learning how to generate high-resolution local detail from broader NWP outputs.

“We want to learn how to merge these together,” says Dr O’Riordan, describing her hybrid approach combining neural networks with conventional physics-based forecasting systems.

The goal is to create a hybrid neural-network and NWP approach capable of producing forecasts at scales measured down to the hundreds of metres.

To train the model, Dr O’Riordan needed to create high-resolution “target” datasets. By comparing lower-resolution forecast inputs with known high-resolution outputs, the model learns how to reconstruct fine-scale local weather patterns.

"One of the key parts is that you need lots of examples of what you want the model to produce so it can learn how to map from lower-resolution inputs to higher-resolution outputs,” Dr O’Riordan says.

The research also explores ‘uncertainty awareness’ or how confident the model is in its own predictions, alongside methods for incorporating real-world observational data into forecasts.

This awareness is critical. Weather systems are inherently chaotic, and forecasting severe localised events remains extraordinarily difficult. The challenge is finding a balance between not warning people enough, and sending them too many notifications that may turn out to be unnecessary.

“If you give out a red warning every week, no one’s going to listen,” says Dr O’Riordan.

Scaling the impossible

Training AI weather models at the scale needed for this project requires enormous computational capability.

Dr O’Riordan’s research involves terabytes of meteorological datasets, including hourly observations collected across New Zealand over more than a decade. The models process multiple atmospheric variables including rainfall, pressure, wind, temperature and humidity, all across densely gridded spatial datasets.

“You wouldn’t be able to work through this without access to GPUs,” says Dr O’Riordan. “You’ve got to use HPC for this stuff.”

Before beginning the project, Dr O’Riordan had little experience using HPC infrastructure and had previously avoided it because it felt overly complex. The research was originally started during her time at Bodeker Scientific, where she continues to collaborate, and later expanded using REANNZ’s services.

Using REANNZ’s HPC platform, Dr O’Riordan was able to train larger and more complex deep learning models while experimenting with different architectures and workflows. REANNZ consultancy support also helped optimise and debug her code.

“The support team reply to your emails instantly. It’s incredible,” she says.

From research to resilience

While the project remains a work in progress, early prototype models are already showing promising results.

If successful, the technology could eventually be incorporated into operational forecasting systems by the likes of Metservice, helping meteorologists generate more localised and computationally efficient weather forecasts for New Zealand.

The implications extend well beyond more accurate forecasting alone.

More precise severe weather prediction could help emergency management agencies better prepare for floods and storms, support growers facing increasingly volatile weather conditions, and improve risk assessment for industries exposed to climate-related disruption.

Communities across New Zealand are already adapting to increasingly severe weather events. In regions such as Tairāwhiti and Hawke’s Bay, repeated flooding and cyclones have reshaped expectations around what constitutes “normal” weather.

“They’re adjusting to a new kind of semi-normal,” says Dr O’Riordan.

As extreme weather becomes more frequent and more localised, the ability to forecast what happens on one street, one farm or one valley may become increasingly critical. That’s the scale where forecasting needs to work, and where access to serious computing power makes it possible.

GOVERNANCE /

The Board

REANNZ's Board brings together expertise in technology, research, governance, finance, telecommunications, digital inclusion and organisational leadership. The Board provides strategic oversight of REANNZ and supports the organisation to deliver on its purpose of connecting and empowering New Zealand's research, education and innovation communities



Helen Robinson, ONZM, Chair

Helen is an entrepreneur, professional director and technology leader with more than 30 years' experience leading technology companies and driving innovation across the technology, finance, sustainability and consumer goods sectors. Her previous executive roles include Managing Director of Microsoft New Zealand and Head of Pivotal Corporation Asia Pacific.

Helen currently serves on a number of company and industry boards and was appointed an Officer of the New Zealand Order of Merit in 2018 for services to technology and business.



Professor Amanda Barnard, AM

Professor Amanda Barnard is Senior Professor of Computational Science and Associate Director of Strategic Initiatives in the School of Computing at the Australian National University. She has extensive experience in advanced computing, scientific research and research infrastructure.

Professor Barnard serves on the boards and advisory groups of several international research and innovation organisations and was previously a Director of New Zealand eScience Infrastructure (NeSI). In 2022 she was made a Member of the Order of Australia for her contributions to science and education.



Dr Warren Williams

Dr Warren Williams has worked across the ICT and tertiary education sectors for more than 30 years and is Chief Executive of Katoa Connect Trust, a charitable organisation focused on improving access to digital skills and opportunities.

He brings extensive governance and leadership experience spanning Māori organisations, education, technology and community development. Dr Williams is a strong advocate for digital inclusion and Māori leadership in technology and innovation.



Ian Simpson

Ian is an experienced executive and director with a background in finance, science and public sector leadership. He is the former Chief Executive of GNS Science and the Earthquake Commission (EQC).

Prior to moving to New Zealand, Ian held senior corporate finance roles with international organisations including BP and Diageo. He brings significant expertise in organisational leadership, financial management and science sector governance.



Johnathan Eele

Johnathan is Chief Executive of Enable Fibre Broadband and has more than 20 years' experience in the technology, telecommunications and energy sectors across New Zealand, Australia, the United States, Ireland and the United Kingdom.

His expertise spans wholesale and enterprise telecommunications, regulation, infrastructure and organisational leadership. He is also an experienced governor in the not-for-profit sector.



Mike Harte

Mike has more than four decades of experience in information and communications technology and governance. He recently retired as Director of Information and Technology Services at the University of Otago.

A Fellow of IT Professionals New Zealand, Mike has made a significant contribution to New Zealand's technology and research communities. His governance experience spans education, technology and community organisations.



Sara Brownlie

Sara is the Managing Director of Fargher Woods Ltd providing Programme Management and Strategic Finance services, an Independent Director for Catalyst.net Ltd, an Independent Member of the Risk and Assurance Committee for Upper Hutt City Council and Independent Member of Finance, Risk and Audit Committees for Mana Mokopuna and Enable NZ.

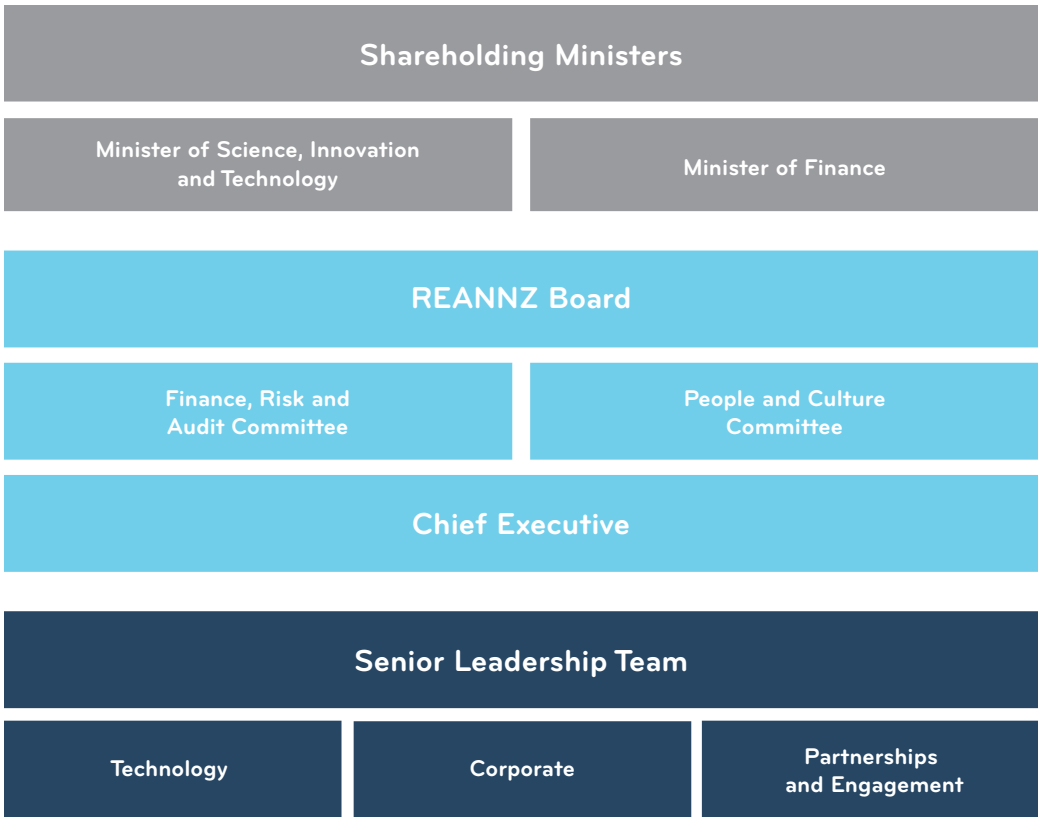
She is a Fellow Member of CPA Australia and a Chartered Member of the Institute of Directors in New Zealand and the Chartered Accountants Australia and New Zealand. Sara has had an extensive career working in senior management roles in the public sector.

Governance and Management Structure

Structure

REANNZ is governed by a Board of Directors, appointed by its shareholding Ministers following agreement by Cabinet. REANNZ currently has seven appointed directors.

The Board appoints the Chief Executive, who is responsible for the day-to-day operations of REANNZ. REANNZ's governance and management structure is shown below:



OUR PEOPLE /

REANNZ's people bring together expertise in technology, research, data, partnerships and customer engagement to help New Zealand's research and education communities succeed.

As the organisation evolves, our capability continues to grow. Today, our teams span advanced networking, cybersecurity, advanced computing, software engineering, research support, product development, training and engagement. Working alongside customers and researchers, they help people navigate complexity, adopt new technologies and access the infrastructure, tools and expertise needed to achieve their goals.

What makes REANNZ different is the way these capabilities come together. By combining technical excellence with strong sector relationships and global connections, our people help turn shared national infrastructure into meaningful outcomes for research, education and innovation.

END OF YEAR REPORTING /



GOOD EMPLOYER STATEMENT /

At REANNZ, we are committed to the principles of being a good employer. Policies are in place to guide REANNZ in what it means to be a good employer and to ensure we provide equal employment opportunities and support our people.

REANNZ values the uniqueness of everyone and their contribution to the organisational culture. REANNZ is responsive to a diverse range of viewpoints and cultures within the workplace, helping to develop a more representative workforce that can respond to our increasingly diverse society.

We meet our obligations under Te Tiriti o Waitangi, working to ensure that we follow the principles of rangatiratanga (self-determination), equity, active protection, options and partnership.

Capability

As a small organisation, REANNZ is critically dependent on its people. The highly specialised nature of REANNZ's work means that they are highly valued.

