



Westpac
NZ Government
Innovation Fund

Impact Report

**Bringing innovative
ideas to life, today.**

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The Innovation Fund is jointly governed by Westpac and the New Zealand government. It supports government agencies, entrepreneurs and community sector innovators to solve problems and uncover opportunities big and small for the benefit of all New Zealanders by bringing innovative ideas to life, today.

Message from the Chair

I have had the honour of being involved in the Westpac NZ Government Innovation Fund (WGIF) since 2016. The concept of the Fund was born from the idea of bringing a platform for innovation to our relationship with the Government, as its banker.

Looking back, I can see that our story is not just one of meaningful impact through our investments, but also of continuously innovating on ourselves. We started in a place where we thought the sweet spot for innovation lay at the intersection of Westpac's capabilities and Government's needs, and that the right people to innovate were our people.

We have now come to realise that the sweet spot for innovation lies in our shared values and outcomes, and to paraphrase Joy's Law, most of the smartest people work for someone else. I am very proud we have developed a model that supports such an approach. Although we've never really used the words, the findings of this report ring true: we have become a social innovation fund; the marriage of an innovation platform and our shared values. To an outsider, this may seem like an odd outcome. And it may seem odder still that we've focussed on early-stage investing, given the risks involved.

My reflection is that we have been able to successfully invest in the space due to some key ingredients. One has been the genuine shared values from the Westpac/ Government partnership, driven by passionate people wanting to make a difference. Another has been that the Fund has been sufficiently arms-length from both institutions so as to not get caught up by our own bureaucratic processes. The final has been the application of good governance practices borrowed from our sponsor institutions to reduce risks to an acceptable level.

Some of these have included:

- Treating our grants as investments and seeking to maximise value and reduce risk.
- Taking a partnering and relationship-based approach with our funded partners to help maximise the chances of their success.
- Ongoing monitoring, with level and frequency of engagement driven by explicit risk assessments.
- Iterative delivery and staged investment.
- Taking a portfolio approach.

Paradoxically, these disciplines have allowed the Fund to take on more uncertainty; provide more support; be more comfortable with testing, learning, and pivoting; and take a longer-term perspective.

Innovation is a team sport, and the impacts we have made are due to the amazing, talented, passionate people who have contributed and continue to contribute to WGIF. Many of them are volunteers, and our Board and Working Group members are 50/50 Westpac and Government representatives. There is always a chance of missing key stakeholders from the list, but nonetheless I would like to acknowledge:

- MBIE, for supporting WGIF and giving it the freedom to operate.
- My fellow Board members, who are always 100% committed and bring passionate, diverse, challenging and always respectful views to the table.
- The WGIF management team, very ably led by the indefatigable Simon Rogerson. Simon and his team do an impressive job of navigating the complexity and ambiguity of the world of innovation and turn it into a governable structure.

- Our working group, the engine room and secret sauce of our process. This amazing group of volunteers evaluate all our proposals, make investment recommendations to the Board, coach candidates and provide other support to our management team.
- Our Funded Partners, who inspire us every day, our impact is only derived from the good work they do.
- Our industry partners across public, private and NGO sectors with whom we continue to collaborate with.

As this phase of WGIF draws to a close, the intent of this report is not just to reflect on the impact it has had, but also as an invitation to draw and build upon the lessons we have learnt over the last seven years. We welcome the opportunity to share our story and our model.

Brent Chalmers

Chair of the Westpac NZ Government Innovation Fund and Head of Public Sector at Westpac NZ.



Executive summary

- WGIF fills a gap in the funding landscape by investing in emerging social innovation initiatives.
- It invests in initiatives that can create positive change for complex issues, contributing to meaningful impact.
- WGIF's distinct funding approach reduces obstacles and speeds up the impact timeline, catering to the demands of innovation.

WGIF holds a distinctive position in the innovation ecosystem.

It plays a crucial role in Aotearoa New Zealand's innovation ecosystem by providing early-stage funding and support to empower innovators to bring their ideas to life. Many initiatives at the idea stage face challenges in securing funding due to the lack of quick returns and limited opportunities for extensive due diligence. With an understanding that early-stage ventures are uncertain and carry risk, WGIF's risk management approach includes a risk appetite for failure, stress testing proposals, partnering with innovators, adopting a portfolio investment strategy, and conducting moderated and staged due diligence.

