

# Crown Research Institute Statistics: Year ended 30 June 2013

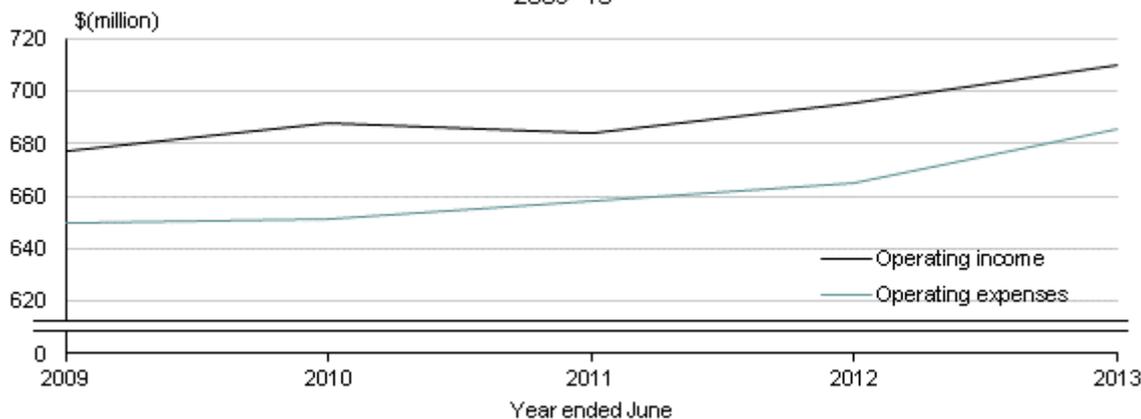
Embargoed until 10:45am – 06 December 2013

## Key facts

In the year ended June 2013 compared with the year ended June 2012:

- Crown research institutes' (CRIs) operating surplus fell to \$24.1 million.
- Funding that CRIs earned to provide core services (operating income) was up 2.0 percent.
- Income from government funding was up 3.0 percent.
- Spending on core services (operating expenditure) was up 3.1 percent.
- Total assets were worth \$757.8 million at 30 June 2013, up 3.5 percent.
- Liabilities rose 9.3 percent, to \$224.7 million.
- Total equity (difference between assets and liabilities) was up \$6.6 million (1.3 percent).

**Operating income and operating expenses**  
2009–13



Source: Statistics New Zealand

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## Commentary

- [Crown research institutes' income and spending up](#)
- [Crown research institutes' operating surplus down](#)
- [Crown research institutes' total comprehensive income rises](#)
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Dollar figures are in current prices unless otherwise stated. Revenue and expenditure exclude 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.

### **Crown research institutes' income and spending up**

Funding that local authorities earned to provide core services (operating income) was \$709.6 million in the year ended June 2013. This was an increase of \$14.1 million compared with the year ended June 2012. This increase was due to:

- government revenue, up \$11.2 million
- sales, up \$4.6 million.

These increases were partly offset by decreases in:

- other operating income, down \$0.9 million
- interest revenue, down \$0.7 million.

Spending on core services (operating expenses) by CRIs was \$685.5 million in the year ended June 2013. This was an increase of \$20.3 million compared with the previous year. This increase was due to:

- other operating expenses, up \$41.6 million.

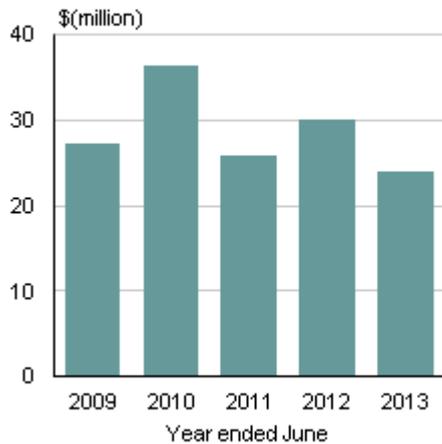
This increase was partly offset by decreases in:

- employee costs, down \$17.9 million
- depreciation and amortisation, down \$2.7 million
- interest payments, down \$0.7 million.

### **Crown research institutes' operating surplus down**

Total operating surplus (which occurs when income exceeds spending) fell \$6.1 million, from \$30.2 million in 2012 to \$24.1 million in 2013.

### Operating surplus/deficit 2009–13



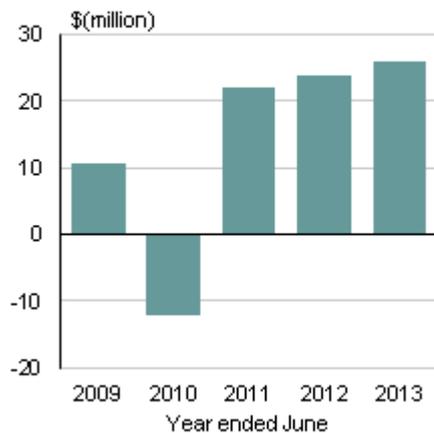
Source: Statistics New Zealand

### 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 \$26.0 million in surplus in the year ended June 2013. This is \$2.1 million higher than in the previous year.

