

### Confirmed Startup Advisors Council Meeting Minutes

<b>Date and location</b>	7 December 2022 15 Stout Street, MBIE Offices Wellington
<b>Attendees:</b>	Phil McCaw (Chair), Suse Reynolds (Deputy Chair) Imche Fourie (member), Grant Straker (member), Marian Johnson (member), Carl Jones (member)  Landon McMillan (Secretariat), George Whitworth (Secretariat), Guled Mire (Secretariat), Israelanna Natanielu (Secretariat) Nathan Hobrough (Secretariat), Ben Taylor (Secretariat), Samuel Murphy (Secretariat)
<b>Guests:</b>	Rob Everett (NZGCP), James Pinner (NZGCP), Forrest Wright (Startup Genome), Tricia Nalik (Startup Genome), Kaye-Maree Dunn (Making Everything Achievable), Cassie McAdams (OnBoard), Anna Guenther (NZTE), Jenny Rudd (Startmate)
<b>Apologies:</b>	Mike Carden (member)
<b>Conflicts of Interest:</b>	Compiled on a conflicts register

Time	Item	Papers	Discussion	Action agreed by the Council	Follow-on actions
09.40 10 Mins	1. Opening and introduction	<i>Minutes of the 14 October 2022 Council Meeting</i>	The Chair provided opening remarks. No entries were added to the Conflict of Interest register but there was a reminder that raw data collected from the Startup Genome report is confidential. The Council agreed to adopt the minutes of the 14 October 2022 meeting.	Adopt minutes of 14 October 2022 Council meeting	

09.50 75 Mins	<b>2. Presentation on Startup Genome Benchmarking Exercise</b>	<i>Startup Genome Presentation</i>	<p>Forrest Wright and Tricia Nalik from Startup Genome joined remotely to give an update on initial findings from Startup Genome’s founder’s survey.</p> <p><u>Survey Results</u></p> <p>176 valid responses were received for the survey which is a great result for the size of the ecosystem.</p> <p>15 key players in the ecosystem were identified and are in the process of being interviewed. These interviews, alongside the survey results, will feed into the assessment report, which will be completed by the end of December.</p> <p>To help analyse the survey results, six ecosystems were identified as comparison points. The ecosystems, including population and size of ecosystem (calculated as the value of exits and startup valuations) are:</p> <table border="1" data-bbox="763 879 1458 1102"> <tr> <td>Calgary</td> <td>1.4m</td> <td>\$2.5bn</td> </tr> <tr> <td>New Zealand</td> <td>5.1m</td> <td>\$4.7bn</td> </tr> <tr> <td>Melbourne</td> <td>5.1m</td> <td>\$17bn</td> </tr> <tr> <td>Toronto-Waterloo</td> <td>3.5m</td> <td>\$46bn</td> </tr> <tr> <td>Sydney</td> <td>5.0m</td> <td>\$68bn</td> </tr> <tr> <td>Singapore</td> <td>5.6m</td> <td>\$89bn</td> </tr> </table> <p>Several graphs were shown to the Council, covering areas including demographic data, proportion of startups that have received personal, friends and family financing, connections to top ecosystems and local investor relationships.</p>	Calgary	1.4m	\$2.5bn	New Zealand	5.1m	\$4.7bn	Melbourne	5.1m	\$17bn	Toronto-Waterloo	3.5m	\$46bn	Sydney	5.0m	\$68bn	Singapore	5.6m	\$89bn	<b>Agreed</b> to provide feedback on policy questions	
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			<p>In depth detail on ethnic and gender minority groups will be provided in the report, and Tricia said specific data sets are able to be matched, for example ethnicity and fund awareness.</p> <p>§9(2)(f)(iv)</p> <p>[Redacted]</p> <ul style="list-style-type: none"><li>[Redacted]</li><li>[Redacted]</li><li>[Redacted]</li><li>[Redacted]</li><li>[Redacted]</li><li>[Redacted]</li><li>[Redacted]</li><li>[Redacted]</li><li>[Redacted]</li></ul> <p>[Redacted]</p>		
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<p>11.05 45 mins</p>	<p><b>3. Presentation from government agencies</b></p>		<p>Rob Everett (CEO) and James Pinner (CIO) from New Zealand Growth Capital Partners (NZGCP) joined the call to talk further about NZGCP's role in the ecosystem.</p> <p>James informed the Council about market consultation NZGCP carried out last year.</p> <p>There was feedback from founders on areas like gaps in funding, lack of knowledge, and availability and ability to hire talent.</p> <p>Motivations for Crown Research Institutes and Tech Transfer Offices to commercialize R&amp;D was questioned. Angel groups said there was a lack of data across investments, and sectors like deeptech are harder to fund, while there is still a deep market for SaaS. VCs said talent was a major issue.</p> <p>The lack of diversity was discussed in depth, and Rob noted this consultation has helped inform the direction NZGCP wants to take especially for underserved sectors. They are also looking to build capability at the emerging fund manager level which is a key driver of their Fund of Funds concept. They want to take a full ecosystem approach and build a pipeline of investors and VCs.</p> <p>There was discussion about how this can be executed effectively, and that while NZGCP are at the end of the funding cycle it is critical to maintain momentum.</p> <p>s9(2)(f)(iv)</p> <p>[REDACTED]</p> <p>[REDACTED]</p> <p>[REDACTED]</p>		<p><b>The Secretariat</b> will organise an opportunity for IRD to present to the Council on the tax system</p> <p><b>The Secretariat</b> will consult the Council on updates to the VCF Policy Statement</p>
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11.50 15 mins	4. Stakeholder Engagement Plan	<p><i>Stakeholder Engagement Plan</i></p> <p><i>Māori Engagement Proposal</i></p> <p><i>Pacific Engagement proposal</i></p>	<p>The Secretariat provided the Council an update on upcoming stakeholder engagements.</p> <p>MBIE has engaged an external facilitator to help run Māori and Pasifika sessions and asked the Council to review the engagement plans. The Council was satisfied the facilitators would be able to access the right people.</p> <p>Pasifika engagements will be held in January/February before the Council next meets.</p> <p>Phil McCaw asked how many previously identified ‘wiser heads’ have been spoken to as part of the Startup Genome survey and interviews. The Council would also like the list of questions Startup Genome is asking in the interviews. The Secretariat will assist with these queries.</p> <p>Carl Jones noted he will engage with crypto industry players separately. Marian recommended checking in with the Chair of the NZGDA to distribute an invitation to meet gaming sector stakeholders.</p>		<p>The Secretariat will provide the Council a cross-referenced list of people engaged with by Startup Genome</p> <p>The Secretariat will obtain the list of questions Startup Genome is asking interviewees and provide to the Council</p>
12.05 – 12.30 Lunch break					
12.30 40 Mins	5. Presentations from external guests		<p>Kaye-Maree Dunn from Making Everything Achievable joined the call to give a presentation on her approach to the upcoming Māori engagements.</p> <p>The engagements will be divided into five groups, comprising 4-5 people each. These groups are:</p>		<p>The Secretariat will liaise between the Council and Kaye-Maree to help organise dates and attendance for Māori engagements</p>

