

# ANNUAL REPORT

2023/24



**NEW ZEALAND**  
TRADE & ENTERPRISE  
Te Taurapa Tūhono



# NZTE'S INTERNATIONAL NETWORK

As at 30 June 2024

## Our in-market support

**6** Regions

**32** Languages

**37** International locations

**420** Private sector advisors

**624** NZTE employees

### SATELLITE OFFICES

Toronto  
Chicago  
Denver

### NORTH AMERICA OFFICES

Los Angeles  
New York  
San Francisco  
Vancouver  
Washington

### LATIN AMERICA OFFICES

Bogotá  
Mexico City  
Santiago  
São Paulo

### EUROPE, MIDDLE EAST AND AFRICA OFFICES

Amsterdam  
Berlin  
Istanbul  
London  
Madrid  
Milan  
Paris  
Dubai  
Riyadh

### SOUTH EAST & EAST ASIA OFFICES

Mumbai  
New Delhi  
Bangkok  
Ho Chi Minh City  
Jakarta  
Kuala Lumpur  
Manila  
Seoul  
Singapore  
Tokyo

### GREATER CHINA OFFICES

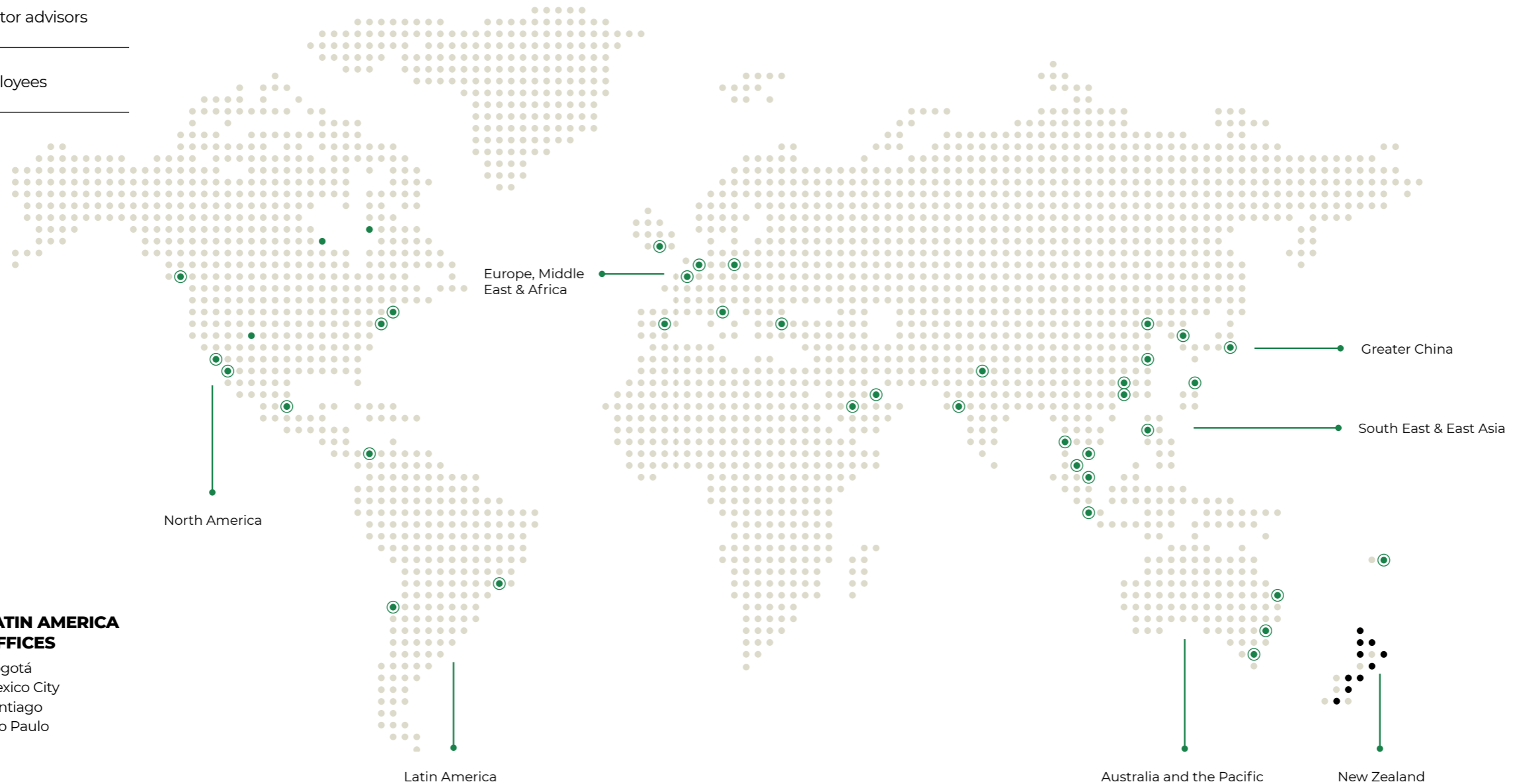
Beijing  
Guangzhou  
Hong Kong  
Shanghai  
Taipei

### AUSTRALIA-PACIFIC OFFICES

Brisbane  
Melbourne  
Sydney  
Fiji

### NEW ZEALAND OFFICES

Whangārei  
Auckland  
Tauranga  
Hamilton  
New Plymouth  
Hastings  
Wellington  
Nelson  
Christchurch  
Dunedin



### KEY

● International offices ● New Zealand offices ● Satellite offices



# OUR ORGANISATION

New Zealand Trade and Enterprise (NZTE) | Te Taurapa Tūhono is the New Zealand Government's international business development agency, with a dual focus on supporting exporters to succeed, and helping match investment opportunities with investors.

NZTE's purpose is to contribute to New Zealand's economic growth by supporting companies to grow internationally for the good of New Zealand. By working with exporters to grow their international business and supporting investment customers in securing high-

value capital into New Zealand growth opportunities, NZTE plays a key role alongside other NZ Inc partners, in contributing to the Government's goal to double the value of exports in the next decade.

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# SECTION 1: ABOUT NZTE

# NZTE AT A GLANCE

## The goal

New Zealand Government's goal  
Double the value of exports in the next decade.

NZTE's purpose and contribution  
to the goal

To grow companies internationally for the good  
of New Zealand.

## Our customers

### Export customers 2023/24 Results

Engaged (light touch) customers	<b>4,621</b>
Focus (high intensity) customers	<b>1,029</b>
Māori export customers	<b>346</b>
Focus portfolio value	<b>\$17.33 billion</b>
Export deals	<b>\$3.81 billion</b>
Export customer NPS	<b>+73</b>

### Investment customers

Investors in network	<b>4,488</b>
Investment value (pDEI)	<b>\$4.54 billion</b>
Investment NPS	<b>+81</b>
Investment deals pipeline	<b>469</b>
Māori investment deals pipeline	<b>108</b>
Investment pipeline value	<b>\$14.01 billion</b>

## Governance

Crown Entity Board Meet our Board on page 14-15

Investment per annum	<b>\$255 million</b>
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## People and networks

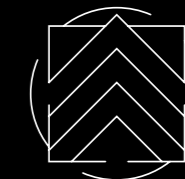
People	<b>624</b>
International locations	<b>37</b>
New Zealand locations	<b>10</b>
People located offshore	<b>271</b>
Private advisors (Beachheads)	<b>420</b>
Employee NPS	<b>+19</b>

## Our NZ Inc partners

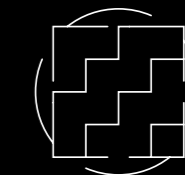
Callaghan Innovation  
Education New Zealand (ENZ)  
Ministry for Primary Industries (MPI)  
Ministry for the Environment  
Ministry of Business, Innovation and Employment (MBIE)  
Ministry of Foreign Affairs and Trade (MFAT)  
New Zealand Export Credit Office (NZECO)  
New Zealand Growth Capital Partners (NZGCP)  
New Zealand Story Group (NZ Story)  
Te Puni Kōkiri (TPK)  
The Treasury  
Tourism New Zealand (TNZ)

## Our Characters

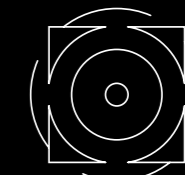
### Ambition Drives Us



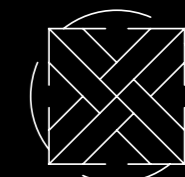
### Adventure Teaches Us



### Honesty Frees Us



### Trust Binds Us



### Manaaki Is Us



# LETTER FROM THE CHAIR AND CHIEF EXECUTIVE

International trade is critical to New Zealand. The success of our country's economy is directly related to the success of our exporters. In FY24 international export trade delivered \$95 billion of revenue and employed one in four people. New Zealand Trade and Enterprise's purpose is to grow companies internationally for the good of New Zealand. We do this by working with exporters to help them scale on the world stage and by matching investors with investment opportunities.

## Success despite tough economic conditions

FY24 was New Zealand Trade and Enterprise's second full year of recovery and rebuild post the global COVID-19 pandemic. It saw us double down on our purpose to grow companies internationally for the good of New Zealand and meet our key performance targets despite tough global economic conditions. International trade provided a much-needed boost to New Zealand's economy during this time, and we would like to acknowledge the efforts of the many New Zealand companies who contributed to this.

A slowing global economy and geopolitical tensions resulted in tough operating conditions in FY24. We can expect our exporters to continue to face these challenges in the coming year, with instability in parts of the world, slowing global growth and rising protectionism contributing to decreasing demand for some goods and services. At the same time, costs are rising and squeezing profit margins. Domestically, businesses also faced challenging economic conditions in FY24, which naturally impacted business confidence.

Despite these challenges, New Zealand Trade and Enterprise supported our customers to achieve positive results in FY24.

Particular highlights include:

- the potential direct economic impact (pDEI) of investment deals totalled \$4.54 billion against a target of \$2.7 billion, with Māori-related deals contributing \$1.15 billion
- \$3.81 billion in export deals were achieved, against our target of \$2.5 billion

- a total of 2,771 international growth outcomes (IGOs) were achieved, against a target of 1,700
- the net promoter score (NPS) from our export and investment customers remained high at +73 and +81 respectively.

Our support for strategic ministerial missions continued to be a focus. These missions provide high profile opportunities to help exporters open doors to commercial opportunities, build partnerships and gain a deeper understanding of market requirements. In FY24 we supported successful missions to Australia, Singapore, Thailand, Philippines, USA and Japan where a number of exporters we work with made significant announcements and deals securing their ongoing growth in these markets.

Internally, we continued our commitment to building a high-performance culture. We maintained our diversity and inclusion gender balance of 40% (women) 40% (men) 20% (of any gender) across the Board, senior managers, and other managers. In addition, we maintained our commitment to reducing carbon emissions, achieving a reduction from 5,733 tCO<sub>2</sub>e (our baseline year of 2018/19) to 2772 tCO<sub>2</sub>e. We are on track to meet the Government's emissions reduction goals for the public sector.

In FY24 NZTE underwent two change processes. The first addressed the end of the \$54m (annual) temporary COVID-19 response funding, and the second responded to the government's cost saving directive across the public service. Our approach to both change processes prioritised our customers and aimed to retain as much value from the COVID-19 funding as possible. We have an export customer portfolio of around 1,000 Focus

customers (compared to 700 pre-COVID-19) and have maintained our international footprint in high GDP per capita markets such as the United States and Australia where our exporters can earn a premium. We have also increased the scale of our investment work. In essence, we are delivering more value to more exporters than we did pre-COVID-19, with fewer resources.

## Focus for FY25 and beyond

Export growth is a key part of New Zealand's broader economic growth, bringing additional revenue into the economy, improving productivity and generating higher value jobs. Prime Minister Rt Hon Christopher Luxon and Minister for Trade Hon Todd McClay have publicly stated a Government ambition to double exports by value in 10 years.

Doubling exports by value over 10 years requires an increase from \$95 to \$190 billion per annum, which means the export sector needs a compound growth rate of approximately 7% a year. This is an ambitious target, especially when we compare it to the 4.6% growth rates we have seen over the past 10 years.

Doubling exports will require material shifts in the domestic productivity of our exporters, their capability to succeed in export markets, and their access to those export markets. It is a broad challenge, and the ambition has been responded to by a range of Government agencies, including NZTE, that have an important role, and are committed to achieving it.

In pursuit of this ambition, in FY25, NZTE will be focused on the international revenue growth of innovative, knowledge-intensive exporters, differentiating themselves on non-price factors like quality, agility, customer focus and sustainability. We will be helping to grow their capability to export and providing other support for their growth, such as market research and connections in their target markets.

We will follow our customers' growth ambitions, many of whom are focused on markets that have predominantly high GDP per capita. However, we will also maintain a significant presence in markets with a growing middle class, including India and a number of Asian countries.

In addition to support for exporters, investment will also be critical in achieving a doubling of exports. New Zealand doesn't have a start-up problem it has a scale-up problem, and investment will be critical for growth. Our investment customers are both exporters who need capital and local and international investors who are prepared to invest. Our core role here will be in matching investor with investee, generating deals for the future. Our investment activities will also play a crucial role in growing new future, and high value, new economies for New Zealand such as aerospace, renewable energy, and aquaculture.

And through our partnership with Māori customers, we aim to add significant value to the \$70 billion of assets which make up the Māori economy, helping create new exporters able to contribute to doubling the value of exports.

More than 80% of New Zealand's exports by value are now going to countries with environmental / social / governance "ESG" reporting requirements either in force or proposed. We will continue to work with our exporters to support their sustainability strategies to meet market requirements and consumer expectations. Increased focus on growth in sustainable sectors such as renewable energy and cleantech will also support this.

The success of New Zealand's economy is directly related to the strength of our exporters. Together, we will harness our expertise to grow exporters for the good of New Zealand.



Jennifer Kerr  
Chair, NZTE Board



Peter Chrisp  
Chief Executive, NZTE

# RETA NĀ TE HEAMANA ME TE TUMU WHAKARAE

He hirahira te tauhokohoko ki tāwāhi i Aotearoa nei. Hāngai tika ana te angitū o te ōhanga o te whenua nei ki te angitū o ngā kaihoko. I te TP24 (Tau Pūtea) nā ngā tauhokohoko i tāwāhi i hua ake ai he moni whiwhi \$95 piriona, ā, kotahi o roto i te tokowhā i whiwhi mahi. Ko te whāinga a Te Taurapa Tūhono, ko te whakawhanake i ngā kamupene ki tāwāhi mō te painga o Aotearoa. Ko tā mātou he mahitahi ki ngā kaihoko e rite ai rātou ki te hoko ki tāwāhi, me te tūhono i ngā kaiwhakarato moni ki ngā kaupapa whakarato.

## Te angitū ahakoa ngā here ōhanga uaua

Ko te Tau Pūtea 2024 tā Te Taurapa Tūhono tau tuarua o te whakaora me te whakatū i muri mai i te mate urutā KŌWHEORI-19. I tino kaha tā mātou ū ki te whāinga o te whakawhanake i ngā kamupene ki tāwāhi mō Aotearoa te pāinga, ka mutu, i whakatutuki mātou i ā mātou whāinga mahi matua ahakoa ngā here ōhanga uaua. Nā ngā tauhokohoko ki tāwāhi i rewa ake ai te ōhanga o Aotearoa i tēnei wā, me te aha, me mihi ki ngā kamupene maha o Aotearoa i whai wāhi ki ēnei mahi nui.

Nā te pōturi haere o te ōhanga ā-ao me ngā āmāimai tōrangapū i hua ake ai ko ēnei here mahi uaua i te Tau Pūtea 2024. Kāore e kore ka rongu tonu ngā kaihoko i ēnei wero i te tau e tū mai nei, he tikoki ētahi wāhi o te ao, he pōturi te whanaketanga ā-ao, ā, ka uaua ake ngā here hoko, nā whai anō i heke te hiahia mō ngā rawa me ngā ratonga. Hei āpiti atu ki tērā, e piki ake ana ko ngā utu, ā, kei te whāiti haere ngā paenga hua. I te whenua tonu nei, he nui te pānga o ngā here ōhanga ki ngā pakihī i te Tau Pūtea 2024, nā whai anō i paku heke ai te māia o ngā pakihī.

Ahakoa ēnei wero, i tautokohia e Te Taurapa Tūhono ā mātou kiritaki kia whai hua tonu i te Tau Pūtea 2024.

Ko ētahi o ngā hua ko:

- He tōpūtanga \$4.54 piriona te pānga ōhanga hāngai (pDEI) o ngā kaupapa haumi e ai ki te whāinga o te \$2.7 piriona, ka mutu, ko ngā mea Māori i eke ki te \$1.15 piriona.
- \$3.81 piriona i tutuki i roto i ngā kaupapa haumi, e ai ki tā mātou whāinga o te \$2.5 piriona.

- 2,771 ngā hua whakawhanake ā-ao (IGO) i tutuki, e ai ki te whāinga o te 1,700.
- I noho teitei tonu te tatauranga whakatairanga (NPS) a ngā kiritaki tauhoko +73 me ngā kiritaki haumi +81.

He aronga tonu tā mātou tautoko i ngā haerenga rautaki ā-minita. Ka whakarite ēnei mahi i ngā āheitanga nui hei āwhina i te hunga tauhoko me ngā āheitanga arumoni, ngā hononga me te āta mārāma ki ngā herenga māketē. I te Tau Pūtea 2024, i tautoko angitū nei mātou i ngā mahi ki Ahitereiria, Hingapoa, Tairana, Piripīni, Amerika me Hapāni, he maha ngā kaihoko mahi tahi nei ki a mātou, i whakaputa kōrero, i whai mea rānei hei whakapūmau i tā rātou tipu tonu i roto i ēnei māketē.

I tō mātou wāhi mahi, kei te ū tonu mātou ki te whakawhanake i te ahurea angitū. I pupuri mātou ki te kauhanganui o te whai wāhitanga o ngā iwi me ngā ira, arā kia 40% (wahine), 40% (tāne), 20% (ahakoa te ira) puta noa i te Poari, ngā kaiwhakahaere matua me ētahi atu kaiwhakahaere. Waihoki, i whakapūmau mātou i tā mātou ū ki te whakaheke i ngā haukino, i heke i te 5,733 tCO<sub>2</sub>e (te papa i te tau 2018/19) ki te 2772 tCO<sub>2</sub>e. Kei te ara tika mātou o tā te Kāwanatanga whāinga whakaheke haukino mō te rāngai tūmatanui.

E rua ngā hātepe panoni i whakahaerehia e Te Taurapa Tūhono i te Tau Pūtea 2024. I aro te tuatahi ki te mutunga o te tahua taupua urupare KŌWHEORI-19 \$54m (ia tau), i aro te tuarua ki ngā tohutohu penapena pūtea a te Kāwanatanga mō te rāngai tūmatanui. Ko tā mātou aronga ki ngā hātepe e rua ko te whakamātāmua i ngā kiritaki me te pupuri i ngā hua o te tahua KŌWHEORI-19 e taea ana. He kohinga kiritaki kaihoko tā mātou, i te takiwā o te 1000 kiritaki whāiti

(tērā i te 700 i mua i te KŌWHEORI-19), ā, kua whakapūmau mātou i tā mātou pānga ki tāwāhi i ngā māketē GDP teitei pēnei i a Amerika me Ahitereiria, ngā wāhi whai utu tāpiri mā ngā kaihoko. Kua whānui hoki te rahinga o ā mātou mahi haumi. I te mutunga iho, kua nui ake te whai hua o ā mātou kiritaki i ā mātou mahi ināianeī, tērā i te wā i mua i a KŌWHEORI-19, me te aha he ruarua iho ngā rauemi.

## Aronga mō te Tau Pūtea 25, ā, haere ake nei

He wāhi nui te whanaketanga ā-tauhoko i te whanaketanga o tā Aotearoa ōhanga whānui, ka tō mai i ētahi tahua tāpiri ki te ōhanga, ka whakapai ake i ngā hua, ā, ka whakaritea he tūranga mahi pai ake. Kua puta i te Pirimia, i a Christopher Luxon, rāua ko Todd McClay, te Minita Tauhokohoko, te hiahia o te Kāwanatanga ki te tāpara i ngā wāriu o ngā mahi tauhoko i roto i ngā tau 10.

Ki te tāpara i te wāriu o ngā mahi tauhoko i ngā tau 10 me mātua piki i te \$95 piriona ki te \$190 piriona ia tau, arā me piki ake te pāpātanga whanaketanga mā te 7% ia tau. He whāinga nui tēnei mēnā ka whakataurite ki te pāpātanga whanaketanga o te 4.6% kua hua ake i ngā tau 10 kua pahure ake nei.

Hei tāpara i ngā mahi tauhoko, me panoni ētahi āhuetanga i roto i ngā hua mahi ā-motu a ngā kaihoko, tō rātou āheinga ki te angitū i roto i ngā māketē tauhoko, me te whai wāhitanga ki aua māketē tauhoko rā. He wero whānui tēnei, ā, kua aro mai ētahi tari Kāwanatanga ki te wero, pēnei i a Te Taurapa Tūhono, he mahi tā tātou, ā, kei te ū ki te whakatutuki i ēnei wawata.

Hei whakatutuki i tēnei wawata, i te Tau pūtea 2025, ka aro a Te Taurapa Tūhono ki te whanaketanga tahua ā-ao o ngā kaihoko auaha, mātau hoki, ka whakarerekē nei i a rātou anō i te āhua ki ngā āhuetanga pēnei i te kounga, te moruki, te aronga kiritaki me te toitūtanga. Ka āwhina mātou i tā rātou āheinga ki te tauhoko, me te whakarite taunakitanga hei āwhina i te taha whanake, pēnei i ngā rangahautanga māketē me ngā hononga ki ngā māketē whāinga.



Jennifer Kerr  
Heamana, Poari  
Te Taurapa Tūhono



Peter Chrisp  
Te Tumu Whakarae,  
Te Taurapa Tūhono

Ka whai mātou i ngā wawata whanake o ngā kiritaki, te nuinga ka aro ki ngā māketē he nui o rātou GDP. Tērā tērā, ka aro tonu mātou ki ngā māketē e whanake ana te taumata o waenganui, pēnei i a Īnia me ngā whenua o Āhia.

Hei āpiti ki ngā taunakitanga mō ngā kaihoko, he mea nui te haumitanga hei whakatutuki i te tāparatanga o ngā mahi tauhoko. Kāore he raru o tā Aotearoa tīmata i te ao pakihī, ko te whakawhānuitanga te raru, ā, he wāhi nui te haumitanga mō te whanaketanga. Ko ō mātou kiritaki haumi he kaihoko hoki, e whai ana i ngā kaihaumi ā-tōpū, ā-rohe, ā-ao anō hoki, kua rite ki te haumi. Ko tā mātou mahi matua i konei ko te hono i te kaihaumi ki te mea hei haumi, he whakarite mea mō ngā tau e heke mai nei. He wāhi matua tō ā mātou ngohe haumitanga i te whanaketanga o ngā tau e heke mai nei, me ngā ōhanga hou, wāriu nui, mō Aotearoa, pēnei i te aerospace, te pūngao whakahou me te ahumoana.

Mā roto mai i tā mātou hononga ki ngā kiritaki Māori, e whai ana mātou kia āpiti ki te wāriu nui o ngā rironga \$70 piriona o te ōhanga Māori, ka āwhina ki te waihanga i ngā kaihoko hou kia tāpara i te wāriu o ngā mahi tauhoko.

Neke atu i te 80% o ngā tauhoko a Aotearoa, i te āhua ki te wāriu, kei te tuku ki ngā whenua, he here pūrongo taiao / haporī / whakahaere “ESG” o rātou, he mea whakahau, he mea kōwhiri rānei. Ka mahitahi tonu mātou ki o mātou kaihoko hei tautoko i ā rātou rautaki toitū hei whakatutuki i ngā here māketē, i ngā kawatau kiritaki. Ka tautoko hoki te aronga kaha ki ngā wāhanga toitū pēnei i te pūngao whakahou me te hangarau taiao, i tēnei.

Hāngai tika ana te angitū o te ōhanga o Aotearoa ki te pakari o ngā kaihoko. Mā te mahitahi, e āhei ai tātou ki te poi-poi i te mātauranga whakawhanake i ngā kaihoko mō Aotearoa te painga.

# OUR PURPOSE

## The importance of exporting

The Government aims to increase the prosperity of New Zealanders by increasing productivity and economic growth.

Higher productivity means more goods and services are produced with the same or fewer inputs, strengthening economic growth, higher wages and improved living standards.

Exports and productivity are closely linked. In addition to bringing additional revenue into New Zealand, exporting firms boost New Zealand's productivity by:

- allowing them to scale up to more efficient sizes than they can in New Zealand's small domestic economy
- exposing them to more diverse competition, pushing them to become more productive to compete effectively
- connecting them to new markets, making it easier to access new innovative ideas, talent and capital.

The importance of export growth has led the Government to announce a goal to double exports by value in 10 years.

Realising this ambition will require a concerted effort from exporters and government agencies and multiple interventions such as streamlining of regulation, attracting investment into New Zealand, investment in infrastructure, promotion of New Zealand's value proposition through brand work and trade missions, trade negotiations to improve our access to markets, and support at the company level for businesses looking to grow into export markets.

Government agencies involved in this work include MFAT, MBIE, MPI, TNZ, ENZ, Treasury, NZ Story, Callaghan Innovation and, of course, NZTE.