REANNZ promotes and supports a flexible working environment that encourages our team to maintain a positive work-life balance. This includes both formal and informal flexible working hours as well as the option to split time between remote working and our office spaces.

Leadership, accountability and culture

REANNZ's leadership culture is built on encouraging all members of the team to lead by example, supporting others to behave in a way that is consistent with our culture and values of being fair, open and respectful, being good partners to our members and wider community, and exercising responsible stewardship of the assets, people and skills within REANNZ.

Recruitment, selection and induction

REANNZ recruits new employees through several channels, including recruitment agencies, industry networks and recommendations.

We ensure that recruitment decisions are made based on merit, irrespective of a person's sex, gender identity, marital status, religious belief, ethical belief, colour, race, ethnic or national origins, disability, age, political opinion, employment status, family status or sexual orientation. We train managers on the benefits of diversity and require that there is a balanced gender split on short lists for recruitment.

REANNZ provides a safe work environment to ensure that all employees, including those with disabilities, can do their work effectively and efficiently. An assessment of the working conditions for all new employees is carried out as part of the induction process. Emergency procedures and building facilities for all employees, including people with disabilities, are made known to employees at induction.

Employee development and promotion

The nature of our work provides exciting global opportunities for personal and professional development across multiple disciplines. External training and development are encouraged, and specific budget is set aside for courses and conferences to ensure employees keep growing their skills and capability in their field.

Remuneration, recognition and conditions

We offer equal opportunities for career development, based on performance, potential, skills and knowledge, and leadership prospects. We also support initiatives which grow diversity, including equal employment opportunities, flexibility, cultural sensitivity and celebration.

REANNZ is committed to attracting, retaining and motivating high-performing people. We provide an environment that identifies, encourages and rewards excellence, innovation and high-quality services by using a remuneration structure that is competitive and fair.

Harassment and bullying prevention

REANNZ has a zero-tolerance policy for unlawful discrimination, harassment and workplace bullying.

An employee assistance programme is available to all employees to enable them to get confidential support if required. Open communication between employees and the leadership team is supported and encouraged.

Safe and healthy environment

Employee wellbeing is always a high priority at REANNZ, underpinning the processes, work environment and culture that enables the team to be successful, happy and healthy.

Health and safety policies and procedures are in place to minimise risk, particularly when handling heavy equipment, visiting our Point of Presence locations or travelling internationally for work.

Speaking up

REANNZ encourages employees to speak up if they are involved in, or identify, wrongdoing. In return, REANNZ deals with issues in a timely and confidential manner. No employee will suffer retaliation for reporting or participating in the investigation of a genuine complaint made in good faith.

GOVERNANCE STATEMENT /

Organisational form

REANNZ is a not-for-profit, Crown-owned company under Schedule 4A of the Public Finance Act 1989. Our shareholders are the Minister of Finance and the Minister of Science, Innovation and Technology. At balance date, each shareholder held 908 shares on behalf of the New Zealand public.

REANNZ acts in a manner consistent with the Crown Entities Act 2004 and is subject to the Official Information Act 1982.

Role of the Board

REANNZ's shareholding ministers appoint a governing Board of Directors. The company's constitution sets the size of the Board at a minimum of two and a maximum of nine directors. The Board is responsible under the company's constitution to manage, direct and supervise the company's business affairs. In practice, day-to-day management of the company is delegated to the Chief Executive. The Board establishes the company's strategic and business plans, approves annual budgets and monitors management's performance against established goals. The Board also considers and approves new policies and business initiatives, authorises transactions outside the prescribed delegated authorities of management and appoints the Chief Executive.

Procedures are in place at Board, corporate and operational levels to safeguard the company's assets and its wider commercial interests.

A well-established regime of regular reporting is designed to maintain a high standard of internal communication, and to ensure the Board remains appropriately informed of all aspects of the company's business and activities. Board fees are set by the Shareholding Ministers.

Risk management

The Board is also responsible for ensuring that the company has effective policies in place to manage its risks. The Board decides the level and nature of the risks that are acceptable to the company, taking advisement from the Finance, Risk and Audit Committee. The Chief Executive is delegated responsibility for managing normal business risks. As part of managing its broader risk profile, the Board maintains and regularly reviews a risk register, and approves and reviews company policies or delegates these to management to approve, where appropriate.

Legislative compliance

The Board acknowledges its responsibility to ensure the organisation complies with all legislation. The Board has delegated responsibility to the Chief Executive for the development and operation of a programme to systematically identify compliance issues and ensure staff are aware of relevant legislative requirements.

Board composition

There were seven directors for the year ending 30 June 2026. They are Helen Robinson (Board Chair), Sara Brownlie (Deputy Board Chair, Chair of Finance, Risk and Audit Committee until 25 Feb 2026), Ian Simpson (Chair of Finance, Risk and Audit Committee from 26 Feb 2026), Professor Amanda Barnard, Johnathan Eele (Chair of People and Culture Committee), Mike Harte, and Dr Warren Williams.

Board meetings

The Board generally meets every six weeks. These meetings are supplemented with additional meetings as required for strategic planning purposes and to progress specific decisions. The Board held eight scheduled meetings for the year ended 30 June 2026. In addition, there were four out-of-cycle approvals for time-sensitive matters.

Board committees

The Board has formally constituted two committees.

- **Finance, Risk and Audit Committee:** There were three Directors on the Finance, Risk and Audit Committee. The Committee has a focus on the integrity of financial reporting, internal controls and compliance of financial statements with appropriate standards and legislation. The Committee recommends the approval of statutory financial statements for approval by the Board. Four meetings were held during the year.

- **People and Culture Committee:** There were three Directors on the People and Culture Committee. The Committee provides oversight on the company's People and Culture strategy and policy. This includes remuneration, performance management and employment conditions of the Senior Leadership team as well as health and safety, and other employment matters. A committee member is involved in the recruitment of any senior manager, including the Chief Executive. Three committee meetings were held during the year.

All Directors are entitled to attend committee meetings.

Interest procedures

The REANNZ Board has a documented conflict-of interest policy that sets out procedures for identifying and addressing potential conflicts of interest. This policy applies to the directors and staff of REANNZ. The key determination when considering whether an interest might create a conflict is whether it incentivises the director or staff member to act in a way that may not be in the best interests of REANNZ. It must be determined whether a reasonably informed objective observer would perceive from the circumstances that the director or staff member's judgement is likely to be influenced.

A register of director and staff's interests is maintained and updated regularly.

Auditor

BDO, acting on behalf of the Controller and Auditor-General, is the auditor of REANNZ in accordance with Section 32 of the Public Audit Act 2001.

Registered office

Research and Education Advanced Network
New Zealand Limited
Level 5 PlanIT House,
22 The Terrace,
Wellington 6011

STATEMENT OF RESPONSIBILITY /

The Board of REANNZ accepts responsibility for the preparation of the annual financial statements and statement of performance, and for the judgements made in them.

The Board is responsible for any end-of-year performance information provided by REANNZ under Section 19A of the Public Finance Act 1989. The Board and management of REANNZ accept responsibility for establishing and maintaining a system of internal control designed to provide reasonable assurance as to the integrity and reliability of the financial reporting.

In the opinion of the Board, the financial statements and statement of performance fairly reflect the financial position and operations of REANNZ for the year ended 30 June 2026.



Helen Robinson ONZM
Chair



Ian Simpson
Finance, Risk & Audit Committee Chair

28 October 2026
Signed on behalf of the Board

The Audit Office
Te Mana Arotake

Independent Auditor's Report

To the readers of Research and Education Advanced Network New Zealand Limited's financial statements and performance information for the year ended 30 June 2026

The Auditor-General is the auditor of Research and Education Advanced Network New Zealand Limited ("the Company"). The Auditor-General has appointed me, Henry McClintock, using the staff and resources of BDO Wellington Audit Limited to carry out the audit of the financial statements and performance information on his behalf.

Opinion

We have audited:

- the financial statements of the Company that comprise the statement of financial position as at 30 June 2026, the statement of comprehensive revenue and expense, 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 49 to 66; and
- the performance information that consists of the statement of performance for the year ended 30 June 2026 on pages 41 to 48.

In our opinion:

- The financial statements of the Company present fairly, in all material respects, its financial position as at 30 June 2026, and its financial performance and cash flows for the year then ended, in accordance with Public Benefit Entity Standards Reduced Disclosure Regime.
- The performance information is appropriate and meaningful and prepared in accordance with the Company's measurement bases or evaluation methods and Public Benefit Entity Standards Reduced Disclosure Regime, and presents fairly, in all material respects, the Company's service performance and actual revenue and expenses for each reportable class of outputs for the year ended 30 June 2026 compared to the forecast standards and budgets included in the statement of performance expectations for the year.

Basis for our opinion

We carried out our audit in accordance with the Auditor-General's Auditing Standards, which incorporate the Professional and Ethical Standards, the International Standards on Auditing (New Zealand), and New Zealand Auditing Standard 1 (Revised): *The Audit of Service Performance Information* issued by the New Zealand Auditing and Assurance Standards Board. Our responsibilities under those standards are further described in the *Responsibilities of the auditor* section of our report.

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

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

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

The Board is responsible on behalf of the Company for preparing financial statements and performance information that are fairly presented and comply with Public Benefit Entity Standards Reduced Disclosure Regime.

This includes:

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

The Board is responsible for such internal control as it determines necessary to enable it to prepare financial statements and performance information that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements and performance information, the Board is responsible on behalf of the Company for assessing the Company's ability to continue as a going concern. The Board is also responsible for disclosing, as applicable, matters related to going concern and using the going concern basis of accounting, unless there is an intention to merge or to terminate the activities of the Company, or there is no realistic alternative but to do so.

The Board's responsibilities arise from the Crown Entities Act 2004.

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

Our objectives are to obtain reasonable assurance about whether the financial statements and performance information, as a whole, are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit carried out in accordance with the Auditor-General's Auditing Standards will always detect a material misstatement when it exists. Misstatements are differences or omissions of amounts or disclosures, and can arise from fraud or error. Misstatements are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decisions of readers, taken on the basis of the financial statements and performance information.

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

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

As part of an audit in accordance with the Auditor-General's Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. Also:

- We identify and assess the risks of material misstatement of the financial statements and performance information, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- We obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company'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 obtain an understanding of the process applied by the Company to select its elements/aspects of service performance, performance measures and/or descriptions and the measurement bases or evaluation methods.

