

IP Expert

fyi-request-4192-ca128af2@requests.fyi.org.nz

Ref: 2016-OIA-24

Dear IP Expert

Thank you for your email of 16 August 2016 and the matters you raise.

Vodafone approached Callaghan Innovation in early 2014 with a proposal that would significantly enhance national ICT innovation infrastructure by establishing a facility in Christchurch based on an international model it had developed. The investment was predicated on \$900k funding from Callaghan Innovation. In considering the proposal, Callaghan Innovation accounted for a number of factors including existing capabilities, the scale of Vodafone's investment, benefit to NZ, fit with Callaghan Innovation's mission and strategy, and projected demand. A direct negotiation was undertaken with Vodafone. The process was not required to be run through GETS, because at the time the proposal was approved, Callaghan Innovation was not required to comply with the Government Rules of Sourcing. Even so, as a conditional grant; the transaction would have been a valid opt-out of the Rules.

Any documentation in this case is confined to the contract negotiation material, and this has been withheld under s9(2)(b)(ii) of the Official Information Act 1982, to protect Vodafone's commercial position from unreasonable prejudice. However, the basic terms of the funding contract (e.g. \$900k of funding from Callaghan Innovation over 3 years) have been released publicly on our website, this information is available at:

<https://www.callaghaninnovation.govt.nz/news-and-events/callaghan-innovation-welcomes-vodafone-xone-partnership>.

You have the right to request a review of this response, and the information refused, by the Ombudsman at www.ombudsman.parliament.nz or by telephoning 0800 802 602.

Please contact ministerialservices@callaghaninnovation.govt.nz if you require any further information.

Yours sincerely

A handwritten signature in black ink, appearing to be 'Richard Perry', with a long horizontal line extending to the right.

Richard Perry
Chief Financial Officer