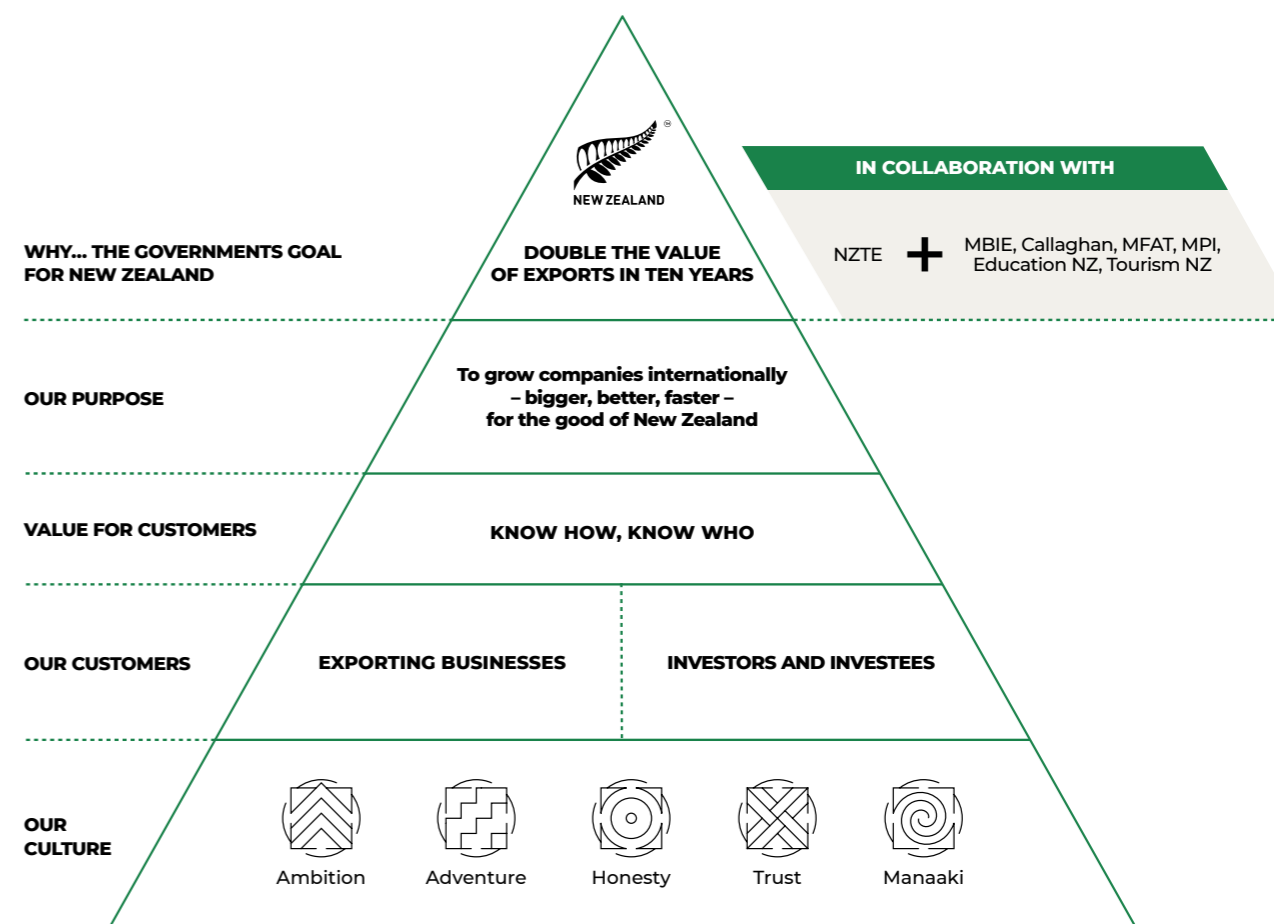
## NZTE's contribution to double the value of exports

Our contribution to export growth has a dual focus on providing support to **individual exporting companies**, and on **investment attraction**. NZTE therefore serves two types of customers, exporting businesses and investors. We also play a key role in trade missions, New Zealand's brand growth and identification of non-tariff barriers.

Company-level support is crucial for New Zealand's export growth due to our unique dual challenges of being a small, distant economy. Businesses looking to scale to an efficient size need to start exporting early, often with limited experience and liquidity, while also facing high transport costs and supply chain risks.

To overcome these barriers, NZTE exists to help companies by giving them knowledge, services, connections and the confidence to face the risks of international growth.

Similar challenges arise in relation to investment. New Zealand does not have the capital stocks or specialisations to meet all our investment expectations. We seek high quality domestic and international investments, looking to match each type of investment with the right opportunity. A good supply of high-value global capital is critical given the knowledge, networks and market access it brings.



# OUR GOVERNANCE

## Our ministers

As a Crown entity, we operate under the Crown Entities Act 2004, the Public Finance Act 1989 and the New Zealand Trade and Enterprise Act 2003. The ministers responsible for NZTE are the Minister for Trade and the Minister for Economic Development.

Our ministers connect with NZTE's customers and the wider business community when they visit cities or regions, speak at events, and participate in international conversations and trade missions. We give our ministers timely, accurate information on a no-surprises basis. This includes briefings, monthly and six-monthly<sup>1</sup> performance reports.

## Our board

NZTE's Board provides governance over our strategy and future operating intentions and ensures that we achieve results within our budget. The Board oversees organisational performance and maintains a strong, trusted relationship with our chief executive, lead team and our ministers. Day-to-day management and the leadership of NZTE is delegated to our chief executive.

To ensure the most effective and efficient use of its time and resources, the Board convenes two committees to help it fulfil its responsibilities in relation to specific matters:

- Audit and Risk Committee
- Culture and People Committee.

## Board member meeting attendance

Board member	Board	Audit and Risk Committee	Culture and People Committee
Jennifer Kerr	6/6	2/2	
Mike O'Donnell	5/6		4/4
Carl Carrington	5/6	3/4	4/4
Deb Shepherd	5/6	1/2	2/2
Matanuku Mahuika	5/6		
Sarah Paterson	5/6	4/4	
Victoria Spackman	6/6		4/4

<sup>1</sup> These are soon to be replaced with quarterly reports.

## How we are funded

We are funded by the Government under a Vote Business, Science and Innovation non-departmental multi-category appropriation (MCA). In FY24 this was \$193.8 million for operating expenses and a multi-year appropriation (MYA) of \$46.0 million for co-investment/funds.

## Managing risk

NZTE's risk-management framework supports our strategy, operational effectiveness and efficiency, protection of our people, informed decision-making, and compliance with applicable laws and regulations. The Board has delegated responsibility to monitor or review the effectiveness of NZTE's risk management framework to the Audit and Risk Committee.

Our independent internal audit function reports directly to the Audit and Risk Committee, and our external auditors also provide input to the committee about our risk-management framework and internal controls.

NZTE's guidelines, known internally as The Fine Print, provide a simple, clear framework for making decisions and outline the fixed and flexible rules. This includes fixed rules on managing conflicts of interest for both the Board and employees.



# BOARD MEMBERS

As at 30 June 2024



## Jennifer Kerr (Chair)

Jennifer is an experienced chair and director across different industries. She is currently the chair of WorkSafe New Zealand, Callaghan Innovation and New Zealand Trade & Enterprise. She is

also a director of Waipa Networks Ltd and is a former director of New Zealand Rugby and Eke Panuku Development Ltd.

Earlier in her career Jennifer worked in C-suite roles predominantly overseeing human resources, health & safety and stakeholder relations functions in North America, UK, Europe and New Zealand.

She holds a Graduate Diploma in Psychology and a Bachelor of Arts and is part way through a Masters in Crime Science and Security.

Jennifer is an uri of Ngāti Mutunga and Ngāti Tama.



## Mike 'MOD' O'Donnell (Deputy chair; Chair, Culture and People Committee)

Mike is a professional director, writer and business advisor with a focus on digital, media and growth companies. He is

chair of the craft brewing company Garage Project and deputy chair of online global music company Serato.

Mike is a governor of Radio New Zealand and a director of PaySauce, Realestate.co.nz and Sandfield Software. He is also a trustee of HiTech New Zealand and judge of the HiTech Awards. MOD has previously held leadership roles at various high growth companies including TradeMe, Timely and vWork; as well as chairing the New Zealand Cabinet's cyber security advisory committee.

Mike is the Saturday business columnist for Stuff Media and host of the television series *Start Me Up*.



## Sarah Paterson (Chair, Audit and Risk Committee)

Sarah is director of Blue Circle Consulting Ltd, providing advice on strategy development, trade and

primary sector policy, and facilitating strategic cooperation. She is also a partner in Global Trade Insights, which provides trade policy training and capacity building.

Sarah has worked on trade and primary sector issues for almost 20 years, including roles with Fonterra, the then-Meat and Wool New Zealand, and the Ministry of Foreign Affairs and Trade. She is a director of Kiwifruit New Zealand, the New Zealand Meat Board, and a member of the Army Leadership Board.



## Deb Shepherd

For the past 20 years Deb has been an active owner, investor, advisor, and facilitator in all facets of the small business ecosystem. She holds a part-time role in the Centre for

Innovation and Entrepreneurship at The University of Auckland, is a co-owner of the family biotechnology business Biocell Corporation and through her own consultancy provides advisory and facilitation services to SMEs.

Deb currently sits on several advisory boards and Boards of Directors including Biocell, Soul Capital, Onguard Group, Forrest Estate Wines and Soul Capital. She is an investor with ICEHOUSE Ventures and Soul Capital and was previously an investor and chair of Pet Doctors Ltd. She is also the co-author of two books focussed on SMEs.

Deb was part of the original team that designed and developed the ICEHOUSE Owner Manager Programme in 2001 and continues to facilitate on this and other ICEHOUSE programmes. She was a member of NZTE's Better By Design advisory board, and deputy chair of the government-appointed Small Business Council.

Deb has degrees in psychology from the Universities of Otago and Auckland and a Ph.D. in Organisational Culture also from The University of Auckland.



## Carl Carrington

Carl has extensive experience in the food and beverage sector. He is currently the Chief Executive of New Zealand King Salmon and was previously the Chief Executive of Aotearoa Fisheries/Moana

New Zealand for six years. He has also held roles with DB Breweries, Heineken-Lion Australia, Lion Nathan Australia, and Vietnam Breweries.

Carl is also an experienced director having formerly been a director of the Unique Manuka Factor Honey Association (UMFHA), Mt Cook Alpine Salmon, Reefion Distilling Company, the Cawthron Institute, Good Spirits Hospitality, McCashin's Brewery, Hop Revolution and Pure Pac.

Carl has an MBA from the Cranfield School of Management, and he has completed professional development training through Stanford Business School. Carl is of Ngāi Te Rangi and Whakatohea descent.



## Matanuku Mahuika

Matanuku has more than 30 years' experience as a lawyer advising on a wide range of corporate, commercial, Treaty of Waitangi, Māori land and administrative law issues. He has also

acted as a Treaty of Waitangi settlement negotiator and worked directly on various items of law reform.

Matanuku has worked with early-stage and start-up businesses and has held a wide variety of directorships and governance roles. He is the immediate past chair of the Eastland Group, the chair of Eastland Generation and serves on the Board of Callaghan Innovation and The New Zealand Merino Company. He has held roles as chair of the ministerial panel on the reform of Te Ture Whenua Māori Act 1993, chair of the Ngāti Porou Holding Company, chair of Sealord Group, and deputy chair of Aotearoa Fisheries Limited (now Moana New Zealand).

Matanuku is of Ngāti Porou and Ngāti Raukawa descent.



## Victoria Spackman ONZM

Victoria is an independent director, with roles including chair of high-growth trans-Tasman technology company Ackama Group, director of Acumen NZ, MetService, CDC Pharmaceuticals and

board member of the Toi Mai Workforce Development Council. She is an owner-director of visitor experience design and screen production company Gibson International, and chairs the advisory boards of creative companies Uno Loco and Hula.

Victoria was chief executive of Gibson International both before and after she led a management buyout of that business and was the first executive director of Te Auaha School of Creativity in Wellington. She is a previous board member of Education New Zealand.

Victoria is an Officer of the New Zealand Order of Merit for services to theatre, film and television.



feel natural

sustainable

## SECTION 2: OUR STRATEGY

# OUR STRATEGY

## Our customers

To promote the international growth of New Zealand's export companies and attract quality investment for the good of New Zealand, NZTE:

- **actively collaborates with exporters and investors operating in the high-value parts of the economy.** Companies that innovate to create value-added features often thrive internationally and earn higher premiums for their products. This in turn contributes significantly to New Zealand's GDP. By supporting innovative and knowledge-intensive companies and attracting high-value investors, NZTE supports New Zealand exporters to compete on the global stage.
- **works across the breadth of the New Zealand economy.** New Zealand's economy includes around 11,000 exporting companies. Most of these companies earn under \$3 million international revenue per year. NZTE's customers cut across all revenue bands, including companies who are at an early stage in their international journey and either show a commitment to getting started or have already started to export. We need to grow more companies of scale that can compete globally, and in turn make a larger contribution to the export economy.

## Our strategic approach

We recognise that our customers have differing growth stages, capability and aspirations. To ensure customers can make the most of our support, NZTE:

- **provide the right services at the right time.** Our flexible operating model empowers customers to access relevant services when they need them the most, whether during market entry, market expansion, product launches or market shifts. Tailoring support to meet the unique needs of exporters and investors enables each customer to achieve meaningful impact and minimise risks.

## How we work with export customers

To maximise its impact, NZTE divides its export customers into two broad categories; a **Focus customer portfolio** of 1000 (+/-100) customers and NZTE's 4,600 **Engaged** customers.

## Focus customer portfolio

The Focus portfolio consists of those exporters we can best help grow their international revenue and benefit New Zealand as a result. We are continually adding and subtracting exporters from that portfolio as their needs and circumstances change. To get the most impact from our limited resources, we concentrate a large proportion of our resources on the Focus portfolio.

Our New Zealand-based customer managers lead the NZTE team engagement on an average ratio of one customer manager to 17 customers. They work with each Focus customer to understand their growth challenges and opportunities in order to develop and execute an impactful growth plan. The plan commonly includes services that develop or refine business purpose, strategy, goals, governance, capital raising needs, branding, marketing, sales strategies and support from our international teams.

Our international teams operate in six regions and 37 international locations with an average of one Business Development Manager (BDM) to 14 customers. They grow our customers with support from local networks, private sector advisors, market research services, and digital tools. They have an in-depth knowledge of their markets, appropriate business models, channels and regulations. Our BDMs connect customers with local experts, make introductions and facilitate meetings with regulators, potential distributors, partners and customers.

## Engaged customers

We also provide support for our customers who are at an early stage in their international journey and either show a commitment to getting started or have already started exporting. Our digital platform for customers, called myNZTE, is a critical component of our offering for these companies. Through myNZTE, all exporters can access exporting knowledge, services, capability-building tools, learning modules and events, market intelligence reports and market connections.

Our customer advisor team augments this digital offering by supplementing the resources on myNZTE at a ratio of one customer advisor to 80 customers<sup>2</sup>. They direct customers to the support and services most appropriate to their export stage. When Engaged customers are ready for intensive engagement and have the capability to grow internationally, they may be transitioned into our Focus portfolio.

## How we work with investment customers

Our investment work focuses on high-value, knowledge intensive and sustainable opportunities that benefit New Zealand by fueling growth and creating jobs, lifting wages and spending with local suppliers, and supporting sustainable resources. The team focuses on making sure there is a strong pipeline of investible opportunities and a strong network of quality international and domestic investors. Growing the amount of investment into New Zealand is contingent on having both well-prepared investible opportunities and engaged investors. NZTE converts these opportunities into economic outcomes for New Zealand.

Our Investment team works across three distinct areas.

1. **Supporting growth-stage companies** to accelerate their ability to scale and compete internationally through investment. This focus area is dedicated to helping growth-stage companies understand the capital raising process, supporting them through the preparation stage to become investment ready, and successfully connecting them with capital for internationalisation and scale.
2. **Supporting greenfield operations** and new initiatives that create investment and employment opportunities at scale. NZTE's Investment team creates, identifies and promotes large scale capital project opportunities in New Zealand, prepares these opportunities to become investment-ready and assists with introductions to quality investors through our global networks. Our team adds value to these opportunities by helping assess feasibility of projects, building local market context, navigating regulatory requirements, providing financial modelling and making connections to potential partners. In this way NZTE can help mitigate development risk for significant projects.
3. **Supporting the attraction, activation and aftercare of investor migrants** who will contribute skills, experience and networks to New Zealand<sup>3</sup>. NZTE supports investor migrants by connecting them to investment opportunities in areas of New Zealand's economy that will help increase the productivity and competitiveness of New Zealand.

## Who we are – our culture

We know that we can only provide optimal value to our customers if our global team is aligned. We refer to ourselves as 'ONE Global Team' – a team of around 620 people working around the world with an aligned purpose to grow companies internationally. We embody five shared values or 'characters' every day, across continents and time zones, that encourages a culture of ambition, adventure, honesty, trust and manaaki to help our customers realise their global potential.

## Measuring and evaluating our performance

We use measures to understand the impact of our activities, make key operational decisions and ensure improved efficiency and effectiveness. Measuring our work is challenging, as it is for any economic development agency, as attribution of economic impact is difficult to quantify given the range of global, domestic and internal company factors that impact a company's growth. We have therefore placed the majority of our focus on measuring the effectiveness of NZTE activities that we have the most control over.

Our key measure of export customer growth is based on the dollar value of international customer deals made with the assistance of NZTE. We also record outcomes where customers establish a significant platform for future international growth such as product listings, distributor or agent agreements and establishing international offices. NZTE considers this one of the most useful measures in our suite as it reflects a broader range of growth outcomes than deals alone and provides a more direct line of sight between the type of NZTE service consumed and customer outcomes achieved.

We measure investment growth by calculating the potential direct economic impact (pDEI) from investment deals through forecast increase in profits, wages and supplier spend in New Zealand. For both export and investment customers we look closely at whether these customers perceive that we are adding value through our regular net promoter score (NPS<sup>4</sup>) surveys.

The full suite of our performance measures is outlined in Section 4: Performance Reporting.

<sup>2</sup> The ratio of 1 customer advisor to 80 customers refers to Engaged customers with proactive, on-going programs of work with NZTE.

<sup>3</sup> NZTE is not involved in the processing or decision making of investor visas through the Active Investor Plus scheme, this responsibility sits with Immigration New Zealand.

<sup>4</sup> Net Promoter Score (NPS) is a widely used customer loyalty metric that indicates the perceived value of services. This index ranges from -100 to +100 and measures willingness to recommend a product or service to others



# OUR STRATEGY

## Our 2022-24 medium-term strategy

### Changes to our operations during the year

As part of New Zealand's COVID-19 response in 2020, the Government allocated interim additional funding to NZTE (\$54m a year over four years) from the COVID Response and Recovery Fund (CRRF). This enabled us to respond to exporters' specific needs through the pandemic.

As planned, the CRRF funding ended in June 2024. This reduction will be partially offset by an increase in the baseline funding of \$10m from July 2024, as announced in the 2023 Budget. NZTE made the following operational changes in December 2023 in preparation for the net funding reduction.

### Key changes made in response to CRRF reductions

- **A reduced Focus Portfolio:** The targeted number of Focus customers able to receive intensive support reduced from 1,400 to 1,000 (+/-100). We were able to retain a significantly larger Focus portfolio than the pre-pandemic level of 700 Focus customers by retaining much of the value-add to customers and international support built over the period of additional funding.
- **International Growth Fund (IGF):** The IGF is aimed at accelerating and de-risking international growth projects for exporters. It doubled from \$30m to \$60m during COVID-19 (2020-2024) and will be stepped down to a \$30m fund over the next three years, commencing in FY25.
- **Consolidation of global resourcing:** NZTE's seven regional offices were consolidated to six. We also reduced back-office roles and created efficiencies in the delivery of international services. Most of the additional capacity built up in the high-GDP per capita markets of North America and Australia was retained.
- **Customer services:** Some temporary services initiated during the pandemic that no longer represented priority customer needs (such as freight advisory, supply chain and digital) were adapted for delivery through digital channels, offered through private advisors or retired.

- **Sector expertise:** Reduction of the Focus portfolio and removal of Industry Transformation Plans (ITPs) led to removal of some sector specific leadership roles. ITPs had been winding down due to the change in priorities of the new Government. NZTE closed all dedicated activity on ITP projects on 30 June 2024.

### Changes to contribute to reducing expenditure across the public service

In April 2024, further organisation adjustments were made to contribute to the Government's goal of reducing expenditure across the public service. This culminated in a separate reduction of 4.3% which was absorbed by back-office changes, including:

- **myNZTE:** After investing heavily to build myNZTE (our digital platform) during COVID-19, the pace of development of the site was reduced and replaced with a focus on maintenance.
- **consolidation of back-office resources:** NZTE made additional reductions to back-office roles, sponsorships and amalgamated reporting lines to create efficiencies.

### Impact of funding reductions on our 2022-24 medium-term strategy

Throughout the operational changes our FY24 work programme has continued our work to realise our 2022-24 medium-term strategy to deliver maximum value for export and investment customers within the new budget environment.

Impact on our strategic intentions for the past three years has been:

1. **Reach** – increase our value to more export customers. As noted above, the development of new myNZTE features has concluded. However, there have been both ongoing and new support options for all export customers and we continue to support more export customers overall, with more value, than we did pre-pandemic.
2. **Focus** – more value and impact to our Focus export customers. While the Focus portfolio reduced in size, our objective of adding more value to these customers remains a priority.

3. **Investment** – lift the quality and impact of investment. There were no material reductions to resources aimed at Investment.
4. **Mātau** – more impact for more Māori customers through enhanced engagement earlier in their export lifecycle. There were no material reductions to resources aimed at Māori businesses (Mātau).
5. **Sectors** – have greater impact beyond the enterprise by improving our capability to deliver sector specific expertise to customers. Our customer facing teams in New Zealand and internationally remain organised in sectors, with sector portfolios. This structure is now embedded across NZTE and continues to build sector-based capabilities and knowledge to provide broader impact beyond the individual company.
6. **Kaitiakitanga** – care for people and place remains a priority across NZTE.

### Looking ahead: Our new strategy for 2025-28

With the Government's goal to double the value of exports in 10 years, NZTE remains committed to growing New Zealand businesses internationally and is in a period of strategic transition towards a new strategy, to contribute to this goal alongside other government agencies. The key elements of this new strategy are outlined in the 2024-25 Statement of Performance Expectations [[Publications and media releases | NZTE](#)].

### The Focus of our 2023-24 annual report

The remainder of this report outlines NZTE's progress towards its previous 2022-24 medium-term strategy and the outcomes of its 2023-24 annual work programme under that strategy.



# SECTION 3: OUR PERFORMANCE STORY

# DELIVERING ON OUR STRATEGIC OBJECTIVES

## Objective One: Export customers – offer more value to more export customers

### Reaching more exporters through our digital platform, myNZTE

To reach the estimated 11,000 exporters in New Zealand, we have a core offering for all exporters that is mainly provided through our digital platform, myNZTE.

Through myNZTE, all exporters can access exporting knowledge, services, capability-building tools, learning modules and events, market intelligence reports and market connections.

Our objective over the past 12 months has been to extend the reach of myNZTE and improve exporters' ability to access the content that they need.

#### myNZTE Performance highlights

- **↑72%:** The number of visitors to myNZTE increased from 200,973 unique browsers last year to 346,323 this year showing the extended reach of myNZTE
- **↑103%:** Of these 346,323 visitors, the number who had visited more than once increased by 103%, indicating an increase in how useful visitors find the platform
- **21%:** Our average monthly return rate (the percentage of all visitors that return within 90 days) for the year is 21%, up 1% from FY23, which we consider a good result, particularly given the growth in visitor numbers
- **80%:** The return rate for exporters working directly with NZTE as an Engaged or Focus customer is significantly higher than the return rate of all visitors. 80% of customers that access the site return within 90 days, demonstrating these customers are exploring myNZTE resources more deeply.

NZTE customers are using myNZTE resources to access information about NZTE's services and to build capability. Pages about NZTE co-funding services, brand building, and our downloadable tools and templates are achieving the highest engagement. Views and engagement with market-specific content tends to align with customer target market settings, with Australia and the United States consistently our most-viewed markets.

<sup>5</sup> 4,621 businesses in the Engaged portfolio as at 30 June 2024.

<sup>6</sup> Engaged customers are generally at an early stage in their internationalisation journey and have a less intensive relationship with NZTE.

### More value to Engaged customers

NZTE works with around 4,600<sup>5</sup> New Zealand businesses in the Engaged<sup>6</sup> portfolio, 39% of which are food, beverage and consumer goods companies, with the remaining 61% split fairly evenly across the tech, services and manufacturing sectors. The markets of focus for Engaged customers are diverse, although there is a heavy emphasis on Australia, which often serves as a 'springboard' market for early-stage exporters.

NZTE's team of business advisors support these customers with linkages to appropriate information on myNZTE, referrals to NZ Inc partners and access to courses and workshops. Last year the top three enquiry categories related to:

- **starting to export:** myNZTE contains 41 market guides, tools and templates, advice on exporting regulations and certification. Depending on the nature of their enquiry customers may be referred to NZ Inc partners and invited to attend NZTE's Export Essentials, a practical course that covers the basics of exporting.
- **finding connections in international markets:** myNZTE has practical advice on partner identification and selection. Referrals may be made to partners such as KEA and Export New Zealand, and, when appropriate, our international team can assist with specific questions regarding potential partners and customers.
- **market entry:** myNZTE offers comprehensive market guides, tools and templates that enable all customers to compare and prioritise markets. Customers can also get 'sense checks' from our international teams and take part in workshops to understand their product-market fit (Position for Growth) and how to market their products ('Know it, show it, grow it' and 'How to show up in Australia').

The value customers place on this support is reflected in the FY24 NPS score of +73.

### More value for exporters through collaboration with our partners

NZTE aimed to enhance the customer experience through greater collaboration with our partners. Key initiatives have included:

- supporting trade missions and events
- supporting global marketing campaigns such as NZ Story and Made with Care
- managing the New Zealand Government-to-Government (NZ G2G) organisation.

#### Supporting Trade Missions and Events

##### Trade missions support export and investment growth

Trade missions are designed to support our export and investment growth and achieve business outcomes. This is achieved by raising the profile of New Zealand's overall export offering through building relationships, strengthening investment, opening doors, growing New Zealand's reputation, and providing commercial value to the business delegation.