- We evaluate whether:

    - the selection of elements/aspects of service performance, performance measures and/or descriptions and measurement bases or evaluation methods present an appropriate and meaningful assessment of the entity's service performance; and

    - the performance information is prepared in accordance with the Company's measurement bases or evaluation methods, and presents fairly, in all material respects in accordance with Public Benefit Entity Standards Reduced Disclosure Regime, for each class of reportable outputs;

        - the actual performance of the Company as compared with the forecast standards of performance included in the Company's statement of performance expectations for the financial year; and

        - the actual revenue earned and output expenses incurred as compared to the expected revenues and the proposed output expenses included in the Company's statement of performance expectations for the financial year.

- We conclude on the appropriateness of the use of the going concern basis of accounting by the Board and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the information we audited or, if such disclosures are inadequate, to

modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- We evaluate the overall presentation, structure and content of the financial statements and the performance information, including the disclosures, and whether the financial statements and performance information represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Board 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 the financial statements, the performance information consisting of the statement of performance, and our auditor's report thereon.

Our opinion on the financial statements and the performance information does not cover the other information and we do not express any form of audit opinion or assurance conclusion thereon.

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

Independence

We are independent of the Company in accordance with the Auditor-General's Auditing Standards, which incorporate the independence requirements of Professional and Ethical Standard 1: *International Code of Ethics for Assurance Practitioners (including International Independence Standards) (New Zealand)* as applicable for audits of public interest entities issued by the New Zealand Auditing and Assurance Standards Board.

Other than in our capacity as auditor, we have no relationship with, or interests in, the Company.



Henry McClintock
BDO Wellington Audit Limited
On behalf of the Auditor-General
Wellington, New Zealand
28 October 2026

STATEMENT OF PERFORMANCE /

For the year ending 30 June 2026

STRATEGIC INTENTIONS

REANNZ connects and empowers New Zealand's research, education and innovation communities through trusted digital infrastructure, services and expertise.

FY2026 was a year of significant delivery and change for REANNZ. The organisation continued to provide critical digital infrastructure and services to New Zealand's research, education and innovation sector while completing the integration of New Zealand eScience Infrastructure (NeSI). REANNZ also developed a new strategy to guide its expanded role and future direction.

This Statement of Performance sets out how REANNZ performed against the priorities and measures in its Statement of Intent and Statement of Performance Expectations. The measures are grouped under the following focus areas: People and culture, Connecting Aotearoa, Building our global connections, and Making it easy.

We also report against an additional FY2026 focus area, Preparing for the future, reflecting the integration of NeSI and the development of REANNZ's new strategy, operating model and membership and pricing arrangements.



People and culture

Building a culture that supports our purpose, reflects our values and enables our people to deliver for the sector. This includes investing in capability, strengthening understanding of te ao Māori and creating a cohesive organisation following the integration of NeSI.



Connecting Aotearoa

Providing researchers, educators, and learners with access to the infrastructure, connectivity, and services they need to advance their work, regardless of location. This includes supporting digital equity, expanding access to trusted digital services, and ensuring New Zealand's research and education infrastructure remains fit for the future.



Building our global connections

Connecting New Zealand to the global research and education community and ensuring the sector benefits from international expertise, partnerships, infrastructure and innovation. Through its global relationships, REANNZ helps New Zealand researchers and educators access opportunities and services that would be difficult to achieve independently.



Making it easy

Delivering reliable, trusted and customer-focused services that create value for members. This includes ensuring services are easy to access, responsive to member needs and aligned with the changing requirements of the sector.



Preparing for the future

Working to fully integrate the services of NeSI and REANNZ into one organisation, including a strategy co-designed with the sector, a new operating model to fully integrate our products and services, and an organisational restructure based on that operating model. In addition, introducing a new pricing and access model to introduce consistent transparent pricing for customers aligned with international best practice.

OVERALL SUMMARY OF PERFORMANCE

FY2026 was a year of significant delivery and change for REANNZ. The organisation continued to provide reliable national and international connectivity, expanded access to research and education services, and completed important foundations for its wider role following the integration of New Zealand eScience Infrastructure. Strong results were achieved in network availability, member value, member responsiveness, digital research capability, global engagement, and te ao Māori capability development.

Performance was more mixed in areas that depended on new partnerships, external decision-making or changes across the wider system. REANNZ did not fully achieve targets for GovRoam, membership growth, WISP and low-earth-orbit satellite deployment, and packet loss across the core network. In these areas, work progressed during the year, with final delivery impacted by evolving government priorities, partner timing, pricing, infrastructure constraints, or isolated network events during planned maintenance.

The additional initiatives show the extent of the transition underway. REANNZ completed a new strategy, progressed a revised operating model, developed new pricing and access arrangements for advanced computing, launched Cascade, and increased training and research-impact activity. Taken together, the results show an organisation that delivered its core services well while building the strategy, structure and service foundations needed for its expanded role from FY2027.

PEOPLE AND CULTURE

REANNZ's people and culture work in FY2026 focused on supporting staff through organisational change while building the capability needed for the organisation's future role. Following the integration of NeSI, REANNZ completed the design and implementation planning for a new operating model, with clearer accountability for service delivery, customer engagement, technology leadership and organisational performance.

The year included a strong focus on communication, capability and alignment. REANNZ refreshed its values with staff, developed a new performance framework, and continued work to bring systems, tools and ways of working together across the merged organisation. Professional development in te ao Māori also remained a priority, with over 85% of staff attending a te ao Māori competency training workshop within the term of their employment against a target of more than 85%.

Progress against our performance indicators

Professional development in te ao Māori

Target	2025/26	2024/25	Commentary
>85% of staff attend at least one te ao Māori competency training workshop	Achieved	Achieved	Over 85% of current staff (permanent and fixed term) have attended at least one te ao Māori competency training workshop during their time at REANNZ.

CONNECTING AOTEAROA

Connecting Aotearoa is about ensuring researchers, educators and learners can access the digital infrastructure and services they need, wherever they are based. In FY2026, REANNZ continued to deliver strongly across its core network responsibilities, including completing the Member Edge rollout, replacing international backup capacity, and maintaining very high national and international network availability.

There was also progress in expanding access and reach. eduroam service-provider sites increased by 42.5%, well above the 10% target, and REANNZ continued engagement with Māori-led research and data initiatives including the Aotearoa Genomic Data Repository, Indigidata Aotearoa, Takarangi Research/Māori Maps, Te Tira Whakamātaki and Te Hiku Media. REANNZ also completed a MAE Flex deployment with GisborneNet at the Bioeconomy PRO Kiwifruit Breeding site in Gisborne.

Some measures were not achieved. The GovRoam pilot did not go live by year-end and future progress remains dependent on government decision-making. Membership growth was below target, with one new member added against a target of three, although discussions with prospective members continued. WISP and low-earth-orbit satellite activity also progressed but was affected by partner timing, pricing and infrastructure factors. These results show both the value of REANNZ's role in expanding access and the practical challenges of delivering new connectivity options across a changing sector.

Progress against our performance indicators

Facilitate universal connectivity and digital equity

Target	2025/26	2024/25	Commentary
GovRoam pilot live for one Government entity	Not achieved	Not achieved	Target missed. Decision to proceed sitting with GDDA
Increase REANNZ membership by 10% (additional three members)	Not achieved	Achieved	Target missed. One new member. Discussions ongoing with two additional prospective members.
Increase eduroam sites by 10% through additional service provider site deployment	Achieved	Not achieved	Exceeded target of 10% growth from 422 sites. Delivered growth of 42.5% (an additional 180 sites).

Strengthen relationships with iwi and Māori research sector

Target	2025/26	2024/25	Commentary
Meetings with a further three Māori-led research and education programmes to support connectivity, mobility and identity management solutions	Achieved	Achieved	REANNZ continued engagement with Māori data and research initiatives, including the Aotearoa Genomic Data Repository (AGDR), Indigidata Aotearoa, Takarangi Research/Māori Maps, Te Tira Whakamātaki, and Te Hiku Media.

Solutions launched to enable researchers to connect wherever they are

Target	2025/26	2024/25	Commentary
Onboard two additional WISPs based on earlier successful deployment	Not achieved	Not applicable[1]	GisborneNet – deployment of MAE Flex service at Bioeconomy PRO complete.
Support deployment of Lower Earth Orbit Satellite (LEOSat) services e.g. Starlink, at two member organisations (via One or 2 Degrees)	Not achieved	Not applicable[2]	PHF Science trialed Starlink Mini. Plant and Food Research Group deployed two LEOsats.

[1] FY2025 target: Enable eduroam over mobile data (4G/5G) with telco providers, and over the networks of Wireless Internet Service Providers (WISPS) to further support student and researcher mobility.

[2] No equivalent FY2025 measure.

Future-proof the REANNZ network

Target	2025/26	2024/25	Commentary
National Network Strategic Review: Replacement of international back-up capacity implemented Member Edge rollout complete	Achieved	Not applicable[3]	Replacement of international back-up capacity complete. Member Edge (MAE) rollout – complete.

[3] FY2025 target: National Network Strategic Review hardware implemented across the national network.

Network reliability to support real-time services

Target	2025/26	2024/25	Commentary
Packet delay variation: < 0.1% of hourly measurements across the core network have > 20ms of packet delay variation	Achieved	Not achieved	Full year result: 0.003%

Network reliability to support large data transfers

Target	2025/26	2024/25	Commentary
Packet loss across the core network: < 0.0001%	Not achieved	Achieved	Full year: 0.00034906% Target missed due to two brief discard events during planned maintenance. These were isolated events and do not indicate a systemic network capacity issue. We have taken steps to mitigate the impact of these events

Commitment to sustainability

Target	2025/26	2024/25	Commentary
Continue to track and report on energy consumption across the national network	Achieved	Not applicable[4]	REANNZ tracked and reported carbon emissions across network, office and HPC operations throughout FY2026, recording 93,150 kg CO2e (location-based method - uses the average grid emission factor for NZ) and 18,840 kg CO2e (market-based method - uses emission factors that reflect contractual instruments, e.g. renewable energy certificates, green tariffs, PPAs).

[4] FY2025 target: Baseline energy efficiency of the national network.

BUILDING OUR GLOBAL CONNECTIONS

REANNZ's international relationships help connect New Zealand's research and education sector to global expertise, infrastructure and collaboration. In FY2026, these relationships continued to provide practical benefits, including access to international network capability that would be difficult and costly for individual organisations to secure on their own.

REANNZ met most of its targets for international network capability at no additional cost, including points of presence at Guam and Hawaii, capacity on international routes, access to the Internet2 backbone to Europe, and transit to AWS compute in the United States. The only element not achieved was backup network capacity via AARNet, which did not proceed because of legal complications associated with Guam being United States territory.

