

4 April 2019

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

Dear Megan

## **Response to 2019/20 Letter of Expectations**

Thank you for your letter dated 26 March 2019 setting out your expectations for Callaghan Innovation for the 2019/20 year.

The Board will work to ensure that Callaghan Innovation's activities support the Government's goal of building a productive, sustainable and inclusive economy that improves the wellbeing of New Zealanders and their families. As New Zealand's innovation agency, Callaghan Innovation works to help businesses understand the value of innovation and to increase their investment in R&D. This includes engaging with businesses in the regions through the Regional Business Partner Network; a nationwide network which provides businesses with localised access to information, training and development services and funding. Callaghan Innovation supports the growth of new start-ups, helping to grow and diversify the economy, and create more high-paying jobs.

Callaghan Innovation's new 5 year strategy was confirmed last year. This year, the Board will focus on the implementation of the strategy, including reviews of Callaghan Innovation's services to ensure they are aligned with the Government's priorities and the organisation's strategic objectives. Aligning Callaghan Innovation's services with the R&D Tax Incentive is a priority for the Board. We will ensure that Callaghan Innovation's services complement the R&D Tax Incentive and maximise the impact of this investment on the Government's objective of increasing expenditure on R&D to 2% of GDP.

As your letter notes, this process of alignment may mean organisational changes. The Board will maintain close oversight of any organisation changes that result from the implementation of the new strategy or alignment with the Government's priorities. We will also ensure robust financial management and careful cost management, and will raise any financial concerns with you early, should they arise.

The delivery of the redevelopment of the Gracefield site, including developing the long-term strategy, is a high priority for the Board. Callaghan Innovation has commenced reporting to MBIE monthly about progress of the redevelopment. You will be informed of any risks or issues as soon as they arise.

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 closing gender pay gaps and ensuring a diverse workforce.

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 long horizontal stroke underneath the name.

Pete Hodgson  
Chair  
Callaghan Innovation