Trade mission selection is focused on markets where NZ Inc can align for the greatest impact. This includes but is not limited to, South-East and East Asia, Australia, India and the United States. These markets are strongly aligned to the Government's goal to double the value of exports over the next 10 years.

NZTE supports trade missions by managing the business delegation programme, alongside MPI, TNZ and ENZ, with MFAT leading the Ministerial programme.

Over the last year, six trade missions have taken place, two of which were led by Prime Minister Rt Hon Christopher Luxon.

##### PM Mission to South-East Asia

In April 2024, Prime Minister Luxon led a week-long mission to Singapore, Thailand and the Philippines accompanied by Minister for Climate Change Hon Simon Watts and a senior business delegation. The overarching theme for the mission was "innovation and the green economy". The delegation included companies representing the renewable energy, innovation, investment, education, premium food and beverage, clean technology, tourism and space sectors.

The mission was successful in deepening bi-lateral ties and strengthening commercial opportunities, with 12 business deals being announced during the visit. These included deals announced by Air New Zealand, CarbonClick, HamiltonJet, Massey University, The Foodbowl, Tūaropaki Trust, Plant & Food Research, and New Zealand Aero.

##### PM Mission to Japan

In June 2024 Prime Minister Luxon led a successful visit to Japan, accompanied by the Minister for Trade Hon Todd McClay, business leaders, media and Te Iti Kahurangi kapa haka delegations. The 29 business leaders represented the premium food and beverage, innovation, space, energy, tourism, education and investment sectors.

The mission objectives of reinvigorating our agrifood and tourism sector relationships, and leveraging emerging opportunities were achieved through impactful events showcasing the New Zealand brand, site visits, panel discussions, and networking opportunities. Commercial deal signings during this mission included Rocket Lab's satellite launch deal with Synspec, Fabrum's collaboration with Toyota for hydrogen storage, and Obayashi Corporation acquiring a 50% stake in New Zealand's Eastland Generation.

## DELIVERING ON OUR STRATEGIC OBJECTIVES

### More value for exporters through collaboration with our partners

#### New Zealand Story Group (NZ Story)

NZ Story is a joint venture between a number of government agencies, including NZTE. The venture is run by a semi-autonomous unit within NZTE.

NZ Story's purpose is to protect, enhance, and promote the brand of New Zealand, expanding the country's reputation and growing the value of our exports.

To achieve this, NZ Story leads the **Te Ātea Brand Hub**, a cross-agency group focused on defining and sharing New Zealand's core values and stories. Underpinning their work is a **research programme** in key export markets including the USA, China and India.

NZ Story collaborated with NZTech and NZTE to create an active and international campaign showcasing New Zealand's technology sector, **'See Tomorrow First'** which had over 100 million views internationally. This is an example of the work NZ Story does to promote sectors and industry groupings, which all contribute to showcasing New Zealand as a sophisticated and technologically advanced nation – helping grow our country brand.

The **FernMark Licence Programme**, managed by NZ Story, now has 587 companies proudly 'flying the fern' for New Zealand. New licensees this year include UBCO, Wētā Digital, Fielddays, and Rockit Apples. The FernMark logo has trademark protection in 34 jurisdictions across a range of core classes of goods and services, with new applications in a further seven countries started in 2024.

The core delivery of NZ Story is to exporter companies through provision of an online toolkit of pictures, videos, and other content to use in export marketing. This year NZ Story have an all-time high engagement with over 23,000 registered users of their content, 278,000 downloads and an NPS of +78.

In addition, they have created **'Export Storyteller'**, a program to teach exporters how to improve their international marketing and branding utilising the NZ Story content, and launched the **Brand New Zealand Ambassador Programme**, an initiative to bring together leaders from international-facing New Zealand brands.

Performance highlights for NZ Story	FY23	FY24	% Change
Registered users of the New Zealand Story toolkit	22,154	23,388	+5.5%
Assets downloaded from the New Zealand Story toolkit	254,661	278,218	+9.2%
Net promoter score (NPS) for New Zealand Story	+72	+78	+8.3%
FernMark licensees	530	587	+10.7%

#### Made with Care

Launched in 2020, the 'Made with Care' (MWC) campaign aimed to support premium New Zealand food and beverage exporters during COVID-19 in five key markets; Australia, United States, Japan, United Kingdom, and China.

While awareness of New Zealand as a premium food and beverage supplier has remained steady, the campaign has positively influenced brand associations, positioning New Zealand as a producer of superior and sustainable food and beverage products that are good for the world.

Funding for the global paid media campaign ended in December 2023, with the final research wave delivered in June 2024. NZTE's international teams will sustain MWC through co-funded initiatives delivering targeted in-market activations with customers. Exporters can access research reports on myNZTE and the MWC campaign toolkit on NZ Story.

Leveraging insights from MWC, a collaboration between NZ Story, AsureQuality, MPI and NZTE is exploring a government-backed, evidence-based provenance and assurance program to enhance New Zealand's competitive advantage.

Performance highlights for Made with Care	FY24	Since inception in 2020
People the campaign has reached	70 million	260 million
Webpage visits	1.5 million	3.7 million
Video views	27 million	143 million
Free marketing toolkit downloads	653	14,700

#### New Zealand Government-To-Government (NZ G2G)

NZ G2G is NZTE's government-to-government programme to leverage New Zealand's public sector expertise in Educating for the Future, Sustainable Food Systems, and Government Effectiveness & Innovation.

Since 2014, NZ G2G has generated \$71.569 million from 130 international contracts across 21 countries. As noted last year, a strategic review of NZ G2G was pending. The decision to disestablish the NZ G2G entity and manage the initiative within NZTE's standard operating model is now complete.

There were 15 G2G deals valued at NZ\$7.993 million converted in the FY23/24 year. These included:

- Creative HQ deals with the Asian Development Bank (ADB), Bataan Province and the Anti-Red Tape Authority in the Philippines, and Metro North and Metro South Health Queensland
- Plant and Food Research deal with Quezon City Local Government Unit in the Philippines and a Memorandum of Arrangement signed with the ADB.

NZ G2G missed its revenue target, achieving NZ\$7.993 million against a target of \$10 million for FY24 due to the decimating impact of COVID-19 on deal flows, tough global economic headwinds and lead times for deals taking longer than pre-COVID-19

Performance highlights for Government-to-Government commercialisation	
FY23-25 target revenue	\$45 million
FY23-25 cumulative revenue	\$8.779 million
Cumulative revenue since inception	\$71.569 million
# of contracts won since inception	130

Note: NZ G2G operates on a three-year target covering 1 July 2022 to 30 June 2025.

# DELIVERING ON OUR STRATEGIC OBJECTIVES

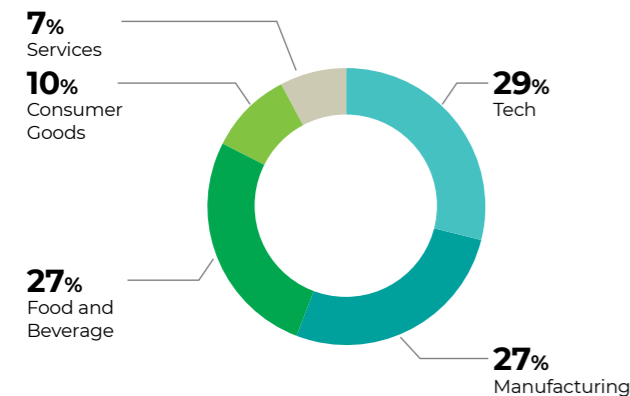
## Objective One: Export customers – more impact for Focus export customers

Our objective over the last 12 months has been to add more impact for Focus customers via delivery of in-person support through our customer managers and international teams to provide global connections,

advice and solutions. We also set out to build a larger network of specialist solutions and private sector advisors in New Zealand and around the world.

### Focus Portfolio by Sector as at 30 June 2024

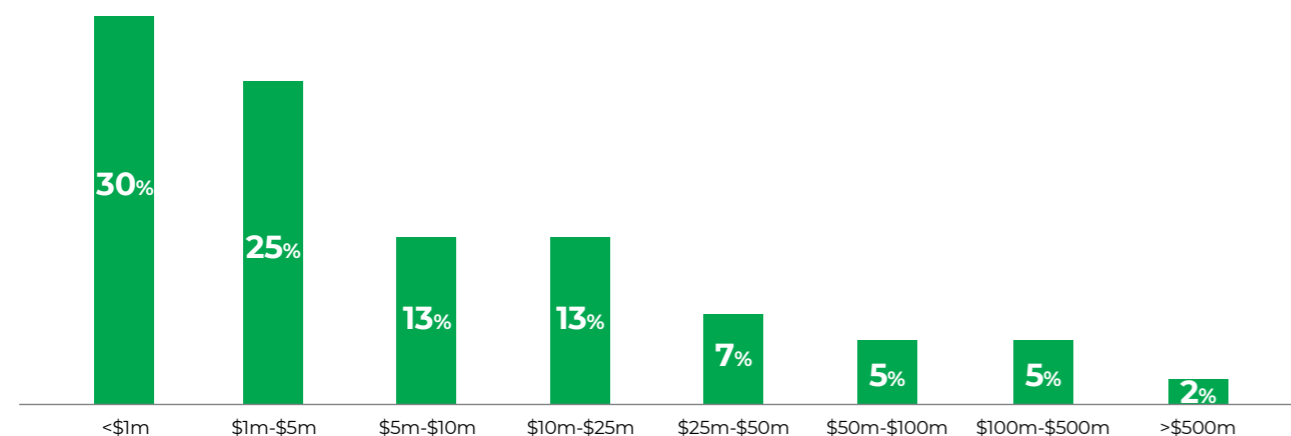
NZTE's Focus portfolio customers are spread across broad sectors



### Focus portfolio by international revenue band as at 30 June 2024

The majority of the Focus portfolio are small to medium-sized exports; 68% of customers' international revenue was below \$10 million as at 30 June 2024. Many

of the larger customers are small in comparison to their international competitors.



## Our results

### Deals made with the assistance of NZTE

Our key measure of export customer growth is based on the dollar value of international customer deals made with the assistance of NZTE.

- \$3.81 billion of deals were recorded this year, exceeding our target of \$2.5 billion of deals
- reflecting customer feedback on the difficult international environment, fewer large deals were recorded this year resulting in a total deal value decline of 17%, from \$4.61 billion of deals last year to \$3.81 billion this year
- a larger number of customers (701) recorded a deal this year compared to last year (682)
- of the total number of deals recorded approximately 75% were from customers with less than \$500 million in international revenue, reflecting our reach across a broad range of small and medium sized customers
- the median value of deals increased slightly, from \$1.05 million last year to \$1.15 million this year
- the split of deals across sectors remains similar to last year, with value-added food and beverage the mainstay, followed by manufacturing and technology
- the United States, Australia and China remain the top three markets, accounting for 48% of deal value aligning with customers targeting high GDP per capita markets where they can earn a premium
- the customer deal flow from North America (United States and Canada) again exceeded \$1 billion this year, up 2% from the previous year, with 448 Focus customers targeting this region (up 8% from FY23).

### International growth outcomes (IGOs) achieved with the assistance of NZTE

NZTE also records outcomes where customers establish a significant platform for future international growth.

- Over the year 2,771 IGOs were achieved, a 10% increase from the previous year. This increase was partly driven by the addition of two new IGO platform categories, 'manufacturing programmes and practices' and 'marketing and public relations'.
- Product listings, distributor or agent agreements and employment contracts remain the top three types of IGOs.
- the United States, Australia and China remain the top three markets, accounting for 48% of deal value aligning with customers targeting high GDP per capita markets where they can earn a premium.

### Net promoter score (NPS) customer feedback

We regularly seek feedback from customers to measure their advocacy and to understand whether our teams and solutions are providing value.

- Customers remain overwhelmingly positive about their engagement with NZTE – our NPS across our Focus portfolio was +72 for FY24 which is classified as being excellent<sup>7</sup>.

Customers tell us that they value NZTE's support and proactivity in enabling their international growth, working with knowledgeable, experienced and professional people across our teams. Our ability to access expertise and advice, to open doors and make connections, and to provide market intelligence and insights is highly valued, in addition to our co-funding and investment support.

Performance highlights for Focus customers	FY22	FY23	FY24
Total number of Export customers	5,452	6,436	5,650
Total number of Focus customers	1,386	1,342	1,029
Focus portfolio value <sup>8</sup>	\$58 billion	\$69.5 billion	\$17.33 billion
Total value of trade deals	\$2.9 billion	\$4.61billion	\$3.81 billion
International growth outcomes (IGOs) achieved	1,920	2,511	2,771
Focus customer NPS	+77	+75	+72

<sup>7</sup> What is a Good Net Promoter Score (NPS)? – Qualtrics

<sup>8</sup> Total international revenue for customers who have been in the Focus portfolio for a minimum of six months, excluding customers with international revenue in excess of \$500 million.



## DELIVERING ON OUR STRATEGIC OBJECTIVES

### Contributing to our Focus export customer results

#### Products and services

Ongoing geopolitical tensions, acceleration in digital transformation and growing global attention on sustainability and climate change emphasise the difficult international environment exporters are operating in. Complementing the critical commercial and market knowledge of our people, NZTE develops and offers a broad range of advisory and capability building services to help export customers execute on their international growth strategies.

There was steady demand for NZTE's advisory and capability building services in FY24, including advice from our network of private sector (or Beachhead) advisors, and insights from our market research teams in New Zealand and globally. Support around sales – and the factors that underpin this, such as customer insights, lead generation, channel strategy and pricing – also continued to be in strong demand, especially in international markets.

We highlight a selection of NZTE's services below.

#### Beachhead advisory network

Our Beachhead advisory network offers unbiased and independent guidance to New Zealand exporters globally. These advisors support Focus customers one-to-one, providing insights on specific needs, challenges, or opportunities to shape their international business expansion.

New Zealand-based support largely focuses on business strengthening – export strategy, purpose, governance, brand, digital capability; while internationally, the focus is on market context and sales.

As the environment changes, so do customer needs. We tailor our offer, the networks of experts we work with, and how we deliver in response. To address these evolving needs we've grown our network in New Zealand and around the world by 17% to 420 advisors, incorporating key skillsets in growth areas like gaming, sustainability and digital capability.

With a global NPS of +86 it is clear to see the outstanding support this network provides. Reflecting the reduction of the Focus portfolio to 1,000 customers, the number of one-to-one advisory sessions were down slightly across FY24. With 1,405 individual engagements completed (1,111 internationally and 294 in New Zealand), compared with 1472 in FY23, the service continues to receive strong year-on-year demand from customers.

#### Digital capability

We continue to provide digital clinics and digital coaching in New Zealand, with 121 one-to-one sessions completed with Focus customers across FY24, up slightly from 113 sessions in FY23.

The focus of these has shifted from initial set up of digital channels (during the COVID-19 timeframe) to boosting the value gained in different markets through deeper understanding of target customers and how to reach them.

In addition, we boosted myNZTE resources for all exporters to include 'troubleshooting' videos that address common digital challenges for exporters. A key focus of this was for business-to-business (B2B) exporters, on topics that included supporting their in-market team with digital and adding leads to their B2B digital sales funnel.

#### Sustainability

NZTE is committed to supporting exporters and investors to embed sustainability within their business models so they can meet the requirements of global markets and build competitive advantage for New Zealand. We do this by offering:

- one-to-one advisory services with NZTE and private sector (Beachhead) advisors
- sustainability workshops and webinars for customers early on their sustainability journey and as a forum for business leaders to discuss topics related to international business and sustainability
- the Business for Good programme supports businesses working to develop purpose-led strategies as part of their international growth – including environmental, social, and governance goals. It also serves as a potential path towards Benefit Corporation (B Corp) certification. 47 customers completed the programme in FY24.

The percentage of Focus customers with sustainability certifications lifted from 12.3% (in FY23) to 15% (in FY24). While this was influenced by more customers obtaining certifications, it was also partially due to the reduction in size of the Focus portfolio.

#### International Growth Fund (IGF)

IGF is a critical part of a broader suite of solutions NZTE provides for Focus customers. The fund co-invests in international growth projects that generate value for the business and significant economic returns for New Zealand through additional jobs, stimulated activity in the domestic supplier network, and increased earnings and cashflow to New Zealand shareholders.

In FY24, the IGF enabled 380 Focus customers to undertake 498 international growth projects across all three fund types. The tech and services sectors accounted for 37% of projects approved by value across all fund types, followed by manufacturing at 33% and food, beverage and consumer goods at 30%.

**Springboard fund:** grants: for projects targeting a specific customer need and looking to leverage specialist advice or support.

- 307 projects with a total value of \$2.3 million were approved in FY24.
- Projects were focused on digital marketing, market research and market entry planning.
- The food, beverage and consumer goods sectors accounted for 44% of projects.

**Validation fund:** for projects aiming to better understand new markets, test and refine marketing and go-to-market strategy.

- 130 validation projects worth \$12.5 million were approved in FY24.
- The number of Validation projects were up 37% from last year, reflecting scarcity of capital and tough market conditions, with customers seeking greater certainty prior to committing capital for market entry.
- The tech and services sectors accounted for 45% of projects.

**Expansion fund:** for projects that accelerate market entry and de-risk international expansion, while also demonstrating a measurable economic impact to New Zealand.

- 61 expansion projects worth \$32.2 million were approved during the year.
- The number of Expansion projects were similar to last year (up slightly by 1%).
- The United States and Australia continue to be the top markets for Expansion projects.

# KIDS RIDE SHOTGUN LIMITED

## The beginning – Kiwi ingenuity

Kids Ride Shotgun's (KRS) journey began in 2018 when Tom Hayward designed and made friend Dan Necklen a new style of kid's bike seat. This innovation enabled Dan's youngest son to ride 'up front', with the rest of the family while mountain biking in Rotorua's Redwoods. This offered kids an exhilarating introduction to the great outdoors while maximising family connection; a game-changer for passionate mountain bike parents.

Tom and Dan then co-founded KRS. From inception, KRS's purpose was clear – to raise the next generation of mountain bikers. Like many new companies, they realised that they would need to export early in their lifecycle given the small domestic market.

## Early days – COVID-19

KRS had been working with NZTE since 2018 as an Engaged customer, where they accessed services as needed.

During 2020 all four employees were simply filling orders to meet demand. Later that year, there were signs that sales were flattening and while the co-founders were experienced in product development and marketing, they realised a network of seasoned export professionals were needed if they were going to realise their growth ambitions. Ready for more intensive engagement, KRS transitioned into NZTE's Focus portfolio.

## Partnering with NZTE

As Tom puts it, the first "instrumental" piece of NZTE business strengthening support was a Beachhead advisory session which helped the co-founders develop their global growth strategy. The outcome of the session was a road-map that broke down KRS's export growth ambition into practical steps.

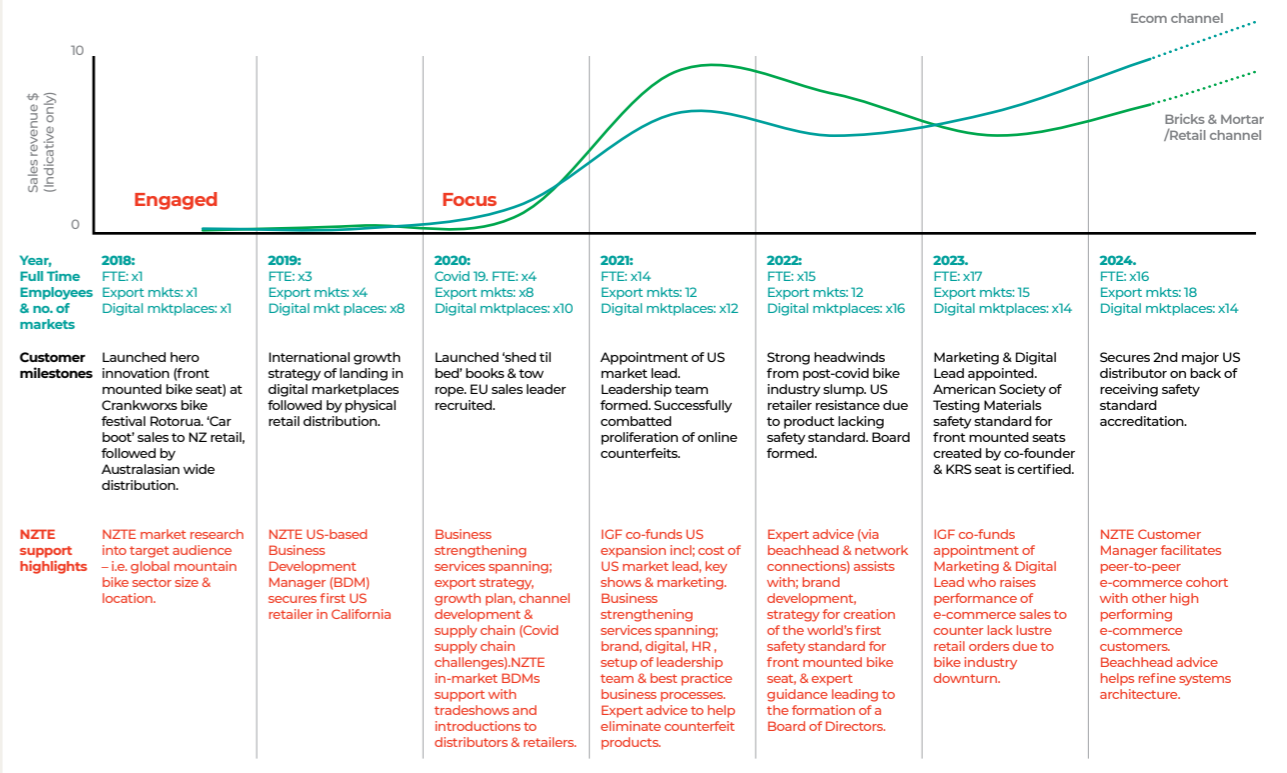
To assist in implementing this road-map, NZTE co-funded components of KRS's growth plan. This enabled the hiring of a United States Market Lead, followed by a New Zealand-based Marketing and e-Commerce Manager, and fueled their confidence to expand.

Both roles have been key building blocks to KRS's export growth journey, one contributing to building their United States distribution and the other enabling them to step-up their digital e-commerce channel's performance during the post-COVID-19 global outdoor industry downturn.

Facilitated by their NZTE customer manager, KRS has accessed multiple NZTE services both in New Zealand and from our international offices. This included expert advice or peer-to-peer connections spanning brand development, digital marketing, e-commerce strategies, business processes, intellectual property strategy and distribution channels & verticals. This support led to several leadership appointments, formation of a Board of Directors, additional distribution agreements, significant growth of direct e-commerce platforms and regulatory approval of a new safety standard for front mounted bike seats, all significant platforms for future sales growth. As Tom Hayward said:

***“What's also impactful is like most New Zealand companies, Kids Ride Shotgun is a relatively small team, and NZTE staff, whether on the ground here in New Zealand or offshore, act as though they are part of our business, and this has allowed us to scale much faster than going it alone”.***

## Kids Ride Shotgun Limited: International growth journey



## DELIVERING ON OUR STRATEGIC OBJECTIVES

### Objective Two: Investment – Lift the quality and impact of investment

#### Why investment is important for New Zealand?

NZTE sources investors with the skills and capital to help New Zealand companies flourish on the global stage. This includes raising capital for individual exporting companies, facilitating domestic investment in New Zealand based greenfield projects and attracting multinationals to establish in New Zealand.

The capital pool in New Zealand is insufficient, on its own, to support and grow our companies, so NZTE looks to overseas investors to bridge the gap. Adding foreign investment to the domestic pool benefits New Zealand because:

- high value, highly skilled jobs are created
- there is a transfer of skills and/or intellectual property to New Zealand
- access is gained to global supply chains and customer bases
- it showcases New Zealand's brand to the world
- it builds New Zealand infrastructure
- it brings competition into the domestic market, reducing costs for New Zealand consumers.

These factors drive further innovation, enhance productivity and increase the quality and volume of our exports to create a more prosperous New Zealand.

#### Investment outcomes

NZTE's objective has been to lift the quality and impact of investment by targeting higher value investment projects, leveraging our digital deals platform, building our network of investors and promoting New Zealand as an investment destination.

Our key measure of investment led growth is the forecast return to the economy through increased profits, wages and supplier spend from customers' investment deals that have been supported by NZTE, known as potential direct economic impact (pDEI).

Despite constrained financial markets the potential direct economic impact from investment into

New Zealand companies, from greenfield projects and from investor migrants has increased this year.

- the pDEI to New Zealand was \$4.54 billion, a 12.9% increase from last year, reflecting the focus on supporting deals with higher potential impact to New Zealand
- the pDEI ratio (the potential economic return for every dollar invested) increased from 2.75 to 3.12 reflecting a focus on deals with a higher potential return to the New Zealand economy
- the total dollar amount invested in New Zealand was \$1.5 billion, the same as last year
- the total number of investment deals was also consistent with last year at 83 deals
- \$2.9 billion of pDEI was from overseas investors and \$1.64 billion of pDEI was generated from investment sourced domestically
- the value of NZTE's deals pipeline increased by \$1.25 billion or 9.9% compared to last year
- the number of total investors in NZTE's network increased by 10.5% over the past year.

NZTE's investment customers have achieved significant results despite a challenging macroeconomic environment. Like last year, investors have remained cautious, with deals subject to high levels of scrutiny and lengthy due diligence. Deals need to be prepared to a high standard to attract investment and NZTE continues to provide extensive support in this area.

#### Attracting companies to New Zealand

- The year saw 23 greenfield investment deals completed with a total pDEI of \$541 million and the creation of 786 jobs.
- Nine of these deals involved multinationals establishing or expanding their operations in New Zealand, mainly in the food production and tech sectors.

#### Contributing to our greenfield investment results

International connectivity is key for greenfield investment. Results are supported by a range of investment attraction and matching activities such as hosting large multinationals in New Zealand, presenting New Zealand investment opportunities internationally and through international study tours for New Zealand investors to build knowledge on establishing large-scale projects.