By offering timely support, WGIF enables innovators to accelerate their growth, demonstrate the viability of their ideas and business models and establish a strong foundation for future success. The impact of WGIF's funding and support is evident in the many success stories of its funded partners, including attracting investment, growing customer numbers and revenue, and achieving significant social and environmental impact.

WGIF is a flexible and collaborative funder, reflective of the needs of its funded partners and the nature of innovation.

WGIF adopts an efficient and decisive funding approach, catering to the fast-paced nature of start-ups. Diverging from conventional funding approaches, WGIF adopts a more relational approach, minimising the necessity for overly intricate and high compliance project planning. WGIF provides expert coaching in the proposal development phase, and funded partners appreciate the trust-based approach that makes them feel heard and supported. WGIF provides innovators with the space and confidence to take risks and pivot when necessary, which is crucial in the initial stages of innovation.

WGIF's impact is established through the impact of others.

WGIF invests in community, government, and business innovators, maximising impact by reducing barriers to innovation. Funding contracts are outcomes focused and offer flexibility in how milestones are achieved, unlike traditional service contracts. This allows community innovators to undertake creative problem-solving, develop tech platforms, fund expertise and resources, and harness knowledge of their community to develop impactful initiatives. The funding allows Government innovators to step outside bureaucracy, to leverage knowledge of the government, test ideas quickly, explore cross-agency solutions, and deliver programs that prioritise government goals. Business innovators can focus on social and environmental change, apply innovation, technology and systems thinking, and grow financially sustainable models that fund impact on an ongoing basis.

WGIF's support has allowed these innovators to grow faster, validate their ideas, and quickly discontinue aspects that aren't viable. As a result, funded partners have reported successes such as attracting investment, growing customer numbers and revenue, and being in a stronger position to develop and achieve significant impact.

About this report

This document is an independent Ākina report, commissioned by WGIF. It presents our findings that provide insight into the effectiveness of WGIF's activities in fostering innovation and driving positive change in Aotearoa New Zealand. Ākina conducted a range of assessments, including impact workshops, interviews, surveys, and data analysis, to identify the key factors that generate the most impact and

evaluate the positive effects of WGIF's work through its funded partners and delivery organisations, including partnerships and sponsorships. The report highlights the role of WGIF in bringing together various stakeholders, including Westpac, the government, expert advisors, and funded partners, to build a platform for change in the Aotearoa New Zealand innovation ecosystem.

What we found

94% of surveyed funded partners said they have been able to achieve more positive social, environmental and/or economic impact because of WGIF support.



100% of surveyed partners either agreed or strongly agreed that WGIF has boosted the NZ innovation ecosystem.

\$10.7m

committed over 6 years

44

investments made

3

key sponsorships



80%

have progressed further than they would have without WGIF support

93%

made progress towards validating their idea

46%

saw an increase in customer numbers

62%

saw an increase in end users

64%

explored and discounted an idea

46%

attracted further funding/ investment



73%

are already having positive impact in Aotearoa New Zealand

2,000+

people's (predominantly Māori and Pacific) pathways to thriving futures impacted by 2 investments¹

100,000+

people's environmental footprint already impacted by just 1 investment²

Millions

of people's health outcomes already impacted by just 1 investment³

¹ The Generator and Manurewa High School, both detailed in case studies below
² The Generator works with individuals to start a range of micro-businesses that have impact on New Zealanders
³ Disease Surveillance has impacted the health outcomes of New Zealanders during the COVID-19 Pandemic

WGIF is achieving positive impact via innovators

Activity:

Impact:



WGIF has funded early innovators

WGIF invested early, supporting innovators to grow initiatives.

Early innovators have grown, faster: Funded partners are further ahead in their development than they would have been. They have validated their ideas and quickly discounted aspects that were not worth pursuing. Many have grown their revenue, their customer and end user numbers and have attracted additional investment. These are necessary preconditions to the initiatives growing their positive impact for Aotearoa New Zealand.



WGIF has invested in impact

WGIF funds a varied portfolio of promising initiatives, if just one or more is successful, it will have significant impact.

Successful initiatives are achieving significant impact: This approach has already proven effective. The most successful investments are contributing to positive change for thousands of New Zealanders and for the environment. For example, the Disease Surveillance initiative, enabled effective genomic sequencing in New Zealand's Covid response, positively impacting the health outcomes of millions of New Zealanders.