The year also showed REANNZ's growing contribution to the wider NREN and research infrastructure community. REANNZ exceeded its target for technical presentations, delivering 20 presentations and panel contributions across regional and international conferences. Its product roadmap was also grounded in services proven overseas, including managed eduVPN and Letwifi, helping ensure New Zealand benefits from international experience while adapting services for local needs.

Progress against our performance indicators

Fast follower of global expertise

Target	2025/26	2024/25	Commentary
Product roadmap contains >50% of products already proven overseas	Achieved	Achieved	Target achieved. Managed eduVPN and Letwifi are proven overseas NREN services, and work began on additional HPC products.

Enabler of cost efficiencies

Target	2025/26	2024/25	Commentary
Maintain NREN relationships to ensure REANNZ continues to access the following international network capability at no cost: › PoPs at Guam and Hawaii › Capacity on Guam-Hawaii link › Capacity on the Internet2 backbone to Europe › Transit to AWS compute in the US › Leverage APONET relationships for backup network paths › Backup network capacity via AARNet live	Achieved	Achieved	AARNet cannot offer Guam to Sydney capacity due to legal complications with Guam being US territory. All other targets and services met.

Enhance NREN and sector relationships

Target	2025/26	2024/25	Commentary
Six technical presentations at both regional and international conferences	Achieved	Achieved	Target exceeded. REANNZ delivered 20 technical presentations and panel contributions across regional and international sector conferences.

MAKING IT EASY

Making it easy is about delivering services that are reliable, useful and straightforward for members to access. In FY2026, member feedback showed strong performance in this area. In the June 2026 customer survey, 92% of respondents agreed or strongly agreed that the REANNZ network is valuable and essential, and 92% of respondents who had logged support issues agreed or strongly agreed that their issues were handled in a timely way.

REANNZ also made progress in broadening the value members receive from its services. Product uptake across member segments reached 37.5%, exceeding the target of 25%, and unique eduroam device authentications increased by 56% compared with FY2025. REANNZ also expanded the Tuakiri service provider footprint by adding four new service providers, supporting easier and more consistent access to trusted sector services.

Advanced computing was an important part of the year's work. REANNZ launched Cascade to the sector, added storage to Mahuika, and progressed the pricing and access model for advanced computing services. This work is intended to make access clearer, more consistent and more sustainable, while supporting a wider advanced computing ecosystem for New Zealand researchers. The HPC service availability target was achieved, although the capacity availability target was missed because of downtime associated with the Mahuika move and establishment.

Progress against our performance indicators

Valued by members as defined in the customer satisfaction survey

Target	2025/26	2024/25	Commentary
REANNZ network deemed 'valuable and essential' by 80% of customer survey respondents	Achieved	Achieved	92% of respondents agreed or strongly agreed that REANNZ's network is valuable and essential.

Responsiveness to members as defined in the customer satisfaction survey

Target	2025/26	2024/25	Commentary
Issue resolution deemed to be 'in a timely manner' by > 80% of respondents	Achieved	Achieved	92% of respondents who logged support issues agreed or strongly agreed they were dealt with in a timely manner

Member-led strategy

Target	2025/26	2024/25	Commentary
Terms of Reference signed with the community to coordinate procurement of common capability	Achieved	Not applicable[5]	An RFI for the REANNZ AI Infrastructure Platform was released in November 2025

[5] No equivalent FY2025 measure.

Better connected members

Target	2025/26	2024/25	Commentary
>25% uptake rate (average product penetration by segment) of non network products by members	Achieved	Achieved	Product penetration – exceeded - 37.5% across member segments (incl. HPC).
25% increase in authentication of unique eduroam devices (measures activity outside of home institution)	Achieved	Achieved	Target exceeded - unique device authentications are up 56% on FY 24/25

Cross-sector interoperability

Target	2025/26	2024/25	Commentary
Increase active Tuakiri Service Provider footprint by 10% (four additional service providers)	Achieved	Not applicable[6]	Four Tuakiri Service Providers were added during the FY25/26 Year - University of Auckland Digital Research Innovation and Artificial Intelligence - Academic Fellows - Christchurch Medical Students Association - Wellington Health Professional Student Association

[6] FY2025 targets: Implemented Tuakiri Managed IdP service at four members; develop two use cases for Tuakiri Identity Management Services.

Continuity of service

Target	2025/26	2024/25	Commentary
National network availability over time: 99.95%	Achieved	Achieved	National network availability: 99.999%.
International network availability 99.95%	Achieved	Achieved	International network availability: 100%.
>98% of total HPC capacity available for usage over time	Not Achieved	Not applicable[7]	HPC capacity availability: 96.92%
>98% of total HPC services available for usage over time	Achieved	Not applicable	HPC service availability: 99.48% Note: these figures exclude planned downtime.

[7] No equivalent FY2025 measure. FY2026 includes HPC capacity and service availability following the integration of NeSI into REANNZ reporting..

Increase HPC capacity available for the New Zealand research sector

Target	2025/26	2024/25	Commentary
Cascade is available for REANNZ members by 30 June 2026. Build the business case to invest in Mahuika (subject to sector demand) by 30 June 2026.	Achieved	Not applicable[8]	Cascade is now available to REANNZ members, following negotiation of an MSA with Earth Sciences New Zealand. Additional storage has been implemented for Mahuika, and additional GPUs have been procured, with delivery pending.

[8] No equivalent FY2025 measure. FY2026 includes new measures relating to Cascade access and investment in Mahuika following the integration of NeSI into REANNZ.

Developing digital research capability

Target	2025/26	2024/25	Commentary
20 facilitated training programmes	Achieved	Not applicable[9]	46 supported training programmes completed over the year.

[9] No equivalent FY2025 measure. FY2026 includes a new measure for facilitated training programmes following the integration of NeSI into REANNZ.

Delivering research impacts

Target	2025/26	2024/25	Commentary
Five published case studies	Achieved	Achieved	20 case studies published on the website over the year.

ADDITIONAL INITIATIVES

REANNZ's additional initiatives in FY2026 focused on preparing the organisation for its expanded role from FY2027. This included completing a new strategy, designing and implementing a revised operating model, developing new membership and pricing arrangements, and increasing access to advanced computing capability for New Zealand researchers.

The new strategy, endorsed by MBIE in December 2025, sets a clearer direction for REANNZ as a strategic enabler and connector across the research, education and innovation sector. It focuses on making eResearch infrastructure easier to access, helping the sector work together more effectively, and supporting infrastructure innovation where common capability is needed.

REANNZ also progressed the organisational and commercial foundations needed to deliver this strategy. The future operating model was designed and implementation planning completed ahead of FY2027, with clearer accountability across service delivery, customer engagement, technology leadership and organisational performance. Work also progressed on the revised membership, pricing and access model, including arrangements to make access to advanced computing services more transparent, consistent and sustainable.

A future-focused strategy is co-designed with the sector, in place for FY 2026/27

Target	2025/26	2024/25	Commentary
MBIE endorsement of sector strategy	Achieved	Not applicable[10]	MBIE endorsement received December 2025

[10] No equivalent FY2025 measure. FY2026 includes new measures relating to REANNZ's strategy and operating model for FY2026/27.

An operating model for REANNZ is designed for FY2026/27, by the end of February 2026

Target	2025/26	2024/25	Commentary
MBIE endorsement of operating model	Achieved	Not applicable[11]	MBIE endorsement received February 2026

[11] No equivalent FY2025 measure. FY2026 includes new measures relating to REANNZ's strategy and operating model for FY2026/27.

An operating model for REANNZ has been implemented prior to the start of FY2026/27

Target	2025/26	2024/25	Commentary
MBIE endorsement of implementation	Not achieved	Not applicable[12]	Evidence submitted to MBIE prior to 30 June 2026. Endorsement received August 2026.

[12] No equivalent FY2025 measure. FY2026 includes new measures relating to REANNZ's strategy and operating model for FY2026/27. Implementation was completed prior to the start of FY2026/27, with MBIE endorsement received in August 2026.

A membership model and supporting pricing model are in place for FY2026/27

Target	2025/26	2024/25	Commentary
Finalised membership model provides appropriate sector funding support	Not achieved	Not applicable[13]	MBIE endorsement delayed due to waiting outcome of Universities Budgeting process for 2027

[13] No equivalent FY2025 measure. FY2026 includes a new measure relating to the development of REANNZ's membership and pricing model for FY2026/27.

FINANCIAL STATEMENTS /

Research and Education Advanced Network New Zealand Limited

Statement of Comprehensive Revenue and Expense for the year ended 30 June 2026

	Notes	Actual 2026 $ 000	Budget 2026 $ 000	Actual 2025 $ 000
Revenue				
Grant revenue	2	13,930	13,930	6,750
Membership fees		7,094	7,419	7,603
High Performance Computing revenue		4,224	4,393	-
Other revenue	2	3,254	3,188	2,883
Interest revenue		1,204	1,085	1,654
Total Revenue		**29,706**	**30,015**	**18,890**
Network and HPC Expenses				
Depreciation and amortisation	13,14	1,757	1,256	435
Employment expenses		6,026	6,364	2,773
Network & HPC operating expenses	3	10,894	10,473	8,291
Total Network and HPC Expenses		**18,677**	**18,093**	**11,499**
Gross Surplus		**11,029**	**11,922**	**7,391**
Less:				
Operating Expenses				
Audit		60	60	59
Depreciation	13	122	178	65
Directors' fees	4	316	343	310
Employment expenses		4,035	4,376	2,294
Other operating expenses		1,258	1,789	811
Professional services		2,105	2,566	885
Operating leases		664	728	463
Travel expenses		307	411	175
Integration expenses	5	-	-	964
Total operating expenses		**8,867**	**10,451**	**6,026**
Other Gains / (Losses)				
Impairment loss on Intangible Assets	14	(126)	-	-
Foreign currency gains / (losses)	6	511	-	162
Total Other gains / (Losses)		**385**	**-**	**162**
Net Surplus		**2,547**	**1,471**	**1,527**
Total Comprehensive Revenue and Expense		**2,547**	**1,471**	**1,527**

Explanations of major variances against budget are provided in note 25.
The accompanying notes form part of these financial statements.