This year NZTE began driving future investment pipeline growth across renewable energy, aerospace, the blue economy<sup>9</sup> and clean technologies – sectors where New Zealand has a competitive advantage over other countries. Activity highlights include:

##### Renewable Energy

In February 2024, NZTE hosted a renewable energy seminar in Tokyo where 60 people attended from over 40 renewable energy companies in Japan. On the same trip a further seminar was held in Seoul, South Korea at the New Zealand Embassy where three New Zealand companies presented their pioneering projects and investment opportunities. Throughout the year NZTE has hosted international renewable energy providers in New Zealand, connecting them to potential partners and suppliers.

##### Leveraging Ministers' international visits to promote New Zealand as an investment destination

NZTE accompanied Ministers Todd McClay and Simon Watts at the Indo Pacific Economic Framework forum in Singapore on 5 June, along with a delegation of New Zealand companies and investors to facilitate cleantech investment opportunities. In April, NZTE accompanied Minister Collins to the 39th annual space symposium in the United States and met with investors to attract foreign investment into the New Zealand space sector.

##### 'Do Good, Do Well' brand campaign

Competition for Foreign Direct Investment (FDI) is strong, and New Zealand needs to stand out as an appealing investment destination compared to other nations. The 'Do Good, Do Well' campaign demonstrates how businesses that 'do good' ethically also 'do well' financially. The 'Do Good, Do Well' messaging is resonating globally with over 8.6 million views this year.

These opportunities and investor connections will collectively build a strong investment pipeline for New Zealand for the future.

#### Raising Capital for New Zealand businesses

The year saw 57 completed deals for 55 New Zealand businesses representing a capital injection of \$262 million and pDEI of \$1.52 billion.

Access to capital has been a challenge for New Zealand businesses looking to grow internationally, particularly during the high interest rate environment where debt is expensive and investors are less willing to invest. To support these firms, NZTE focusses on quality deal preparation – the better prepared an investment deal is, the more likely it is to successfully raise capital.

#### Contribution to our capital raising results Digital Platforms

Our digital platform, InvestEd, complements the support from our experienced investment managers to lift the scale and impact of NZTE's services. It contains educational content and online courses to help companies become investment ready. Our 'live deals platform' acts as an online marketplace where qualified investors can view investment ready projects, enabling NZTE to place investment opportunities in front of more investors, ultimately leading to higher success rates for 'investee' companies (companies looking to raise capital).

66 investment opportunities were published on the platform over the year with 117 connections made.

##### Developing a venture capital ecosystem

NZTE supported Innovation Bay, an Australian technology ecosystem network, to bring the 'Venture Down Under' conference to New Zealand which saw 131 early-stage investors from Australia and New Zealand come together for three days of learning, sharing and networking.

Given limited domestic capital sources, NZTE has focused on growing a strong early-stage investment ecosystem in New Zealand, and on connecting with early-stage investors internationally. Ensuring that lessons from established international venture capital communities are shared with New Zealand investors means New Zealand can continue to develop a thriving domestic venture capital ecosystem.



## DELIVERING ON OUR STRATEGIC OBJECTIVES

### Investor migrants

MBIE is responsible for the policy settings and visa approvals for investor migrants, while NZTE is responsible for operations, including attraction, activation and aftercare of investor migrants. Investor migrants are migrants that are granted visas in return for making investments that benefit New Zealand. The Active Investor Plus (AIP) visa settings incentivise investment into active investments, providing a pool of capital available to New Zealand growth businesses. In essence, this is moving the investor migration system from volume to value.

The investment team connects investors with investment opportunities in New Zealand and are responsible for assessing if direct investments and managed funds are acceptable for investment.

The new visa settings have been in place since September 2022 and demand from both investors and investees (those seeking investment) has been strong. From inception to 30 June 2024, 109 direct investments and 36 managed funds have been approved as acceptable for AIP Investment.

In the first phase of this new setting, there were 61 applications for the visa, with 25 approved and under investment, and a further 15 approved in principle. These applications represent \$38.9 million now under investment and a further \$559 million<sup>10</sup> of investment into New Zealand now pending.

### Contributing to our investor migrant results

Key activity supporting these outcomes throughout the year has focused on:

- leveraging digital tools to minimise administration burden and scale the delivery of the programme efficiently
- positioning personnel in key markets to attract investor migrants
- hosting events domestically and internationally to bring together existing investor migrants with potential new investors
- building knowledge across the New Zealand ecosystem regarding the benefits and delivery of the programme
- targeted multi-channel digital campaigns to drive awareness of the AIP programme.

Performance highlights for Investment customers	FY22	FY23	FY24
Total investors	3,475	4,060	4,488
New investors	453	836	445
pDEI: \$ benefit of investment deals	\$3.7 billion	\$4.02 billion	\$4.54 billion
Total \$ invested in New Zealand	\$968 million	\$1.5 billion	\$1.5 billion
pDEI ratio: \$ benefit from each investment \$ for New Zealand	\$3.82	\$2.75	\$3.12
Number of jobs created	2,560	2,020	1,717
Investment deals completed	106	83	81
Māori deals completed	20	21	20
Greenfield deals completed	17	11	23
Investment customer NPS	+90	+91	+81
# Investor migrant applications	N/A	28	33
\$ value of potential investment	N/A	\$340 million	\$310 million

<sup>10</sup> Data as at 30 June 2024. The total \$ value of potential investment for FY23 and FY24 shown in the Performance Highlights table differs as some applications reported as at 30 June 2023 were withdrawn in FY24.

### GREENFIELD\* INVESTMENT CASE STUDY:

## AVENTUUR INCORPORATED

Aventuur, a global creator of integrated surf park developments are creating a surf park in Dairy Flat, Auckland due to open in 2027. Set amongst the North Island's pristine landscape, the park will be developed and operated sustainably, generating over 400 jobs during construction, 120 full-time equivalent positions once operational, and will contribute more than \$600 million to the local economy over its lifespan.

The development will include a surfing lagoon offering perfect waves, tailored coaching, and unique experiences for all abilities in a safe, controlled environment. The park will also feature high-performance sports facilities, eco-cabins and lodging accommodation, a farm-to-table restaurant and community amenities.

With the help of NZTE, the development will be the world's first renewably powered surf park – the park will be capturing the heat generated by an on-site Spark data centre to warm the water of the lagoon – delivering optimal surfing conditions year-round. A 7-hectare solar farm (also located on-site) will provide renewable energy for the Spark data centre.

NZTE provided co-funding for feasibility including master planning the site, which included suggestions of a solar farm and data centre as complementary infrastructure. NZTE connected Aventuur to Spark to progress the data centre opportunity, provided solar farm expertise and continues to provide tourism support.

***“NZTE has provided fantastic support for the Auckland Surf Park project from the inception of the idea, through the resource consent process. With the help of NZTE we were able to link the growth in demand for Data Centre’s in New Zealand with a desire to heat the surfing lagoon (a world first). They continue to provide access and support, and we are greatly appreciative of all the work NZTE has done to date and no doubt will continue to do into the future.” – Richard Duff, Co-founder and Chief Investment Officer***



\*Greenfield projects are new projects where there are no existing operations

## DELIVERING ON OUR STRATEGIC OBJECTIVES

### Objective Three: Mātau – more impact for more Māori customers through enhanced engagement earlier in their lifecycle

#### Economic Impact of growing Māori exporters

With an asset base estimated at \$70 billion, and an estimated contribution of around \$15 billion to New Zealand's annual GDP, the Māori economy has significant potential to bring unique value and higher growth to our export sector.

The vital importance of growing the Māori economy to help achieve the Government's goal to double exports continues to drive our strategy to reach more Māori entities to accelerate their growth. In recognition of the unique needs of Māori exporters, NZTE brings Māori companies into the Focus portfolio for intensive engagement at an early stage in their lifecycle. As a result, 66% of the Māori export customer portfolio were below \$3 million in international revenue as at 30 June 2024.

#### Export results for Māori customers

NZTE continues to provide intensive engagement with more Māori exporters in our Focus portfolio, supporting them to achieve the following results:

- \$98 million of trade deals were recorded this year, down 19.7% from last year, although up 53% from FY22 during COVID-19. Deal values reflect customer feedback on the difficult trading environment with rising costs of doing business, global uncertainty and reducing consumer demand
- deals were spread across a broader range of customers this year, with 38 customers recording deals compared to 29 last year
- the overall number of Māori customers engaged with NZTE decreased from 391 in FY23 to 346 this year, however the number of Māori customers that we work with intensively in the Focus portfolio increased by 10% to 118 customers. This reflects our drive to bring Māori customers into the Focus portfolio early in their export journey
- international growth outcomes have increased significantly, up from 198 last year to 255 this year, representing strong foundations for future growth. The top three international growth outcomes

achieved were product listings/supply agreements followed by distributor/agent appointment and marketing/public relations platforms. We expect these to flow through to increased international revenue in future years.

While export revenues for a number of Māori exporters are still heavily reliant on commodity exports, many have an increasing focus on value creation through innovation and diversification. We are also seeing a continued trend towards technology and services with these companies now making up 34% of Māori Focus customers.

#### Investment results for Māori

NZTE is committed to growing Māori capability and capacity to invest.

- 20 deals were supported by NZTE this year, with a combined projected economic impact for New Zealand of \$1.15 billion and creation of 561 full time jobs.
- 17 of these deals were equity capital raises for promising Māori enterprises. NZTE aims to accelerate the growth of Māori businesses by facilitating access to seed funding. By fostering partnerships between Māori businesses and early-stage investors Māori entrepreneurs are able to launch and scale their operations effectively.
- Two greenfield deals and one merger and acquisition (M&A) deal were also concluded during the year. NZTE supported preparation and/or connections for Māori investment into two greenfield projects in the Eastern Bay of Plenty; a green mussel spat hatchery and a horticulture processing facility. Support was also provided for a Māori syndicate to diversify their asset base through a M&A deal.

NZTE Investment continues to have high levels of engagement and trust with large Māori organisations (entities responsible for collectively held assets including iwi post-settlement governance entities, and Māori and hapū land trusts).

Alongside our capital raising support we continued delivery of 'Te Pae Roa' investment strategy workshops.

These workshops help Māori governance and management teams to identify the best strategies to achieve wealth and prosperity for their whānau and iwi.

#### Working with NZ Inc

We continue to work with NZ Inc agencies to accelerate early-stage Māori business capability and address Māori customers' needs with a whole-of-government approach. This includes working with Te Puni Kōkiri to streamline NZTE customers' access to their business capability funding for strengthening their market readiness. Eight customers received Te Puni Kōkiri capability funding over the past year.

#### Building Māori capability

Lifting Māori capability and the mātauranga Māori/ Māori knowledge of our One Global Team to enhance

Māori customers' chances of success and represent New Zealand overseas remains a priority at NZTE.

**Induction:** Kia Kaha, a long-standing two-day marae noho (marae stay) experience is part of our induction programme for new joiners and continues to help our people build a greater understanding of our Māori customers. Over the last year, we delivered four Kia Kaha inductions for 101 of our people with an average NPS of +94. 68% of the organisation has now completed Kia Kaha, an increase from 61% last year.

**International:** This year we launched introductory learning modules to develop and deepen the Te Ao Māori (the Māori world) understanding of our international teams. This included an induction programme for new trade commissioners and regional directors responsible for leading our international teams.

Performance highlights for Māori customers	FY22	FY23	FY24
Total Māori export customers	324	391	346
Total Focus customers	109	107	118
Number of Engaged customers	215	284	228
International growth outcomes (IGOs)	125	198	255
Export trade deals	\$64 million	\$122 million	\$98 million
Investment deals	20	21	20
Investment pDEI	\$498 million	\$1.120 billion	\$1.15 billion

## DELIVERING ON OUR STRATEGIC OBJECTIVES

### Objective Four: Sectors – have greater impact beyond the enterprise

The goal of NZTE's work programme this year was to improve our capability to deliver sector specific expertise to customers, and support broader sector growth, beyond an individual company.

Our customer-facing teams in New Zealand and internationally remain organised in sectors with sector portfolios. This structure is now embedded across NZTE and continues to build sector-based capabilities and knowledge to provide more value to our customers.

Our Sector Leads, one focused on food, beverages and consumer goods, and the other on technology, services and manufacturing facilitate our broader impact by:

- creating alignment around sectors (inside and outside NZTE)
- bringing sectoral expertise and knowledge to NZTE's customer support
- assisting cross-government or cross-industry sectoral initiatives (including policy development) that will drive customer growth.

#### Bringing the sector-focused approach to life

Supporting broader sector growth involves collaboration with industry and government partners across a wide range of activities. Some highlights from the year include:

#### Building international connections for growth technology industries

NZTE worked alongside government agencies and industry organisations to build stronger, sector-specific connections to buyers, partners and distributors in key international markets including:

- in-market support for a New Zealand FinTech industry delegation to Hong Kong in October 2023
- partnering with EdTechNZ and ENZ to deliver a South-East Asia study tour for edtech exporters in November 2023
- collaboration with the New Zealand Centre of Digital Excellence and the New Zealand Game Developers Association to support 20 gaming studios at Melbourne Games Week 2023 and 19 studios at the 2024 Game Developers Conference in the United States.

#### Elevating New Zealand's food and beverage excellence

A common challenge faced by food, beverage and consumer goods customers is adjusting from successfully selling domestically to international sales. Many exporters struggle to develop a compelling value proposition and brand strategy, impacting their ability to compete and position with premium pricing.

Leveraging the framework "Know it, Show it, Grow it" developed by the late Beachheads Advisor Stuart Braxton, NZTE facilitated the development of a branding toolkit that was rolled out externally to our customers.

The Toolkit landing page on myNZTE has been regularly used as capability-building content for customers over the last 12 months with 600 customer views and an NPS of +42.

The results demonstrate an appetite from customers and in time, we expect to see a lift in capability, across the food, beverage and consumer goods sector around brand strategy and value proposition development.

#### Industry Transformation Plans (ITPs)

Several one-off projects were delivered during the year utilising the temporary ITP funding. Highlights from the activity include:

- New Zealand's software-as-a-service community, KiwiSaaS, delivered 125 learning events over two years to over 600 SaaS businesses
- NZTE's international market activation of the New Zealand Tech Story 'See Tomorrow First' achieved over 20 million digital views in four key international markets (United States, United Kingdom, Australia and Singapore) and supported 27 branded events offshore over 18 months, with NZTE tech customers involved in more than 200 activations
- NZTE's contribution to the Agritech ITP delivered an integrated programme of market research, buyer awareness campaigns, study tours across key agritech, horttech and aquaculture markets in Latin America, North America, United Kingdom, Europe and Australia.

### Objective Five: Kaitiakitanga – care for people and place

#### Our internal commitment to sustainability

NZTE is committed to supporting New Zealand's climate commitments by reducing emissions under the Carbon Neutral Government Programme (CNGP). Committing to emissions reduction is also an opportunity for NZTE to show leadership as we encourage and support export businesses transitioning to more sustainable practices.

NZTE has set two emissions reduction targets that meet CNGP requirements. These are supported by more ambitious internal targets which ensure we prioritise operational efficiencies to reduce emissions. Our CNGP targets are:

- by 2025: a 32% reduction in gross emissions compared with our 2018/19 baseline
- by 2030: a 46.2% reduction in gross emissions compared with our 2018/19 baseline.

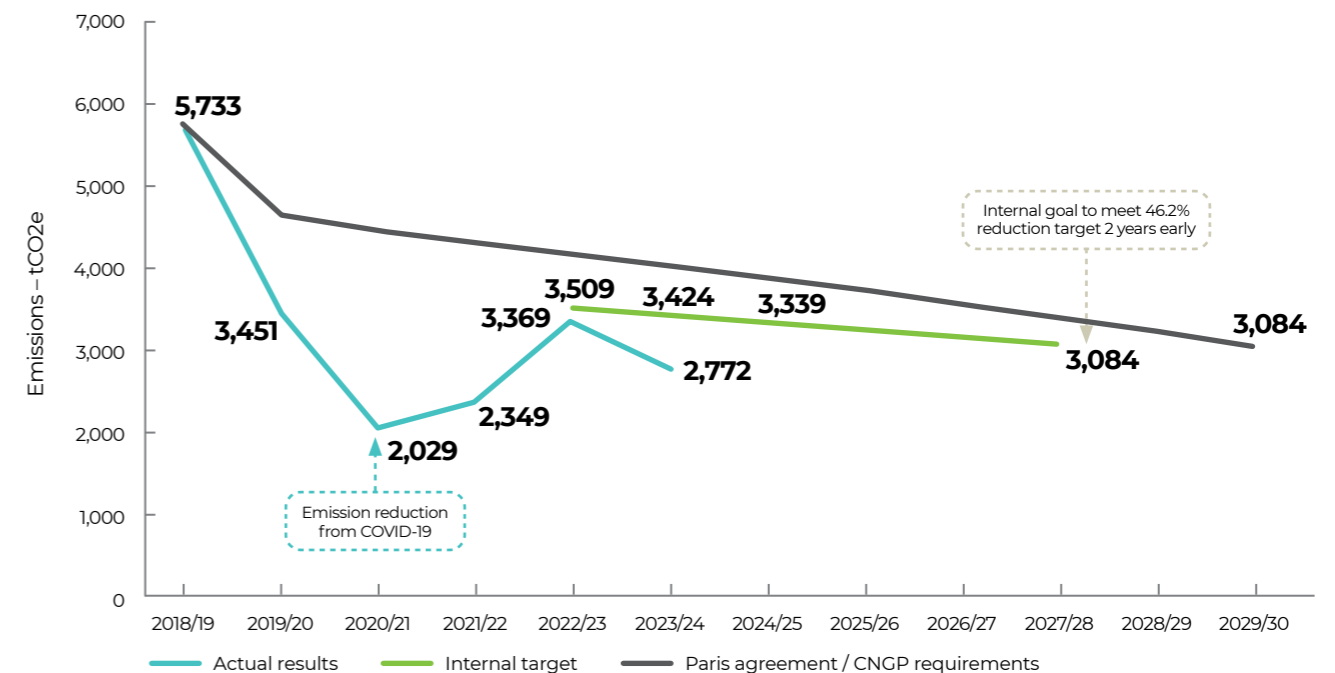
#### Total annual emissions

Our gross emissions for the FY24 year were 2772 tCO<sub>2</sub>e, representing a 52% reduction compared to our 2018/19 base year.

NZTE's largest emissions sources are air travel, electricity use and employee commuting.

NZTE has achieved a voluntary carbonreduce certification from Toitū Envirocare, which means our emissions are measured in accordance with ISO14064-1:2018 standards.

#### Total emissions compared with reduction targets



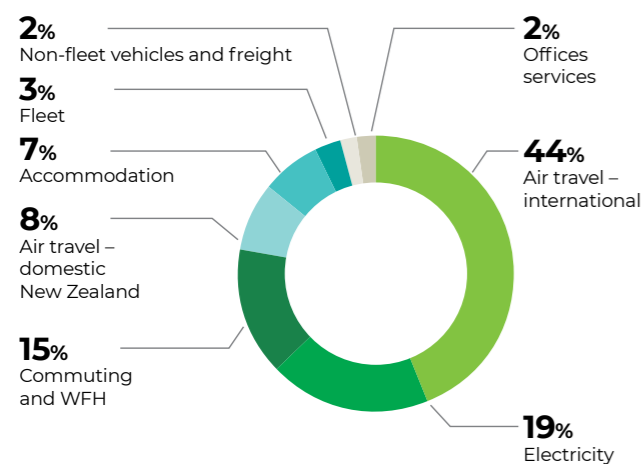
## DELIVERING ON OUR STRATEGIC OBJECTIVES

### Our reduction strategy

NZTE's efforts to date have enabled significant carbon reduction and we are committed to ongoing improvements that keep us on track to meet our targets.

- NZTE first introduced carbon budgets for travel in FY23. We have confidence in this process and now use financial budgets as a proxy for carbon tonnes.
- Throughout FY24 NZTE updated travel guidelines to further limit the use of higher-emissions travel classes.

### Breakdown of emissions sources



- NZTE continues to convert New Zealand based fleet vehicles to electric, with the aim to have a fully electric fleet by 2025. Offshore, hybrid and electric vehicles are prioritised when vehicles are due to be replaced.
- We are actively building a sustainability culture across NZTE by encouraging employee-led Green Teams and holding annual waste audits in our Auckland and Wellington offices.

### Our internal commitment to people

#### Focusing on wellbeing through change

During an extended period of organisational change our focus has been on supporting the wellbeing of our people. This included ensuring the right tools (Employee Assistance Programme, outplacement, wellbeing workshops, coaching support) and guidance (people leaders toolkit) were available during the changes to help leaders navigate the process of rebuilding teams, fostering healthy work habits and resiliency post change.

The Safety and Wellbeing Team work closely with people leaders to ensure wellbeing is at the forefront of job design and wellbeing conversations are an integral part of discussions.

#### Our culture – engagement survey results

Our annual Our Voice engagement survey was run in June/July 2024. Our engagement score has dropped by 12% after a period of organisational change, however remains a sound score at 66% of employees feeling engaged (down from 74% in 2023) with a participation rate of 80%.

The survey indicated that people remain engaged with our purpose, know how they contribute to NZTE's success, have autonomy and learning opportunities to succeed and feel proud to work at NZTE:

- 91% know how their work contributes to NZTE goals.
- 86% of our people agree they are proud to work for NZTE.
- 83% have enough autonomy to perform their roles effectively.
- 82% have access to learning and development to do their jobs well.
- 81% recommend NZTE has a good place to work.

Similarly, our employee NPS score decreased from +50 in FY23 to +19 in FY24. This drop is understandable with 101 roles disestablished over the year, as well as non-people related savings across all areas of operations.

### Diversity, equity and inclusion (D&I)

#### Engaging our people

We have high levels of engagement with our diversity, equity and inclusion work through awareness campaigns, personal storytelling, and use of our internal platforms, such as virtual catch-ups and employee-led networks. For example, Te Pora Māori is a group of like-minded people at NZTE who whakapapa Māori and Kohere is NZTE's rainbow network for our LGBTQIA+ communities and their allies.

#### Kia Toipoto and Papa Pounamu Public Service Action Plan

NZTE is part of the Public Service Leadership Team and committed to the mandatory Papa Pounamu and Kia Toipoto Action Plan (Public Service diversity and inclusion) requirements. NZTE's Kia Toipoto Action Plan outlines how we fulfil the principles of being a good employer.

Highlights include:

- maintaining our diversity and inclusion gender balance of 40% (women) 40% (men) 20% (of any gender)
- over the last four years we have grown the proportion of Māori at NZTE from 8.7% to 13.7% of NZ-paid people, and from 6.1% to 12.5% of all NZ-paid People Leaders
- broadening the focus of our diversity and inclusion strategy from women in leadership to diversity in leadership and including leadership diversity in our regular reporting cycle.

As we continue to implement our diversity and inclusion strategy over FY25, we will take further action to diversify our ethnic representation in leadership and address any barriers to inclusion.

The Kia Toipoto plan outlines our actions to address pay gaps and biases, as well as the underlying drivers, and explains how we will track these efforts.

Our action plan is located here: [NZTE Kia Toipoto Pay Gap Action Plan 2021-2024](#)

## DELIVERING ON OUR STRATEGIC OBJECTIVES

### Pay gaps

The most robust way to measure the pay gap at NZTE is to look at the difference in average earnings between men and women in the same job bands, across our global workforce.

By analysing pay by job band, we can group together roles that require the same or a similar level of skills, knowledge and capability, and have broadly the same level of responsibility. This enables more statistically robust comparisons.

As of 30 June 2024, across all NZTE paid employees (internationally and domestically), excluding CEO<sup>11</sup>:

- the average position in range (PIR) was 0.3% higher for men than for women
- the median position in range was 0% higher for men than women

As of 30 June, across only New Zealand paid employees, excluding the CEO:<sup>12</sup>

- the average position in range (PIR) was 9% higher for men than for women
- the median position in range was 8.6% higher for men than women.

### Demographic profile

The following numbers are based on people data as at 30 June 2024. Calculated based on permanent, fixed term employees, including secondees out but excluding secondees into NZTE.

Demographic profile: Employees	
Customer focused (customer facing, customer facing support)	67%
Backbone	33%
New Zealand based	56%
International based	44%
<b>Total number of FTEs</b>	<b>624</b>

Employees by gender	Employees %	Leadership % New Zealand-paid leaders Tiers 1-3
Men	40.3	42.2
Women	56	55.6
Undisclosed / Not stated*	3.7	2.2

\*21 not stated. 3 prefer not to disclose.

<sup>11</sup> Exclude the Chief Executive to align with Kia Toipoto reporting requirements.

<sup>12</sup> Only New Zealand-paid people are included in our average pay calculations. This is due to the complexities of converting local currencies to New Zealand dollars and the different labour market conditions across our international locations. For our internationally paid people, we use Position in Range (PIR) to analyse any inconsistencies in pay.

