

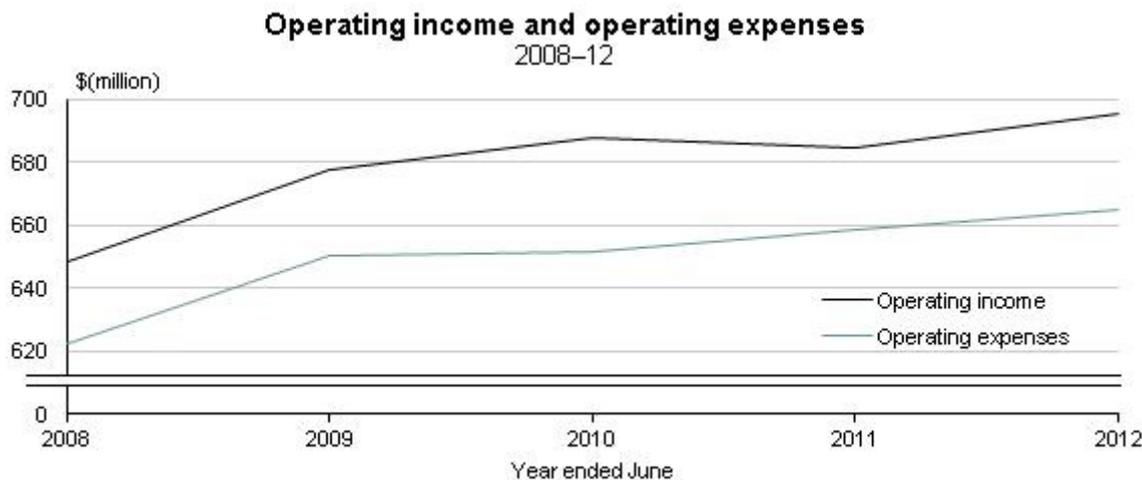
# Crown Research Institute Statistics: Year ended 30 June 2012

Embargoed until 10:45am – 05 December 2012

## Key facts

In the year ended June 2012 compared with the year ended June 2011:

- Crown research institutes (CRIs) increased their operating surplus from \$25.9 million to \$30.2 million.
- Funding that CRIs earned to provide core services (operating income) was up 1.6 percent.
- Income from government funding was up 3.6 percent.
- Spending on core services (operating expenditure) was up 1.0 percent.
- Tax expense decreased by \$0.5 million, to \$3.8 million.
- CRIs recorded a surplus on all transactions (including valuation changes) of \$23.9 million (up \$1.9 million).
- Total assets were worth \$732.0 million at 30 June 2012, up 0.3 percent.
- Crown research institutes reduced their liabilities by 10.6 percent, to \$205.4 million.
- Total equity (difference between assets and liabilities) was up \$26.5 million (5.3 percent).



Vince Galvin  
Acting Government Statistician

5 December 2012  
ISSN 1178-0460

## Commentary

- Crown research institutes' income and spending up
- Crown research institutes' operating surplus grows
- Crown research institutes' total comprehensive income rises
- Financial position improves

All dollar figures given below are in current prices unless otherwise stated. All revenue and expenditure excludes goods and services tax (GST).

Crown research institutes (CRIs) were established in 1992 as Government-owned businesses with a scientific purpose. Each institute is based on a productive sector of the economy or a grouping of natural resources.

Some changes have been made to the presentation of the published output to improve the readability and usability of the tables. Two new data items have been added to the total income and expenditure table showing other comprehensive income and total comprehensive income. Several data items have been renamed to better reflect the transactions included within them.

### Crown research institutes' income and spending up

Funding that local authorities earned to provide core services (operating income) increased by \$11.0 million in the year ended June 2012, compared with the year ended June 2011. This increase was due to:

- government revenue increasing by \$12.8 million
- other operating income increasing by \$1.1 million.