Research and Education Advanced Network New Zealand Limited

Statement of Financial Position as at 30 June 2026

	Notes	Actual 2026 $ 000	Budget 2026 $ 000	Actual 2025 $ 000
CURRENT ASSETS				
Cash and cash equivalents	7, 22	4,393	3,033	9,755
Derivative financial instruments	10, 22	77	-	-
Receivables	8, 22	2,851	2,216	2,221
Investments	9, 22	31,312	31,118	24,048
Prepayments		454	193	264
Prepaid network expenses	11	1,623	1,581	2,255
Prepaid HPC expenses	12	483	213	-
Total current assets		**41,193**	**38,354**	**38,543**
NON-CURRENT ASSETS				
Derivative financial instruments	10, 22	248	-	-
Prepaid network expenses	11	14,329	14,625	15,442
Prepaid HPC expenses	12	3,837	866	-
Property, plant and equipment	13	5,011	3,119	1,989
Intangible assets	14	849	1,225	1,120
Total non-current assets		**24,274**	**19,835**	**18,551**
TOTAL ASSETS		**65,467**	**58,189**	**57,094**
CURRENT LIABILITIES				
Payables	15, 22	2,518	800	773
GST / FBT payable		223	309	172
Employee entitlements	16	393	409	397
Revenue in advance	17	1,648	1,438	1,811
Derivative financial instruments	10, 22	-	-	32
Total current liabilities		**4,782**	**2,956**	**3,185**
NON-CURRENT LIABILITIES				
Derivative financial instruments	10, 22	-	-	144
Long-term service leave	16	55	-	-
Total non-current liabilities		**55**	**-**	**144**
TOTAL LIABILITIES		**4,837**	**2,956**	**3,329**
NET ASSETS		**60,630**	**55,233**	**53,765**
EQUITY				
Contributed capital	18	20,601	20,601	20,601
Amalgamation reserve	18, 23	4,318	-	-
Accumulated surplus	18	35,711	34,632	33,164
TOTAL EQUITY		**60,630**	**55,233**	**53,765**

Explanations of major variances to budget are provided in note 25.
The accompanying notes form part of these financial statements.

Research and Education Advanced Network New Zealand Limited

Statement of Cash Flows
for the year ended 30 June 2026

	Notes	Actual 2026 $ 000	Budget 2026 $ 000	Actual 2025 $ 000
CASH FLOWS FROM OPERATING ACTIVITIES				
Cash was provided from (applied to)				
Receipts from the Crown		13,930	13,930	6,750
Network & HPC receipts		13,718	14,751	7,815
Receipts from other revenue		34	-	2,883
Interest received		939	1,004	1,825
GST (net)		43	(141)	(28)
Realised gain/(losses) on foreign currency		(28)	-	505
Payments to suppliers and employees		(19,157)	(23,839)	(12,091)
Prepayments for network connectivity		(4,904)	(2,837)	(5,276)
Net cash flow from operating activities		**4,575**	**2,868**	**2,383**
CASH FLOWS FROM INVESTING ACTIVITIES				
Cash was provided from (applied to)				
Receipts from sale of plant and equipment		27	248	-
Purchase of plant and equipment		(2,937)	(2,838)	(1,441)
Purchase of intangible assets		(27)	-	(761)
Term deposit investments (made)/realised		(7,000)	(7,000)	3,000
Net cash flow from investing activities		**(9,937)**	**(9,590)**	**798**
CASH FLOWS FROM FINANCING ACTIVITIES				
Cash was provided from (applied to)				
Capital contribution		-	-	-
Net cash flow from financing activities		**-**	**-**	**-**
Net (decrease)/increase in cash held		**(5,362)**	**(6,722)**	**3,181**
Cash at beginning of year		9,755	9,755	6,574
Cash at end of year	**7**	**4,393**	**3,033**	**9,755**

Explanations of major variances against budget are provided in note 25.
The accompanying notes form part of these financial statements.

Research and Education Advanced Network New Zealand Limited

Statement of Changes in Equity for the year ended 30 June 2026

	Notes	Actual 2026 $ 000	Budget 2026 $ 000	Actual 2025 $ 000
ACCUMULATED SURPLUS				
Balance at 1 July		33,164	33,161	31,637
Total Comprehensive Revenue and Expense for the year		2,547	1,471	1,527
Balance at 30 June		**35,711**	**34,632**	**33,164**
RESERVES				
Balance at 1 July		-	-	-
Amalgamation reserve	18, 23	4,318	-	-
Balance at 30 June		**4,318**	**-**	**-**
CONTRIBUTED CAPITAL				
Balance at 1 July		20,601	20,601	20,601
Balance at 30 June	**18, 23**	**20,601**	**20,601**	**20,601**
Total Equity at 30 June		**60,630**	**55,233**	**53,765**

Explanations of major variances against budget are provided in note 25.
The accompanying notes form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS /

1. Statement of Accounting Policies **54**

2. Revenue **55**

i. Grant revenue 55

ii. Other revenue 56

3. Network and high performance computing operating expenses **56**

4. Directors Fees **56**

5. Integration expenses **56**

6. Foreign currency gains / (losses) **57**

7. Cash and cash equivalents **57**

8. Receivables **57**

9. Investments **57**

10. Derivative financial instruments **58**

11. Prepaid network expenses **58**

12. Prepaid high performance computing expenses **59**

13. Property, plant and equipment **59**

14. Intangible assets **61**

15. Payables **62**

16. Employee entitlements **62**

17. Revenue in advance **63**

18. Equity **63**

19. Capital commitments and operating leases **63**

i. Capital commitments 63

ii. Operating lease commitments 63

iii. Connectivity and managed service commitments 64

20. Contingencies **64**

21. Related party transactions **64**

22. Financial instruments **65**

23. PBE Combinations **65**

24. Events after balance date **66**

25. Explanation of major variances to budget **66**

1. Statement of accounting policies

Reporting Entity

The reporting entity is Research and Education Advanced Network New Zealand Limited (REANNZ), a Crown entity as defined by the Crown Entities Act 2004 and a New Zealand incorporated company. As a Crown entity, REANNZ's ultimate parent is the New Zealand Crown.

REANNZ's primary objective is to establish, own and operate a high-speed communications network for the research and education sector. As such, REANNZ's aim is to provide services to the public, rather than make a financial return.

Accordingly, REANNZ has designated itself as a Tier 2 public benefit entity for the purposes of Public Benefit Entity (PBE) accounting standards with reduced disclosures.

The financial statements for REANNZ are for the year ended 30 June 2026 and were approved by the Board on 28 October 2026.

Basis of Preparation

The financial statements have been prepared on a historical basis with a few exceptions as detailed in the notes below and the accounting policies have been applied consistently throughout the year.

Statement of compliance

The financial statements of REANNZ have been prepared in accordance with the Crown Entities Act 2004, which includes the requirement to comply with generally accepted accounting practice in New Zealand (NZ GAAP).

The financial statements comply with Public Benefit Entity accounting standards.

The financial statements have been prepared in accordance with Tier 2 PBE Accounting Standards with reduced disclosures. REANNZ is eligible to report as a Tier 2 reporting entity on the basis that it does not have public accountability and is not large.

Presentation currency and rounding

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

Summary of Significant Accounting Policies

Accounting policies are selected and applied in a manner that ensures that the resulting financial information satisfies the concepts of relevance and reliability. REANNZ accounting policies, therefore, are designed to report the substance of the underlying transactions undertaken by the entity.

Significant accounting policies are included in the notes to which they relate. Policies that do not relate to a specific note are outlined below:

Foreign currency transactions

Transactions in foreign currencies, including those for which forward foreign exchange contracts are held, are translated to New Zealand dollars (the functional currency) at the spot rate on the date of transaction.

Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Statement of Comprehensive Revenue and Expense.

Statement of Cash Flows

The Statement of Cash Flows is prepared exclusive of GST, which is consistent with the method used in the Statement of Comprehensive Revenue and Expense.

Definitions of the terms used in the Statement of Cash Flows are:

"Cash" includes investments that are readily convertible into cash and used by REANNZ as part of its day-to-day cash management.

"Investing activities" are those activities relating to the acquisition and disposal of long-term assets and other investments not included in cash equivalents.

"Financing activities" are those activities relating to changes in equity of REANNZ.

"Operating activities" include all transactions and other events that are not investing or financing activities.

Goods and Services Tax (GST)

These financial statements have been prepared on a GST exclusive basis except for accounts receivable and accounts payable that are stated inclusive of GST.

The net GST paid to, or received from, Inland Revenue, including the GST relating to investing and financing activities, is classified as an operating cash flow in the Statement of Cash Flows.

Income tax

As a public entity under section CW 38(2) of the Income Tax Act 2007, the company is exempt from income tax. Accordingly, no provision has been made for income tax.

Budget figures

The budget figures are those that form part of the REANNZ 2025/26 Statement of Performance Expectations dated December 2025 and approved by the Board.

The budget figures have been prepared in accordance with generally accepted accounting practice and are consistent with the accounting policies adopted by REANNZ for the preparation of the financial statements.

Critical accounting estimates and assumptions

In preparing these financial statements, REANNZ has made estimates and assumptions concerning the future. These estimates and assumptions may differ from 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 significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are:

- Useful life of network prepayments – refer to note 11
- Useful life of acquired property, plant and equipment – refer note 13
- Useful life and valuation of intangibles – refer to note 14.

2. Revenue

Accounting Policy

The specific accounting policies for significant revenue items are explained below:

Grant revenue

REANNZ is funded in part by the Crown from the Strategic Science Investment Fund (SSIF). The SSIF grant is provided to partially fund the delivery of specialist services and activities. The funding is subject to contractual performance management and reporting requirements under the funding agreement. Revenue is recognised when received as management has assessed that the funding does not contain sufficiently specific performance obligations requiring deferral of revenue.

Membership fees and other revenue

Revenue is measured at the fair value of the consideration received or receivable. All transactions are exchange transactions.

High Performance Computing revenue

REANNZ earns revenue from high-performance computing (HPC) and eResearch services through collaborator service fees, infrastructure hosting and support charges, and usage-based charges to users and partner institutions. These transactions are exchange transactions as REANNZ provides HPC and eResearch services directly to customers in return for consideration received.

Revenue is recognised in the period in which the related services are provided. Collaborator service fees and hosting and support charges are recognised over the period to which the services relate. Charges based on HPC consumption, such as compute hours or storage volume, are recognised in the period in which the service is used. Amounts received in advance for services to be provided in future periods are recognised as a liability until such time as the service is provided.