### New Zealand paid employee remuneration

Band	2024			2023		
	NZ-based	Intl-based	Total	NZ-based	Intl-based	Total
100,000-109,999	28	14	42	39	14	53
110,000-119,999	34	13	47	28	22	50
120,000-129,999	24	19	43	23	23	46
130,000-139,999	36	13	49	38	20	58
140,000-149,999	41	15	56	32	15	47
150,000-159,999	27	16	43	40	11	51
160,000-169,999	29	15	44	20	17	37
170,000-179,999	7	8	15	10	19	29
180,000-189,999	11	20	31	15	15	30
190,000-199,999	15	9	24	3	5	8
200,000-209,999	4	2	6	5	8	13
210,000-219,999	9	3	12	4	5	9
220,000-229,999	3	6	9	6	7	13
230,000-239,999	1	4	5	2	6	8
240,000-249,999	3	2	5	2	7	9
250,000-259,999	2	6	8	5	5	10
260,000-269,999	3	4	7	2	1	3
270,000-279,999	4	5	9	0	0	0
280,000-289,999	0	4	4	1	0	1
290,000-299,999	0	3	3	2	2	4
300,000-309,999	0	2	2	1	1	2
310,000-319,999	1	4	5	0	2	2
320,000-329,999	0	0	0	0	3	3
330,000-339,999	0	4	4	0	2	2
340,000-349,999	1	1	2	2	2	4
350,000-359,999	0	3	3	0	3	3
360,000-369,999	0	2	2	0	0	0
370,000-379,999	2	2	4	0	3	3
380,000-389,999	0	1	1	0	3	3
390,000-399,999	2	1	3	0	3	3
400,000-409,999	1	0	1	0	0	0
410,000-419,999	0	3	3	1	3	4
420,000-429,999	0	3	3	0	0	0
430,000-439,999	2	0	2	1	0	1
440,000-449,999	1	1	2	0	1	1
450,000-459,999	0	2	2	1	1	2
470,000-479,999	0	0	0	0	1	1
480,000-489,999	0	2	2	0	0	0
490,000-499,999	0	0	0	0	1	1
500,000-509,999	0	1	1	1	0	1
520,000-529,999	1	0	1	0	0	0
>650,000	1	0	1	1	0	1
<b>Grand total</b>	<b>293</b>	<b>213</b>	<b>506</b>	<b>285</b>	<b>231</b>	<b>516</b>



## DELIVERING ON OUR STRATEGIC OBJECTIVES

### Board member remuneration

The total value of remuneration paid or payable to each Board member for FY24 was:

	Actual 2024 \$000	Actual 2023 \$000
Jennifer Kerr (Chairperson)	56	56
Mike O'Donnell (Deputy Chair, Chair of Culture & People Committee)	31	31
Sarah Paterson (Chairperson of Audit and Risk Committee)	25	26
Carl Carrington (Board member)	25	25
Victoria Spackman (Board member)	25	21
Dr D M Shepherd (Board member)	25	20
Matanuku Mahuika (Board member)	25	11
Traci Houpapa	0	20
Wayne Norrie	0	13
<b>Total Board member remuneration</b>	<b>212</b>	<b>223</b>

No payments have been made to committee members appointed by the Board who are not board members during the financial year. In addition to the NZTE Board, Mike O'Donnell was paid \$25,100 for NZ G2G Board fees.

NZTE has provided a Deed of Indemnity to each Board Member, which indemnifies that Board Member for "Excluded Acts and Omissions" as defined by and permitted by sections 126 and 122 of the Crown Entities Act 2004, respectively. The indemnity does not extend beyond acts performed in good faith by Board members in performance or intended performance of

NZTE's functions. NZTE has Directors' and Officers' Liability and Professional Indemnity insurance cover during the financial year for the liability or costs of Board members and employees.

No Board members received compensation or other benefits relating to cessation (FY23: \$nil)



# SECTION 4: PERFORMANCE REPORTING

# STATEMENT OF RESPONSIBILITY

The NZTE Board is responsible for preparing the annual financial statements and statement of performance, and the judgements used in them. This includes responsibility for any end-of-year performance information provided by NZTE, under section 19A of the Public Finance Act 1989, whether or not that information is included in this annual report.

The Board is also responsible for establishing and maintaining a system of internal controls designed to provide reasonable assurance as to the integrity and reliability of financial reporting. In the opinion of the Board, the annual financial statements and statement of performance for the year ended 30 June 2024 fairly reflect the financial position and operations of NZTE.

On behalf of the board.



Jennifer Kerr  
Chair, NZTE Board

31 October 2024



Sarah Paterson  
Chair, Audit  
and Risk Committee NZTE

# STATEMENT OF PERFORMANCE

This section of the annual report constitutes NZTE's service performance information presented in accordance with service performance reporting standard PBE FRS-48.

## Contextual information

NZTE's purpose is to contribute to New Zealand's economic growth by supporting companies to grow internationally for the good of New Zealand. Export-led growth is critical given the small size of the New Zealand domestic economy. The importance of export growth has led the Government to announce a goal to double the value of exports by value in 10 years.

NZTE's contribution to export growth has a dual focus on providing support to individual exporting companies, and on investment attraction. NZTE therefore serves two types of customers: exporting businesses and investors. Export customers are companies growing from New Zealand. Investment customers are companies exporting from New Zealand, foreign companies looking to establish operations in New Zealand and investor migrants.

Our medium-term strategy over the past three years has been to:

- add more value to Focus customers (innovation-intensive exporters with the ambition and potential to grow their international revenue) by providing customised, wraparound service packages
- add more value to a broader range of (often early stage) exporters by providing lighter touch support
- lift the quality and impact of investment.

Section 2: Our Strategy contains further contextual information.

The following Statement of Performance contains narrative on our performance against each measure in our medium-term strategy, with additional information available in Section 3: Our Performance Story.

# STATEMENT OF PERFORMANCE

2023/2024

## Measuring our performance

Throughout FY24 NZTE's work programme has continued our work to realise our medium-term strategy to deliver maximum value for export and investment customers.

Organisational changes were made during the year in preparation for the end to the temporary CRRF funding and to contribute to the Government's goal to reduce expenditure across the public sector.

The operational adjustments required did not significantly alter our medium-term direction. By retaining much of the value-add to customers and capabilities built over the period of additional

CRRF funding we continue to support more customers than we did pre-pandemic. Refer pages 20 to 21 for further context.

Our Performance Framework<sup>13</sup> reflects our main priorities in the strategic work programmes outlined in Section 2 of this report and shows how the selection of performance measures links with our overall purpose.

The performance measures are consistent with information presented in NZTE's 2023/24 Statement of Performance Expectations, and consistent with measures used to monitor performance and guide decision-making throughout the year.

## Double exports by value in 10 years



<sup>1</sup> Annual investment impact pDEI

pDEI – Potential direct economic impact  
rDEI – Realised direct economic impact  
NPS – Net promoter score  
IGF – International growth fund  
SIF – Strategic investment fund

<sup>13</sup> The row of organisation health measures and the number of Māori customers measure outlined in the 2023/24 SPE performance framework is not included in this framework diagram as that row contained internal management measures (not externally reported measures), with the exception of the 46.2% reduction in NZTE emissions measure which is now included as part of our service and engagement indicators).

## Financial Reporting Standard 48 (PBE FRS 48)

Our approach for developing service performance information follows the Public Benefit Entity Financial Reporting Standard 48 (PBE FRS 48). By aligning the selection of our service performance measures with the following qualitative characteristics, we can provide more useful information to our stakeholders:

- Relevant** – selecting service performance information.
- Representative** – our service performance information is complete, neutral and free from material error.
- Understandable** – striving to report service performance information with clarity.
- Timely** – delivering our service performance information promptly to ensure it is useful for our stakeholders' accountability and decision-making purposes.
- Comparable** – our service performance information can be viewed by our stakeholders against previous years.
- Verifiable** – our service performance information will be capable of measurement or description in a consistent manner, capable of independent verification, and exclude unsubstantiated claims.

As acknowledged for entities in PBE FRS 48, the constraints on reporting service performance information are materiality, cost-benefit, and balance between the qualitative characteristics. Each of these constraints is factored into our selection process for service performance information.

Our measurement structure provides a clear understanding of NZTE's priorities and the outcomes we deliver in pursuit of the government's economic objective to double the value of exports in the next 10 years.

NZTE's services are determined by the Intervention Logic agreed with the Ministry of Economic Development (a predecessor to MBIE), Treasury and NZTE in 2011. The logic is designed to ensure NZTE invests in areas that are likely to maximise additionality and have the most impact for exporters.

Our suite of performance measures is longstanding, reflecting the long-term nature of generating outcomes. A wide range of national, international and company settings influence a company's performance.

For example, interest rates, exchange rates, consumer confidence, real wages, access to technology and appropriate skills and talent, levels of infrastructure and political stability. This means direct attribution of NZTE's support to customers' international growth is not achievable. For this reason, our collection of performance measures is designed to provide the best possible indicators of our impact. These are complimented with customers' own assessment of the value of the support they receive.

To calculate some of our performance measures, we rely on information supplied by customers within the confines of available commercial information. NZTE reviews the information for reasonableness.

## Removed performance measures

The following measures reported in the FY23 Annual Report have been removed from NZTE's 2023/24 Statement of Performance Expectations with MBIE's approval.

- Annual growth in international revenue:** We reported the annual growth in international revenue for Focus customers with international revenue under \$500 million compared with a New Zealand export benchmark. This measure has been removed due to limitations that mean that results are not readily comparable from year to year and cannot be used to assess attribution of NZTE's activities. This is because:
  - the group of firms included in the calculation changes from year to year as firms exit and enter the Focus portfolio
  - Stats NZ regularly updates HS codes which limits comparability of the benchmark economy across years
  - the measure does not account for the range of independent variables that impact businesses' ability to grow internationally such as fluctuating foreign exchange rates, trade agreements, behind-the-border barriers to trade, and so on.
- Focus customer revenue per full-time equivalent (FTEs):** We reported the total value of Focus customer revenue divided by the number of FTEs. This measure was removed as it does not account for changes in the portfolio mix as firms exit and enter the Focus portfolio. This means that same set of firms are not being measured from year to year, and this limits the interpretation of changes in the portfolio's median revenue per FTE compared with the previous year.



# STATEMENT OF PERFORMANCE

2023/2024

## 3. Focus customers jobs growth by full-time equivalents (FTEs):

- This measure was removed as:
- Focus portfolio firms that have not provided financial data at the time of reporting are excluded from the measure, so at best, it

represents changes across financial years based on information available at a specific point in time

- it is not possible to conclude that NZTE has directly impacted a firms' total job growth given the wide variety of factors that impact business's decisions to employ people across all aspects of their business.

## Output Class One: International business growth services statement of performance

To support the goal to double the value of exports, we work with individual or groups of companies to build their capability and growth in international markets, and we match quality investment with opportunities. The majority of NZTE support is funded from this output class.

We help companies to internationalise by:

- improving their capability and readiness to grow internationally
- identifying and pursuing international market opportunities
- overcoming internationalisation barriers and enabling access to international business networks.

We support investment opportunities that help our economy grow at a faster rate than it otherwise would, and provide more jobs and higher incomes for all New Zealanders by:

- supporting growth stage companies to accelerate their ability to scale and compete internationally through investment
- promoting New Zealand as an investment destination, developing and assessing the feasibility of business cases, building local market context, making connections to global and domestic sources of capital and access to markets and knowledge
- supporting the attraction, activation and aftercare of investor migrants who will contribute skills, experience and networks to New Zealand<sup>14</sup>.

Our New Zealand-based customer managers and international teams provide tailored support, advice and linkages for our customers. Around this, we wrap solutions to help build capability, connect with global opportunities, access capital, and develop effective strategies for growth.

## Statement of Cost of Service – International business growth services

Output expense	Actual 2021/22 \$000	Actual 2022/23 \$000	Budget 2023/24 \$000	Actual 2023/24 \$000
Revenue Crown	182,104	179,144	188,078	188,078
Revenue other	17,979	10,043	11,512	12,927
<b>Total revenue</b>	<b>200,083</b>	<b>189,187</b>	<b>199,590</b>	<b>201,005</b>
Expense	200,083	185,716	199,590	198,691
<b>Net result</b>	<b>-</b>	<b>3,471</b>	<b>-</b>	<b>2,314</b>
Use of prior year surplus		-	(5,000)	-
Fair value of 2024/25 derivatives		(8,401)	-	(417)
Unrealised FX		(353)	-	(950)
<b>Reconciled to the Statement of Comprehensive Revenue and Expense</b>		<b>(5,211)</b>	<b>(5,000)</b>	<b>1,046</b>

Note: The total of \$1,046,000 includes \$99,000 from Collaborative Activity and Special Events. Refer to the Statement of Cost of Service on page 61.

<sup>14</sup> NZTE is not involved in the processing or decision making of investor visas through the Active Investor Plus (AIP) scheme, this responsibility sits with Immigration New Zealand.

## Strategic objective: Export customers – offer more value to more export customers

We deliver to an increased number of export customers by scaling our knowledge across the export community through NZTE's digital platform, myNZTE.

Refer to pages 24-27 for further information

### Measure: Total number of export customers in the NZTE portfolio

**About this measure:** The total number of export customers engaged with NZTE at the end of the financial year. This measure aggregates the total number of customers in each of the two export customer segments: Engaged (4,621) and Focus (1,029)

	Actual 2021/22	Actual 2022/23	Target 2023/24	Actual 2023/24
	5,452	6,436	4,500 (demand driven)	5,650

**Commentary:** At 5,650, the total number of export customers is above the target of 4,500 customers reflecting the demand driven nature of this target. The FY24 result is lower than the FY23 result of 6,436 because of Engaged customers being segmented out of the portfolio due to a lack of engagement over the past two years.

**Judgement:** No judgement is required when calculating this measure. Judgement is used when segmenting customers into and out of the different customer categories.

**Comparability:** Results are comparable over the reporting period. Changes to Focus customer segmentation considerations were made, however these changes do not impact the total number of export customers.

### Measure: Total net promoter score (NPS)<sup>15</sup> for NZTE solutions

**About this measure:** Reports how satisfied export customers are after engaging with NZTE solutions that build customer capability, provide access to expertise and funding, and connect people through events and learning experiences.

NPS is NZTE's primary customer satisfaction metric. This index ranges from -100 to +100 and measures willingness to recommend a product or services to others.

	Actual 2021/22	Actual 2022/23	Target 2023/24	Actual 2023/24
	+75	+73	+65	+72

**Commentary:** Service performance is higher than planned performance reflecting the higher-than-expected positive feedback from export customers who completed:

- one-to-one solution offerings such as Beachhead advisors, digital clinics, and market research
- one-to-many offerings such as our Export Essentials course and Essential Selling workshops.

The +72 actual result is based on 934 respondents from 6,468 surveys, a 14% response rate.

**Limitation:** NPS results can fluctuate with lower response rates.

**Judgement:** No judgement is required when calculating this measure.

**Comparability:** In FY22 and prior years, this measure was called 'NPS for NZTE Services'. The measure was updated so it was consistent with the team responsible for managing delivery. Results are generally comparable over time, reflecting continuing delivery of core offerings such as Beachheads and market research, though new solutions can be established and old offerings retired reflecting changing customer need.

<sup>15</sup> NPS is calculated by subtracting the percentage of detractors (those that gave a score of zero 0 to 6) from the percentage of promoters (those that gave a score of 9 or 10). This measures the likelihood of customers recommending the service to others and is an indicator of the perceived value of that service.



# STATEMENT OF PERFORMANCE

2023/2024

## Measure: Total net promoter score (NPS) for export customers

**About this measure:** Reports whether export customers (Focus and Engaged) perceive a service as adding value and measures the likelihood of customers recommending the service to others.

NPS is our primary customer satisfaction metric. This index ranges from -100 to +100 and measures willingness to recommend a product or services to others.

This measure includes all NPS responses received from export customers who respond to surveys after:

- completing NZTE solution offerings
- using the myNZTE web site
- participating in one-to-one, and multi-customer activities that take place in New Zealand and internationally such as international trade shows, workshops and seminars.

Actual 2021/22	Actual 2022/23	Target 2023/24	Actual 2023/24
+73	+73	+65	+73

**Commentary:** At +73 against a target of +65, service performance is higher than planned performance, reflecting the higher-than-expected positive feedback from all survey responses received during the financial year (2,552 responses out of 12,741, a 20% response rate). We consider this one of the most useful metrics in the suite as it indicates customers' assessment of the value they receive.

**Limitation:** NPS results can fluctuate with low response rates.

**Judgement:** No judgement is required when calculating this measure.

**Comparability:** In FY22, this measure was 'NPS for Reach customers' with Reach explained in a footnote as being export customers, including both Focus and Engaged. The measure was updated for consistency with customer segment names.

## Measure: myNZTE return rate

**About this measure:** Based on the number of unique returning browsers divided by the number of unique browsers that visited myNZTE within a month. It then averages monthly return rates to give an overall annual result. A browser is an application to find and view websites and the return period is the past 90 days.

Actual 2021/22	Actual 2022/23	Target 2023/24	Actual 2023/24
21%	20% [note different calculation methodology in 2022/23]	Meet or exceeds 2022/23 result	21%

**Commentary:** myNZTE is a portal for our export and investee customers that provides curated guides, access to tools for learning and a place for collaboration. It allows NZTE to work with customers online, as well as in person, thereby expanding our reach to help more exporters grow. The average monthly return rate for the year is 21%, up 1% from FY23, which we consider a good result, particularly given the growth in visitor numbers from 200,973 unique browsers last year to 346,323 this year.

**Judgement:** No judgement is made when calculating this measure.

**Comparability:** The FY24 result of 21% is comparable with FY23 though not with FY22 which was based on the percentage of registered myNZTE Focus or Engaged customers who returned at least once in April, May or June 2022. This reflected the strategy at that time which required users to log into myNZTE to access content.

## Strategic objective: Export customers – more impact for Focus export customers

*Our current strategy aims to deliver greater impact for more Focus customers, to increase the number of companies achieving international success from New Zealand, and the scale of their success.*

Refer to pages 28-31 for further information

## Measure: Total number of Focus customers

**About this measure:** The total number of Focus customers receiving intensive support as at 30 June.

Actual 2021/22	Actual 2022/23	Target 2023/24	Actual 2023/24
1,386	1,342	1,400	1,029

**Commentary:** The lower result of 1,029 compared with a target of 1,400 Focus customers reflects portfolio resizing from 1,400 to 1,000 customers to reduce NZTE costs due to the cessation of CRRF funding on 30 June 2024.

**Judgement:** No judgement is required when calculating this performance measure, though judgement is used when segmenting customers into and out of the Focus portfolio.

**Comparability:** Results are not comparable over the reporting period due to the portfolio resizing and from changes to Focus segmentation considerations around customers' ability to engage and grow internationally.

## Measure: Total net promoter score (NPS) for Focus customers

**About this measure:**

- Reports how satisfied Focus customers are with NZTE during the financial year.
- Measures the likelihood of customers recommending the service to others.
- Indicates the perceived value of NZTE's service.

NPS is our primary customer satisfaction metric. This index ranges from -100 to +100 and measures willingness to recommend a product or services to others.

Actual 2021/22	Actual 2022/23	Target 2023/24	Actual 2023/24
+77	+75	+65	+72

**Commentary:** NZTE continues to see strong advocacy from customers with an NPS of +72. The higher than planned performance of +72 against a target of +65 can be explained by verbatim feedback where customers were overwhelmingly positive about NZTE's support.

**Judgement:** No judgement is made when calculating this measure. It is based on all NPS responses received from contacts of Focus customers who are invited to participate in the Export Customer Tracker survey twice during the financial year (974 responses from 3,530 invitations or a 28% response rate).

**Comparability:** Results are largely comparable over the reporting period as the same questions were asked of our customers. This year survey responses were anonymised to remove any potential barrier to providing open and honest feedback.



## STATEMENT OF PERFORMANCE

2023/2024

**Measure:** Total value of export deals achieved with NZTE involvement

**About this measure:** An export deal is an international sale of goods or services that an Export customer has achieved over a defined period, with help from NZTE.

This measure reports the total value of export deals approved between 1 July and 30 June.

Actual 2021/22	Actual 2022/23	Target 2023/24	Actual 2023/24
\$2.9 billion	\$4.61 billion	\$2.5 billion	\$3.81 billion

**Commentary:** At \$3.81 billion, actual service performance is higher than planned performance though lower than last year's result for a few reasons.

- The dynamism of international trading conditions means setting a deal target is challenging. While the total number of deals continues to trend upwards (1,463 in FY23 to 1,545 in FY24) the average deal value per customer was lower than FY23 (\$6.7 million to \$5.4 million in FY24).
- Tough international headwinds experienced by our customers is reflected in food and beverage and manufacturing customers recording fewer deals in total than last year (\$1.97 billion vs. \$1.54 billion and \$1.2 billion vs. \$1 billion respectively).

**Judgement:** is used when determining whether each deal meets the stated NZTE Deals Guidelines. A range of policies help promote good judgments, such as:

- requiring 'one up' approval of all deals
- written confirmation from customers for deals over \$10 million
- sample checks by a dedicated Guideline Auditor
- an Outcome Panel for review and advice on complex cases.

**More about the measure:** The Deals measure is a simple proxy of the commercial value customers achieve with our assistance. We do not attempt to attribute certain percentages of each deal to its level of assistance, or to specific individual services. This would be both impossible and impractical. While there are some inherent limitations to this measure, it is a broad indicator for commercial value added.

The total value of multi-year deals is claimed in the first year rather than spreading it over the life of the contract. Deals can be reported before the revenue is received and NZTE does not systematically follow up on whether the revenue eventuated, nor adjust prior year reports if the revenue does not eventuate.

**Comparability:** Results are comparable over the reporting period as there has been no change to the criteria.

**Measure:** Number of international growth outcomes (IGOs) achieved with NZTE involvement

**About this measure:** Reports the total number of IGOs approved between 1 July and 30 June. An IGO is a result achieved in New Zealand or an international market with the assistance of NZTE, that is not a sale, but a result that provides a significant platform for future international growth. Examples include:

- appointing a licenced distributor or agent
- establishing an international legal entity
- assisting with marketing and public relations that results in, for example, successfully executing a significant campaign with KPIs achieved.
- improving manufacturing capability or capacity
- change to a governance structure that delivers international capability
- an investment or acquisition
- regulatory approval
- product listings or supply agreements
- implementing a digital platform.

Actual 2021/22	Actual 2022/23	Target 2023/24	Actual 2023/24
1,920	2,511	1,700	2,771

**Commentary:** At 2,771 service performance is higher than planned performance and higher than last financial year due to:

- a higher average number of IGOs recorded per customer (3.1 in FY23 vs. 3.6 in FY24)
- widening of the existing IGO sustainability category
- and adding two new categories of 'manufacturing programmes and practices' and 'marketing and public relations'.

We consider this as one of the most useful measures in our suite of performance metrics as it reflects a broader range of growth outcomes than deals alone and provides a more direct line of sight between the type of NZTE service used and outcome achieved.

**Limitation:** We do not follow up on whether IGOs result in significant international growth.

**Judgement:** Judgment is used when determining whether each IGO meets guidelines, particularly that the IGO represents a significant platform for future international growth. A range of policies help promote good judgments such as:

- requiring 'one up' approval of all IGOs
- sample checks by a dedicated Guideline Auditor
- an Outcome Panel for review and advice on complex cases.

**Comparability:** Results are not directly comparable with previous financial years with the biggest driver the addition of two new IGO categories in FY24: Manufacturing Programmes and Practices (a total of six recorded in FY24) and Marketing & Public Relations (221 recorded or 8% of all IGOs).

The scope of the sustainability category was also widened from assisting the customer to gain sustainability credentials to implementing sustainability practices that provide competitive advantage. In FY23 a total of 19 sustainability IGOs were recorded which increased to 33 in FY24.

# STATEMENT OF PERFORMANCE

2023/2024

## Strategic objective: Lift the quality and impact of investment

We lift the volume and the impact of investment through deeper engagement with a broader group of investors.

Refer pages 34-36 for further information.

### Measure: \$ potential direct economic impact (pDEI) for investment deals

**About this measure:** pDEI is the forecast return to the economy through increased profits, wages and supplier spend from investment deals.

**Methodology:** When an investment deal is completed, we calculate what the pDEI for New Zealand has been because of the investment project.

pDEI measures what the impact of the project has been (over and above what would have happened without the investment event) and is calculated using:

- capital investment
- number of new jobs created each year of the project and the average salary of those jobs in New Zealand
- incremental expenditure on goods and services in New Zealand
- incremental earnings before interest and taxes (EBIT) retained in New Zealand.

The number of years captured in the calculation is between three and 10 years depending on the project and use of funds.

We then use a nominal discount rate to calculate the present-day value of the project to provide the pDEI from the completed project.

	Actual 2021/22	Actual 2022/23	Target 2023/24	Actual 2023/24
	\$3.7 billion	\$4.02 billion	\$2.7 billion	\$4.54 billion

**Commentary:** pDEI of \$4.54 billion in FY24 is higher than our target reflecting NZTE's continued focus on high-impact deals.

This year's result is 81 deal transactions completed, 57 deals for growth company capital raises, 23 greenfield transactions, and one merger and acquisition transaction.

**Judgement:** When reporting pDEI:

- potential impact is assessed; actual results may vary
- the period of benefit realisation varies depending on the industry, so the period is selected using professional judgement based on best available information
- economic benefit is from three-10 years depending on the project and use of funds
- NZTE relies on information supplied by the customer and reviews it for reasonableness, however, cannot confirm its accuracy
- discount rates are applied as determined by Treasury
- an inflation rate is also applied as determined by Treasury at the start of the financial year. The actual rate may vary.

**Limitation:** NZTE relies on information supplied by the customer and review it for reasonableness however cannot confirm its accuracy.

### Measure: Ratio of potential direct economic impact (pDEI) for investment deals

**About this measure:** Potential direct economic impact for every \$1 invested.

	Actual 2021/22	Actual 2022/23	Target 2023/24	Actual 2023/24
	3.82 to 1	2.75 to 1	2.5 to 1	3.12 to 1

**Commentary:** The pDEI ratio for all investment deals completed during FY24 is 3.12 to 1 against the target of 2.5 to 1. This means there is the potential for \$3.12 of direct economic impact for every \$1 of investment.

Typically, different deal types have different pDEI ratios (e.g. a merger and acquisition deal would usually have a lower ratio than a greenfield deal). The increase from FY23 reflects the 20 significant Māori investment deals with an average pDEI ratio of 9.16, which are balanced out by the remaining 61 deals with an average pDEI ratio of 2.49 for company capital raises, and 2.20 for greenfield deals.

**Judgement:** When calculating the ratio of pDEI:

- potential impact is assessed; actual results may vary
- the period of benefit realisation varies depending on the industry, so the period is selected using professional judgement based on best available information
- economic benefit is from 3-10 years depending on the project and use of funds
- we rely on information supplied by the customer and review it for reasonableness however cannot confirm its accuracy.

