

# Board Minutes

Confirmed at 18 July 2023 Board Meeting

21 June 2023

9:00am - 4:00pm

**LOCATION:** Callaghan Innovation, Level 12, Majestic Centre, Wellington

## IN ATTENDANCE

### Board

Pete Hodgson (Chair)  
Elena Trout  
Matanuku Mahuika (online)  
Jennifer Kerr  
Shaun Hendy  
Sally McKechnie  
Nicole Buisson

### Executive

Stefan Korn (Chief Executive)  
Kirsty Bellringer (Chief Financial Officer)  
Cliff Hastings (Chief Innovation Expertise Officer)  
Hayden Whelan (Chief Innovation Development Officer - online)  
Nicola Vibert (Chief Sustainability & Risk Partnership)  
Jen Cherrington (Chief Innovation Enablement Officer)  
Karen Skinner (Group Manager Government Engagement)  
Brett Calton (Chief Product Officer)  
Sally Macesmith (Governance Capability Lead)

### Shareholder

Michael Bird (MBIE)  
Alan Vandermolen (MBIE)

### Other

Celeste Lockett (ELT Enablement Specialist)  
Emma Koot (Environmental Specialist)  
Nicola Fenwick (Brand Experience Capability Lead)  
Mike Duoba (Programme Finance & Support Manager)  
Sarah Sun (Digital Whāre Lead)  
Sharon Burleigh (Group Manager Funding and Contract Management)  
Shelly Fawcett (Enterprise Risk and Resilience Lead)

## Apologies

Henare Johnson (Chief Māori and Government Engagement Officer)

1	<b>Board Only time</b>	BD21/06/23/01
	Stefan Korn and Jen Cherrington joined the meeting. Board only time was not minuted.	
1.2	<b>CEO Meeting Overview (one pager)</b>	BD21/06/23/02
	The Board <b>received</b> the paper and <b>noted</b> the information.	
<b>FOR DISCUSSION / APPROVAL</b>		
2.1	<b>Final 2023/24 SPE for Approval</b>	BD21/06/23/03
	The Executives, Michael Bird (MBIE), Celeste Lockett (ELT Enablement Specialist) and Sally Macesmith (Governance Capability Lead) joined the meeting.	
	The Board <b>received</b> the paper and <b>noted</b> the information. They also:	
	<ul style="list-style-type: none"> <li>• <b>noted</b> the Audit &amp; Risk Committee (ARC) feedback on the 2023/24 Statement of Performance Expectations (SPE)</li> <li>• <b>approved</b> the SPE document, subject to amendments from ARC feedback</li> <li>• <b>noted</b> that feedback would be incorporated into the final SPE for Minister Verrall, due 30 June 2023</li> <li>• <b>noted</b> the cover report to the Minister would address the Minister's comment regarding our cash balance.</li> </ul>	
	<b>Moved by Elena Trout</b> <b>Second</b> Shaun Hendy <b>Agreed</b> by all members	
2.2	<b>Final 2023/24 Budget for Approval</b>	BD21/06/23/04
	The Board <b>received</b> the paper and <b>noted</b> the information. They also:	
	<ul style="list-style-type: none"> <li>• <b>noted</b> the final FY23/24 budget with a surplus of \$0.1m, which has improved slightly from the draft surplus position of \$0.03m</li> <li>• <b>noted</b> the FY23/24 budget assumptions and funding profile</li> <li>• <b>noted</b> the long-term forecast position and financial challenges from FY24/25 onwards due to Crown funding finishing for certain initiatives and only partial cost pressure support received to allow for inflation and no funding for establishment depreciation</li> <li>• <b>approved</b> the FY23/24 budget to include in the final Statement of Performance Expectations.</li> </ul>	
	<b>Moved by Elena Trout</b> <b>Second</b> Jennifer Kerr <b>Agreed</b> by all members	
2.3	<b>2022/23 Annual Report Storyboard</b>	BD21/06/23/05
	The Board <b>received</b> the paper and <b>noted</b> the information. They also:	
	<ul style="list-style-type: none"> <li>• <b>noted</b> the ARC feedback on the storyboard</li> <li>• <b>discussed</b> and provided feedback on the 2022/23 Annual Report Structure</li> <li>• <b>requested</b> the inclusion of 'deep tech' in the Our Partners section <b>Action - Group Manager Government Engagement</b></li> <li>• <b>requested</b> the inclusion of an explanation for the meaning of our Whakatauākī <b>Action - Group Manager Government Engagement</b></li> <li>• <b>endorsed</b> the theme, design concept and format of the 2022/23 Annual Report</li> <li>• <b>noted</b> that feedback from both the ARC and the Board would be incorporated into the development of the 2022/23 Annual Report.</li> </ul>	
2.4	<b>Māori Engagement Strategy Update</b>	BD21/06/23/06
	Sarah Sun (Digital Whāre Lead) joined for this item.	