Interest revenue

Interest revenue is recognised by accruing the interest due for the investment on a time proportion basis using the effective interest rate method.

i. Grant revenue

	2026 $ 000	2025 $ 000
Non-exchange transactions		
MBIE - Strategic Science Investment Fund contract	13,930	6,750
Total grant revenue	**13,930**	**6,750**

REANNZ and MBIE entered into a new contract for five years commencing 1 July 2025, which provides REANNZ with annual operating funding of $13.93m. This includes funding for the delivery of high performance computing and eResearch services to support scientific research. All conditions relating to the SSIF contract have been met.

ii. Other revenue

	2026 $ 000	2025 $ 000
Exchange transactions		
Managed services	2,847	2,544
Internet	35	37
Other	372	302
Total other revenue	**3,254**	**2,883**

3. Network and high performance computing operating expenses

	2026 $ 000	2025 $ 000
National network mainly consisting of fibre circuits, PoP accommodation and connectivity	3,893	3,490
International network mainly consisting of fibre circuits, PoP accommodation and connectivity	4,841	4,801
Total network operating expenses	**8,734**	**8,291**
High Performance Computing mainly consisting of data centre power and hosting, software and vendor support, and infrastructure hosting	2,160	-
Total High Performance Computing operating expenses	**2,160**	**-**
Total Network and HPC operating expenses	**10,894**	**8,291**

4. Directors' fees

Remuneration paid to each Director during the year was paid in accordance with the Directors' Fees and Reimbursement Guidelines.

There were special Director fees paid of $10k to Mike Harte, for Chairing the Transition Advisory Board, a temporary role on the REANNZ Board (2025: $5k).

No payments were made during the year to committee members who are not Board directors (2025: Nil).

REANNZ provides a deed of indemnity to Directors for certain activities undertaken in performance of REANNZ's functions.

REANNZ holds Directors and Officers Liability and Professional Indemnity insurance cover in respect of the liability of Board members and employees.

No Board members received compensation or other benefits in relation to cessation (2025: $Nil).

5. Integration expenses

Integration expenses relate to the work undertaken to transition the operations of New Zealand e-science infrastructure (NeSI) across to REANNZ from 1 July 2025 to 30 June 2026. The costs incurred to facilitate this include:

	2026 $ 000	2025 $ 000
Professional services	-	711
Employment expenses	-	215
Travel expenses	-	31
Other operating expenses	-	7
Integration expenses	**-**	**964**

6. Foreign currency gains/ (losses)

	2026 $ 000	2025 $ 000
Realised foreign currency gains / (losses)	(28)	505
Unrealised foreign currency gains / (losses)		
Fair value gains / (losses) on derivatives*	501	(222)
Bank account (USD)	38	(121)
Total unrealised foreign currency gains / (losses)	**539**	**(343)**
Total foreign currency gains/(losses)	**511**	**162**

*includes reversal of unrealised gains and losses on settlement of trades

Realised gains or losses arose from the settlement of forward contracts on the purchase of USD and payment of supplier payments in foreign currency.

Unrealised gains or losses are derived from forward USD contracts held with the New Zealand Debt Management Office (NZDMO) and reflect the net movement in the fair value of open contracts. Unrealised gains and losses are reversed on settlement of the trades.

On 30 June 2026, REANNZ held three forward contracts (2025: 4 contracts) to purchase a total of USD$4.80m (2025: USD$4.95m). One contract will settle during the next financial year. The contracts were entered into to mitigate foreign exchange exposure arising from annual network connectivity payments contractually required to be paid in USD.

7. Cash and cash equivalents

	2026 $ 000	2025 $ 000
Cash and cash equivalents	4,393	9,755
Total Cash and cash equivalents	**4,393**	**9,755**
Weighted Average Interest Rate	2.3%	3.3%

All cash and cash equivalents are held with major trading banks with equivalent Standard and Poor's AA- rating.

8. Receivables

Accounting Policy

Receivables are reported at the amount due less an allowance for credit losses. REANNZ applies the simplified credit loss model of recognising lifetime expected credit losses for receivables.

In measuring expected credit losses, receivables have been assessed on an individual basis.

Receivables are expensed in the Statement of Comprehensive Revenue and Expense when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include the debtor being in liquidation.

	2026 $ 000	2025 $ 000
Exchange transactions		
Receivables	2,482	2,216
Less: provision for expected loss	-	-
	2,482	**2,216**
Other debtors	369	5
Total receivables	**2,851**	**2,221**

Of the total Receivables above, $1.75m including GST (2025: $1.85m) relate to membership fees and services to be provided by REANNZ during the coming financial year.

9. Investments

Accounting Policy

Term deposits

Investments in bank term deposits are initially measured at the amount invested.

Interest calculated using the effective interest method is subsequently accrued and added to the term deposit balance.

	2026 $ 000	2025 $ 000
Term deposits	31,312	24,048
Total investments	**31,312**	**24,048**
Weighted Average Interest Rate	3.58%	4.29%

All term deposits are held with major trading banks with equivalent Standard and Poor's AA- rating.

10. Derivative financial instruments

Accounting Policy

REANNZ enters into derivative financial instruments, including forward foreign exchange contracts, as part of its normal operations to manage its exposure to foreign exchange rate risk. REANNZ does not hold or issue derivatives for trading purposes. REANNZ has not adopted hedge accounting.

Derivatives are initially recognised at the fair value on the date a derivative contract is entered into and are subsequently re-measured to their fair value at each balance date with the resulting gain or loss recognised in the Statement of Comprehensive Revenue and Expense.

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

Derivative financial instruments are recognised at fair value in the Statement of Financial Position.

On 30 June 2026, the net fair value of derivative financial instrument (liability)/asset was $325k (2025: ($176k) derivative financial liability). Of the net (liability)/asset amount, $77k (2025: ($32k) derivative financial liability) relates to USD forward contracts due to be settled within 12 months, with the remaining amount to be settled in FY2027 and beyond.

The fair value of forward foreign exchange contracts has been determined using a discounted cash flows 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.

11. Prepaid network expenses

Prepaid network expenses relate to core connectivity and network operations. These prepayments are expensed to the Statement of Comprehensive Revenue and Expense on a straight-line basis over the contract term. Significant prepayments made relate to:

National connectivity contract

In 2023, REANNZ entered a multi-year contract to provide connectivity services. The upfront payment under the contract is amortised on a straight line basis over the 10-year contract term.

Hawaiki contract

In June 2014, REANNZ entered into a 25-year lease of managed capacity with Hawaiki Submarine Cable Limited Partnership. The first condition of the lease was met on 31 March 2016, at which point the contract became non-cancellable.

The contract required four milestone payments in USD. The milestone payments were converted into NZD at the spot rate on payment date. The total amount of the four milestone payments (including taxes) was NZ$19.34m. Straight-line amortisation of the initial fee spread over the lease term commenced in August 2018 when the cable was ready for service. The annual expense is $774k.

Annual payments in advance associated with the Hawaiki contract are recognised evenly over the prepaid period. Prepayments of $2.74m (2025: $3.44m) were made during the year and the annual expense was $3.99m (2025: $3.37m).

Network hardware support contract

In 2024/25, REANNZ purchased core network and managed edge hardware which included an upfront payment for five years of vendor support. Further five-year support was purchased in 2025/26.

	2026 $ 000	2025 $ 000
Balance at beginning of year	17,697	17,134
Prepayment expensed during year	(4,780)	(4,713)
Payments made during the year	3,035	5,276
Total prepaid network expenses	**15,952**	**17,697**
Current/non-current split		
Current	1,623	2,255
Non-current	14,329	15,442
Total prepaid network expenses	**15,952**	**17,697**

12. Prepaid high performance computing expenses

Prepaid HPC expenses are payments made in advance for services that support REANNZ's high-performance computing (HPC) platform, together with other long-term general prepayments, where the service will be received after the reporting date. They comprise:

	2026 $ 000	2025 $ 000
Vendor support and maintenance: hardware support, extended warranty and software maintenance or subscription services for HPC compute, storage, interconnect and archive systems within 12 months	483	-
Total prepaid HPC expenses within 12 months	**483**	**-**
Vendor support and maintenance: hardware support, extended warranty and software maintenance or subscription services for HPC compute, storage, interconnect and archive systems beyond 12 months	1,312	-
Other long-term general prepayments: services paid in advance for periods extending beyond 12 months	2,525	-
Total prepaid HPC expenses beyond 12 months	**3,837**	**-**

A prepayment is recognised as an asset when REANNZ has paid consideration for services it has not yet received, and it is probable that the associated service potential will flow to REANNZ.

13. Property, plant and equipment

Accounting Policy

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

- Leasehold improvements, at cost less accumulated depreciation and impairment losses.
- Information technology equipment, at cost less accumulated depreciation and impairment losses.
- Network Services equipment, at cost less accumulated depreciation and impairment losses.
- Office equipment, at cost less accumulated depreciation and impairment losses.
- National Point of Presence (PoP) equipment, at cost less accumulated depreciation and impairment losses.
- International PoP equipment, at cost less accumulated depreciation and impairment losses.
- Fibre and fibre housing, at cost less accumulated depreciation and impairment losses.
- High Performance Computing equipment, at cost less accumulated depreciation and impairment losses.

Additions

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

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, the asset will be recorded at fair value 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 REANNZ and the cost of the item can be measured reliably.

Where assets are purchased outright they are recognised once control is obtained and available for use. Where assets are yet to be installed, relevant costs are initially captured in capital work in progress and then transferred to fixed assets and depreciated once the asset is available for use.

Disposals

Gains and losses on disposals are determined by comparing the proceeds of a disposal with the carrying amount of the asset. Gains and losses on disposal are included in the Statement of Comprehensive Revenue and Expense.

Depreciation

Depreciation on property, plant and equipment is provided on a straight-line basis, from the time the asset is in the location and condition necessary for its intended use. This basis allocates the cost or value of the asset, less its residual value, over its estimated useful life.

The depreciation method, estimated useful lives and residual values of property, plant and equipment are reviewed annually to assess appropriateness.

The following estimated useful lives are used in the calculation of depreciation:

	2026	2025
Leasehold improvements	3-5 years	3-5 years
Information technology equipment	3 years	3 years
Network Services equipment	3 years	3 years
Office equipment	5 years	5 years
National PoP equipment	3-8 years	3-8 years
International PoP equipment	5-7 years	5-7 years
Fibre and fibre housing	20-25 years	20 years
High Performance Computing equipment	2-7 years	N/A

Non-cash generating assets

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

Impairment of property, plant and equipment

At each reporting date, assets are reviewed by the Directors to determine whether there are any events or changes in circumstances that indicate that carrying amounts may not be recoverable.

An impairment loss is recognised as the amount by which the asset's carrying amount exceeds its estimated 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 depreciated replacement cost, restoration cost, or service units. 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 amount, the asset is impaired and the carrying amount is written down to the recoverable amount. The impairment loss is then recognised in the Statement of Comprehensive Revenue and Expense.