### Total comprehensive income 2009–13



Source: Statistics New Zealand

### Financial position improves

When compared with 2012, CRIs' total equity (the difference between the value of their assets and liabilities) improved in 2013. This is mainly due to an increase in the value of their current (short-term) assets.

## Assets increase in value

CRIs held assets worth \$757.8 million at June 2013. This is an increase of 3.5 percent since June 2012.

Current assets made up 30.1 percent of total assets. The value of current assets increased 20.8 percent compared with June 2012.

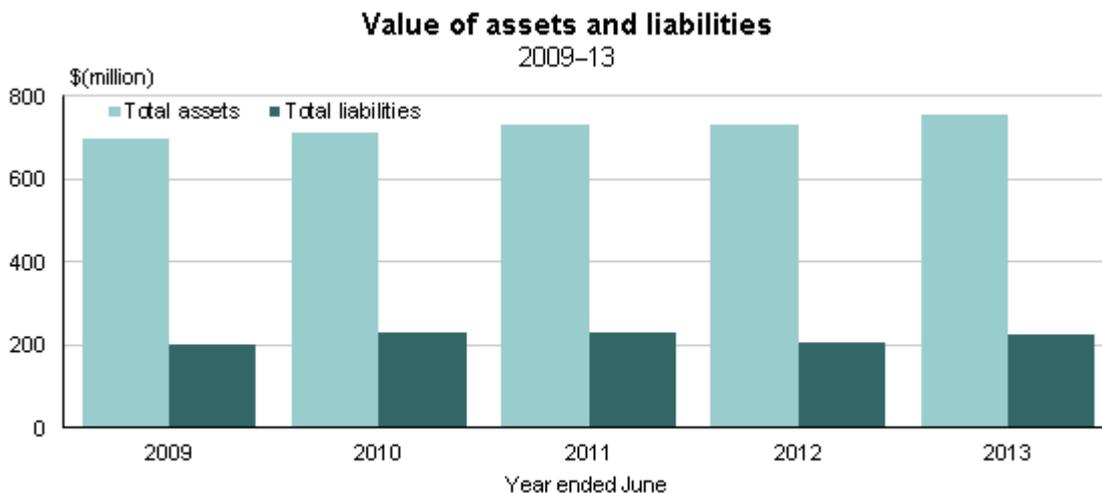
The total value of non-current (long-term and fixed) assets listed on balance sheets was \$530.0 million at 30 June 2013 – down 2.4 percent from the previous year. The decrease was due to:

- other non-current assets (such as long-term accounts receivable and long-term loans), down 8.8 percent
- investment assets, down 3.5 percent
- fixed assets, down 2.4 percent.

## Value of liabilities increases

CRIs' accumulated total liabilities (obligations for payment) rose 9.3 percent between June 2012 and June 2013, to \$224.7 million. This increase was due to current (short-term) liabilities rising 12.7 percent to \$179.6 million at 30 June 2013.

The increase was partly offset by a decrease in non-current (long-term) liabilities. These fell from \$46.1 million at 30 June 2012 to \$45.1 million at 30 June 2013, a decrease of 2.2 percent.

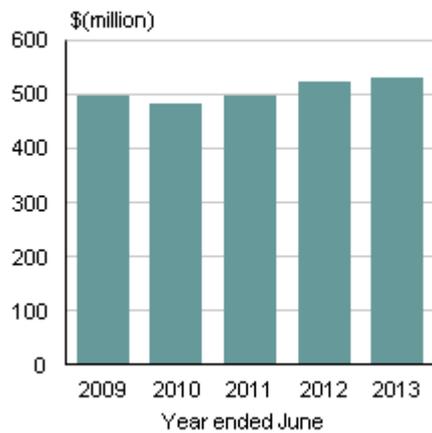


Source: Statistics New Zealand

## Total equity increases

Total equity is the difference between the value of all assets and liabilities. At the end of June 2013, CRIs had a total equity of \$533.1 million, up \$6.6 million from June 2012.

## Equity of Crown research institutes 2009-13



Source: Statistics New Zealand

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

### **Format of this release is changing**

This is the last Crown research institutes information release we'll be publishing in this format. The 2014 release will be available in [Infoshare](#) only.

## 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 several 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**

### **Future releases**

This is the last Crown research institutes information release we'll be publishing in this format. The tables will continue to be published – 2014 data will be available on [Infoshare](#) in December 2014.

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[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 2013. 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
- Callaghan Innovation (formerly Industrial Research Limited)
- 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

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## 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 June, 2009–13
2. Crown research institute statistics, statement of financial position, year ended June, 2009–13

## Access more data on Infoshare

### Infoshare

Select the following categories from the Infoshare homepage for time series data for this release:

Subject category: **Government finance**

Group: **Crown Research Institutes - CRI**