

4 August 2016

IP Expert NZ
fyi-request-4192-ca128af2@requests.fyi.org.nz

Ref: 2016-OIA-17

Dear IP Expert NZ

Thank you for your email of 29 June 2016 to MBIE, asking for information about Vodafone xone startup accelerator. Your request was transferred to Callaghan Innovation on 4 July 2016 and is responded to under the Official Information Act 1982 (the Act).

In response to your questions:

1. *Why was Vodafone xone awarded a government supported accelerator contract, along side the Lightning Lab program? They seem identical: targeted at digital start-ups.*

The Vodafone xone was not awarded a government supported accelerator contract. Callaghan Innovation currently funds the Lightning Lab and Sprout accelerator programmes. For further information please refer to:

www.callaghaninnovation.govt.nz/access-experts/incubators-and-accelerators/accelerators

While Vodafone is operating an accelerator out of the xone which will support cohorts of firms through a programme, Callaghan Innovation funding is targeted instead at 'Advanced Access' to the infrastructure, where firms and organisations of all sizes can use the technology as required to develop products and services, without being in a programme or receiving any business mentoring or investment characteristic of an accelerator.

The Vodafone xone offers firms access to carrier infrastructure and technology previously unavailable in New Zealand. New Zealand is the seventh country in the world to get these capabilities in a 'retail' form.

2. *How much money was awarded exactly ? Press releases seem to suggest \$900,000 over three years. Can you please confirm?*

Callaghan Innovation is providing \$900k+GST in total over three years to support Advanced Access at Vodafone xone.

3. *How much money does Vodafone have to invest in the start-ups, alongside the government funding? **See below***
5. *What were the selection criteria for the start-ups receiving the money, who are they and what progress has been made?*

Vodafone is responsible for funding and operating the accelerator, including the funding of start ups in the xone accelerator, the selection criteria and programme design. Therefore the questions you raise primarily involve Vodafone's choices and resources. To gain further insight into these issues you would need to ask Vodafone.

4. *How is this the government funding allocated and how is this monitored? Vodafone Xone's website list that every start-up (10 in total) get \$25,000 in seed funding. This equals \$250,000 a year, so where is the other \$5,000 of government money going? Is this going to Vodafone to cover their costs?*

As noted above, the government is not funding the accelerator programme at the xone, it is allocated to supporting Advanced Access to the technology lab. This will be monitored through a range of measures covered in the funding agreement Callaghan Innovation has negotiated with Vodafone, including regular reporting requirements.

You may be interested that some start-ups based at other accelerators, for example Lightning Lab, may benefit from its accelerator programme while specifically accessing technology in the xone through Advanced Access, so the different services can be complementary. Both Callaghan's accelerator programmes and the contract with the xone have a much broader focus than just IP support.

You have the right to request a review of this response 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