Any reversal of an impairment loss is recognised in the Statement of Comprehensive Revenue and Expense. Impairment losses can only be reversed to the extent that the carrying amount of the asset matches the carrying amount as calculated under the cost less accumulated depreciation method.

Impairment

There was no impairment recognised in the current year (2025: nil).

Critical accounting estimates and assumptions

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

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

On 1 July 2025, REANNZ integrated the people, services and technologies of New Zealand eScience Infrastructure (NeSI). As a result, High Performance Computing (HPC) equipment was introduced as a new class of property, plant and equipment.

HPC equipment transferred on integration was initially recognised at its carrying amount at 1 July 2025. REANNZ was required to estimate the useful economic residual lives of integrated assets, including HPC equipment. An incorrect estimate of the useful life or residual value will affect the depreciation expense recognised in the surplus or deficit and carrying amount of the asset in the statement of financial position. REANNZ has minimised the risk of this estimation uncertainty by performing physical inspections of the assets acquired, reviewing market prices for similar assets and considering asset replacement costs. HPC equipment is subsequently measured at deemed cost less accumulated depreciation and impairment losses. HPC equipment is depreciated on a straight-line basis over its estimated remaining useful life at 1 July 2025.

REANNZ has not made significant changes to past assumptions concerning the useful lives and residual values of its other classes of property, plant and equipment.

Breakdown of property, plant and equipment

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

	Capital WIP $000	Office equipment $000	ICT equipment $000	National PoP equipment $000	International PoP equipment $000	Leasehold improvements $000	Network services $000	Fibre and fibre housing $000	High performance computing $000	Total $000
Cost or valuation										
Balance at 30 June 2025	222	126	618	9,271	1,115	465	6	258	-	12,081
Acquired – NeSI amalgamation	-	-	-	-	-	-	-	-	6,195	6,195
Additions	173	10	108	6	29	-	5	-	343	674
Transfers	(143)	-	-	143	-	-	-	-	-	-
Disposals	-	-	(7)	(825)	(66)	-	-	-	-	(898)
Balance at 30 June 2026	**252**	**136**	**719**	**8,595**	**1,078**	**465**	**11**	**258**	**6,538**	**18,052**
Accumulated depreciation										
Balance at 30 June 2025	-	101	427	7,902	1,111	393	6	152	-	10,092
Acquired – NeSI amalgamation	-	-	-	-	-	-	-	-	2,140	2,140
Depreciation expense	-	10	97	340	8	15	-	13	1,224	1,707
Disposals	-	-	(7)	(825)	(66)	-	-	-	-	(898)
Balance at 30 June 2026	**-**	**111**	**517**	**7,417**	**1,053**	**408**	**6**	**165**	**3,364**	**13,041**
Carrying amounts										
Balance at 1 July 2024	337	16	86	326	60	-	-	119	-	944
Balance at 30 June 2025	222	25	191	1,369	4	72	-	106	-	1,989
Balance at 30 June 2026	**252**	**25**	**202**	**1,178**	**25**	**57**	**5**	**93**	**3,174**	**5,011**

14. Intangible assets

Accounting Policy

Intangible assets are identifiable non-monetary assets without physical substance. When recognising and initially measuring these assets, REANNZ has established that they are identifiable, under its control, and likely to generate future economic benefits These assets are initially recorded at cost.

REANNZ has intangible assets which have a finite useful life such as perpetual licenses and intangible assets that have an indefinite useful life such as Internet Protocol version 4 (IPv4) addresses.

Intangible assets with indefinite useful life – IPv4 Addresses

IPv4 addresses are a set of rules that govern how data packets are sent and received over the internet. IPv4 addresses are used to uniquely identify devices on the internet.

Intangible assets with finite useful life – Perpetual Software Licences

Perpetual licenses are held for certain network infrastructure assets and enable the continued operation and support of core network hardware assets.

Amortisation

The carrying value of an intangible asset with a finite useful life is amortised on a straight line basis over its useful life. Amortisation begins when the asset is available for use.

The following estimated useful life are used in the calculation of amortisation:

Perpetual Licenses: 5 years

Intangible assets that have an indefinite useful life are not subject to amortisation.

Impairment of intangible assets

If there are any impairment indicators, as detailed in Note 13 policy for impairment of property, plant and equipment, then the impairment loss will be recognised in the Statement of Comprehensive Revenue and Expense.

For indefinite useful life intangible assets, an impairment test has to be done annually. At year end, the carrying value of an intangible asset with indefinite useful life will be assessed and any market adjustment will be recognised in the Statement of Comprehensive Revenue and Expense.

Critical accounting estimates and assumptions

Valuation and Impairment review of IPv4 Assets

REANNZ holds IPv4 address assets that are recognised as intangible assets with indefinite useful lives, these assets are not subject to amortisation but are tested annually for impairment, or more frequently if indicators of impairment exist.

As at 30 June 2026, Management performed an impairment assessment of its IPv4 assets by referencing observable market data. Based on this assessment, $126k of impairment has been recognised. The carrying amount of the IPv4 assets is considered recoverable, and management believes the valuation assumptions are reasonable and consistent with current market conditions.

	IPv4 Addresses $000	Perpetual Licences $000	Total $000
Gross carrying amount			
Balance at 1 July 2024	488	105	593
Balance at 1 July 2025	488	866	1,354
Additions	-	27	27
Disposals	-	-	-
Balance at 30 June 2026	**488**	**893**	**1,381**
Accumulated amortisation and impairment loss			
Balance at 1 July 2024	(129)	-	(129)
Balance at 1 July 2025	(129)	(105)	(234)
Disposals	-	-	-
Amortisation and Impairment losses	(126)	(172)	(298)
Balance at 30 June 2026	**(255)**	**(277)**	**(532)**
Carrying amounts			
At 1 July 2024	359	105	464
At 1 July 2025	359	761	1,120
At 30 June 2026	**233**	**616**	**849**

15. Payables

Accounting Policy

Payables are recorded at the amount payable. All payables presented have arisen from exchange transactions.

	2026 $ 000	2025 $ 000
Exchange transactions		
Trade payables	1,908	682
Accrued expenses	610	91
Total payables	**2,518**	**773**

16. Employee entitlements

Accounting Policy

Short-term employee entitlements are benefits due to be settled within 12 months after the end of the year in which the employee provides the related service. These are measured based on the 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.

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

	2026 $ 000	2025 $ 000
Current employee entitlements		
Accrued salaries and wages	-	150
Prepaid salaries and wages	(35)	-
Accrued short term incentive	-	36
Accrued annual leave	428	211
Total current employee entitlements	**393**	**397**
Non-current employee entitlements		
Long service leave	55	-
Total non-current employee entitlements	**55**	**-**
Total employee entitlements	**448**	**397**

17. Revenue in advance

	2026 $ 000	2025 $ 000
Exchange transactions		
Fees received in advance	126	167
Fees invoiced but not yet received	1,522	1,644
Total revenue in advance	**1,648**	**1,811**

Revenue in advance includes membership fees, fees for services and the reimbursement of expenses. All services billed in advance will be provided by REANNZ in the coming financial year. Revenue received in advance will be recognised in the Statement of Comprehensive Revenue and Expense when the service is provided.

18. Equity

Capital management

Equity is comprised of accumulated surplus, contributed capital and the amalgamation reserve. Equity is measured as the difference between total assets and total liabilities.

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

Contributed capital

Issued capital

Share capital comprised 1,816 ordinary shares (2025: 1,816). All issued shares are fully paid and have no par value.

Amalgamation reserve

On 1 July 2025, REANNZ integrated the operations of New Zealand eScience Infrastructure (NeSI). In accordance with PBE IPSAS 40 PBE Combinations, the transaction was assessed as an amalgamation and accounted for using the modified pooling of interests method, resulting in the amalgamation reserve – refer Note 23 for details.

Under this method, the assets and obligations acquired through the amalgamation were recognised at their carrying amounts at the amalgamation date. The resulting net assets recognised through the amalgamation were recorded directly within equity as an amalgamation reserve. The reserve represents the net assets arising from the amalgamation and is presented separately within equity to identify the financial impact of the NeSI amalgamation.

19. Capital commitments and operating leases

i. Capital commitments

There were no capital commitments at balance date (2025: $Nil).

ii. Operating lease commitments

Accounting Policy

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

Where the leased items are not in use, the operating lease payments will be treated as a prepayment in the Statement of Financial Position. Once the items begin to be used in deriving revenue, these prepayments are released to the Statement of Comprehensive Revenue and Expense on a straight-line basis over the period of the remaining operating lease term.

Operating leases relate to the following activities:

a. Office premises: 22 The Terrace, Wellington; University of Otago Plaza Building room 2.22 and 248 St Asaph St, Christchurch; and

b. Network PoP accommodation and associated support facilities; and

c. Data centre hosting of high performance computer equipment.

The future aggregate minimum lease payments payable under non-cancellable operating leases are as follows:

	2026 $ 000	2025 $ 000
Less than one year	930	554
Between one and two years	324	253
Between two and five years	62	92
Total operating lease commitments	**1,316**	**899**

There are no restrictions placed on REANNZ by any of its leasing arrangements.

iii. Connectivity and managed service commitments

Connectivity and managed service commitments relate to:

a. Payments to suppliers for national and international connectivity services

b. Payments to suppliers for service management of the national network

	2026 $ 000	2025 $ 000
Less than one year	5,099	4,225
Between one and two years	3,542	3,452
Between two and five years	8,837	8,149
Later than five years	34,696	34,660
Total connectivity and managed service commitments	**52,174**	**50,486**

National connectivity contract

In 2023, REANNZ entered into a multi-year contract for national connectivity services. This contract was for an initial period of four years with two further extensions of three years each.

Hawaiki contract

REANNZ will incur annual connectivity charges over the 25-year lease term of the Hawaiki contract. These costs are reflected above and form the whole amount of the later than five years total.

20. Contingencies

There were no contingent assets or liabilities at balance date for which disclosure is required (2025: $Nil).

21. Related party transactions

REANNZ is a wholly owned entity of the Crown.

Related party disclosures have not been made for transactions with related parties that are within a normal supplier or client/recipient relationship with terms and conditions no more or less favourable than those that it is reasonable to expect REANNZ 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.