WGIF has strengthened the ecosystem

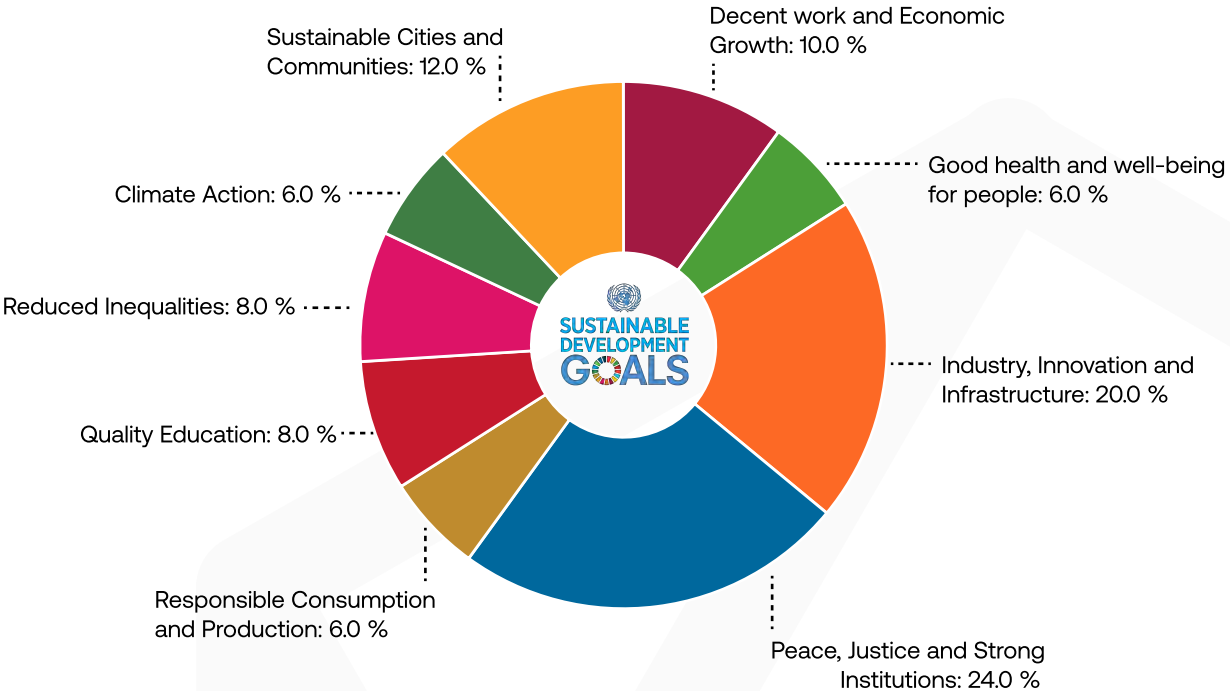
WGIF has established a collaborative platform for innovation.

Impact innovators benefit from a supportive ecosystem: Westpac, Government and a network of expert advisors are able to step outside silos and support innovators to achieve impact. Through WGIF connections and credibility, WGIF funded partners have benefited from increased access to investors, grantmakers, customers and other stakeholders who have supported them to progress their initiatives.

“You can’t just stand still and expect to maintain the same standards of living and environment.” ... “innovation creates a different future.” – Funded partner

