

# Hon Barbara Edmonds

MP for Mana

Minister for Economic Development

Minister of Internal Affairs

Minister for Pacific Peoples

Associate Minister for Cyclone Recovery

Associate Minister of Health (Pacific Peoples)

Associate Minister of Housing



1 MAY 2023

Ms Annabel Cotton  
Chair  
New Zealand Growth Capital Partners Limited  
PO Box 91705  
Victoria Street West  
Auckland, 1142

Talofa lava Annabel

## ANNUAL LETTER OF EXPECTATIONS FOR 2023/24

I write on behalf of shareholding Ministers to convey the Government's priorities and my expectations for the Board in achieving these for New Zealand Growth Capital Partners Limited (NZGCP), in relation to the 2023/24 financial year.

### ***Government priorities***

The Government's economic plan is to support New Zealand to become a high wage, low emissions economy that provides economic security in good times and bad. This is being achieved through the Government's support for businesses to retain jobs and support to Crown companies and entities to protect and maintain important services.

I acknowledge that the current operating environment and the economic outlook are challenging and uncertain. However, this environment makes the focus on delivering value even more important along with addressing the 'bread and butter' issues. Investing in critical infrastructure and public services will be important to our economic success, along with a focus on renewable energy, waste reduction, sustainability, resilience, and pursuing carbon neutrality.

Crown-owned companies and entities through their operations will play an important role in the social and economic success of New Zealand. Responsible management of assets and finances, including careful control of debt, capital expenditure, and investments are part of the contribution NZGCP makes to the Government's goals.

### ***Sector-related issues***

There continue to be specific capability and capital gaps in the start-up and early-stage market which illustrate NZGCP's important role in market development. In addition, the global market headwinds are likely to impact the deployment of capital in New Zealand and may have consequences for demand for goods and services from our start-ups, and/or the timing of their scaling up.

NZGCP's sensitivity to, and response to, these market-wide forces both in its investment strategy in the Aspire Fund and its broader market development work will be an important contributor to the resilience and growth of the sector.

In the venture capital and later stage capital-raising space, the Elevate Fund has been successful so far in catalysing private capital into the sector and has achieved most of the early goals set for the Fund.

I expect that NZGCP will continue to emphasise good governance, appropriate systems and controls, and the importance of culture in an organisation.

***Specific expectations for NZGCP:***

NZGCP will need to continue its focus on its role in developing New Zealand's early-stage investment ecosystem including both capital markets, supporting underserved sectors and groups, and supporting the pipeline of future investment opportunities.

It will also be important that the Board is focused on ensuring that NZGCP has the capability and capacity so that NZGCP is well positioned to deliver on its objectives now and into the future.

Building on the previous Minister's expectations from last year as set out in the Letter of Expectations for 2022/23, my specific expectations for NZGCP in 2023/24 are to:

- Work with MBIE to identify data collection requirements and establish a mechanism for reporting on key policy areas. This includes:
  - developing measures to report on key demographic details, including gender and ethnicity of investors and founders in the start-up companies invested in either directly through the Aspire Fund or via underlying funds of Elevate; and
  - developing measures to report on how start-ups, invested in directly through the Aspire Fund or indirectly via underlying funds of Elevate, contribute to our low emission goals, including the technologies they are developing for use by other companies in the economy.
- Report on the progress made on market development and provide more information on NZGCP's investments through the Aspire Fund with a particular focus on monitoring the level of investment in underserved sectors and communities.
- Ensure NZGCP is working to fulfil Crown Te Tiriti obligations by building relationships with iwi.

*Preparation of Accountability Documents*

As you will be aware, the Crown Entities Act 2004 (the Act) mandates the requirements for the Accountability Documents of Crown entities.

Would you please arrange for NZGCP to prepare a draft Statement of Intent and draft Statement of Performance Expectations and provide these by 1 May 2023 for my consideration.

I encourage you to continue working with my officials at MBIE as you consider how these expectations are given effect in your organisation through the business planning process.

*General governance and reporting expectations*

Ministers expect that all boards be cognisant of the Government's 2019 [Enduring letter of expectations](#) to all statutory Crown entities, which asks that boards and their agencies :

- Support a unified value-based government for all New Zealanders;

- Support future-focused Māori Crown relations; and
- Contribute to improving wellbeing.

In addition, I expect NZGCP to follow governance and monitoring expectations contained in the MBIE publication titled *Monitoring arrangements for MBIE-monitored Crown entities*.

#### *Board self-evaluation*

Boards are expected to evaluate their performance as a whole and that of individual members on an annual basis, and to advise shareholding Ministers and the Ministry of Business Innovation and Employment (MBIE) of the results of this assessment. This helps MBIE when providing advice to Ministers on board reappointments. Some tools for board performance review are available from the Institute of Directors in New Zealand.

#### *Other matters*

The Government expects all Crown entity boards to operate with a high standard of integrity and to have procedures in place to appropriately manage conflicts of interest, should any arise.

NZGCP's operating environment remains complex and evolving. I appreciate the hard work and contributions of the NZGCP Board, management team and staff to the successful performance of NZGCP. I look forward to working with you as you continue to strengthen performance and outcomes for New Zealanders.

Should you have any questions about any of the above, please do not hesitate to contact my officials at MBIE.

Soifua ma ia manuia



Hon Barbara Edmonds  
**Minister for Economic Development**

*For and on behalf of shareholding Ministers*

cc: Mr Rob Everett, Chief Executive, NZGCP