The Board **received** the paper and **noted** the information. They also:

- **noted** the deferral of the strategy artefact to July 2023 to align with Matariki and the launch of the digital platform we've developed in partnership with Whāriki
- **noted** having Whāriki as a strategic partner aligns with the strategy of working within existing networks rather than creating our own
- **discussed** the digital platform which was introduced through live presentation (as a prelude to a more comprehensive presentation by Whāriki in July 2023)
- **noted** the use of lessons learned from previous initiatives to build self-sustaining community platforms
- **noted** the updates provided against each of the four Pou since April 2023
- **noted** the draft performance metrics dashboard attached as Appendix 1
- **noted** the next steps outlined for the July 2023 Board meeting.

## 2.5 Regular MBIE update

BD21/06/23/07

Alan Vandermolen (Director Entity Performance and Investment at MBIE) and Mike Duobo (Programme Finance & Support Manager) joined for this item.

The Board **received** a verbal update. They also:

- **noted** the brief history of Te Ara Paerangi and genesis of Wellington Science City
- **noted** the need to develop the operating model, including incentives to ensure success, and the desire for more flexibility in the system
- **noted** the need for Wellington Science City to be delivered primarily as a system change / innovation programme of work rather than an infrastructure project
- **highlighted** Callaghan Innovation's dual role as key stakeholders in the Technology Hub and to provide an integral component on innovation systems thinking for the other hubs
- **noted** the proposed Programme structure and the desire to improve collaboration among the organisations involved
- **highlighted** the importance of culture and capabilities needed within the Programme which needed to be progressed in parallel to the business case development to gain buy-in and traction
- **noted** the immediate next steps including the project launch and project briefing, which the Chair and director Mahuika would attend
- **requested** the Project Briefing be shared with the Board **Action - Chair**.

Michael Bird and Alan Vandermolen left the meeting.

## 2.6 Brand Refresh update

BD21/06/23/08

Nicola Fenwick (Brand Experience Capability Lead) joined for this item.

The Board **received** the paper and **noted** the information. They also:

- **noted** the additional information on the brand development rationale & process
- **noted** the refined brand strategy, reflected Board feedback
- **provided** feedback on messaging, imagery and timing of the brand refresh
- **noted** that management continue to be mindful of the amount spent on the brand refresh project
- **agreed** to proceed with the proposed brand refresh with a pragmatic lens on design effort and on a minimal cost basis
- **agreed** to delay the roll out of the website relaunch until October 2023
- **requested** the budget for the brand refresh. **Action - Brand Experience Capability Lead**

## 2.7 Framework for Development and Management of Intellectual Property (IP)

BD21/06/23/09

The Board **received** the paper and **noted** the information. They also:

- **noted** that Callaghan Innovation's (CI) approach to commercialisation of internally developed IP is to either licence or sell IP to a third party (existing company or new co) that is well placed to commercialise the IP
- **noted** that CI does not focus on the development of IP and that the organisation will prohibit employees from working on their independent interests during CI work hours

- **noted** the establishment of a position statement / policy that covers and clarifies the organisation's stance on IP
- **requested** a report on the number of staff with pre-existing / developed IP, or developing IP (which they might have a claim to), likely to be impacted by the position statement and an indication whether IEA's for existing staff from DSIR/IRL era require changes to reflect the clarified IP position of the organisation  
**Action - Chief Innovation Expertise Officer**
- **noted** that the position might need to be revisited in light of the Wellington Science City development.

## 2.8 Carbon Reduction Programme - Options for CI

BD21/06/23/10

Shelly Fawcett (*Enterprise Risk and Resilience Lead*) and Emma Koot (*Environmental Specialist*) joined for this item. Nicola Buisson left the meeting.