These increases were partly offset by decreases in:

- sales, down \$2.4 million
- interest revenue, down \$0.4 million.

CRIs earned \$695.5 million in the year ended June 2012.

Spending on core services (operating expenses) by CRIs increased by \$6.7 million in the year ended June 2012, compared with the previous year ended June. This increase was due to:

- employee costs increasing by \$5.6 million
- other operating expenses increasing by \$2.4 million.

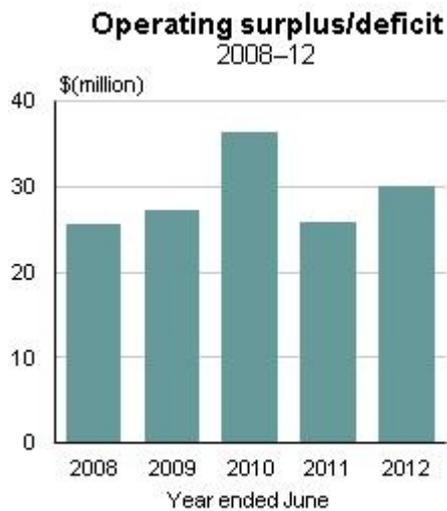
These increases were partly offset by decreases in:

- interest payments, down \$0.9 million
- depreciation and amortisation, down \$0.5 million.

CRIs spent \$665.2 million in the year ended June 2012.

## Crown research institutes' operating surplus grows

Total operating surplus (which occurs when income exceeds spending) grew from \$25.9 million in 2011 to \$30.2 million in the year ended June 2012. The surplus increase over this period was \$4.4 million.

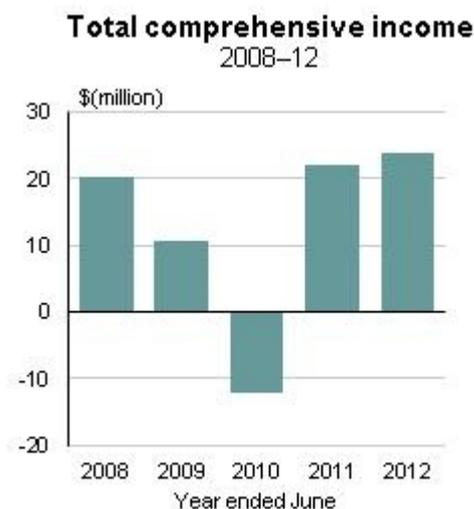


Source: Statistics New Zealand

## Crown research institutes' total comprehensive income rises

In addition to income from current operations, CRIs earn income from non-operating transactions (such as valuation changes).

When all income and spending is taken into consideration (non-operating as well as the operational budget), CRIs were \$23.9 million in surplus in the year ended June 2012. This is \$1.9 million higher than in the year ended June 2011, when they had a surplus of \$22.0 million.



Source: Statistics New Zealand

## Financial position improves

When compared with 2011, CRIs' total equity (the difference between the value of their assets and liabilities) improved in 2012. This is mainly due to an increase in the value of their fixed assets (such as land, buildings, and plant and machinery).

### Assets increase in value

CRIs held assets worth \$732.0 million at June 2012. This is an increase of 0.3 percent compared with June 2011.

Current (short-term) assets made up 25.8 percent of total assets. The value of current assets decreased 1.8 percent compared with June 2011.

The value of non-current (long-term and fixed) assets held at 30 June 2012 was up 1.0 percent. The total value of non-current assets listed on balance sheets was \$543.3 million at 30 June 2012. The increase between June 2011 and June 2012 was due to:

- fixed assets increasing by 2.8 percent
- investment assets increasing by 1.2 percent.