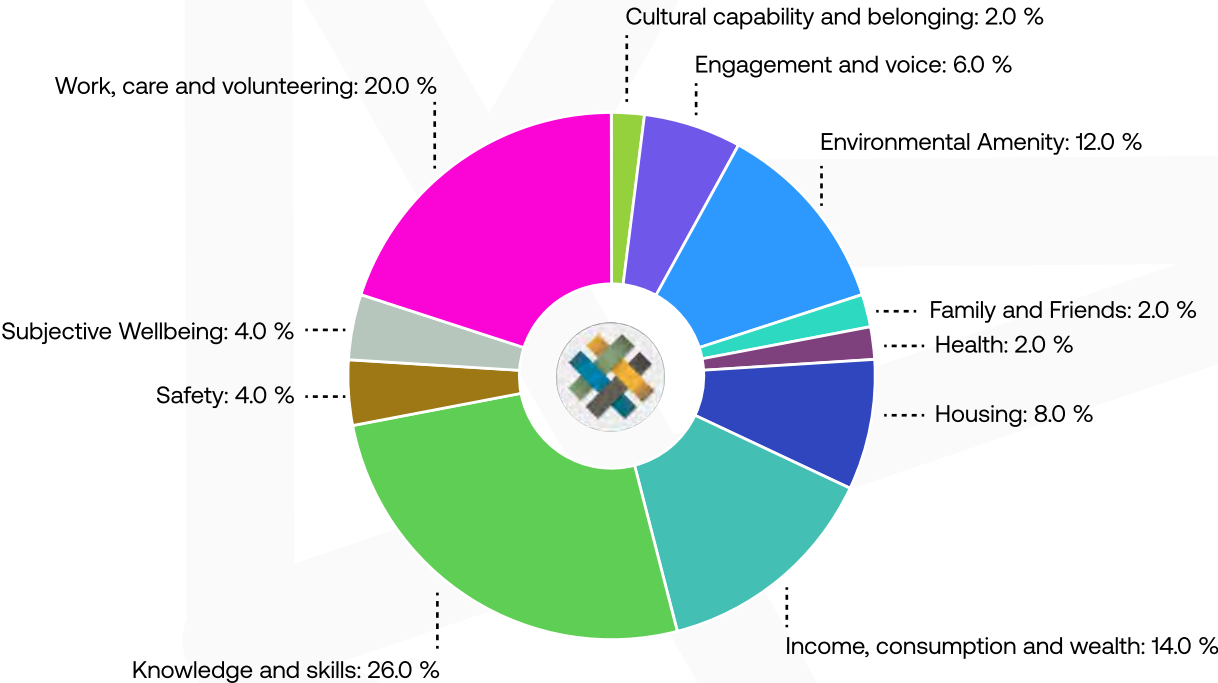
WGIF Funded Partner Impact - the United Nations Sustainable Development Goals (SDGs)

The United Nations SDGs are a series of ambitious objectives and targets to end extreme poverty and hunger, fight inequality and injustice, and tackle climate change, by 2030. This graph shows the SDGs that align to funded partners' impact goals, giving a high-level overview of the way WGIF contributes to the SDG agenda.



WGIF Funded Partner Impact - the Living Standards Framework (LSF)

The New Zealand Treasury developed the Living Standards Framework as a flexible high-level framework that measures and analyses intergenerational wellbeing. It is used by policy makers in government to consider the different dimensions of wellbeing when setting policy and aligning outcomes. This graph shows the domains that WGIF funded partners are delivering to.



Background

WGIF was formed in 2015 when Westpac and the Ministry of Business Innovation and Employment (MBIE) renewed Westpac's role as the Crown Banker. Westpac's intention was to take a fresh approach to the longstanding relationship, based on a platform of innovation. Westpac NZ pledged \$10+ million over 8 years to support innovation across the public service, to benefit New Zealanders now and in the future.

WGIF is governed by an Investment Board consisting of Westpac executives and Government officials. The day-to-day management of WGIF is undertaken by the Director and Delivery Manager, who in turn are supported by a Working Group consisting of volunteers from Westpac NZ and the public service. WGIF actively collaborates with stakeholders across the innovation ecosystem.

Since its inception, WGIF has continued to evolve. It has been innovative and has embraced experimentation. It has grown from being focused on bank and government challenges and funding in an ad hoc way. WGIF is now a fund that supports Westpac, the government, and other stakeholders to work collaboratively to tackle complex societal challenges in a structured way.

WGIF leverages the following funding mechanisms:

- **An Intake Model.**
 - This is WGIF's flagship funding mechanism. It supports an open innovation approach to solving social and environmental challenges.
 - WGIF runs two themed funding intakes per year, open to any individuals or organisations. The theme reflects shared Westpac and government challenges aiming to direct funding to areas where the most impact can be made, from financial inclusion and decarbonization to access to quality homes.
- **Direct priority Initiatives.** Supports direct collaborative innovation between government entities and Westpac.
- **Partnerships and sponsorships.** Used to amplify WGIF's mission through sponsorship and partnership activities.