The Board **received** the paper and **noted** the information. They also:

- **noted** the organisation's progress to date to develop the proposed carbon reduction programme
- **noted** the estimated capital funding required to address decarbonisation
- **clarified** the figures in the capital funding table were in thousands, not millions
- **suggested** management respond to staff who provided ideas to decarbonise without spending money
- **noted** the estimated offsetting costs from 2025 onwards, and projected capital costs / benefits for decarbonisation projects proposed
- **noted** management were waiting for the All of Government approach to offsetting emissions (which affects the likely offsetting costs as a result of the organisation's ability to purchase carbon credits at a discounted rate)
- **approved** the proposed carbon reduction programme that will aim to achieve the 42% reduction target mandated by the NZ Government by 2030 based on the data and information we have at this point in time.

**Moved by Pete Hodgson**  
**Second** Shaun Hendy  
**Agreed** by all members

## 2.9 Grants Delegations

### 2.9.1 Delegations Authority for Ārohia Trailblazer Full Grant

BD21/06/23/11

Sharon Burleigh (*Group Manager Funding and Contract Management*) joined for this item.

The Board **received** the paper and **noted** the information. They also:

- **Approved** the Delegated Authority for decisions on Ārohia Innovation Trailblazer Full grant applications
- **noted** Director Hendy would contact new Board members regarding membership on the Grants Committee **Action - Shaun Hendy**
- **noted** the Terms of Reference for the Grants Committee would be updated **Action - Chief Product Officer**
- **Noted** the importance of managing Conflicts of Interest.

**Moved by Pete Hodgson**  
**Second** Shaun Hendy  
**Agreed** by all members

### 2.9.2 Revised Delegations Authority for Ārohia Trailblazer Seed Grant

BD21/06/23/12

Sharon Burleigh (*Group Manager Funding and Contract Management*) joined for this item.

The Board **received** the paper and **noted** the information. They also:

- **Approved** the rewritten Delegated Authority for decisions on Ārohia Innovation Trailblazer Seed grant applications.

**Moved by Pete Hodgson**  
**Second** Shaun Hendy  
**Agreed** by all members

### 2.9.3 Delegations for Grants for use by Grants Operations

BD21/06/23/13

Sharon Burleigh (Group Manager Funding and Contract Management) joined for this item.

The Board **received** the paper and **noted** the information. They also:

- **Approved** the Delegated Authorities paper for operational decisions on grants.

**Moved by Pete Hodgson**  
**Second** Shaun Hendy  
**Agreed** by all members

## 2.10 Workforce Planning Update (verbal)

BD21/06/23/14

The Board **received** a verbal update. They also:

- **noted** changes had been made based on feedback on the workforce review proposal
- **noted** the decisions would be communicated to staff on Thursday 22 June 2023.

## GOVERNANCE AND OPERATIONS

### 3.1 CEO Report

BD21/06/23/15

The Board **received** the paper and **noted** the information. They also:

- **noted** the new Board members would get a full briefing outside the board meeting with the CEO in relation to the 2022 Founder Support Programme RFP and the Hydrogen Sulfide situation
- **noted** the ARC would consider a revised scope for an internal audit around lessons learned from the Manaaki scenario
- **acknowledged** directors Kerr and Mahuika for their exceptional work on the resolution process with Manaaki / We Are Indigo
- **noted** 9(2)(g)(i) - Free and Frank advice, 6(d) - safety
- **suggested** 6(d) - safety, 9(2)(g)(i) - Free and Frank advice

#### **Action - Chief Innovation Enablement Officer**

- **noted** work on PCBU Overlapping Duties had been delayed
- **noted** the change in location for the September and November 2023 Board meetings
- **requested** the dates and locations for the Callaghan Innovation Roadshow. **Action - Governance Capability Lead**

### 3.2 Management Updates

#### 3.2.1 Enterprise Resource Planning Solution Update

BD21/06/23/16

Nicola Buisson returned to the meeting and Matanuku Mahuika left the meeting.

The Board **received** the paper and **noted** the information. They also:

- **noted** the support from the ARC
- **noted** the evaluation panel agreed on a clear preference for Workday (solution provider) and Accenture (delivery partner)
- **noted** the summary of the rationale behind selecting Workday, and the details around the nature of the technology choice and benefits identified
- **noted** Board approval to conclude commercial negotiations and enter into delivery phase will be sought at the July 2023 meeting.

#### 3.2.2 Quarterly Risk Update

BD21/06/23/17

Shelly Fawcett (Enterprise Risk and Resilience Lead) joined for this item.