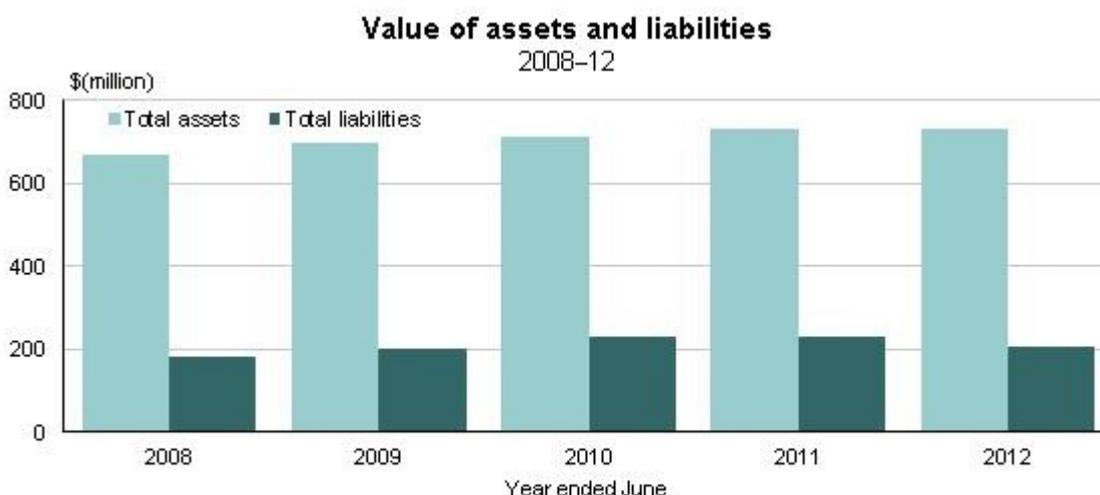
These increases were partly offset by other non-current assets (such as long-term accounts receivable and long-term loans) decreasing by 61.3 percent.

### Value of liabilities decreases

CRIs' accumulated total liabilities (obligations for payment) were \$205.4 million at 30 June 2012. This is a decrease of 10.6 percent since June 2011.

The value of current (short-term) liabilities fell from \$166.8 million at 30 June 2011 to \$159.4 million at 30 June 2012.

Non-current (long-term) liabilities fell from \$62.9 million at 30 June 2011 to \$46.1 million at 30 June 2012, a decrease of 26.8 percent.



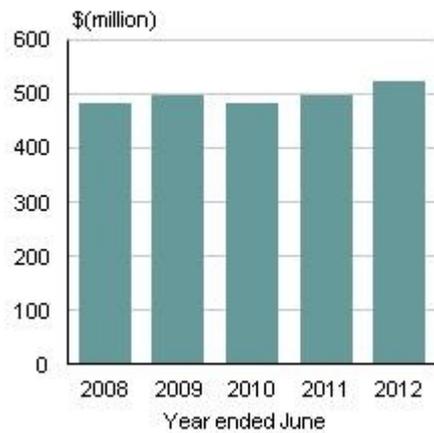
Source: Statistics New Zealand

## Total equity increases

Total equity is the difference between the value of all assets and liabilities. At the end of June 2012, CRIs had a total equity of \$526.5 million, up \$26.5 million from June 2011.

### Equity of Crown research institutes

2008-12



Source: Statistics New Zealand

For more detailed data see the Excel tables in the 'Downloads' box.

## Definitions

### About the Crown research institute statistics

Crown Research Institute Statistics provides provisional financial results of the eight Crown research institutes. The activities of these institutes, which are in a number of different industries, focus mainly on research and new product development.

This release presents annual accounting-based income, expenditure, and financial position information for all Crown research institutes in New Zealand. This release also provides income and expenditure estimates for non-operating transactions of Crown research institutes.

### More definitions

**Amortisation:** is the gradual writing-off of the value of an asset over time. It is charged on intangible assets such as software.

**Assets:** are what the Crown research institutes own. Assets represent a store of value, and can be a source of income or generate economic benefit when used. Assets are either current or non-current.

**Current assets:** are short-term assets or those readily converted to cash. Examples include: cash and bank deposits, stocks held, short-term accounts receivable, pre-payments, and short-term loans.

