

Confirmed Startup Advisors Council Meeting Minutes

Date and location	14 October 2022 Auckland Policy Office, Level 6, 45 Queen Street, Auckland.
Attendees:	Phil McCaw (Chair), Suse Reynolds (Deputy Chair), Imche Fourie (member), Grant Straker (member), Mike Carden (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),
Guests:	Forrest Wright (Startup Genome), Stephan Kuester (Startup Genome), Eleonora Sparagna (Ministry of Education), Matt Hoskin (New Zealand Trade and Enterprise)
Apologies:	Marian Johnson (member)
Conflicts of Interest:	Compiled on a conflicts register

Time	Item	Papers	Discussion	Action agreed by the Council	Follow-on actions
09.40 20 Mins	1. Opening and introduction	Minutes of the 8 August 2022 Council Meeting	The Chair provided opening remarks, gave an update on Callaghan Innovation, NZTE and NZGCP's contribution to the Startup Genome benchmarking exercise, and opened the floor for general updates and additional agenda items from Council members. No entries were added to the Conflict of Interest register, and the Council agreed to adopt the minutes of the 8 August 2022 meeting (moved by Imche Fourie and seconded by Mike Carden).	Adopt minutes of 8 August 2022 Council meeting	

<p>10.00 60 Mins</p>	<p>2. Startup Genome Benchmarking Exercise</p>	<p><i>Startup Genome Proposal Document dated 15 September 2022</i></p>	<p>The Secretariat provided an update on the Startup Genome (SG) benchmarking exercise, noting that this includes the development of a comprehensive founders survey and the extra funding provided by NZTE and Callaghan Innovation. The Secretariat also pointed out that SG’s confirmed proposal consists of a policy review and that the Council will have the opportunity to feed into the direction and focus of this work at later stages.</p> <p>SG’s Forrest Wright (Research Assessment Lead) and Stephan Kuester (Partner, Head of Ecosystem Strategy) joined remotely to provide background information on their work and present the plan for the benchmarking exercise in New Zealand.</p> <p>SG presented graphs of the global ecosystem and revealed that 63% of the value created by startup ecosystems is concentrated in the top 10 locations (down from 87% in 2012/12).</p> <p>SG survey data showed the average Software Engineer salary in NZ in 2021 was \$58k USD (approximately \$103k NZD). It was noted that Australia is the primary driver of wage growth, especially for Software Engineers in NZ. There was discussion within the Council around how exchange rates affect salary comparisons – SG noted they use a 12-month smoothed average, which Council members highlighted may be imperfect when measuring actual impact.</p> <p>SG also highlighted the EdTech and AgTech sectors in NZ for their talent, support resources and startup activity density.</p>	<p>Agreed to provide feedback on potential partners and draft survey questions</p>	<p>The Secretariat will work with Startup Genome and the Council to review draft questions and identify specific partner networks to receive personalized survey links for them to distribute to appropriate startups.</p>
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			<p>SG indicated they seek 60+ valid responses with a stretch goal of 100. A valid survey is taken by a founder or executive of a tech-led organisation under 10 years old, with the majority of questions answered. For comparison, SG noted a recent benchmark in Indiana [USA] had 170 responses [population: 6.7m].</p> <p>SG highlighted the survey would take between 15-20 minutes, asking questions on startup location, demographics, market reach, local and global connections, funding and team, and will be fully anonymised. SG works with partners to distribute the survey, and those potential partners should consist of accelerators, angel investors, co-working spaces, event organisers, incubators and VC funds. There was discussion within the Council on whether to take a 'spread far and wide first' approach vs a targeted approach followed by more open sharing.</p> <p>The Chair stated it was essential to ensure University TTOs are included as a partner organisation. In response to questioning with respect to startups being bought by overseas investors/companies, SG stated the survey would reveal startup attrition and be able to show whether it is within the standard rate.</p> <p>The survey will launch on 24 October and last four weeks, finishing on 18 November. The Council agreed to work with SG and MBIE on identifying partners and reviewing the draft survey questions.</p>		
