

19 March 2020

Hon Dr Megan Woods
Minister of Research, Science and Innovation
Parliament Buildings
Wellington 6011

Dear Megan

RESPONSE TO ANNUAL LETTER OF EXPECTATIONS FOR 2020/21

Thank you for your letter dated 09 March 2020 setting out your expectations for Callaghan Innovation for the 2020/21 year.

The Board will work to ensure that Callaghan Innovation's strategy continues to support the delivery of the Government's agenda. We see innovation as key for the development of an inclusive, sustainable and productive economy. As New Zealand's innovation agency we look forward to the role Callaghan Innovation will have in realising the Government's new RS&I Strategy, Kei Mua Te Ao.

As Callaghan Innovation progresses through our five-year strategy and our key strategic initiatives, the Board is committed to ensuring services are aligned with the Government's priorities. In 2020/21, delivering the R&D Tax Incentive jointly with Inland Revenue will remain one of our highest priorities, and we will significantly evolve our grants programmes to ensure they are aligned with the Tax Incentive.

This year we will merge our Customer Journey and Research and Technical Services (RTS) strategy workstreams. The Board see this as a key step in enabling Callaghan Innovation to implement and deliver the new RTS Strategy. This will allow us to draw on our understanding of the lifecycle of innovative businesses to develop the right range of services to support high impact entrepreneurs at the right time. This will provide better value for New Zealand and deliver a more viable operating model for our Research and Technical Services business unit.

Closely aligned to the new RTS Strategy is the redevelopment of the Gracefield Innovation Quarter (GIQ), which remains a key priority for the Board. Our vision for the Lower Hutt site is for a national innovation hub where businesses and innovation organisations can come together to drive New Zealand's economic development. Callaghan Innovation has made significant progress in building the critical foundations and carrying out vital remedial work and will continue to carry this momentum into the coming year. The Tactical Estates Programme of work is on track and will deliver a safe, fit for purpose environment for all staff. Tranche 1 has seen the removal of asbestos, the construction of new laboratories and the approval to demolish antiquated buildings. A

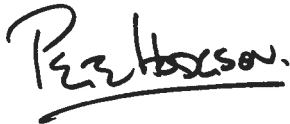
strong Governance structure, which includes members of the Board and the CFO, has been implemented to provide oversight of the programme.

We will ensure that Callaghan Innovation continues to meet its obligations as a good employer. Callaghan Innovation has a number of initiatives underway internally related to ensuring a diverse workforce and contributing to the future science workforce. Our commitment to Tikanga Māori remains an important focus for the Board and for the organisation.

The Board will continue to meet its good governance obligations, including managing succession planning, effectively monitoring performance, and acting in accordance with the 'no surprises' policy.

I look forward to working with you over the coming years to achieve your priorities for the RS&I portfolio.

Kind regards,

A handwritten signature in black ink that reads "Pete Hodgson". The signature is written in a cursive style with a horizontal line underneath the name.

Pete Hodgson
Chair
Callaghan Innovation