

Dear Sir/Madam,

I take this opportunity to respond to the VCF consultation process.

CS Ventures is a newly formed corporate venture fund of Canterbury Scientific Ltd. CS Ventures seeks to invest in opportunities that will, if successful, not only generate capital returns back to Canterbury Scientific but also enable manufacturing of products at our company's facility in Christchurch (= income and jobs).

Firstly, I would like to applaud and support the approach to increase the availability of Series A capital in New Zealand. I agree it is needed. Clearly, with the injection of capital the approach will be successful but I question whether, by itself, the approach will be a sufficient incentive for additional private investment in the space. Most of our competitors have forms of tax breaks available for companies performing R&D that are considerably more generous than in New Zealand. These tax breaks seem to be effective incentives for additional investment of private capital. In addition, from personal experience, our grants system is inefficient and clunky compared to other countries I have worked in.

Secondly, I request that the definition of a New Zealand entity be reviewed. Our fund is geographically agnostic. In other words, we will look for investment opportunities across the globe. It may be we find them in New Zealand but on a purely statistical basis, we are far more likely to find opportunities offshore. This may mean we end up taking a minority stake in a foreign entity which in turn, would mean the investment may not meet the current definition of a New Zealand entity. Unfortunately, the definition does not take into account the generation of new jobs and attracting long term income into New Zealand. I believe the definition should be one that encompasses minority owned foreign investments where there is promise of manufacture being undertaken in New Zealand.

Regrettably, I am unable to attend your sessions as I'll be overseas.

Best regards,

Robert

Dr Robert G. Feldman
Head, CS Ventures
A Canterbury Scientific Ltd. Initiative

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