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<p>11.00 50 mins</p>	<p>3. Presentation from government agencies</p>	<p><i>Active Investor Plus briefing</i></p> <p><i>Overview of education reforms</i></p>	<p>The Council received a presentation on key education reforms from Eleonora Sparagna, Senior Policy Manager, Ministry of Education (MoE).</p> <p>MoE noted that Workforce Development Councils (WDCs) were established so industries could inform the Tertiary Education Commission's (TEC) focus areas. Initially, training providers were resistant, but now the WDCs can direct them.</p> <p>The Council heard an example of the WDC's function where industry said plumbers don't need to spend a year sitting for a Level 3 certificate to learn plumbing basics, and on-the-job training is better. The Council noted similarities between plumbers and software engineers with respect to training.</p> <p>The origin of WDCs and their sub-bachelor-level focus was discussed (in contrast to most of the startup ecosystem with a more university-level focus), and a question arose of how to get software engineers trained faster.</p> <p>The Council thanked MoE for the presentation and noted that the Council would seek to engage with them as it looks into the skills and development needs of the startup workforce.</p> <p>Matt Hoskin from the New Zealand Trade and Enterprise (NZTE) presented on the new Active Investor Plus Visa (AIP). He said the previous Investor 1 and Investor 2 visas closed 2-3 months ago with a backlog of 850 applications. He noted that with the introduction of the AIP,</p>	<p>Agreed to engage with MoE on matters relating to startup skills and workforce development needs</p>	
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			<p>responsibility for attraction, activation and after-care moved from INZ to NZTE.</p> <p>Matt noted there was little data about what investors have been doing in NZ, and the new policy targets the highest impact investors, which requires them to be more active and demonstrate it. He also highlighted that investors have many choices on where they settle and the need to talk to them as migrants first to ensure they settle quickly and comfortably and convince them they made the right decision.</p> <p>A significant change for NZTE is governance over the investment process. Matt noted that NZTE would publish a list of acceptable DIM, VC and PE funds that must be currently raising and will have a list of businesses approved for direct investment. NZTE has contracted external advisors who will recommend funds for approval. If an investor identifies a business not on NZTE's list, it must go through the approval process first.</p> <p>Matt noted the most significant policy change is around incentivization and weighting. The AIP will have a four-year investment period, and the investor must be present in NZ for 117 days across those four years. The minimum investment in qualifying for an AIP visa is \$15m. However, Matt highlighted different types of investments have different weightings.</p> <ul style="list-style-type: none">• Direct investment in businesses has 3x weighting, minimum \$5m = \$15m.• Investment in approved funds has 2x weighting, minimum \$7.5m = \$15m		
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			<ul style="list-style-type: none"> Investment in listed equities and philanthropy has 1x weighting, minimum \$15m = \$15m <p>Investment in government bonds and property does not qualify.</p> <p>The Chair thanked NZTE for the update and presentation.</p>		
11.50 – 12.20 Lunch break					
12.20 20 Mins	4. Updates / reflections on USA Trip		<p>Suse Reynolds and Carl Jones reported back to the Council on their recent visit to the USA as part of an NZTE-led tour.</p> <p>The delegation visited New York, Austin and Denver. Most VCs from NZ went. Carl noted two NZ-founded startups in New York were only 1-2 years old and already had \$20-25m revenue.</p> <p>The delegation visited the National Renewable Energy Laboratory (NREL) in Denver. It has 6-7 privately funded incubators at different stages, a Lockheed Martin VC, and an incubator/accelerator funded with \$50m from WellsFargo. Carl noted there are 40 Kiwi startups in Denver, and it offers a \$500k corporate tax break. Suse and Carl shared their reflections and agreed to circulate a summary write-up of the tour.</p>	Invited Suse Reynolds and Carl Jones to share NZTE's written reflections with the wider Council.	
12.40 45 Mins	5. Stakeholder engagement plan	<i>Paper 1.1 Startup Council Engagement Plan</i>	<p>The Secretariat and Council reflected on engagements held to date, focusing on the format rather than the content.</p> <ul style="list-style-type: none"> §2(2)(g)(i) 	Agreed to appoint council leads to undertake further engagements with underrepresented	The Secretariat will liaise with council leads on engagement planning and provide advice and options for