The Board **received** the paper and **noted** the information. They also:

- **noted** the current state of Enterprise and Strategic risks and work underway to control them included in Appendix 1.
- **noted** emerging risks, particularly as a result of the change proposal
- **provided feedback** on some of the language used in the report.

### 3.2.3 Open Audit Recommendations Update

BD21/06/23/18

Shelly Fawcett (Enterprise Risk and Resilience Lead) joined for this item.

The Board **received** the paper and **noted** the information. They also:

- **noted** ARC has requested more information on high and extreme risks in future reports
- **noted** the current status of all open audit recommendations
- **noted** the audit recommendations that have been deprioritised.

### 3.2.4 Cyber Security Update

BD21/06/23/19

Jenn Whitman (Chief Information Security Officer) joined for this item.

The Board **received** the paper and **noted** the information. They also:

9(2)(g)(i) - Free and Frank advice

## 4 Monitoring

### 4.1 Finance report

BD21/06/23/20

The Board **received** the paper and **noted** the information. They also:

- **noted** management continues to work on the dashboard for the Grants Appropriations.

### 4.2 Health & Safety Dashboard

BD21/06/23/21

The Board **received** the paper and **noted** the information. They also:

- **noted** the positive feedback from the Health, Safety, People, Culture & Diversity Committee on the new look of the dashboard
- **noted** Critical Risk Observations had decreased and will likely continue to decrease temporarily over Q1 FY23/24 with changes in staff
- **requested** dates for Board member Critical Risk Observations. **Action - Governance Capability Lead**

### 4.3 Product Hāpu Report

BD21/06/23/22

The Board **received** the paper and **noted** the information. They also:

- **noted** management was keeping the Minister informed that demand for New to R&D Grants was not as high as expected
- **noted** that demand for the Ārohia Trailblazer Seed Grant was incredibly strong
- **requested** that the quarterly SPE update reports to the Minister would be shared with the Board. **Action - Group Manager Government Engagement**

### 4.4 Innovation Expertise Update

BD21/06/23/23

The Board **received** the paper and **noted** the information. They also:

- **noted** that discussions on the future of GlycoSyn will need to be had in FY23/24.

### 4.5 GIQ Dashboard

BD21/06/23/24

	The Board <b>received</b> the paper and <b>noted</b> the information.	
<b>4.6</b>	<b>Board Administration</b>	
<b>4.6.1</b>	<b>Draft minutes of meeting held 20 April 2023</b>	BD21/06/23/25
	The Board <b>received</b> the minutes and <b>confirmed</b> them as a true and correct record.	
<b>4.6.2</b>	<b>Action list</b>	BD21/06/23/26
	The Board <b>received</b> the actions list and <b>noted</b> the information.	
<b>4.6.3</b>	<b>Interests schedule</b>	BD21/06/23/27
	The Board <b>received</b> the interests schedule and <b>noted</b> the information. They also: <ul style="list-style-type: none"> <li>• <b>noted</b> Director Trout provided an update.</li> </ul>	
<b>4.6.4</b>	<b>2023 meeting dates</b>	BD21/06/23/28
	The Board <b>received</b> the document and <b>noted</b> the information.	
<b>4.6.5</b>	<b>Committee Chair report - Gracefield Development Governance Group</b>	BD21/06/23/29
	No further business.	
<b>4.6.6</b>	<b>Committee Chair report - Audit and Risk</b>	BD21/06/23/30
	No further business.	
<b>4.6.7</b>	<b>Committee Chair report - Health, Safety, People, Culture &amp; Diversity</b>	BD21/06/23/31
	No further business.	
<b>5</b>	<b>OTHER BUSINESS</b>	BD21/06/23/32
	<b>Requested</b> the Product Hāpu Report and Innovation Expertise Update be given more prominence on the July 2023 Board meeting agenda. <b>Action - Governance Capability Lead</b>	
	The Board discussed membership for its four Committee and <b>agreed</b> Sally McKechnie and Nicole Buisson would join the Health, Safety, People, Culture & Diversity Committee. <b>Action - Governance Capability Lead</b>	
	<i>The Executives, Celeste Lockett and Sally Macesmith left the meeting.</i>	
<b>6</b>	<b>MEETING REVIEW</b>	BD21/06/23/33
	The Board undertook a Retro Session on the meeting with Stefan Korn and Jen Cherrington.	

The meeting closed at 5:00 pm

Pete Hodgson  
Chair  
Callaghan Innovation  
21 June 2023