**Current liabilities:** are short-term debts due to be paid within the next twelve months. These include short-term loans, short-term provision for employee entitlements, short-term accounts payable, and pre-payments.

**Depreciation:** is charged on infrastructural assets, restricted assets, buildings, vehicles, other plant, machinery and office equipment, and all other types of fixed assets.

**Employee costs:** the gross earnings of all paid employees of the Crown research institutes. Includes overtime, sick and holiday pay, severance and redundancy payments, levies paid to the Accident Compensation Corporation, fringe benefit tax, and employer contributions to superannuation schemes.

**Fixed assets:** assets that are used repeatedly or continuously in the production processes for more than one year, and cannot easily be converted into cash. Examples of fixed assets are land, buildings, other construction, motor vehicles, and plant and machinery.

**Government revenue:** includes revenue received from the Ministry of Research, Science and Technology and the Foundation for Research, Science and Technology.

**Investments:** the commitment of money or capital to the purchase of financial instruments or other assets to gain profitable returns in the form of interest, income (dividends), or appreciation (capital gains) of the value of the instrument. It includes investments in financial assets such as listed shares, securities other than shares such as bonds and debentures, notes issued and preferred stocks, as well as financial derivatives.

**Liabilities:** are debts that establish an obligation by Crown research institutes to pay another party. Liabilities can be current or non-current.

**Non-current assets:** can be fixed assets, such as land and buildings, long-term investments, long-term accounts receivable, and long-term loans.

**Non-current liabilities:** are obligations to pay off debt due in more than 12 months. These include term debt and other non-current liabilities like long-term provision for employee entitlements, long-term accounts payable, and long-term provision for landfill aftercare.

**Operating deficit:** occurs as a result of operating expenditure exceeding operating income.

**Operating expenses:** a company's expenses related to the production of its goods and services.

**Operating income:** a company's income from the goods and services it provides.

**Operating surplus:** occurs as a result of operating income exceeding operating expenses.

**Other assets:** includes intangible and deferred assets.

**Other comprehensive income:** are non-operating transactions, such as bad debts recovered, provisions, and valuation changes (this means that Crown research institutes have re-assessed the value of their assets and liabilities).

**Other operating expenses:** includes donations, royalties and patent fees, business insurance premiums, fringe benefit tax, local authority rates, other local or central government fees and levies, and other operating costs.

**Other operating income:** includes income from dividends, insurance claims, donations, royalties, and patent fees.

## **Related links**

### **Upcoming releases**

*Crown Research Institute Statistics: Year ended June 2013* will be released in December 2013.

[Subscribe to information releases](#), including this one, by completing the online subscription form.

[The release calendar](#) lists all our upcoming information releases by date of release.

### **Past releases**

[Crown Research Institute Statistics – information releases](#) has links to past releases.

### **Related information**

[Crown ownership monitoring unit \(COMU\)](#) provides an overview of the Crown research institutes, which are Crown-owned companies, or Crown entity companies, whose purpose is to carry out scientific research for the benefit of New Zealand.

## Data quality

### Period-specific information

This section contains data information that has changed since the last release.

- [Reference period](#)
- [Changes to the presentation of published output](#)

### General information

This section contains information that does not change between releases.

- [Statistical coverage](#)
- [Crown research institutes](#)
- [Accuracy of the data](#)
- [Consistency with other periods and datasets](#)

## Period-specific information

### Reference period

This information release presents data collected from Crown research institutes for the year ended June 2012. Data for previous years may have been revised where misallocations have become apparent.

### Changes to the presentation of published output

- New data items have been added to the total income and expenditure table showing other comprehensive income and total comprehensive income.
- Table formats have changed to improve readability, usability, and to allow time series analysis.
- A number of data items have been renamed to better reflect the transactions included within them.