Funding early innovators

Early stage innovators have survived, and progressed faster than expected

Funding early innovators

At the early idea stage of an initiative's development, the potential for success is unknown. Of all New Zealand businesses that were started in 2016, only 41% survived by 2022⁴. Funded Partners reported that New Zealand investors are generally not investing in these risky, early-stage initiatives. However, it is especially at the early development phase, when time, cost, and resourcing matters most, that innovators need support. This is even more so for entrepreneurs working on public purpose initiatives because there is a perception their initiatives will not be profitable. WGIF provides innovators with much needed support to survive and progress faster, enables people to develop further, explore more options and increases their chance of success.



The approach: WGIF is a flexible, collaborative, early-stage funder.

WGIF has simplified its processes so that application and on-boarding processes are easy for funded partners to navigate. WGIF makes decisions quickly at the start and throughout the funding period, which start-ups reported is important to match the timescale they operate on. WGIF accepts a level of risk in favour of maximising impact and is willing to pivot the focus of funding during a funding period if an initiative learns and re-prioritises.

WGIF funded partners valued the dedication of the staff behind WGIF, with the majority saying they gained confidence from the relationship and felt supported.



Not only have they survived, but 80% of surveyed funded partners said they had progressed their initiative faster than they would have without WGIF support.

⁴ <https://www.stats.govt.nz/information-releases/new-zealand-business-demography-statistics-at-february-2022/> 'New Zealand business demography statistics: At February 2022'



WGIF impact

- WGIF accelerates the development timeframes of its funded partners' initiatives, which greatly increases their chances of success.
- WGIF is a flexible funder, allowing partners to trial and pivot.
- WGIF's approach supports a stronger economy and communities.

“Innovation is a mindset. When you are innovating you are leaving BAU, engaging in re-thinking and challenging the way you are doing certain [activities] to create better outcomes, improvements, and impact. We felt supported by the WGIF in this regard.” - Funded Partner

What impact does funding early have?

Partners reported that the accelerated timeframes put them in a more competitive position, ensuring they stayed ahead of international markets and were set up for success when raising additional investment.

As a result, funded partners have been able to:

- Bunch activities and progress workstreams in parallel, allowing for testing of multiple development strategies.
- Test a broader range of products and services in greater depth than would have otherwise been possible. **93% of surveyed funded partners reported making progress towards developing a replicable model.**
- Deliver projects beyond the scope of Business as Usual.
- Get products to market faster and build their customer base faster. **46% of surveyed funded partners have taken their solution to market and have seen an increase in customer numbers.**
- Reach more people with their solutions. **62% of surveyed funded partners have seen an increase in end users.**

“We've had an opportunity to prototype and test something sooner, learnt faster and can integrate the experience and insights from this mahi into our next evolution to make a difference for rangatahi.”

- Funded Partner

What impact does being a flexible funder have?

WGIF fosters an open and collaborative funding relationship, allowing its partners to fail fast, learn from the experience and turn failure into value. **64% of surveyed funded partners explored ideas and identified that they should not progress down a particular path, saving them time and money.**

As a result, funded partners have been able to:

- Access expert support and advice.
- Conduct feasibility studies and early research, so that they can learn quickly.
- Save money and time in research and development.
- Pivot towards ideas that show more potential during testing.
- Adapt quickly to circumstances.

WGIF's approach supports a stronger economy and communities.

Home-grown innovation culminating in successful companies or initiatives not only encourages more jobs and productivity within Aotearoa New Zealand's economy, but also ensures the solutions are better tailored to our unique cultural and environmental context.

“Without the [WGIF] funding, the programme may have never been possible. It was vital to bridge the gap from initial design through to onboarding project teams and starting the programme.” - Funded Partner



Case Study: Daisy Lab

Disruptive food technology is a growing international market. New Zealand needs to get ahead to maintain its reputation in the industry and to maximise the opportunity for the New Zealand economy.

Daisy Lab is working to substantially reduce the environmental impact from traditional dairy and diversify our food production with animal-free alternatives. To do so they are developing a microbial system that can produce dairy proteins more sustainably, with up to 97% less greenhouse gases than traditional dairy farming.

WGIF allowed Daisy Labs to reach their research goals faster by testing additional microbial systems. WGIF came at a pivotal time. It set Daisy Lab up to drive their growth strategy forward, making them a more attractive proposition as they start seeking investment.

www.daisylab.co.nz

“We are in a much stronger position for pitching to investors. [WGIF] gave us an extended runway which means we can weather storms. It gave us increased confidence.” - Daisy Lab



A man and a woman are sitting on a dark leather couch in a modern office environment. The man, on the left, is wearing a light blue button-down shirt and is smiling broadly at the camera. The woman, on the right, is wearing a bright pink jacket and glasses, and is smiling while looking towards the man. The background shows office cubicles with glass partitions and some greenery.