		<p><i>Paper 1.2 Council Workplan</i></p>	<ul style="list-style-type: none"> • Tauranga – learnings taken from the Auckland VC session were applied, including a quick overview and diving into questions before two step problem and solution process. Challenge for Council is how to frame all the ideas from the engagements. • Wellington – a large number of RSVPs but a low initial turnout. Attendees brought in from CreativeHQ. Some big light bulb moments came from the session. • Christchurch – community appeared to be well engaged, mostly founders. Some good actionable suggestions and an emphasis on what role actors other than the government can do in/for the ecosystem, especially corporates. • s9(2)(g)(i) [REDACTED] • Dunedin – a more diverse set of attendees across all spectrums with many young people. <p>The Secretariat noted further virtual and in-person engagement in Hamilton would be held on 18th October. It also stated that engagements would be held for Māori and key Australian-based stakeholders.</p> <p>The Secretariat noted that Pasifika, ethnic communities and women have been mostly missing from sessions and advised the Council to appoint individual members to work with the Secretariat to identify opportunities and provide advice on an approach to engaging with these groups. As a result, the Council appointed Grant Straker to</p>	<p>groups and communities.</p>	<p>engagement with TTOs, local development agencies and the identified key leaders.</p>
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		<p>lead the Pasifika engagement and Imche Fourie to lead engagements with ethnic communities. In addition, Suse Reynolds was assigned to work with Marian Johnson and the Secretariat to look into engagement options for women.</p> <p>The Council discussed how to engage with corporates, suggesting that small numbers and framed issues/solutions are best.</p> <p>The Council discussed the Future Pathways programme and how to engage with universities. It was noted that Callaghan recently met with all TTOs and CRIs to talk about tech incubators and that there are too many for the Council to try and engage. The Secretariat agreed to assist and provide advice to the Council on engaging with TTOs.</p> <p>The Council assigned Phil McCaw and Imche Fourie to work with the Secretariat to engage with Edmund Hillary Foundation Fellows and Investors.</p> <p>The Council discussed engagement with Local Development Agencies (LDAs). The Secretariat agreed to liaise with Economic Development New Zealand (EDNZ) and provide advice on engagement options.</p> <p>.</p> <p>The Council discussed engagements with other actors that often tend to be excluded from the ecosystem, including innovative young people, individuals and organisations that sit at the border of creative/media industries, gaming and crypto. Carl Jones stated he would do an engagement on blockchain. Mike Carden agreed to engage with the gaming sector.</p>		
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			<p>The Council also expressed an interest in engaging industry leaders at the later stages of its work to help build buy-in for its submission to the government. s9(2)(a)</p> <p>[REDACTED]</p> <p>[REDACTED]</p> <p>[REDACTED]</p>		
13:25 25 Mins	6. Engagement Findings and Key Emerging Themes	<i>Key emerging themes paper tabled at meeting for discussion</i>	<p>The Secretariat led a session presenting policy frameworks for the Council’s understanding.</p> <p>The Secretariat noted the Council’s output needs to include a coherent package of actions, and recommendations need to have a solid intervention logic and speak to the Council’s vision. The Secretariat suggested the Council aim for three core themes with 3-4 lead actions prioritised.</p> <p>The Secretariat advised the Council to consider tactics to employ, roles of key actors across the ecosystem and making it as easy as possible for the intended audience.</p> <p>The Secretariat noted other factors the Council needs to consider, including estimated effectiveness to the underlying issue, resource implications, value for money, treaty implications, alignment with private actor incentives and government priorities.</p> <p>The Secretariat noted that feedback from all engagement sessions to date was compiled and grouped across the following overarching themes:</p> <ul style="list-style-type: none"> • Grants/Fiscal Support • Capital (Investment) • Talent • Ecosystem connectivity/Hubs 	Agreed to work with the Secretariat to undertake further analysis on key themes and to report back at the next Council.	The Secretariat will liaise with Council leads on the next steps.

			<p>The Secretariat also noted that tax and diversity, equity and inclusion were cross-cutting issues across some of the identified key themes.</p> <p>The Secretariat split Council members into four small groups to workshop problem statements and priority solutions and to report back on discussions to the wider group.</p> <p>The Council agreed to appoint the following members to work with the Secretariat to analyse the issues and solutions raised in engagements and report back on findings at the next Council meeting.</p> <table border="1"> <thead> <tr> <th>Theme</th> <th>Council Leads</th> </tr> </thead> <tbody> <tr> <td>Capital (including tax)</td> <td>Grant and Phil</td> </tr> <tr> <td>Connectivity and Hubs</td> <td>Imche and Marian</td> </tr> <tr> <td>Grants and Funding support</td> <td>Carl and Suse</td> </tr> <tr> <td>Talent</td> <td>Mike and Suse</td> </tr> </tbody> </table>	Theme	Council Leads	Capital (including tax)	Grant and Phil	Connectivity and Hubs	Imche and Marian	Grants and Funding support	Carl and Suse	Talent	Mike and Suse		
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14.40 5 Mins	7. Concluding comments		The Chair provided closing remarks and the Council agreed to have its next meeting on 7 December 2022.	Agreed for the next Council meeting to be held on 7 th December 2022.	The Secretariat will finalise arrangements for the next Council meeting.										