			<ol style="list-style-type: none"> <li>1. <b>New entrepreneurs</b>, a mix of individuals who have started up their own business or come out of a specific training programme</li> <li>2. <b>Rangatahi</b>, aged between 10-25 who have recently started their own businesses, from networks like YES and Princes Trust</li> <li>3. <b>Startups looking for funding</b>, established businesses whether sole trader, LLC or other, looking to grow/scale up</li> <li>4. <b>Maori ecosystem players</b>, organisations working with startups in a training or support capacity</li> <li>5. <b>Established Maori enterprises</b>, who have gone from startup to scale up to export</li> </ol> <p>Grant Straker mentioned a key thing to consider is the difference between a startup and SME. Kaye-Maree noted there will be a mix of founders across the startup/SME spectrum, and that a lot of Māori businesses are not looking at capital raising or seeking investment.</p> <p>The Council expressed enthusiasm at hearing from the 10-25 age group and to learn about their aspirations and experiences.</p> <p>Kaye-Maree said all sessions would be held online and hoped to do 2-3 before Christmas. The Council noted this would be difficult, but agreed to confirm availability as soon as possible.</p> <p>Kaye-Maree commented that it would be helpful for building engagement if the Council was open to sharing the results of their work, and including a dedicated section in the final report for Māori enterprise.</p>		
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		<p>Cassie McAdams from OnBoard then joined the call to talk about her boardroom talent and diversity initiative, getting people not typically in startup boardrooms ready for governance.</p> <p>She noted two key issues from her time working at NZTE – not enough independent directors ready for the ecosystem, and lack of diversification in board composition</p> <p>OnBoard takes applications every year from individuals, and curates a set of startup boards to host them. The individual is hosted for one year in an observer role, often paired with a support person. OnBoard delivers workshops and deep dive programmes throughout the year, but the critical part is the real-life observer role.</p> <p>Cassie explained the initiative is not solely focused on women, however 80% of the 2022 cohort are female and 35% from an underrepresented ethnicity. For the programme to work, there has to be real value exchange and an ability for participants to contribute diverse thinking alongside relevant skills and courage to challenge consensus.</p> <p>Anna Guenther from NZTE and Jenny Rudd from Startmate then joined the call to give a presentation on the Barriers to Investment Faced by Women.</p> <p>They explained structural and unconscious bias barriers facing women in investment, including stereotypes, disparity in valuations, and differences in lines of</p>		
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		<p>questioning between men and women. They noted the implications of these experiences resulted in women being less likely to seek investment, complete a round, and raise less overall.</p> <p>Although there are ongoing initiatives such as the Electrify conference and Soda's Rise Up programme, the presenters noted further work is necessary to support the needs of women.</p> <p>Data from NZGCP's Aspire portfolio companies between 2017 and 2021 was examined and presented. Female-only accounted for 6.6% of founding teams, while females were 16.3% of CEOs and 16.9% of board directors. 55.3% of boards were male-only, while 2% were female-only. Just 9.9% of boards had a majority female representation.</p> <p>Anna commented that about 30% of businesses are created by women. The Council noted that 80-90% of deal flow reaching the VC stage is male-led.</p> <p>Specific barriers for women include lacking networks with expert expertise and money, and cultural expectations about how women spend their time. One potential solution is for funds to proactively seek out women to invest in, as happens overseas. Other recommendations include improved gender representation on investment committees and boards of investee companies, setting goals around funding for women-led companies, and standardised data collection and reporting.</p> <p>The Council noted that to turbocharge startups in NZ, some big levers will need to be found – obvious ones now</p>		
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			being women and Māori as underrepresented groups. Ongoing initiatives were mentioned, such as the Women’s Employment Action Plan. It was recommended that other funds such as with Callaghan, the Green Investment Fund, and NZTE’s IGF are further analysed.		
14.10 30 Mins	<b>6. Key themes policy development exercise</b>		<p>The Council discussed work to date and plans for into the new year on the key themes emerging from its engagement exercise.</p> <p><b>Capital</b> – The lack of institutional investor engagement will be key, and how to engage with them was discussed.  s9(2)(f)(iv) [REDACTED]  [REDACTED]  [REDACTED]</p> <p>The role and influence of asset advisors, often based offshore with minimal on the ground presence in New Zealand, was raised.</p> <p><b>Hubs and Connectivity</b> – it was discussed further work will need to be undertaken in the new year on the matters raised under this theme, including lessons learnt from similar international jurisdictions.</p> <p><b>Talent</b> – Focus was placed on the development of investor talent and the role NZGCP plays, including their future plans for learning and development. Phil McCaw suggested a one-page summary about the role of NZGCP and recommendation the Council might make.</p> <p><b>Grants and Funding</b> – Suse Reynolds and Carl Jones noted they are looking at specific ecosystems around the world to compare what grants and funding they offer.</p>		<p><b>The Secretariat</b> will provide the Council with previous work carried out relating to involvement of institutions in the venture ecosystem.</p> <p><b>The Secretariat</b> will collate a list of KiwiSaver funds, their CIOs, and contact details</p> <p><b>The Secretariat</b> will provide a one-page summary about NZGCP</p>

