

Hon Judith Collins

Attorney General
Minister of Defence
Minister for Digitising Government
Minister Responsible for the GCSB
Minister Responsible for the NZSIS
Minister of Science, Innovation and Technology
Minister for Space
Lead Coordination Minister for the Government's Response to the
Royal Commission's Report into the Terrorist Attack on the Christchurch Mosques



Jennifer Kerr
Acting Board Chair
Callaghan Innovation
PO Box 31310
Lower Hutt 5040
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Dear Jennifer,

2024/25 LETTER OF EXPECTATIONS

I write to convey my strategic and performance expectations for Callaghan Innovation in relation to 2024/25 and beyond.

Government priorities

The National/ACT/New Zealand First Coalition Government (the Government) has agreed a policy programme of work over the next three years, which will contribute to the Government's overarching aim to improve outcomes for all New Zealanders.

The Government wishes to ensure that public money is spent carefully and with a clear purpose where value for money can be demonstrated. The Government has many priorities and among them are rebuilding the economy to ease the cost of living, delivering tax relief, and increasing prosperity for all New Zealanders. It will deliver public services, so they are more efficient, effective and responsive to all who need and use them.

Crown entities will play an important role in supporting the Government's fiscally prudent economic programme. Responsible management of assets and finances, including careful control of capital expenditure and investments are part of the contribution Callaghan Innovation makes to the Government's goals.

I expect that your entity will focus on:

- **Doing your primary role:** where work is immaterial to your primary remit, I expect you to bring this up with me or my officials and decide whether it is appropriate to continue this work.
- **Working in the most efficient and effective way:** it is important goals are achieved in a timely and effective manner.
- **Being fiscally responsible:** any important spending decisions should be raised with me and my officials and ensuring taxpayer value is a priority.

I will announce my priorities for the Science, Innovation and Technology (SI&T) portfolio in due course.

I expect that Callaghan Innovation will fully support these priorities and ensure the Crown's investment in SI&T is realised for the benefit of New Zealand. Further, proactive and strategic engagement with officials, stakeholders and partners is paramount to ensuring cohesive alignment with my expectations and government priorities.

Financial expectations

Crown entities are expected to deliver on government priorities in relation to SI&T while remaining financially viable and sustainable over the long term.

In accordance with the Crown Entities Act 2004, I expect Callaghan Innovation to operate in a financially responsible manner, which includes:

- Prudently managing its assets and liabilities
- Ensuring Callaghan Innovation's long-term financial viability
- Ensuring Callaghan Innovation acts as a successful going concern.

I ask that Callaghan Innovation continues to work closely with my officials so that I am kept informed of progress, and to ensure that decisions made by the Board align with the work being undertaken to improve outcomes from our SI&T sector.

Specific priorities for Callaghan Innovation

In addition to my expectations above, I expect during 2024/25 you will:

- Continue to reduce spend on contractors and consultants.
- Ensure that Callaghan Innovation is financially sustainable.
- Ensure your measurement impact framework focuses on demonstrating the effectiveness and directly attributable outcomes of Callaghan Innovation's work. I know the organisation is working hard, but I need to understand how effective that work is in accelerating the commercialisation of innovation and economic growth.

Response

I would appreciate your reply on how you propose to support my priorities above within 10 working days of receipt of this letter. I expect that you will keep my officials up to date on your progress towards meeting my expectations throughout the year, including when my priorities are not being progressed.

In line with the Government's expectation of demonstrating accountability for public money, I expect that you will include sufficient performance measures in your Statutory Accountability Documents to demonstrate, and enable measurement of, the outcomes that will be achieved with the government funding Callaghan Innovation receives.

If you require further detail in respect of my expectations, please feel free to contact either Michael Bird or Nicola Scott.

Thank you again for the work and contributions of the Board, management team and staff.

Yours sincerely

A handwritten signature in black ink, appearing to read "Judith Collins".

Hon Judith Collins KC MP

Minister of Science, Innovation and Technology

Copy to: Stefan Korn, Chief Executive, Callaghan Innovation,
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