### General information

#### Statistical coverage

The statistics contained in this release have been derived from Statistics NZ's Central Government Enterprise Survey. Therefore, they may differ from financial statements presented in the respective annual reports of the Crown research institutes (CRIs). All eight CRIs are surveyed every quarter. We collect financial information about their income and expenditure, as well as data relating to their assets and liabilities. The survey has collected information about the economic activity of the CRIs since their establishment on 1 July 1992.

## Crown research institutes

The eight Crown research institutes are:

- AgResearch Ltd
- Industrial Research Ltd
- Institute of Environmental Science and Research Ltd
- Institute of Geological and Nuclear Sciences Ltd
- Landcare Research New Zealand Ltd
- National Institute of Water and Atmospheric Research Ltd
- New Zealand Forest Research Institute Ltd
- The New Zealand Institute for Plant & Food Research Ltd.

## Accuracy of the data

As Crown research institutes have varying organisational structures and accounting systems, data for some Crown research institutes data items is not always readily available. Therefore, it is sometimes estimated (by either the Crown research institutes themselves or by Statistics NZ). Any such estimation is not expected to materially affect any statistics produced.

## Consistency with other periods or datasets

Most data items are consistent over time. However, there are some breaks in the time series for some items, due to changes in the questionnaire used to collect the data.

Statistics in this release are consistent with other related economic statistics compiled by Statistics NZ, such as the Local Authority Financial Statistics.

## Liability

While all care and diligence has been used in processing, analysing, and extracting data and information in this publication, Statistics NZ gives no warranty it is error-free and will not be liable for any loss or damage suffered by the use directly, or indirectly, of the information in this publication.

## Timing

Our information releases are delivered electronically by third parties. Delivery may be delayed by circumstances outside our control. Statistics NZ does not accept responsibility for any such delays.

## Crown copyright©



This work is licensed under the [Creative Commons Attribution 3.0 New Zealand](#) licence. You are free to copy, distribute, and adapt the work, as long as you attribute the work to Statistics NZ and abide by the other licence terms. Please note you may not use any departmental or governmental emblem, logo, or coat of arms in any way that infringes any provision of the [Flags, Emblems, and Names Protection Act 1981](#). Use the wording 'Statistics New Zealand' in your attribution, not the Statistics NZ logo.

## Contacts

**For media enquiries contact:**

Stephen Oakley

Wellington 04 931 4600

**Email:** [info@stats.govt.nz](mailto:info@stats.govt.nz)

**For technical information contact:**

Angelique Klinkers

Wellington 04 931 4600

**Email:** [info@stats.govt.nz](mailto:info@stats.govt.nz)

**For general enquiries contact our Information Centre:**

Phone: 0508 525 525 (toll free in New Zealand)

+64 4 931 4600 (outside of New Zealand)

**Email:** [info@stats.govt.nz](mailto:info@stats.govt.nz)

**Subscription service:**

Subscribe to information releases, including this one, by completing the online subscription form.

**Correction notifications:**

Subscribe to receive an email if a correction notice is published for Crown Research Institute Statistics.

Unsubscribe to correction notifications for Crown Research Institute Statistics.

Subscribe to all to receive an email if a correction notice is published for any of our information releases.

Unsubscribe to all if you change your mind.

## Tables

The following tables are available in Excel format from the 'Downloads' box. If you have problems viewing the files, see [opening files and PDFs](#).