### Measure: Total net promoter score (NPS) for investment deals

**About this measure:** NPS reports how satisfied customers are who have completed investment deals. It measures the likelihood of customers recommending the service to others and is an indicator of the perceived value of NZTE's service.

	Actual 2021/22	Actual 2022/23	Target 2023/24	Actual 2023/24
	+90	+91	+65	+81

**Commentary:** Investment's strong NPS of +81 against a target of +65 is due to 39 of the 48 responses received being 'promoters' (a score of 9 or 10), 9 'passives' (a score of 7 or 8) and no 'detractors' (score between 0 and 6).

**Limitation:** While the response rate of 65.7% was strong (48 responses out of 73 surveys sent) NPS can fluctuate significantly when there are a low number of responses.

**Judgement:** No judgement is required when calculating this measure.

# STATEMENT OF PERFORMANCE

2023/2024

## Good for New Zealand

We strive towards carbon neutrality to reduce our impact on the planet and to increase the global competitiveness of our export customers through their attainment of recognised sustainability credentials.

**Measure:** A 46.2% reduction in NZTE emissions on the 2018/19 financial year (baseline)

**About this measure:** Under the Carbon Neutral Government Programme, total carbon emissions for our organisation include all:

- scope 1 (direct emissions from sources we own or control)
- scope 2 (indirect emissions from the generation of purchased electricity)
- mandatory scope 3 emissions (other indirect sources).

	Actual 2021/22	Actual 2022/23	Target 2023/24	Actual 2023/24
	2,348 tCO <sub>2</sub> e	3,369 tCO <sub>2</sub> e	3,711 tCO <sub>2</sub> e	2772 tCO <sub>2</sub> e

**Commentary:** The result of 2772 tCO<sub>2</sub>e is lower than the planned target of 3711 tCO<sub>2</sub>e and represents a 52% reduction since our 2018/19 base year total of 5733 tCO<sub>2</sub>e. This reduction in emissions is largely due to the implementation of our emissions reduction strategy which focuses on reducing and maintaining air travel at sustainable levels. The New Zealand domestic air travel emissions factor was updated in FY24 and contributed a 144 tCO<sub>2</sub>e reduction to our emissions.

**Judgment:** Is required when determining our organisational boundary and when deciding which emissions sources to include. NZTE has completed 'significance screening' under the guidance of our certifier, Toitū Envirocare, to determine which sources to include. NZTE also commissions an annual external audit by Toitū Envirocare to verify the emission calculations.

**Comparability:** Results are comparable over the reporting period as there have been no changes to the method of calculating emissions.

**Measure:** Proportion of NZTE Focus customers with sustainability credentials

**About this measure:** The proportion of NZTE Export customers with at least one accreditation from a sustainability organisation including organisational certifications and product certifications.

We obtain company accreditation data directly from the following certifiers; B Corp, Toitū, EKOS, Science Based Targets, NZAVS, Fairtrade, UN Global Compact Members, BioGro, Environmental Product Declaration, and Living Wage. This list of accredited companies is then compared against businesses in the Focus Export customer portfolio at 30 June 2024.

	Actual 2021/22	Actual 2022/23*	Target 2023/24	Actual 2023/24
	8.5%	6.0%	10%	15.9%

**Commentary:** NZTE actively encourages customers to obtain sustainability certifications to help validate their sustainability story in international markets. Of our 1,029 Focus Export customers, 164 have at least one sustainability credential. The result of 15.9% is higher than planned performance due to:

- only Focus customers being included in the measure in FY24 vs all export customers in FY23 and FY22.
- more customers obtaining sustainability certifications due to increased awareness of the importance of sustainability.

**Limitation:** Customers that have achieved a certification without receiving sustainability support from NZTE are also included in this measure.

**Judgement:** Is required when determining which sustainability certifiers should be used to assess customers against.

**\*Comparability:** The FY24 result is not comparable with FY23 as the measure has changed from including all export customers (6436 in FY23) to only including Focus Export customers (1029 in FY24).

## Output Class Two: Collaborative activity and special events

Refer to pages 26-27 for further information.

We collaborate with other New Zealand agency partners to:

- leverage New Zealand's profile and brand in international markets
- secure and capitalise on special events or opportunities that support New Zealand's export growth.

Activities within this output class include:

- New Zealand Government-to-Government (NZ G2G) – established with MFAT to internationalise our public sector skills, systems and know-how

- New Zealand Story Group (NZ Story) – a free business toolkit delivered with NZ Inc partners, to help New Zealand businesses promote themselves internationally. The toolkit includes images, footage, brand videos, infographics, presentations, research and how-to guides that can be downloaded for use from the NZ Story website
- identification of innovation intensive companies that are supported by Callaghan Innovation that may be ready for internationalisation support from NZTE.

## Statement of Cost of Service – Collaborative activity and special events

Output expense	Actual 2021/22 \$000	Actual 2022/23 \$000	Budget 2023/24 \$000	Actual 2023/24 \$000
Revenue Crown	6,086	6,086	6,086	5,703
Revenue other	1,560	2,687	2,283	3,680
<b>Total revenue</b>	<b>7,646</b>	<b>8,773</b>	<b>8,369</b>	<b>9,383</b>
Expense	7,646	8,701	8,369	9,284
<b>Net result</b>	<b>-</b>	<b>72</b>	<b>-</b>	<b>99</b>

**Measure:** Value of contracts secured through NZ G2G<sup>16</sup>

**About this measure:** Total international revenue generated by New Zealand suppliers from the contracts brokered by NZ G2G to sell New Zealand innovation, science and research expertise.

	Actual 2021/22	Actual 2022/23	Target 2023/24	Actual 2023/24
	Cumulative \$21.43 million towards the 3-year target of \$36 million	\$786,000	\$10 million	\$7.993 million

**Commentary:** Service performance was significantly stronger than during COVID-19, although slightly lower than planned performance. The increase from FY23 is due to the stop start nature of pandemic responses and the lead time for deals to be concluded. Two significant deals that had been in the pipeline for more than a year were delayed until this year.

Since 2014, NZ G2G has generated \$71.569 million from 130 international contracts across 21 countries. As noted in the last annual report, NZ G2G had been facing conversion challenges and a strategic review was undertaken during the year and resulted in the decision to disestablish the NZ G2G unit and migrate the programme into NZTE. This migration is now complete.

**Judgement:** No judgement is required when reporting this measure and results are comparable over time.

<sup>16</sup> Noted in the 2022/23 Statement of Performance Expectations as 'Value of contracts secured through G2G Know-How'. Treasury budget appropriation confirmation calls this service 'New Zealand Government-to-Government'.



# STATEMENT OF PERFORMANCE

2023/2024

## Measure: Total net promoter score (NPS) for New Zealand Story Group

**About this measure:** NPS survey sent to people who either downloaded a resource from the New Zealand Story Toolkit or attended a New Zealand Story webinar.

Refer page 26 for further information.

	Actual 2021/22	Actual 2022/23	Target 2023/24	Actual 2023/24
	+72	+72	+65	+78

**Commentary:** The +78 actual result is based on 714 survey responses from 2,113 surveys sent, a 33.8% response rate. This year's result is driven by:

- the Market Pulse Research launched in February 2024 via webinar
- the launch of Brand New Zealand resources
- supporting the development and activation of the See Tomorrow First (STF) Tech Story

Together, these resulted in increased traffic and downloads of the NZ Story toolkit.

**Judgement:** No judgement is required when calculating this performance measure. The overall response rate of 33.8% indicates that this result is a reliable indicator of satisfaction.

**Comparability:** Results are comparable over time as there has been no change in survey methodology.

## Measure: Total number of organisations working with Callaghan Innovation and NZTE as a Focus customer

**About this measure:** Quantifies the total number of Focus customers who are also working with Callaghan Innovation – those that have had at least one engagement with Callaghan Innovation during the financial year.

	Actual 2021/22	Actual 2022/23	Target 2023/24	Actual 2023/24
	613	444	Meets or exceeds 2022/23 result	321

**Commentary and comparability:** This year's result of 321 is lower than target mainly due to the reduction of NZTE's Focus portfolio size from 1,400 to 1,000 (+/-100) customers as a result of fiscal reductions. Results are therefore not comparable over time.

**Judgement:** No judgement is used when calculating this measure, though judgements are made by both agencies when assessing businesses against each agency's customer criteria.

## Expo 2020 Dubai

FY23 was the final year to decommission the New Zealand Expo pavilion in Dubai and complete close-up leveraging activities.

### Statement of Cost of Service – Expo 2020 Dubai

Output expense	Actual 2021/22 \$000	Actual 2022/23 \$000	Budget 2023/24 \$000	Actual 2023/24 \$000
Revenue Crown	18,287	2,827	–	–
Revenue other	4,406	91	–	–
<b>Total revenue</b>	<b>22,693</b>	<b>2,918</b>	–	–
Expense	52,271	2,918	–	–
<b>Net result</b>	<b>-29,578</b>	–	–	–

## Direct funding

NZTE administers two funds, the International Growth Fund and the Strategic Investment Fund.

### International Growth Fund (IGF)

Refer to page 31 for further information.

The IGF enables New Zealand businesses that are part of our Focus portfolio to:

- accelerate growth
- build export capability
- overcome export barriers
- connect with the right partners and investors.

The IGF offers tiered funding options to support businesses take the next step in their internationalisation journey.

The IGF co-invests in international growth projects that deliver a positive impact to the economy and are good for New Zealand.

The impact of IGF co-investment is captured via a measure called direct economic impact (DEI) which measures:

- the economic impact generated by a project from an increase in jobs in New Zealand
- additional EBITDA<sup>17</sup> (cashflow) generated
- increased spending within the New Zealand supplier ecosystem.

DEI is only calculated for Expansion projects (3-to-5-year projects).

### Statement of Cost of Service – International Growth Fund

Other expense	Actual 2021/22 \$000	Actual 2022/23 \$000	Budget 2023/24 \$000	Actual 2023/24 \$000
Revenue Crown	58,472	47,197	55,706	44,618
Revenue other	–	–	–	–
<b>Total revenue</b>	<b>58,472</b>	<b>47,197</b>	<b>55,706</b>	<b>44,618</b>
Expense	58,472	47,197	55,706	44,618
<b>Net result</b>	–	–	–	–

<sup>17</sup> EBITDA is the Earnings Before Interest, Tax, Depreciation and Amortisation, which is representative of the free cashflow generated by a business.



# STATEMENT OF PERFORMANCE

2023/2024

## IGF performance measures

### Measure: Potential direct economic impact ratio (pDEI) for approved IGF expansion funds

**About this measure:** DEI is a proxy for economic return and outcomes delivered by expansion IGF projects. pDEI is the forecast return from IGF Expansion projects arising from jobs created in New Zealand, cashflow, and supplier spend in New Zealand.

The higher the pDEI, the greater the potential positive impact on New Zealand resulting from the project. For every \$1 of taxpayer funds invested in a project, NZTE expects four times the economic return. This 4 to 1 ratio is used as a benchmark for determining which projects are funded.

**Methodology:** For each IGF Expansion customer, the value of their international expansion project is forecast and calculated on:

- the incremental income to the New Zealand owners of that company (EBITA) over each year of project implementation
- the incremental income to New Zealand employees in that company (wages) for each year of project implementation, and
- the incremental purchases from New Zealand suppliers (cost of goods sold) made by that company for each year of project implementation.

The total forecast incremental value is discounted to provide a present-day value, then divided by the amount of the government IGF co-funding to give the project pDEI.

This measure reports the sum of all approved projects' pDEI in this financial year.

	Actual 2021/22	Actual 2022/23	Target 2023/24	Actual 2023/24
	6.8 to 1	9.1 to 1	4 to 1	7.9 to 1

**Commentary and comparability:** From 1 July 2022, the pDEI calculation was updated to measure project-specific returns on government funds only, instead of measuring returns on the total project cost. We made this change to more accurately reflect benefits to the New Zealand economy from the project.

61 expansion projects were approved in FY24 with a total forecast pDEI value of \$248 million against funding approved (government contribution) of \$31.3 million resulting in a total pDEI of 7.9.

Due to the change in calculation method, the FY23 measure is not comparable to prior results; however, each year's result is still comparable to the target of 4 to 1 which has remained unchanged.

**Limitations:** This measure is based on forecast project revenues for each year of the project provided by the customer. Assumptions underpin these forecasts and we review them for reasonableness.

### Measure: Realised direct economic impact ratio (rDEI) for completed IGF Expansion funds

**About this measure:** Direct economic impact is a proxy for economic return and outcomes delivered by IGF Expansion projects. This measure reports on the realised return to the economy from completed projects based on Expansion funds approved in the preceding five years.

**Methodology:** The DEI calculated at the end of the project represents the actual realised return from the project. The rDEI is calculated on the same basis as the pDEI except project gains are based on actuals instead of forecasts. The total realised incremental value is discounted to provide a present-day value, then divided by the amount of the government IGF co-funding to give the project rDEI.

	Actual 2021/22	Actual 2022/23	Target 2023/24	Actual 2023/24
	7.4 to 1	6.6 to 1	4 to 1	6.2 to 1

**Commentary:** In FY24, the realised result for every \$1 invested was \$6.2 dollars returned across jobs created in New Zealand, and cashflow and supplier spend in New Zealand.

Over the preceding five years (2020-2024), 268 Expansion projects were completed with a realised rDEI value of \$2.1 billion, representing a rDEI of 6.2. Food, Beverage and Consumer Goods projects delivered 50% of rDEI by value, followed by Manufacturing at 30% and Tech & Services at 20%.

**Comparability:** This measure is not comparable to previous years as the five-year period (2020-24) includes one year (2023-24) of completed projects under the new DEI methodology. Each year's result is still comparable to the target benchmark of 4:1 which has remained unchanged.

**Limitations:** We rely on customers providing actual project performance to calculate the rDEI result.

### Measure: Number of IGF projects co-funded

**About this measure:** The number of IGF projects co-funded for Focus customers across three IGF types: Springboard, Validation and Expansion.

	Actual 2021/22	Actual 2022/23	Target 2023/24	Actual 2023/24
	582	486	400 (demand driven)	498

**Commentary:** The IGF is a demand driven fund which is reflected in service performance being higher than planned performance. The number of projects co-funded is demand driven and changes each year depending on the type and size of projects and the economic context. Our target was reduced because the appropriation is being reduced but demand for co-funding for smaller projects pushed the number of projects co-funded within that reduced appropriation higher than expected.

In FY24 Springboard projects – short-term projects addressing a specific need, capability gap or opportunity – accounted for 62% of funds by volume. Validation project demand was up 37% from the last financial year. Expansion funds were up by 1%. Validation and Springboard projects typically account for a smaller portion of the fund in terms of value but are higher in volume.

**Judgement:** No judgement is required when calculating this measure, though judgement is used when assessing applications against funding criteria.

**Comparability:** FY23 results are comparable with FY22 when Springboard was introduced. Before FY22, only Validation and Expansion projects were supported.

# STATEMENT OF PERFORMANCE

2023/2024

## Sector strategies and facilitation / Strategic Investment Fund (SIF)

The SIF co-funds feasibility studies for developing and presenting the business case for investment in New Zealand.

### Statement of Cost of Service – Sector Strategies and Facilitation

Other expense	Actual 2021/22 \$000	Actual 2022/23 \$000	Budget 2023/24 \$000	Actual 2023/24 \$000
Revenue Crown	1,024	330	1,204	1,392
Revenue other	–	–	–	–
<b>Total revenue</b>	<b>1,024</b>	<b>330</b>	<b>1,204</b>	<b>1,392</b>
Expense	1,024	330	1,204	1,392
<b>Net result</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>

## Sector strategies and Facilitation/Strategic Investment Fund (SIF) performance measure

**Measure:** Number of SIF funds awarded

**About this measure:** The number of SIF co-funding awarded for feasibility studies approved for developing and presenting investment business cases.

	Actual 2021/22	Actual 2022/23	Target 2023/24	Actual 2023/24
	13	8	7 (demand driven)	7

**Commentary:** The SIF is a demand-driven co-funding mechanism, which is reflected in service performance being slightly higher than planned performance. It provides up to 50% of the cost of a feasibility study, up to a maximum of \$250,000 (GST exclusive) for studies that align with a specific investment deal, and that have the potential to generate positive benefit for New Zealand.

SIF supports significant foreign direct investment (FDI) in New Zealand, and New Zealand-based companies considering significant outward direct investments (ODI).

**Judgement:** No judgement is applied when calculating this performance measure. Judgement is used when assessing applications against the funding criteria.

**Comparability:** Results are comparable over time.

## Appropriation funding

	Estimate \$000	Final Vote \$000	Actual \$000
<b>Vote Business, Science and Innovation: Support the growth and development of NZ firms, sectors and regions MCA</b>			
<b>International business growth services</b>			
Revenue – Crown	188,078	188,078	188,078
<b>Collaborative activity and special events</b>			
Revenue – Crown	4,920	5,703	5,703
<b>Total</b>	<b>192,998</b>	<b>193,781</b>	<b>193,781</b>
<b>Vote Business, Science and Innovation: Support new market opportunities to grow firms and sectors for the benefit of New Zealand MCA</b>			
<b>Sector strategies and facilitation</b>			
Revenue – Crown	1,194	1,005	1,005
<b>Total</b>	<b>1,194</b>	<b>1,005</b>	<b>1,005</b>
<b>Vote Business, Science and Innovation: Sector Strategies and Facilitation (Annual Appropriation)</b>			
<b>Sector strategies and facilitation</b>			
Revenue – Crown	–	1,073	387
<b>Total</b>	<b>–</b>	<b>1,073</b>	<b>387</b>
<b>Vote Business, Science and Innovation: International Growth Fund 2022-2027 MYA</b>			
<b>International growth fund</b>			
Revenue – Crown	55,706	66,356	44,618
<b>Total</b>	<b>55,706</b>	<b>66,356</b>	<b>44,618</b>

# FINANCIAL STATEMENTS

## Statement of comprehensive revenue and expense

for the year ended 30 June 2024

	Notes	Actual 2024 \$000	Budget 2024 \$000	Actual 2023 \$000
<b>Revenue</b>				
Funding from Crown – operating	2	193,781	194,164	188,057
Funding from Crown – grants	3	46,010	56,910	47,527
Interest revenue	2	2,028	400	857
Other revenue	2	14,579	18,395	18,897
<b>Total revenue</b>		<b>256,398</b>	<b>269,869</b>	<b>255,338</b>
<b>Expenses</b>				
Personnel expense	4	133,542	132,452	128,689
Depreciation and amortisation expense	12,13	6,085	5,950	4,398
Capital charge	7	1,697	1,921	1,887
Grant expense	3	46,010	56,910	47,527
Other operating expenses	5	68,018	77,636	78,048
<b>Total expenses</b>		<b>255,352</b>	<b>274,869</b>	<b>260,549</b>
<b>Surplus/ (deficit)</b>		<b>1,046</b>	<b>(5,000)</b>	<b>(5,211)</b>
<b>Total comprehensive revenue and expense</b>		<b>1,046</b>	<b>(5,000)</b>	<b>(5,211)</b>

Explanations of major variances against budget are provided in Note 22. The accompanying notes form an integral part of these financial statements.

## Statement of changes in equity

for the year ended 30 June 2024

	Actual 2024 \$000	Budget 2024 \$000	Actual 2023 \$000
Balance at 1 July	36,080	38,426	41,291
Total comprehensive revenue and expense for the year	1,046	(5,000)	(5,211)
<b>Balance at 30 June</b>	<b>37,126</b>	<b>33,426</b>	<b>36,080</b>

Explanations of major variances against budget are provided in Note 22. The accompanying notes form an integral part of these financial statements.

## Statement of financial position

as at 30 June 2024

	Notes	Actual 2024 \$000	Budget 2024 \$000	Actual 2023 \$000
<b>Current assets</b>				
Cash and cash equivalents	8	46,223	37,939	41,210
Receivables – operating	9	285	1,500	2,228
Receivables – grants	3	25,341	35,000	29,151
Prepayments and deposits	10	7,047	5,420	6,347
Derivative financial instruments	11	–	–	572
<b>Total current assets</b>		<b>78,896</b>	<b>79,859</b>	<b>79,508</b>
<b>Non-current assets</b>				
Prepayments and deposits	10	783	780	2,028
Property, plant and equipment	12	4,143	7,201	6,528
Intangible assets	13	4,737	3,954	5,781
<b>Total non-current assets</b>		<b>9,663</b>	<b>11,935</b>	<b>14,337</b>
<b>Total assets</b>		<b>88,559</b>	<b>91,794</b>	<b>93,845</b>
<b>Current liabilities</b>				
Payables and deferred revenue	14	9,555	7,667	12,608
Payables – grants	3	25,341	35,000	29,151
Employee entitlements	15	10,417	11,395	9,363
Derivative financial instruments	11	2,683	–	2,838
Lease incentives	6	219	147	307
<b>Total current liabilities</b>		<b>48,215</b>	<b>54,209</b>	<b>54,267</b>
<b>Non-current liabilities</b>				
Employee entitlements	15	3,113	3,433	3,162
Lease incentives	6	105	726	296
Provisions	16	–	–	40
<b>Total non-current liabilities</b>		<b>3,218</b>	<b>4,159</b>	<b>3,498</b>
<b>Total liabilities</b>		<b>51,433</b>	<b>58,368</b>	<b>57,765</b>
<b>Net assets</b>		<b>37,126</b>	<b>33,426</b>	<b>36,080</b>
<b>Equity</b>				
Contributed capital		15,648	15,648	15,648
Accumulated surplus/(deficit)		21,478	17,778	20,432
<b>Total equity</b>		<b>37,126</b>	<b>33,426</b>	<b>36,080</b>

Explanations of major variances against budget are provided in Note 22. The accompanying notes form an integral part of these financial statements.

For and on behalf of the members of the Board, which authorised the issue of the financial statements on 31 October 2024.



Jennifer Kerr  
Chair, NZTE Board



Sarah Paterson  
Chair, Audit & Risk

# FINANCIAL STATEMENTS

## Statement of cash flows

for the year ended 30 June 2024

	Notes	Actual 2024 \$000	Budget 2024 \$000	Actual 2023 \$000
<b>Cash flows from operating activities</b>				
Receipts from Crown – operating		192,200	194,164	184,519
Receipts from Crown – grants		49,820	56,910	54,111
Receipts from other revenue		16,413	18,395	14,055
Interest received		2,028	400	857
Payments to suppliers		(69,263)	(77,886)	(69,056)
Payments to employees		(132,267)	(131,752)	(128,048)
Payments to grant recipients		(49,820)	(56,910)	(54,111)
Payments for capital charge		(1,697)	(1,921)	(1,887)
GST (net)		283	–	179
<b>Net cash flows from operating activities</b>		<b>7,697</b>	<b>1,400</b>	<b>619</b>
<b>Cash flows from investing activities</b>				
Receipts from sale of property, plant and equipment and intangibles		104	–	87
Purchase of property, plant and equipment		(637)	(2,500)	(1,755)
Purchase of intangible assets		(2,151)	(2,700)	(2,696)
<b>Net cash flows from investing activities</b>		<b>(2,684)</b>	<b>(5,200)</b>	<b>(4,364)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>5,013</b>	<b>(3,800)</b>	<b>(3,745)</b>
Cash and cash equivalents at beginning of the year		41,210	41,739	44,955
<b>Cash and cash equivalents at end of the year</b>	8	<b>46,223</b>	<b>37,939</b>	<b>41,210</b>

Explanations of major variances against the budget are provided in Note 22. The accompanying notes form an integral part of these financial statements.

## Reconciliation of surplus/(deficit) to net cash flow from operating activities

	Actual 2024 \$000	Actual 2023 \$000
<b>Surplus/(deficit)</b>	<b>1,046</b>	<b>(5,211)</b>
<b>Add/(less) non-cash items</b>		
Depreciation and amortisation	6,085	4,398
Net (gains)/losses on derivative financial instruments	417	7,544
<b>Total non-cash items</b>	<b>6,502</b>	<b>11,942</b>
<b>Add/(less) items classified as investing activities</b>		
(Gains)/losses on disposal of property, plant and equipment	28	56
<b>Total items classified as investing</b>	<b>28</b>	<b>56</b>
<b>Add/(less) movements in statement of financial position items</b>		
(Increase)/decrease in receivables, prepayments and deposits	2,488	(3,380)
(Increase)/decrease in receivables – grants	3,810	6,584
Increase/(decrease) in payables	(3,332)	(2,274)
Increase/(decrease) in payables – grants	(3,810)	(6,584)
Increase/(decrease) in employee entitlements	1,005	197
Increase/(decrease) in provisions	(40)	(711)
<b>Net movements in working capital items</b>	<b>121</b>	<b>(6,168)</b>
<b>Net cash flow from operating activities</b>	<b>7,697</b>	<b>619</b>

The accompanying notes form an integral part of these financial statements.

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2024

## Note 1: Statement of accounting policies

### Reporting entity

New Zealand Trade and Enterprise (NZTE) is a Crown entity as defined by the Crown Entities Act 2004 and is domiciled in New Zealand. NZTE's parent is the New Zealand Crown.

The consolidated financial statements of the Group consist of the parent entity, NZTE, and its wholly owned subsidiary, NZ G2G Partnerships Limited, together they are referred to as NZTE.

NZTE's primary objective is to encourage New Zealand businesses to grow internationally and promote investment opportunities in New Zealand. NZTE does not operate to make a financial return.

NZTE has designated itself as a public benefit entity (PBE) for financial reporting purposes.

The financial statements for NZTE are for the year ended 30 June 2024, and were approved by the Board on 31 October 2024.

### Basis of preparation

The financial statements have been prepared on a going concern basis and the accounting policies have been applied consistently throughout the year.

### Statement of compliance

The financial statements of NZTE have been prepared in accordance with the requirements of the Crown Entities Act 2004, which includes the requirement to comply with New Zealand Generally Accepted Accounting Practice (NZ GAAP).

NZTE is a Tier 1 entity and the financial statements have been prepared in accordance with and comply with PBE Standards.

