



BRIEFING

Opportunities arising from Budget 25 decisions on Elevate

Date:	23 April 2025	Priority:	Medium
Security classification:	Budget - Sensitive	Tracking number:	REQ-0012946

Minister	Action sought	Deadline
Hon Nicola Willis Minister for Economic Growth	<p>To determine your preferences on the management of the Elevate Fund in light of Budget 2025 decisions to commit \$100m in additional capital.</p> <p>To agree that officials may speak to the NZGCP Board at its meeting on 6 May to clarify the need to progress the recruitment of a new Chief Executive.</p> <p>To agree that officials provide you with additional advice on the policy settings relating to the Aspire Fund.</p>	5 May 2024

Contact for telephone discussion (if required)

Name	Position	Telephone	1st contact
Privacy of natural persons	Principal Policy Advisor	Privacy of natural persons	X

The following departments/agencies have been consulted

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Minister's office to complete:

☐ Approved

☐ Declined

☐ Noted

☐ Needs change

☐ Seen

☐ Overtaken by Events

☐ See Minister's Notes

☐ Withdrawn

Comments



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Purpose

To determine your preferences for the management of the Elevate Fund in light of the Budget 2025 decision to invest \$100m in additional capital; with the recommendation that officials reinforce messages to the Board of New Zealand Growth Capital Partners Limited (NZGCP) at its meeting on 6 May on the need to expedite recruitment of a new Chief Executive.

Separately to seek your agreement that officials provide you with further advice on the policy settings for the Aspire Fund to ensure it is well aligned with Elevate.

Recommended action

The Ministry of Business, Innovation and Employment (MBIE) recommends that you:

Confidential advice to Government

- **Agree** that officials communicate Budget 2025 decisions in confidence to the NZGCP Board at its meeting on 6th May to expedite recruitment of a new Chief Executive.

Agree / Disagree

- **Agree** that officials provide you with further advice on policy settings for the Aspire Fund to ensure alignment with Elevate and potential improvement in terms of creating a pipeline for the ecosystem.

Agree / Disagree

- **Agree** to forward a copy of this briefing to the Associate Minister of Finance (as co-shareholding Minister for NZGCP).

Agree/ Disagree



Michael Contaldo
**Manager, Investment Policy
Technology and Innovation**
Labour, Science and Enterprise, MBIE

23 / 04 / 2025

Hon Nicola Willis
Minister for Economic Growth

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Background

1. Elevate was established by the Venture Capital Fund Act 2019 and is administered by the Guardians of New Zealand Superannuation (the Guardians). The Guardians have a contractual arrangement with New Zealand Growth Capital Partners Limited (NZGCP) to manage the fund on its behalf.
2. The recent conviction rating for NZGCP by the Guardians noted it was dependent on two key factors: (i) further funding for Elevate; and (ii) the Executive leadership of NZGCP (Chief Executive Officer and Chief Investment Officer).
3. On 16th March 2025, you wrote to the Chair of NZGCP agreeing to the proposal to appoint a Board member as an Executive Director until the Government decided on further funding to the Elevate Fund.


Budget 2025 decisions

4. Cabinet has now agreed to provide a further capital investment of \$100 million into Elevate. This decision sends a strong signal to the wider venture capital community about the importance the Government places on providing early-stage capital to support high-growth startups and is in line with the aims of the *Going for Growth* approach.
5. The Treasury, as the monitoring department will inform the Guardians as part of the normal Budget process, and will lead on the process to allocate money from NZ Super. MBIE expects that the Guardians would ask NZGCP to manage, on its behalf, the further capital investment by the Crown.

Opportunities arising from Budget decisions

6. Now that Cabinet has decided to make commit this additional capital into Elevate, there is an opportunity to ensure this investment achieves maximum impact. Confidential advice to Government

Confidential advice to Government

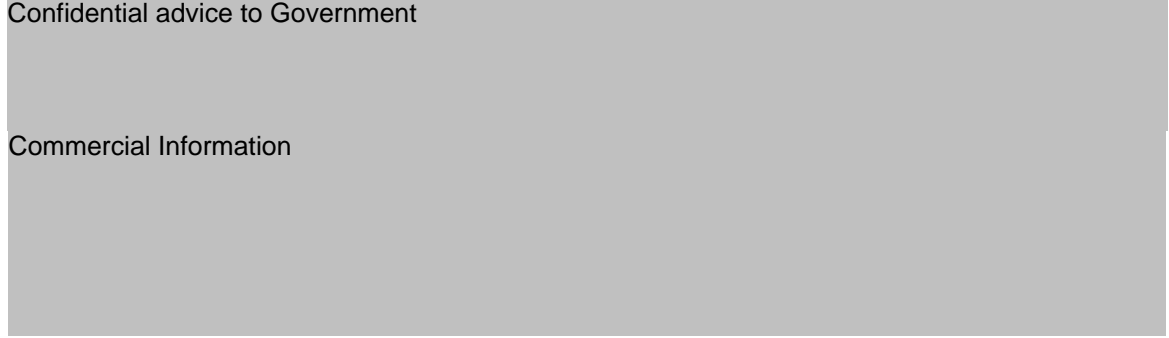


7.

Considerations under continued NZGCP Fund Management

A new Chief Executive needs to be appointed as soon as possible

8. Confidential advice to Government

9. Commercial Information
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10. Commercial Information

Confidential advice to Government

Review of policy settings for the Aspire Fund

Confidential advice to Government

15. The Board of NZGCP has also written to you requesting that the Government consider undertaking a review of Aspire's policy settings. The Aspire fund invests directly into early-stage New Zealand technology start-ups at proof of concept, seed, and early expansion investment stages.
16. MBIE considers that there is strong merit in reviewing Aspire's policy settings, as these have not been looked at in a while and there is an opportunity to ensure greater complementarity with the new Elevate investment in terms of building the startup pipeline from seed to scale-up. Such a review could include whether the annual investment cap of \$12 million is needed, as well as the current funding model and sustainability expectation.
17. Confidential advice to Government
18. Subject to your approval, MBIE will provide further advice on the scope of and process for the review, and how this work fits into the Government's vision for the early-stage capital market ecosystem.