1. Crown research institute statistics, total income and expenditure, year ended 30 June, 2008–12
2. Crown research institute statistics, statement of financial position, year ended 30 June, 2008–12

## Access more data on Infoshare

Use [Infoshare](#) to access time-series data specific to your needs. For this release, select the following category from the Infoshare homepage:

Subject category: **Government finance**

Group: **Crown Research Institutes - CRI**

Table 1

**Crown research institute statistics**

Total income and expenditure<sup>(1)</sup>  
Year ended June, 2008–12

	Series ref: CRI	Year ended June				
		2008	2009	2010	2011	2012
\$(million)						
<b>Operating income</b>						
Government revenue	S1RA	317.7	329.8	356.7	356.3	369.1
Sales	S1RB	310.3	323.0	302.0	298.3	295.8
Interest revenue	S1RC	3.1	2.7	2.1	2.9	2.5
All other income	S1RD	17.2	21.9	27.2	27.0	28.0
<b>Total operating income</b>	<b>S1RZ</b>	<b>648.4</b>	<b>677.5</b>	<b>687.9</b>	<b>684.4</b>	<b>695.5</b>
<b>Operating expenses</b>						
Employee costs	S1CA	314.1	334.3	341.7	350.8	356.5
Depreciation	S1CB	47.9	48.8	55.0	53.3	52.8
Interest	S1CC	4.2	3.2	1.5	1.9	1.0
All other expenses	S1CD	256.6	263.9	253.4	252.6	254.9
<b>Total operating expenses</b>	<b>S1CZ</b>	<b>622.7</b>	<b>650.1</b>	<b>651.6</b>	<b>658.5</b>	<b>665.2</b>
<b>Operating surplus/(deficit)</b>	<b>S1SA</b>	<b>25.7</b>	<b>27.4</b>	<b>36.4</b>	<b>25.9</b>	<b>30.2</b>
Profit/(loss) on sale of fixed assets	S1NA	-0.3	-0.2	0.2	0.5	0.7
Extraordinary items	S1NB	4.1	-6.2	-3.1	-1.2	-0.9
<b>Surplus/(deficit) before taxation</b>	<b>S1SB</b>	<b>29.4</b>	<b>21.0</b>	<b>33.5</b>	<b>25.2</b>	<b>30.1</b>
Less taxation	S1NC	8.7	6.3	40.0	4.2	3.8
<b>Surplus/(deficit) after taxation</b>	<b>S1SZ</b>	<b>20.8</b>	<b>14.7</b>	<b>-6.5</b>	<b>20.9</b>	<b>26.4</b>
Other comprehensive income	S1SX	-0.6	-4.1	-5.8	1.1	-2.5
<b>Total comprehensive income</b>	<b>S1SY</b>	<b>20.2</b>	<b>10.6</b>	<b>-12.2</b>	<b>22.0</b>	<b>23.9</b>

1. Individual figures may not sum to the stated totals due to rounding.

Source: Statistics New Zealand

Table 2

**Crown research institute statistics**Statement of financial position<sup>(1)</sup>

Year ended June, 2008–12

	Series ref: CRI	Year ended June				
		2008	2009	2010	2011	2012
		\$(million)				
<b>Assets</b>						
Current assets	S2AA	163.8	176.4	178.5	192.1	188.6
Investments	S2AB	9.8	10.2	9.2	8.5	8.6
Fixed assets	S2AC	476.8	500.2	512.8	514.4	529.0
Other assets	S2AD	17.8	13.5	13.8	14.8	5.7
<b>Total assets</b>	<b>S2AZ</b>	<b>668.1</b>	<b>700.3</b>	<b>714.3</b>	<b>729.8</b>	<b>732.0</b>
<b>Liabilities and equity</b>						
Current liabilities	S2EB	131.7	154.5	154.2	166.8	159.4
Long-term liabilities	S2EC	52.6	48.8	76.4	62.9	46.1
Equity	S2EA	483.8	497.0	483.6	500.1	526.5
<b>Total liabilities and equity</b>	<b>S2EZ</b>	<b>668.1</b>	<b>700.3</b>	<b>714.3</b>	<b>729.8</b>	<b>732.0</b>
Additions to fixed assets	S2BA	58.9	72.9	75.9	58.2	54.4
Disposals of fixed assets	S2BC	0.8	4.3	3.5	2.6	10.0

1. Individual figures may not sum to the stated totals due to rounding.

Source: Statistics New Zealand