### Presentation currency and rounding

The financial statements are presented in New Zealand dollars, which is NZTE's functional currency. All values are rounded to the nearest thousand dollars (\$000).

### Basis of measurement

The financial statements have been prepared on an historical cost basis, except for derivative financial instruments, which are valued at fair value through the surplus or deficit.

### New or amended standards adopted

*2022 Omnibus Amendment to PBE Standards*  
PBE IPSAS 19 Provisions, Contingent Liabilities and Contingent Assets: The amendments clarify the costs of fulfilling a contract that an entity includes when assessing whether a contract will be loss-making onerous (and therefore whether a provision needs to be recognised). NZTE has assessed the impact on financial statements and there has been no change as a result of adopting the new standard.

### Other changes in accounting policies

There have been no other changes in NZTE's accounting policies since the date of the last audited financial statements.

### Standards issued and not yet effective and not early adopted

Standards and amendments, issued but not yet effective, that have not been early adopted are:

#### *Amendments to PBE IPSAS 1 Disclosure of Fees for Audit Firms' Services*

The amendments to PBE IPSAS 1 requires entities to disclose the fees incurred for services from its audit, a description of each service using specified categories of audit of the financial report and other non -audit services. Application of this amendment is required for accounting periods beginning on or after 1 January 2024, with early application permitted. NZTE has assessed the impact on financial statements and does not intend to early adopt the amendment. This amendment is not expected to have a significant impact.

#### *Amendments to PBE IFRS 17 Insurance Contracts in the Public Sector*

The amending standard modifies some of the requirements in PBE IFRS 17 Insurance Contracts for its application by public sector entities. Application of these amendments is required for accounting periods beginning on or after 1 January 2026. Application is permitted for accounting periods that begin before 1 January 2026 but have not ended or do not end before 20 July 2023. NZTE has not yet assessed the impact on financial statements and does not intend to early adopt the standard.

### Summary of significant accounting policies

Significant accounting policies are included in the notes to which they relate.

Significant accounting policies that do not relate to a specific note are outlined below.

#### Foreign currency transactions

Foreign currency transactions (including those subjects to forward foreign exchange contracts) are translated into New Zealand dollars (the functional currency) using the spot exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at balance date exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the surplus or deficit.

#### Goods and services tax

Items in the financial statements are presented exclusive of GST, except for receivables and payables, which are presented on a GST inclusive basis. Where GST is not recoverable as input tax, it is recognised as part of the asset or expense.

The net amount of GST recoverable from, or payable to, Inland Revenue is included as part of receivables or payables in the statement of financial position.

The net GST paid to, or received from, Inland Revenue, including the GST relating to investing and financing activities, is classified as a net operating cash flow in the statement of cash flows.

Commitments and contingencies are disclosed exclusive of GST.

#### Income tax

NZTE is a public authority and is exempt from the payment of income tax. Accordingly, no provision has been made for income tax.

### Budget

The budget figures are derived from the Statement of Performance Expectations, as approved by the Board at the beginning of the financial year. The budget figures have been prepared in accordance with NZ GAAP, using accounting policies that are consistent with those adopted by the Board in preparing these financial statements.

### Critical accounting estimates and assumptions

In preparing these financial statements, NZTE has made estimates and assumptions concerning the future. These estimates and assumptions might differ from the subsequent actual results. Estimates and assumptions are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are:

- useful lives and residual values of property, plant, and equipment – refer to Note 12
- useful lives of intangible assets – refer to Note 13
- retirement, long service leave and other employee entitlements – refer to Note 15.

### Critical judgements in applying accounting policies

Management has exercised critical judgements in applying accounting policies in regard to the following items:

- grant expenditure and payables – refer to Note 3.
- employee entitlements – refer note 15.

Where appropriate, comparative numbers have been reclassified to be consistent with current year disclosures.

The lease commitments numbers for the prior period have been updated to better reflect the contractual terms for properties leased from other NZ agencies.

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2024

## Note 2: Revenue

### Funding from the Crown

NZTE is primarily funded by the Crown. This funding is restricted in its use for the purpose of NZTE meeting the objectives specified in the Statement of Performance Expectations 2023/24 and the scope of appropriation funding. NZTE considers there are no conditions attached to the funding and it is recognised as revenue at the point of entitlement. This is considered to be the start of the appropriation period to which the funding relates. The fair value of revenue from the Crown has been determined to be equivalent to the amounts due in the funding arrangements.

### COVID-19 recovery and response

NZTE received additional funding during the year as part of the COVID-19 Recovery and Response Fund (CRRF). Funds received during 2023/24 included additional operating and grant funding (Note 3).

	Actual 2024 \$000	Actual 2023 \$000
Crown – operating baseline	169,781	161,230
Additional COVID-19 Recovery and Response Expo 2020 Dubai	24,000 –	24,000 2,827
<b>Total funding from Crown – Operating</b>	<b>193,781</b>	<b>188,057</b>
<b>Interest revenue</b>		
Interest income	2,028	857
<b>Total interest revenue</b>	<b>2,028</b>	<b>857</b>
<b>Other revenue</b>		
Gains on derivative financial instruments – realised	–	6,933
Rental revenue from property subleases	1,425	1,121
Other income	12,741	10,405
Government to Government consultancy services	413	346
Expo 2020 Dubai – other revenue	–	92
<b>Total other revenue</b>	<b>14,579</b>	<b>18,897</b>

## Note 3: Grants

### Grant revenue and receivables

Grant revenue is recognised when the revenue conditions have been met, which is when the related grant expenditure is incurred, or accrued expenditure is recognised.

Receivables from Crown – grant are due from the Ministry of Business, Innovation and Employment (MBIE) to pay grant administered by NZTE with payment terms of 7 days.

### Grant expenditure and payables

Grant expenditure is recognised when the third-party recipient incurs expenditure that meets the grant condition arrangements. For reporting purposes grant expenditure and the accrual is calculated by assessing the probability of a grant recipient having incurred qualifying expenditure for which a claim has not yet been received and management's estimation of project progress. The grant payable is an accrual which consists of all open grant contracts which is then discounted by the estimated grant drawdown rate (between 87% to 97%). The drawdown rate is calculated based on historic drawdown rates.

	Actual 2024 \$000	Actual 2023 \$000
Funding from Crown – grants	46,010	47,527
<b>Total funding from Crown – grants</b>	<b>46,010</b>	<b>47,527</b>
Grants expense	46,010	47,527
<b>Total grants expense</b>	<b>46,010</b>	<b>47,527</b>
Receivable from Crown – grants	25,341	29,151
<b>Total receivable – grants</b>	<b>25,341</b>	<b>29,151</b>
Payables – grants	25,341	29,151
<b>Total payables – grants</b>	<b>25,341</b>	<b>29,151</b>
Total grants commitments	59,590	70,575

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2024

### Note 4: Personnel expense

#### Salaries and wages

Salaries and wages are recognised as an expense as employees provide services.

#### Superannuation schemes (defined contribution schemes)

Employer contributions to KiwiSaver, the Government Superannuation Fund, and the State Sector Retirement Savings Scheme are accounted for as defined contribution superannuation schemes and are expensed in the surplus or deficit as incurred.

	Actual 2024 \$000	Actual 2023 \$000
Salaries and wages	123,751	118,489
Training and professional development	1,340	1,483
Defined contribution plan employer contributions	3,200	3,128
Board fees	212	223
Other personnel costs	3,305	3,591
Increase/(decrease) in employee entitlements	1,734	1,775
<b>Total personnel expenses</b>	<b>133,542</b>	<b>128,689</b>

During the year ended 30 June 2024, 83 (2023: 21) employees received compensation and other benefits in relation to cessation totalling \$5,560,268 (2023: \$832,418).

### Note 5: Other operating expenses

#### Operating lease expenses

An operating lease is a lease that does not transfer substantially all the risks and rewards of ownership to the lessee. Lease payments under an operating lease are recognised as an expense in the surplus or deficit on a straight-line basis over the lease term.

NZTE leases a number of properties in New Zealand and around the world in order to carry out its activities. NZTE has assessed that these leases do not transfer substantially all the risks and rewards of ownership to NZTE from the landlord and therefore are treated as operating leases.

	Actual 2024 \$000	Actual 2023 \$000
Fees to auditor		
– fees to Audit New Zealand for audit of financial statements	313	290
– fees to Audit New Zealand for disbursement	16	3
Professional services	6,063	7,542
Operating lease expenses	17,941	16,811
Marketing and research	8,344	9,787
Digital operations	9,595	10,040
International multi-customer activity and events	4,546	3,781
Telling the New Zealand Story	4,377	3,372
Expo 2020 Dubai	–	922
Advisory boards and panels	1,760	1,800
Travel	4,514	6,589
Insurance	1,183	1,127
Losses from derivative financial instruments – unrealised	418	8,401
Losses from derivative financial instruments – realised	1,305	–
Net foreign exchange losses – unrealised	949	353
Costs to third party service providers for sale of consulting services	413	346
Other expenses	6,281	6,884
<b>Total other operating expense</b>	<b>68,018</b>	<b>78,048</b>

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2024

### Note 6: Operating leases as lessee and lease incentives

#### Operating leases as lessee

The NZTE leases property in the normal course of its business.

The NZTE's non-cancellable operating leases have varying terms, escalation clauses, and renewal rights. The majority of these leases are for premises that have

a non-cancellable leasing period ranging from 1 to 5 years, with regular rent reviews.

The future aggregate minimum lease payments to be paid under non-cancellable operating leases is as follows:

	Actual 2024 \$000	Restated 2023 \$000
<b>Non-cancellable operating lease commitments</b>		
Not later than one year	15,380	13,973
Later than one year and not later than five years	15,246	16,984
Later than five years	147	469
<b>Total non-cancellable operating lease commitments</b>	<b>30,773</b>	<b>31,426</b>

#### Lease incentives

Lease incentives received are recognised in the surplus or deficit as a reduction in lease expense on a straight-line basis over the minimum term of the lease.

	Actual 2024 \$000	Actual 2023 \$000
Lease incentive – current	219	307
Lease incentive – non-current	105	296
<b>Total lease incentives</b>	<b>324</b>	<b>603</b>

The balance of lease incentives is from the following leases:

- NZTE leases 2,662 square meters of office space at Quay Street, Auckland over two floors under a non-cancellable operating lease. The lease incentive represents the landlord contribution to the fit out. The lease expires 31 December 2024 with an option for two rights of renewal of three years.
- NZTE leases 668 square meters of office space at Olympic Boulevard, Los Angeles under a non-cancellable operating lease. The lease incentive represents the rent-free period of six months. The lease expires on 31 July 2025, with an option of one right of renewal for five years.

- NZTE leases 310 square meters of office space at Cashel Street, Christchurch under a non-cancellable operating lease. The lease incentive represents a capital contribution from the landlord. The lease expires on 31 January 2028 with two rights of renewal of three years.
- NZTE leases 955 square meters of office space at Xingye Road, Luwan District, Shanghai under a non-cancellable operating lease. The lease incentive represents the rent-free period of one and half months. The lease expires on 30 September 2025.
- NZTE leases 349 square meters of office space at Madison Avenue, New York under a non-cancellable operating lease. The lease incentive represents the rent-free period of two months. The lease expires on 30 November 2026.

### Note 7: Capital charge

The capital charge is expensed in the financial year to which the charge relates.

The capital charge paid to the Crown is calculated based on NZTE's equity as at 30 June and 31 December each year. The capital charge rate for the year ended 30 June 2024 was 5% (2023: 5%).

### Note 8: Cash and cash equivalents

Cash and cash equivalents include cash on hand, deposits held on call with banks, and other short-term, highly liquid investments with original maturities of three months or less. Although cash and cash equivalents on 30 June 2024 are subject to the expected credit loss requirements of PBE IPSAS 41, no loss allowance has been recognised because none are expected.

	Actual 2024 \$000	Actual 2023 \$000
Cash at bank and on hand	46,223	31,210
Term deposits with maturities of three months or less	–	10,000
<b>Total cash and cash equivalents</b>	<b>46,223</b>	<b>41,210</b>

### Note 9: Receivables – operating

Short-term receivables are recorded at the amount due, less an allowance for expected credit losses. NZTE applies the simplified expected credit loss model of recognising lifetime expected credit losses for receivables.

Short-term receivables are written-off when there is no reasonable expectation of recovery.

ECLs are recognised in two stages. ECLs are provided for credit losses that result from default events that are possible within the next 12 months (a 12-month ECL). However, if there has been a significant increase in credit risk since initial recognition, the loss allowance is based on losses possible for the remaining life of the financial asset (Lifetime ECL).

When determining whether the credit risk of a financial asset has increased significantly since initial recognition, the NZTE considers reasonable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis based on the NZTE'S historical experience and informed credit assessment and including forward-looking information.

There have been no changes since 1 July 2023 in the estimation techniques or significant assumptions in measuring the loss allowance.

	Actual 2024 \$000	Actual 2023 \$000
Receivables from related parties (exchange transactions)	–	2,039
Receivables from non-related parties (exchange transactions)	285	189
<b>Total receivables – operating</b>	<b>285</b>	<b>2,228</b>

Receivables from non-related parties are non-interest bearing and are generally receivable on 20th of month following invoice terms. Receivables are shown net of an

allowance for expected credit losses amounting to \$53,693 (2023: \$12,078).

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2024

### Note 10: Prepayments and deposits

	Actual 2024 \$000	Actual 2023 \$000
<b>Current portion</b>		
Prepayments	5,949	5,167
Accommodation deposits	1,098	1,180
<b>Total current portion</b>	<b>7,047</b>	<b>6,347</b>
<b>Non-current portion</b>		
Prepayments	177	795
Accommodation deposits	606	1,233
<b>Total non-current portion</b>	<b>783</b>	<b>2,028</b>
<b>Total prepayments and deposits</b>	<b>7,830</b>	<b>8,375</b>

Accommodation deposits represent deposits paid for residential and office leases.

### Note 11: Derivative financial instruments

Derivative financial instruments are used to manage exposure to foreign exchange risk arising from NZTE's operational activities. NZTE does not hold or issue derivative financial instruments for trading purposes. NZTE has not adopted hedge accounting.

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured to their fair value at each

balance date. The associated gains or losses on derivatives are recognised in surplus or deficit.

A forward foreign exchange derivative is classified as current if the contract is due for settlement within 12 months of balance date. Otherwise, the forward foreign exchange derivative is classified as non-current.

	Actual 2024 \$000	Actual 2023 \$000
Derivative financial instrument assets – current	–	572
Derivative financial instrument liabilities – current	(2,683)	(2,838)
<b>Net derivative financial instrument assets/(liabilities) – current</b>	<b>(2,683)</b>	<b>(2,266)</b>

The notional principal amounts of outstanding forward foreign exchange contracts in NZD as at balance date were as follows:

	Actual 2024 \$000	Actual 2023 \$000
Australian dollar	9,921	10,930
Canadian dollar	1,257	1,654
Chinese renminbi	8,712	11,741
Euro	5,589	5,200
Great Britain pound	4,659	4,832
Hong Kong dollar	1,595	2,169
Japanese yen	1,202	2,743
Singapore dollar	5,724	6,918
United States dollar	28,833	32,187
UAE dirham	4,906	6,035
<b>Total forward foreign exchange contracts notional principal amount</b>	<b>72,398</b>	<b>84,409</b>

The fair values of forward foreign exchange contracts have been determined using a discounted cash flows valuation technique based on quoted market prices. The inputs into the valuation model are from

independently sourced market parameters such as currency rates. Most market parameters are implied from forward foreign exchange contract prices.

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2024

## Note 12: Property, plant and equipment

Property, plant, and equipment consists of four asset classes, which are measured as follows:

- Leasehold improvements, at cost less accumulated depreciation and impairment losses.
- Furniture and office equipment, at cost less accumulated depreciation and impairment losses.
- Computer hardware, at cost less accumulated depreciation and impairment losses.
- Motor vehicles, at cost less accumulated depreciation.

### Additions

The cost of an item of property, plant, and equipment is recognised as an asset only when it is probable that future economic benefits or service potential associated with the item will flow to NZTE and the cost of the item can be measured reliably.

Work in progress is recognised at cost less impairment and is not depreciated.

In most instances, an item of property, plant, and equipment is initially recognised at cost. Where an asset is acquired through a non-exchange transaction, it is recognised at fair value as at the date of acquisition.

Costs incurred subsequent to initial acquisition are capitalised only when it is probable that future economic benefits or service potential associated with the item will flow to NZTE and the cost of the item can be measured reliably.

The costs of day-to-day servicing of property, plant, and equipment are expensed in the surplus or deficit as they are incurred.

### Disposals

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount of the asset. Gains and losses on disposals are reported net in the surplus or deficit. When revalued assets are sold, the amounts included in revaluation reserves in respect of those assets are transferred to the accumulated surplus or deficit within equity.

### Depreciation

Depreciation is provided on a straight-line basis on all property, plant, and equipment other than land, at rates that will write off the cost (or valuation) of the assets to their estimated residual values over their expected useful lives. The expected useful lives and

associated depreciation rates of major classes of property, plant, and equipment have been estimated as follows:

- Leasehold improvements up to 12 years, 8%-33%.
- Furniture and office equipment 4 to 5 years, 20%-25%.
- Computer hardware 3 years, 33%.
- Motor vehicles 4 years, 25%.

Leasehold improvements are depreciated over the unexpired period of the lease or the estimated remaining useful lives of the improvements, whichever is the shorter.

### Impairment

NZTE does not hold any cash-generating assets. Assets are considered cash-generating where their primary objective is to generate a commercial return.

Property, plant, and equipment are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount might not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable service amount. The recoverable service amount is the higher of an asset's fair value, less costs to sell, and value in use.

Value in use is the present value of an asset's remaining service potential. It is determined using an approach based on either a depreciated replacement cost approach, a restoration cost approach, or a service units approach. The most appropriate approach used to measure value in use depends on the nature of the impairment and availability of information.

If an asset's carrying amount exceeds its recoverable service amount, the asset is regarded as impaired and the carrying amount is written down to the recoverable service amount. Total impairment loss is recognised in the surplus or deficit. The reversal of an impairment loss on a revalued asset is credited to other comprehensive revenue and expense.

### Critical accounting estimates and assumptions

#### Estimating useful lives and residual values of property, plant, and equipment

At each balance date, the useful lives and residual values of property, plant, and equipment are reviewed. Assessing the appropriateness of useful life and

residual value estimates of property, plant, and equipment requires a number of factors to be considered such as the physical condition of the asset, expected period of use of the asset by NZTE, and expected disposal proceeds from the future sale of the asset. An incorrect estimate of the useful life or residual value will affect the depreciation expense recognised in the surplus or deficit and carrying amount of the asset in the statement of financial position. NZTE minimises

the risk of this estimation uncertainty by:

- physical inspection of assets
- asset replacement programmes
- review of second-hand market prices for similar assets.

NZTE has not made significant changes to past assumptions concerning useful lives and residual values.

	Leasehold improvements \$000	Furniture and office equipment \$000	Computer hardware \$000	Motor vehicles \$000	Total \$000
<b>Cost or valuation</b>					
Balance at 1 July 2022	22,016	5,704	6,124	3,126	36,970
Additions	1,506	51	5	192	1,754
Disposals	(239)	(535)	(303)	(525)	(1,602)
Impairment	19	–	–	–	19
<b>Balance at 30 June 2023</b>	<b>23,302</b>	<b>5,220</b>	<b>5,826</b>	<b>2,793</b>	<b>37,141</b>
Balance at 1 July 2023	23,302	5,220	5,826	2,793	37,141
Additions	488	108	13	29	638
Disposals	(2,060)	(37)	(43)	(353)	(2,493)
<b>Balance at 30 June 2024</b>	<b>21,730</b>	<b>5,291</b>	<b>5,796</b>	<b>2,469</b>	<b>35,286</b>
<b>Accumulated depreciation and impairment loss</b>					
Balance at 1 July 2022	16,160	5,216	6,032	2,374	29,782
Depreciation expense	1,606	223	66	333	2,228
Elimination on disposal	(42)	(535)	(303)	(517)	(1,397)
<b>Balance at 30 June 2023</b>	<b>17,724</b>	<b>4,904</b>	<b>5,795</b>	<b>2,190</b>	<b>30,613</b>
Balance at 1 July 2023	17,724	4,904	5,795	2,190	30,613
Depreciation expense	2,455	158	30	247	2,890
Elimination on disposal	(1,927)	(37)	(43)	(353)	(2,360)
<b>Balance at 30 June 2024</b>	<b>18,252</b>	<b>5,025</b>	<b>5,782</b>	<b>2,084</b>	<b>31,143</b>
<b>Carrying amount</b>					
At 1 July 2022	5,856	488	92	752	7,188
At 30 Jun 2023	5,578	316	31	603	6,528
<b>At 30 June 2024</b>	<b>3,478</b>	<b>266</b>	<b>14</b>	<b>385</b>	<b>4,143</b>

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2024

### Restrictions

There have been no restrictions on property, plant and equipment throughout the reporting period.

### Work in progress

Work in progress is recognised at cost less impairment and is not depreciated. Where an asset is acquired through a non-exchange transaction, its recognised at its fair value as at the date of acquisition.

NZTE has the following work in progress at balance date:

	Actual 2024 \$000	Actual 2023 \$000
Other	203	225
<b>Total work in progress</b>	<b>203</b>	<b>225</b>

### Capital commitments

The amount of contractual commitments for the acquisition of property, plant, and equipment at the reporting date is:

	Actual 2024 \$000	Actual 2023 \$000
Leasehold improvements	50	209
<b>Total capital commitments</b>	<b>50</b>	<b>209</b>

### Note 13: Intangible assets

#### Software acquisition and development

Software licenses are capitalised based on the costs incurred to acquire and bring to use the specific software.

Costs that are directly associated with the development of software for internal use are recognised as an intangible asset. Direct costs include software development employee costs and an appropriate portion of relevant overheads.

Staff training costs are recognised as an expense when incurred. Costs associated with maintaining software are expensed when incurred.

Costs associated with development and maintenance of NZTE's website are expensed when incurred.

#### Amortisation

The carrying value of an intangible asset with a finite life is amortised on a straight-line basis over its expected useful life. Amortisation begins when the asset is available for use and ceases at the date when the asset is derecognised. The amortisation charge for each financial year is expensed in the surplus or deficit.

The useful lives and associated amortisation rates of major classes of intangible assets have been estimated as follows:

- Acquired software 4 to 5 years, 20%-25%.
- Internally generated software 3 to 5 years, 20%-33%.

#### Impairment

All intangible assets are non-cash generating. At each reporting date NZTE assesses whether there is an indication that a non-cash generating intangible asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, NZTE estimates the asset's recoverable service amount. An asset's recoverable service amount is the higher of the non-cash generating asset's fair value less costs to sell, and its value in use.

Where the carrying amount of an asset exceeds its recoverable service amount, the asset is considered impaired and is written down to its recoverable service amount.

#### Critical accounting estimates and assumptions

##### Estimating useful lives of software

NZTE's internally generated software largely comprises of an interactive portal for export customers provided to the public as part of NZTE's support function. Internally generated software has a finite life, which requires NZTE to estimate the useful life of the software assets. In assessing the useful lives of software assets, several factors are considered, including:

- the period of time the software is intended to be in use
- the effect of technological change on systems and platforms
- the expected time frame for the development of replacement systems and platforms.

An incorrect estimate of the useful lives of software assets will affect the amortisation expense recognised in the surplus or deficit, and the carrying amount of the software assets in the statement of financial position.

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2024

	Acquired software \$000	Internally generated software \$000	Total \$000
<b>Cost or valuation</b>			
Balance at 1 July 2022	3,206	7,501	10,707
Additions	142	2,592	2,734
<b>Balance at 30 June 2023</b>	<b>3,348</b>	<b>10,093</b>	<b>13,441</b>
Balance at 1 July 2023	3,348	10,093	13,441
Additions	–	2,151	2,151
Disposals	–	(2,240)	(2,240)
<b>Balance at 30 June 2024</b>	<b>3,348</b>	<b>10,004</b>	<b>13,352</b>
<b>Accumulated amortisation and impairment loss</b>			
Balance at 1 July 2022	2,889	2,601	5,490
Amortisation expense	329	1,841	2,170
<b>Balance at 30 June 2023</b>	<b>3,218</b>	<b>4,442</b>	<b>7,660</b>
Balance at 1 July 2023	3,218	4,442	7,660
Amortisation expense	92	3,103	3,195
Elimination on disposal	–	(2,240)	(2,240)
<b>Balance at 30 June 2024</b>	<b>3,310</b>	<b>5,305</b>	<b>8,615</b>
<b>Carrying amount</b>			
At 1 July 2022	317	4,900	5,217
At 30 June 2023	130	5,651	5,781
<b>At 30 June 2024</b>	<b>38</b>	<b>4,699</b>	<b>4,737</b>

### Restrictions

There are no restrictions over the title of NZTE's intangible assets, nor are any intangible assets pledged as security for liabilities.

### Work in progress

The total amount of work in progress included in intangible assets is \$0.1m (2023: \$0.4m).

The majority of intangible assets are internally generated software projects.

### Capital commitments

The amount of contractual commitments for the acquisition of intangible assets is \$nil (2023: \$nil).

### Note 14: Payables and deferred revenue

Short-term payables are recorded at the amount payable.

	Actual 2024 \$000	Actual 2023 \$000
Payables due to non-related parties (exchange transactions)	5,500	7,359
Payables due to related parties (exchange transactions)	28	122
Income in advance (exchange transactions)	957	2,539
Taxes payable – GST, FBT, PAYE and VAT (non exchange transactions)	3,070	2,588
<b>Total payables and deferred revenue</b>	<b>9,555</b>	<b>12,608</b>

### Note 15: Employee entitlements

#### Short-term employee entitlements

Employee benefits that are due to be settled within 12 months after the balance date in which the employee provides the related service are measured based on accrued entitlements at current rates of pay. These include salaries and wages accrued up to balance date, annual leave earned but not yet taken at balance date, and sick leave.

