

The Venture Capital Fund,
Ministry of Business, Innovation and Employment

6th September 2019

Dear Sir/Madam,

Re: Policy Statement on the Venture Capital Fund Act 2019 Draft for Consultation

Thank-you for the opportunity to provide comments to the draft Policy Statement.

Overall, we think that the draft policy is very positive and we note that it captures many of the attributes and features that we have recently been discussing with various members of the Ministry and its advisors.

Auckland UniServices has a significant interest in this policy. We are possibly the largest "supplier" of deep technology start-up companies that require a healthy and sophisticated venture community in New Zealand. To this end, we formed the \$20m University of Auckland Inventors Fund in 2016 and in 2017 collaborated with the Group of Eight (www.go8.edu.au) Universities in Australia to bring a minimum ten-year commitment from the IPGroup (www.ipgroupplc.com) to invest at least A\$200m to the G08 and Auckland's high technology start-ups. We are also members of Brandon Capital's Medical Research Commercialisation Fund, which also recently committed A\$200m to its Australasian Medical Research partners' spin-outs. In return for this commitment to bring this capital to our start-ups in New Zealand we have provided a non-exclusive "right to participate" in the first financing round for our start-up companies.

In our experience, it is important to balance the need to bring in global experience and capital and the value that this brings in terms of growing scale, capability and choice for companies that are global in nature, whilst at the same time developing local capability and providing start-up companies with syndication opportunities and choice.

We are pleased that the proposed Policy will allow for our start-ups and our partner funds who have already committed capital to participate in the scheme without having to change their pre-existing structures and commitments. It will also encourage a culture of syndication within a market structure that the current local venture parties have struggled with in the past. We think that the 30 percent allocation strikes the right balance between bringing in specific skills and scale, without crowding out local players and allows the ecosystem to develop depth and sophistication. We would be concerned if this was to be reduced.

Thank-you again for the opportunity to comment.

Yours Sincerely,



Will Charles
Executive Director Commercialisation