14:40 20 Mins	<b>7. Council information requests and workplan</b>	<p><i>Memo on:</i></p> <ol style="list-style-type: none"> <li><i>1. Initial ecosystem benchmarking data</i></li> <li><i>2. Tax</i></li> <li><i>3. Immigration</i></li> </ol> <p><i>Council workplan</i></p>	<p>The Secretariat led a session on what the final output from the Council may look like, using the New Zealand Small Business Strategy, the Advanced Manufacturing Draft Industry Transformation Plan, and New Zealand firms: Reaching for the frontier documents as examples.</p> <p>Imche Fourie emphasized the report needs to have a founders first focus. Suse Reynolds agreed and commented that the report shouldn't just focus on what the government should do, but include actions for stakeholders like corporate NZ.</p> <p>At the Council's request, the Secretariat Council was provided information on ecosystem benchmarking data, tax, and immigration interventions used overseas to accelerate ecosystem growth. The Secretariat noted the purpose of the information provide is inform the Council's thinking and policy development process over the coming months.</p>		
15.00 5 Mins	<b>7. Concluding comments</b>		The Chair provided closing remarks and the Council agreed to have its next meeting on 13 February 2023.	<b>Agreed</b> for the next Council meeting to be held on 13 <sup>th</sup> February 2023.	<b>The Secretariat</b> will finalise arrangements for the next Council meeting.