A liability and an expense are recognised for performance incentives where there is a contractual obligation or where there is past practice that has created a constructive obligation and a reliable estimate of the obligation can be made.

#### Long-term employee entitlements

Employee benefits that are due to be settled beyond 12 months after the balance date in which the employee provides the related service, such as retirement and long service leave, have been calculated on an actuarial basis. The calculations are based on:

- likely future entitlements accruing to employees, based on years of service, years to entitlement, the likelihood that employees will reach the point of entitlement, and contractual entitlement information, and
- the present value of the estimated future cash flows.

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2024

## Critical accounting estimates and assumptions

### Measuring retirement and long service leave obligations

The value of retirement and long service leave obligations are measured by the actual liability as at balance date as required under contractual arrangements (including local legalisation). Any employment changes may affect the carrying amount of the liability.

	Actual 2024 \$000	Actual 2023 \$000
<b>Current portion</b>		
Accrued salaries and wages	1,903	1,273
Annual leave	7,375	7,867
Sick leave	130	130
Retirement, long service and other employee entitlements	1,009	93
<b>Total current portion</b>	<b>10,417</b>	<b>9,363</b>
<b>Non-current portion</b>		
Retirement, long service and other employee entitlements	3,113	3,162
<b>Total non-current portion</b>	<b>3,113</b>	<b>3,162</b>
<b>Total employee entitlements</b>	<b>13,530</b>	<b>12,525</b>

## Note 16: Provisions

A provision is recognised for future expenditure of uncertain amount or timing when:

- there is a present obligation (either legal or constructive) as a result of a past event
- it is probable that an outflow of future economic benefits or service potential will be required to settle the obligation
- a reliable estimate can be made of the amount of the obligation.

Provisions are measured at the present value of the expenditure expected to be required to settle the obligation using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the obligation.

	Actual 2024 \$000	Actual 2023 \$000
<b>Non-current portion</b>		
Other non-current financial liabilities	–	40
<b>Total non-current portion</b>	<b>–</b>	<b>40</b>
<b>Total provisions</b>	<b>–</b>	<b>40</b>

## Note 17: Contingencies

### Contingent liabilities

NZTE has legal disputes at balance date, at this stage we are not able to disclose a reliable estimate amount. (2023: nil for potential contractual disputes).

### Note 18: Related party transactions

NZTE is controlled by the Crown.

Related party disclosures have not been made for transactions with related parties that are:

- within a normal supplier or client/recipient relationship
- on terms and conditions no more or less favourable than those that it is reasonable to expect NZTE

### Contingent assets

NZTE has no contingent assets (2023: \$nil).

would have adopted in dealing with the party at arm's length in the same circumstances.

Further, transactions with other government agencies (for example, government departments and Crown entities) are not disclosed as related party transactions when they are on normal terms and conditions consistent with the normal operating arrangements between government agencies.

	Actual 2024 \$000	Actual 2023 \$000
<b>Key management personnel remuneration</b>		
<b>NZTE Board Members</b>		
Remuneration	212	223
Full-time equivalent members	0.96	0.96
<b>NZTE Leadership Team</b>		
Remuneration	3,619	3,595
Full-time equivalent members	8	8
<b>Total key management personnel remuneration</b>	<b>3,831</b>	<b>3,818</b>
<b>Total full-time equivalent personnel</b>	<b>8.96</b>	<b>8.96</b>

The full-time equivalent for Board members has been determined based on the frequency and length of Board meetings and the estimated time for Board members to prepare for meetings.

An analysis of Board member remuneration is provided in Section 3: Our Performance Story

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2024

## Note 19: Joint ventures

### The New Zealand Way Limited

NZTE has a 50% shareholding in The New Zealand Way Limited, a joint venture between NZTE and Tourism New Zealand. The activities of the joint venture are limited to the marketing and promotion of Brand New Zealand (both within New Zealand and offshore), the licensing and control of the use of Intellectual Property, and such other activities as may be unanimously agreed in writing by the parties. The New Zealand Way Brand provides marketing opportunities to those companies which meet quality and environmental standards. The Brand is promoted as a mark of outstanding quality, superior service and unique New Zealand characteristics. There were no impairment losses relating to the joint venture and no capital commitments or other commitments relating to the joint venture.

During the year, there were no transactions in The New Zealand Way Limited (2023: \$nil). Therefore the share of the joint venture revenue and (deficit)/surplus for the year is \$nil (2023: \$nil).

### Te Hono

NZTE partners with the New Zealand Merino Company Limited for the purpose of accelerating the transformation of Aotearoa, New Zealand's Food & Fibre Sector from volume to value – for the world, for the good of the world. The operating entity, Te Hono, is a joint initiative that manages the annual Stanford Bootcamp and National Summit.

NZTE contributes funding towards Te Hono initiatives as well as providing the financial administration of the entity. NZTE is obligated for any financial shortfall or liability of Te Hono and is entitled to the legal ownership of all Te Hono property.

Te Hono's operational activity for the year resulted in a profit of \$460,317 (2023: profit of \$42,930). At balance date, Te Hono held \$683,695 in cash (2023: \$261,085).

## Note 20: Financial instruments

NZTE is exposed to interest rate risk, foreign currency risk, credit risk and liquidity risk. NZTE's senior management oversees the management of these risks and is supported by the Audit and Risk Committee that provides assurance to the Board that NZTE's financial risks are identified, measured and managed in accordance with NZTE's policies and procedures.

### Financial instrument categories

The carrying amounts of financial assets and liabilities in each of the financial instrument categories are as follows:

	Notes	Actual 2024 \$000	Actual 2023 \$000
<b>Mandatorily measured at fair value through surplus or deficit</b>			
Derivative financial instrument assets	11	–	572
Derivative financial instrument liabilities	11	2,683	2,838
<b>Total mandatorily measured at fair value financial instruments</b>		<b>2,683</b>	<b>3,410</b>
<b>Financial liabilities measured at amortised cost</b>			
Payables (excluding deferred revenue, taxes payable)	14	5,528	7,481
Other non-current liabilities	16	–	40
<b>Total financial liabilities measured at amortised cost</b>		<b>5,528</b>	<b>7,521</b>
<b>Financial assets measured at amortised cost</b>			
Cash and cash equivalents	8	46,223	41,210
Receivables	3,9	25,626	31,379
Accommodation deposits	10	1,704	2,413
<b>Total financial assets measured at amortised cost</b>		<b>73,553</b>	<b>75,002</b>

### Fair value

For those instruments recognised at fair value in the statement of financial position, fair values are determined according to the methods and assumptions listed below:

#### Derivatives

The fair value of forward exchange contracts has been determined using a discounted cash flow valuation methodology based on quoted forward foreign exchange market rates.

Where discounted cash flow techniques are used, estimated future cash flows are based on management's best estimates and the discount rate is a market related rate for a similar instrument at balance date. Where other pricing models are used, inputs are based on market-related data at balance date.

### Receivables and payables

For receivables and payables with a remaining life of less than one year, the notional amount is deemed to reflect the fair value.

### Financial instrument risk

NZTE's activities expose it to a variety of financial instrument risks, including interest rate risk, foreign currency risk, credit risk and liquidity risk. NZTE has policies to manage these risks and seeks to minimise exposure from financial instruments. These policies do not allow transactions that are speculative in nature to be entered into.

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2024

## Interest rate risk

Fair value interest rate risk is the risk that the fair value of a financial instrument will fluctuate due to changes in market interest rates. NZTE's exposure to fair value interest rate risk is limited to its bank deposits that are held at fixed rates of interest. NZTE actively manages its exposure to fair value interest rate risk by reviewing its placement of funds.

## Foreign currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in foreign exchange rates.

NZTE makes purchases of goods and services overseas that require it to enter into transactions denominated in foreign currencies. NZTE holds currency balances in AED, AUD, CAD, CNY, EUR, GBP, HKD, JPY, SGD, and USD to operate its international offices and settle international transactions denominated in foreign currencies when necessary. As a result of these activities, exposure to currency risk arises.

NZTE manages foreign currency risks arising from contractual commitments and liabilities by entering forward foreign exchange contracts to manage the foreign currency risk exposure.

## Exchange rate sensitivity analysis

At balance date, if the NZ dollar had weakened/strengthened by 1% against all foreign currencies, with all other variables held constant, the impact on the surplus for the year would have been:

- \$808,570 (2023: \$1,098,355) higher if the NZ dollar had weakened.
- \$846,699 (2023: \$1,039,841) lower if the NZ dollar had strengthened.

This movement is attributable to foreign exchange gains/losses on translation of foreign currency denominated creditors, bank balances and derivative financial instruments.

## Credit risk

Credit risk is the risk that a third-party will default on its obligation to NZTE, causing it to incur a loss.

NZTE is exposed to credit risk from cash and term deposits with banks, prepayments and deposits, receivables, and derivative financial instrument assets. For each of these, the maximum credit exposure is best represented by the carrying amount in the statement of financial position.

Due to the timing of its cash inflows and outflows, NZTE invests surplus cash with registered banks with a Standard and Poor's credit rating of at least AA- for short-term investments. At balance date, NZTE does not hold any short-term deposit. NZTE limits the amount of credit exposure to any one financial institution for term deposits to no more than \$60m. NZTE's investments in term deposits are considered to be low-risk investments. The majority of NZTE's cash and term deposits are held with counterparties that have a Standard and Poor's credit rating of A+ or above. The credit ratings of banks are monitored for credit deterioration.

## Security

No collateral or other credit enhancements are held for financial assets that give rise to credit risk.

## Liquidity risk

### Management of liquidity risk

Liquidity risk is the risk that NZTE will encounter difficulty raising liquid funds to meet commitments as they fall due. Prudent liquidity risk management implies maintaining sufficient cash and the ability to close out market positions.

NZTE manages liquidity risk by continuously monitoring forecast and actual cash flow requirements.

### Contractual maturity analysis of financial liabilities, excluding derivative financial instrument liabilities

The table below analyses financial liabilities (excluding derivatives) into their relevant maturity groupings based on the remaining period at balance date to the contractual maturity date. The amounts disclosed are the undiscounted contractual cash flows.

Contractual maturity analysis of financial liabilities, excluding derivative financial instrument liabilities	Carrying amount \$000	Contractual cash flows \$000	Less than 6 months \$000	6-12 months \$000	More than 1 year \$000
<b>2024</b>					
Payables	5,528	5,528	5,528	-	-
<b>Total</b>	<b>5,528</b>	<b>5,528</b>	<b>5,528</b>	-	-
<b>2023</b>					
Payables	7,481	7,481	7,481	-	-
Other non-current liabilities	40	40	-	-	40
<b>Total</b>	<b>7,521</b>	<b>7,521</b>	<b>7,481</b>	-	<b>40</b>

### Contractual maturity analysis of derivative financial instrument assets and liabilities

The table below analyses derivative financial instrument liabilities that are settled net and all gross settled derivatives into their relevant maturity groupings based on the remaining period at balance date to the contractual maturity date. The amounts disclosed are the undiscounted contractual cash flows.

Contractual maturity analysis of derivative financial assets and liabilities	Asset carrying amount \$000	Liabilities carrying amount \$000	Contractual cash flows \$000	Less than 6 months \$000	6-12 months \$000
<b>2024</b>					
Forward foreign exchange contracts	-	2,683	-	-	-
- outflow	-	-	(72,398)	(42,128)	(30,270)
- inflow	-	-	69,715	40,668	29,047
<b>Total</b>	-	<b>2,683</b>	<b>(2,683)</b>	<b>(1,460)</b>	<b>(1,223)</b>
<b>2023</b>					
Forward foreign exchange contracts	572	2,838	-	-	-
- outflow	-	-	(84,409)	(49,160)	(35,249)
- inflow	-	-	82,143	47,921	34,222
<b>Total</b>	<b>572</b>	<b>2,838</b>	<b>(2,266)</b>	<b>(1,239)</b>	<b>(1,027)</b>

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2024

### Note 21: Events after balance date

#### Closure of Te Hono

At its meeting in July 2024 the Steering Committee of Te Hono confirmed the operations of Te Hono will cease effective 29 November 2024. The closure of Te Hono is not expected to have a material financial impact on NZTE.

#### Los Angeles Lease Commitment

In July 2024 NZTE committed to an additional 5 years on the lease of its Los Angeles property to 2030. The

total value of the commitment is \$5m for the period with \$2.5m contracted to third parties via a sublease.

#### NZ G2G Partnership Limited

Subsequent to the financial year end NZTE started the process of winding up NZ G2G Partnership Limited. The process is not expected to have a material financial impact on NZTE.

### Note 22: Explanation of major variances against budget

Explanations for major variances from NZTE's budgeted figures in the statement of performance expectations are as follows:

#### Statement of comprehensive revenue and expense

##### Funding from Crown

NZTE received less funding from the Crown than budgeted due to one-off funding moving from Funding from Crown to Other revenue for NZ Story.

##### Other revenue

The variance from budget is driven by actual fair value gains being lower than budgeted offset by additional revenue for activation of Industry Transformation Programmes (ITP).

##### Personnel

There was a small increase in personnel, partially reflecting the additional people resource required to run the Industry Transformation Programmes and KiwSaaS programmes, however this is offset by income received to run these programmes.

##### Grant expenditure

Timing differences driven by wider economic factors between when grants were expected to be claimed and when grant recipients' claims are received.

##### Other Operating Expenses

The reduction in other operating expenses is mainly around travel, marketing and research and other costs, with some reduction in activity due to the people changes made across the business. In addition, some of the reduction is due to the movement in FX rates and the impact on the forward hedges.

#### Statement of financial position

##### Cash and cash equivalents

Fluctuations in cash balances are correlated to fluctuation in other balance sheet items most notably receivables – operating as well as payables and deferred revenue.

##### Receivables and payables – Crown grants

The balance of grants receivable and payable is driven by the level of approvals and volume of claims by grant recipients in the International Growth Fund (grant programme). Changing economic factors and the cadence of claims by grant recipients has driven the variance.

##### Property, plant and equipment

Variance due to the timing of renovation projects as well as the review of the useful life of some leasehold improvements. A shift in the leasing of vehicles as opposed to purchasing in New Zealand and a reduction in the fleet offshore.

##### Derivative Financial Instruments

NZTE take out foreign exchange forward contracts to manage foreign currency exchange rate fluctuations. Movements in foreign exchange rates between when the contracts were entered into, and balance date have resulted in material movements in the value of those foreign exchange forward contracts.

### Note 23: Discontinued activities and non-current assets held for sale

#### Expo 2020 Dubai

The Expo 2020 Dubai was held between October 2021 and March 2022. The pavilion was fully depreciated over the period of use and was disposed in 2021/22.

Discontinued statement of comprehensive revenue and expense	Continued activities	Discontinued activities	Total Actual	Continued activities	Discontinued activities	Total Actual
	2024 Actual \$000	2024 Actual \$000		2023 Actual \$000	2023 Actual \$000	
Revenue	256,398	–	256,398	252,420	2,918	255,338
Expenditure	255,352	–	255,352	257,631	2,918	260,549
<b>Total comprehensive revenue and expense</b>	<b>1,046</b>	<b>–</b>	<b>1,046</b>	<b>(5,211)</b>	<b>–</b>	<b>(5,211)</b>

# INDEPENDENT AUDITOR'S REPORT

To the readers of New Zealand Trade and Enterprise's group financial statements and performance information for the year ended 30 June 2024

The Auditor-General is the auditor of New Zealand Trade and Enterprise group (NZTE). The Auditor-General has appointed me, Rehan Badar, using the staff and resources of Audit New Zealand, to carry out the audit of the financial statements and the performance information, including the performance information for appropriations, of the NZTE on his behalf.

## Opinion

We have audited:

- the financial statements of the NZTE on pages 68 to 95, that comprise the statement of financial position as at 30 June 2024, the statement of comprehensive revenue and expenses, statement of changes in equity and statement of cash flows for the year ended on that date and the notes to the financial statements including a summary of significant accounting policies and other explanatory information; and
- the performance information which reports against the NZTE's statement of performance expectations and appropriations for the year ended 30 June 2024 on pages 49 to 67.

In our opinion:

- the financial statements of the NZTE:
  - present fairly, in all material respects:
    - † its financial position as at 30 June 2024; and
    - † its financial performance and cash flows for the year then ended; and
  - comply with generally accepted accounting practice in New Zealand in accordance with the Public Benefit Entity Reporting Standards; and
- the NZTE's performance information for the year ended 30 June 2024:
  - presents fairly, in all material respects, for each class of reportable outputs:
    - † its standards of delivery performance achieved as compared with forecasts included in the statement of performance expectations for the financial year; and

- † its actual revenue and output expenses as compared with the forecasts included in the statement of performance expectations for the financial year;
- † what has been achieved with the appropriations; and
- presents fairly, in all material respects, for the appropriations:
  - † what has been achieved with the appropriations; and
  - † the actual expenses or capital expenditure incurred as compared with the expenses or capital expenditure appropriated or forecast to be incurred; and
- complies with generally accepted accounting practice in New Zealand.

Our audit was completed on 31 October 2024. This is the date at which our opinion is expressed.

The basis for our opinion is explained below. In addition, we outline the responsibilities of the Board and our responsibilities relating to the financial statements and the performance information, we comment on other information, and we explain our independence.

## Basis for our opinion

We carried out our audit in accordance with the Auditor-General's Auditing Standards, which incorporate the Professional and Ethical Standards and the International Standards on Auditing (New Zealand) issued by the New Zealand Auditing and Assurance Standards Board. Our responsibilities under those standards are further described in the Responsibilities of the auditor section of our report.

We have fulfilled our responsibilities in accordance with the Auditor-General's Auditing Standards.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

## Responsibilities of the Board for the financial statements and the performance information

The Board is responsible on behalf of NZTE for preparing financial statements and performance information that are fairly presented and comply with generally accepted accounting practice in New Zealand. The Board is responsible for such internal control as it determines is necessary to enable it to prepare financial statements and performance information that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements and the performance information, the Board is responsible on behalf of NZTE for assessing the NZTE's ability to continue as a going concern. The Board is also responsible for disclosing, as applicable, matters related to going concern and using the going concern basis of accounting, unless there is an intention to merge or to terminate the activities of NZTE, or there is no realistic alternative but to do so.

The Board's responsibilities arise from the Crown Entities Act 2004 and the Public Finance Act 1989.

## Responsibilities of the auditor for the audit of the financial statements and the performance information

Our objectives are to obtain reasonable assurance about whether the financial statements and the performance information, as a whole, are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit carried out in accordance with the Auditor-General's Auditing Standards will always detect a material misstatement when it exists. Misstatements are differences or omissions of amounts or disclosures, and can arise from fraud or error. Misstatements are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decisions of readers, taken on the basis of these financial statements and the performance information.

For the budget information reported in the financial statements and the performance information, our procedures were limited to checking that the information agreed to the NZTE's statement of

performance expectations, relevant Estimates and the Supplementary Estimates of Appropriations 2023/24.

We did not evaluate the security and controls over the electronic publication of the financial statements and the performance information.

As part of an audit in accordance with the Auditor-General's Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. Also:

- We identify and assess the risks of material misstatement of the financial statements and the performance information, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- We obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the NZTE's internal control.
- We evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board.
- We evaluate the appropriateness of the reported performance information within the NZTE's framework for reporting its performance.
- We conclude on the appropriateness of the use of the going concern basis of accounting by the Board and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the NZTE's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements and the performance information or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the NZTE to cease to continue as a going concern.

## INDEPENDENT AUDITOR'S REPORT

- We evaluate the overall presentation, structure and content of the financial statements and the performance information, including the disclosures, and whether the financial statements and the performance information represent the underlying transactions and events in a manner that achieves fair presentation.
- We obtain sufficient appropriate audit evidence regarding the financial statements and the performance information of the entities or business activities within the NZTE to express an opinion on the consolidated financial statements and the consolidated performance information. We are responsible for the direction, supervision and performance of the NZTE audit. We remain solely responsible for our audit opinion.

We communicate with the Board regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Our responsibilities arise from the Public Audit Act 2001.

### Other information

The Board is responsible for the other information. The other information comprises the information included on pages 1 to 101, but does not include the financial statements and the performance information, and our auditor's report thereon.

Our opinion on the financial statements and the performance information does not cover the other information and we do not express any form of audit opinion or assurance conclusion thereon.

In connection with our audit of the financial statements and the performance information, our responsibility is to read the other information. In doing so, we consider whether the other information is materially inconsistent with the financial statements and the performance information or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on our work, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### Independence

We are independent of the NZTE in accordance with the independence requirements of the Auditor-General's Auditing Standards, which incorporate the independence requirements of Professional and Ethical Standard 1: International Code of Ethics for Assurance Practitioners (including International Independence Standards) (New Zealand) (PES 1) issued by the New Zealand Auditing and Assurance Standards Board.

Other than the audit, we have no relationship with or interests in NZTE.



Rehan Badar

**Audit New Zealand**  
**On behalf of the Auditor-General**  
**Wellington, New Zealand**

## OTHER STATUTORY REPORTING REQUIREMENTS

### Ministerial directions

(Sections 114 and 115 Crown Entities Act 2004)

No directions were given to NZTE in writing by a Minister under any enactment during the year ending 30 June 2024.

### Enforcement of Acts

(Section 20(3) Crown Entities Act 2004)

No natural person acts were enforced against NZTE in reliance on section 20 of the Crown Entities Act 2004 during the year ending 30 June 2024.

# GLOSSARY

<b>Active Investor Plus (AIP) visa</b>	An AIP visa was developed to attract high-net worth investors to apply for residency, on the basis they take a proactive investment role in the development of the New Zealand economy.
<b>Beachhead advisors</b>	Our Beachhead advisors are a global network of more than 200 private-sector experts who offer perspective and insights to help our export customers shape the direction of their business.
<b>Blue economy</b>	Marine activities that generate economic value and contribute positively to ecological, cultural, and social well-being.
<b>Clean technologies</b>	Technology that makes it possible to reduce or avoid harm to the environment, for example, technologies related to recycling, clean water, or methods of transport that do not cause pollution.
<b>Co-funding</b>	An activity that supports firms or groups of firms where the costs of the activity are shared between NZTE and the participants. This may include programmes where NZTE supports firms with funding however requires participants to also invest in delivering the activity.
<b>Deals (export deals)</b>	An export deal is a sale of goods and services with a dollar value over a defined time period, achieved with the assistance of NZTE.
<b>Employee Net Promoter Score (eNPS)</b>	eNPS is an employee survey that asks employees to rate how likely they are to recommend their organisation as a place to work. The index ranges from -100 to +100.
<b>Engaged customers</b>	Engaged customers are exporters who are generally at an early stage in their international journey and have a less intensive relationship with NZTE.
<b>Focus portfolio</b>	The 1,000 (+/-100) customers who receive an intensified service from NZTE.
<b>Focus portfolio value</b>	Total international revenue for customers who have been in the Focus portfolio for a minimum of six months, excluding customers with international revenue in excess of \$500 million.
<b>G2G</b>	<p>A joint venture with MFAT that takes New Zealand government skills, systems and know-how to market on a commercial basis. In FY24 this was managed by a separate entity within NZTE. The work programme is now integrated within NZTE.</p> <p>G2G is short for Government-to-Government and the phrase G2G is often used interchangeably with 'New Zealand G2G'.</p>
<b>Greenfield investment</b>	Projects where there are no existing operations.
<b>In-market support</b>	Support provided by NZTE teams based offshore and delivered in the international location (not delivered from New Zealand).
<b>International Growth Fund (IGF)</b>	A service for our Focus customers. IGF co-invests in projects that will have a positive impact on the New Zealand economy.
<b>Investee</b>	Companies seeking investment

<b>International growth outcomes (IGOs)</b>	A result achieved in market with the assistance of NZTE that is not a sale however it provides a significant platform for future international growth.
<b>Live Deals</b>	A digital platform for wholesale investors, which showcases investment deals to our investor network.
<b>Made with Care</b>	A marketing campaign to maintain New Zealand's international profile in key markets. This multi-faceted campaign tells New Zealand's food and beverage story to develop preference and demand and provide activations and assets that export businesses can leverage.
<b>Mātau</b>	NZTE's programme to reach more Māori customers, accelerate their growth through investment, and lift the Māori knowledge and capability of NZTE's people.
<b>myNZTE</b>	NZTE's digital portal; a hub of learning, guides, insights and events.
<b>Net promoter score (NPS)</b>	A widely used customer loyalty or satisfaction metric used to measure success across NZTE services. It is an index ranging from -100 to +100 that measures the willingness of customers to recommend a company's products or services to others.
<b>NZ Inc</b>	New Zealand's business support agencies. NZTE works closely with them to provide a consistent and coordinated level of support for the New Zealand business community.
<b>One Global Team</b>	NZTE's team of 624 people in 47 locations around the world.
<b>OurVoice</b>	Our annual engagement survey of NZTE's people, using the CultureAmp platform. It measures the percentage of employees who are engaged.
<b>Potential direct economic impact (pDEI)</b>	pDEI is the forecast return to the economy through increased profits, wages and supplier spend in New Zealand
<b>Realised direct economic impact (rDEI)</b>	rDEI is the realised return to the economy through increased profits, wages and supplier spend in New Zealand.
<b>Springboard</b>	A service delivery model that provides export customers with access to bespoke and trusted private-sector expertise in New Zealand and internationally. It is available to Focus customers through the International Growth Fund.
<b>Strategic Investment Fund (SIF)</b>	The strategic investment fund co-funds feasibility studies. These studies are used to develop and present the business case for investment in New Zealand.
<b>Te Taurapa Tūhono</b>	NZTE's Māori name. Taurapa means the stern post on the back of the traditional Māori waka, or canoe, that helps to stabilise and guide the boat. Tūhono is a term that represents connections to people and an ability to build relationships.
<b>Trade missions</b>	A trade mission is a group of New Zealand Government and company representatives visiting a market to support our export growth and achieve business outcomes. It provides scale and impact – raising the profile of New Zealand's overall export offering and adding commercial value to our customers.



**NEW ZEALAND**  
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