Key management personnel compensation

The compensation of Directors, Chief Executive and Senior Leadership Team, being the key management personnel of REANNZ, is set out below:

	2026 $ 000	2025 $ 000
Directors		
Remuneration	316	310
Full-time equivalents	1.02	0.98
Senior Leadership Team		
Remuneration	1,626	1,470
Full-time equivalents	6.02	5.73
Total key management personnel remuneration	**1,942**	**1,780**
Total full-time equivalent personnel	**7.04**	**6.71**

Directors

Full-time equivalent for the Directors 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 Director's fees is provided in the Statement of Remuneration Disclosures in the Annual Report.

Chief Executive's remuneration

Total remuneration paid and payable for the Chief Executive role for the year was $400k consisting of:

- Salary: $349k
- Benefits: $19k
- Short term incentive $32k

Benefits include KiwiSaver and car park allowance.

The Chief Executive's remuneration package does not include any long-term incentives. Short term incentives (STI) are set at up to 10% (2025: 10%) of base salary plus 3.5% KiwiSaver employer contribution. Incentive payments are discretionary and are granted at the sole discretion of the Board and are based on both individual and company performance measures. The Board identified the performance criteria used to determine the Chief Executive's STI payment.

22. Financial instruments

Financial instrument categories

The carrying amount of financial asset and liability categories are as follows:

	2026 $ 000	2025 $ 000
Financial assets measured at fair value through surplus or deficit		
Derivative financial instrument assets	325	-
Total financial assets measured at fair value through surplus or deficit	**325**	**-**
Financial liabilities measured at fair value through surplus or deficit		
Derivative financial instrument liabilities	-	176
Total financial liabilities measured at fair value through surplus or deficit	**-**	**176**
Financial liabilities measured at amortised cost		
Payables	2,518	773
Total financial liabilities measured at amortised cost	**2,518**	**773**
Financial assets measured at amortised cost		
Cash and cash equivalents	4,393	9,755
Receivables	2,851	2,221
Investments	31,312	24,048
Total financial assets measured at amortised cost	**38,556**	**36,024**

23. PBE Combinations

Accounting Policy

Amalgamations are accounted for using the modified pooling of interests method as at the amalgamation date of 01/07/2025, which is the date on which REANNZ obtains control of the combining operation.

As at the amalgamation date, REANNZ recognises in the financial statements the assets acquired through the amalgamation at their carrying amounts adjusted, where necessary, to conform with those of REANNZ.

Amalgamations do not give rise to goodwill. Instead, the aggregate carrying amount of the combining operation's assets less liabilities and any cash consideration paid is recognised directly in net assets/equity.

No material adjustments were required to align accounting policies between the combining operations and no transactions between the combining operations required elimination prior to the amalgamation.

Comparative information has not been restated as REANNZ is the resulting entity following the amalgamation.

PBE combination - amalgamation of NeSI operations

On 1 July 2025, REANNZ integrated the people, services and technologies of New Zealand eScience Infrastructure (NeSI). NeSI was not a separate legal entity; it operated through agreements between MBIE, universities and research institutions to provide high performance computing and eResearch services. The integration followed direction from REANNZ's shareholding Minister to expand REANNZ's service offering and receive the associated Strategic Science Investment Fund funding. The transaction was accounted for as an amalgamation under PBE IPSAS 40 using the modified pooling of interests method, with REANNZ as the resulting entity.

The following are the major classes of assets acquired via the amalgamation at the amalgamation date:

	Note	$ 000
Property, plant and equipment		4,055
Prepaid HPC support services		1,817
Earth Sciences NZ reinvestment obligation	24	2,525
Net assets acquired via amalgamation		**8,397**
Cash consideration paid		(4,080)
Impact of amalgamation recognised in net assets/equity		**4,318**

No goodwill was recognised as part of the amalgamation.

The impact of the amalgamation has been recognised directly in equity as an amalgamation reserve.

24. Events after balance date

On 17 August 2026, REANNZ and Earth Sciences New Zealand (ESNZ) entered into a Cascade Master Services Agreement (Cascade MSA). Under the agreement, ESNZ will provide REANNZ with high performance computing (HPC) capacity and services on its Cascade supercomputer to a value of $2.525 million (excluding GST). REANNZ will make these services available to users across the research sector. REANNZ is not required to pay for these services. The Cascade MSA replaces the original obligations to reinvest in NeSI as included in note 23.

On 19 August 2026, REANNZ entered into a five-year lease agreement for office premises on Lambton Quay, Wellington. The lease represents a future commitment of approximately $1.2 million (excluding GST) over the term of the agreement.

25. Explanation of major variances to budget

Statement of Comprehensive Revenue and Expense

Revenue

Total revenue was below budget by $309k, which was mainly due to new customer growth shortfalls and the impact of the Te Pūkenga merger.

Expenditure

Network and HPC expenses

Total network and HPC expenses were $584k over budget due to:

Depreciation expenses were $501k higher than budgeted, primarily due to the materially higher than budgeted carrying value (and therefore depreciation) of HPC assets which were acquired on 1 July 2025.

Network and HPC Personnel costs were $338k lower than budgeted, mainly due to delayed recruitment of new roles.

Network and HPC expenses were $421k higher than budgeted, primarily driven by HPC expenses as these were unknown when the budgeting process took place.

Operating expenses

Operating expenses were under budget by $1,584k, mainly due to:

Employment expenses were $341k below budget. This was mainly due to some staff leaving due to their roles no longer being required in line with the implementation of the new operating model.

Travel costs were $104k under budget due to lower levels of domestic travel required for the Sector Engagement workshops.

Other operating expenses were $531k below budget. This was due to a mixture of lower ICT systems costs, lower than budgeted insurance cost, lower rent and cleaning services.

Professional services were $461k under budget, due to some of the expense of the ERP replacement project moving into 2026/2027, Pricing Model review done inhouse instead of by external consultants and other consulting expenditure being delayed into 2026/2027.

Statement of financial position

Prepaid HPC expenses ($3.0m higher than budgeted) includes $2.5m Earth Sciences New Zealand reinvestment obligations which relates to future Cascade usage which was not included in the budget.

Property, Plant and Equipment is $1.9m higher than budgeted due to the addition of University of Auckland assets at their carrying value instead of the price that was paid for these assets.

Payables are $1.7m higher than budgeted, mainly due to the University of Auckland data centre hosting invoice for 12 months in advance of $1.2m.

The Amalgamation reserve of $4.3m was unbudgeted and relates to the Earth Sciences New Zealand reinvestment obligation of $2.5m plus $1.9m additional value of NeSI Property, Plant and Equipment.

STATUTORY REMUNERATION DISCLOSURES /

Employee's remuneration

The number of employees who received remuneration and other benefits in their capacity as employees during the year ended 30 June 2026 that in value was $100,000 or more per annum paid or payable is set out in the table below:

	2026 employees	2025 employees
$100,000 - $109,999	7	1
$110,000 - $119,999	8	4
$120,000 - $129,999	7	5
$130,000 - $139,999	6	2
$140,000 - $149,999	4	4
$150,000 - $159,999	7	-
$160,000 - $169,999	1	2
$170,000 - $179,999	-	1
$180,000 - $189,999	3	2
$190,000 - $199,999	3	1
$200,000 - $209,999	1	2
$210,000 - $219,999	1	-
$220,000 - $229,999	-	1
$270,000 - $279,999	2	-
$290,000 - $299,999	1	-
$360,000 - $369,999	-	1
$400,000 - $409,999	1	-

During the year ended 30 June 2026, REANNZ paid $183k compensation or other benefits in relation to cessation to 6 employees (2025: $130k, 4).

Directors' fees

The total value of remuneration paid or payable to each Board member during the year was:

	2026 $000	2025 $000
Helen Robinson (Chair - tenure started 17 July 24)	73	70
Sara Brownlie (Deputy Chair from 12 February 25)	46	41
Johnathan Eele	40	38
Dr Warren Williams	37	36
Jim Metson (tenure ceased 30 June 25)	-	36
Ian Simpson (tenure started 17 July 24)	37	35
Mike Harte (tenure started 17 July 24)	46	40
Professor Amanda Barnard (tenure started 14 February 25)	37	14
Total Directors' fees	**316**	**310**

REANNZ MEMBERS /

As at 30 June 2026

Tertiary Institutions

Waipapa Taumata Rau University of Auckland

AUT

Lincoln University
Te Whare Wānaka o Aoraki

UC University of Canterbury
Te Whare Wānanga o Waitaha
Christchurch New Zealand

University of Otago
Ōtākou Whakaihu Waka

Victoria University of Wellington
Te Herenga Waka

The University of Waikato
Te Whare Wānanga o Waikato

Massey University
Te Kunenga ki Pūrehuroa
University of New Zealand

Te Whare Wānanga o Awanuiārangi

Public Research Organisations

Bioeconomy Science Institute
Maiangi Taiao

Callaghan Innovation
Te Pokapū Auaha

Earth Sciences New Zealand
Te Whatu Ao

PHF Science

Māori Research

te hiku media

Te Kāhui Raraunga

Institutes of Technology and Polytechnics

Ara Institute of Canterbury
Ara rau, taumata rau

EIT
TE AHO A MĀUI

MANUKAU INSTITUTE OF TECHNOLOGY
Te Whare Takiura o Manukau

Open Polytechnic
KURATINI TUWHERA

OTAGO POLYTECHNIC
Te Kura Matatini ki Otago

SIT
Southern Institute of Technology
NEW ZEALAND

TOI-OHOMAI
Institute of Technology

Whitireia NEW ZEALAND

WelTec
Te Whare Wānanga o te Awakairangi

WITT
WESTERN INSTITUTE OF TECHNOLOGY AT TARANAKI
Te Kura Matatini o Taranaki

Unitec
Te Whare Wānanga o Wairaka

Government

Rārangi Utu ā-Mātauranga
EDUCATION PAYROLL

Te Tāhuhu o te Mātauranga
Ministry of Education

NZQA
Mana Tohu Mātauranga o Aotearoa
New Zealand Qualifications Authority

Tertiary Education Commission
Te Amorangi Mātauranga Matua

Teaching Council of Aotearoa New Zealand
Matatū. Tū Mataora.

Other

AM
TĀMAKI PAENGA HIRA
AUCKLAND WAR MEMORIAL MUSEUM

BRAGATO RESEARCH INSTITUTE
NEW ZEALAND GRAPE AND WINE RESEARCH

BRANZ

CAWTHRON
The power of science®

COLLEGE OF LAW
Te Whare Kura Ture o Aotearoa

endace

LINCOLN AGRITECH LTD

MALAGHAN INSTITUTE OF MEDICAL RESEARCH

PACIFIC EDGE LTD

SPACEOPS
NEW ZEALAND


REANNZ