Investing in innovation for impact

**Diverse investments enable
more potential impact across
sectors over the long term**

The Approach:

WGIF invests for maximum impact by funding a varied range of innovative initiatives with high potential to achieve positive impact on key issues

Innovation was once seen primarily as a tool for business growth. WGIF uniquely invests in innovation with a view to achieving positive impact. Over the years of its operation, WGIF has itself been experimental, seeking out ways to invest in the initiatives with the greatest potential for significant impact and adjusting throughout.

WGIF focuses investment rounds on key issues that are affecting Aotearoa New Zealand. It enables WGIF to contribute to the collective knowledge base of the issue to be addressed. This encourages the ecosystem to identify and refer initiatives working on those issues, resulting in a richer, more focused pool of ideas for WGIF to consider.

WGIF seeks to maximise its impact by spreading its risk and diversifying its portfolio of investments across sectors. This enables it to leverage the value of each of those sectors:

- Government innovators have the potential to reach many thousands of people.
- Non-profit innovators can leverage their knowledge of community goals.
- Business innovators can develop social enterprises that use business models to financially support the achievement of positive social or environmental change.

WGIF utilises a range of funding mechanisms. Direct funding through bi-annual themed Intake rounds allow WGIF to be targeted, experimental and innovative. Partnerships and sponsorships enable funding to go further. In the case of The GovTech Accelerator, sponsorship results in a high-quality pool of initiatives. Bespoke funding for specific priority initiatives gives WGIF the flexibility to seize opportunities as they arise to work with government to develop better public services.

WGIF supports initiatives to focus on impact by clearly communicating that positive impact is a WGIF priority. WGIF focuses on ideation, validation, proof of value, proof of concept, prototyping and experimentation. WGIF supports an innovative mindset by adapting and tailoring funding as initiatives learn more about how to achieve positive impact.

WGIF achieves a positive impact for the environment and our communities by supporting others to achieve impact. WGIF invests in short-term outcomes that are likely to lead to long-term impact.



Deliberately invest in innovation for impact

WGIF has an impact on innovators

Fund innovators to validate ideas and develop initiatives with high potential for impact.

Innovators are set up to achieve impact

Initiatives succeed and grow their customers / end users.

Innovators achieve impact

Initiatives work with customers / end users / the environment to achieve positive impact.

What is the long-term potential for impact of WGIF's approach?

Ākina found that WGIF funded partners are on track to achieve quantifiable impact. Their initiatives are growing, they are reaching more customers/end users and they are being supported to focus on achieving impact.

94% of surveyed funded partners said they have been able to achieve more impact because of WGIF support.

In Ākina's experience working across the impact start-up space in New Zealand for many years, WGIF funded partners are progressing towards impact at a faster rate than average. Despite WGIF investing at the early, risky stage, **73% of its funded partners are already reporting that they are having a positive impact on communities and/or the environment in Aotearoa New Zealand.**

WGIF understands that to create long term change, innovation needs time to deliver. This means it is important to assess the potential for impact, rather than, at this stage, expecting to see quantifiable long-term impact.

The high potential for impact of Funded Partners:

WGIF funded partners are being supported to achieve impact in a range of diverse areas, including:

- Minimising the impact of infectious disease on the community.
- Supporting government agencies to apply human-centric innovation to create solutions that work. The funded partner targets root-cause problems, facilitates collaboration, and upskills participants – driving better outcomes for Aotearoa New Zealand.
- Contributing to the decarbonisation of Aotearoa New Zealand by diversifying production to include dairy alternatives.
- Contributing to the knowledge base and challenging misperceptions around the future of work through the experiences of temporary workers and the hiring stakeholders.
- Developing an Aotearoa New Zealand focused worker anti-slavery/human rights approach to the fisheries industry.
- Reducing barriers that neurodivergent people face in the world of work.
- Connecting, inspiring, and supporting young people making a difference for our communities and country.
- Enabling and supporting those in hardship to create better futures for themselves and their whānau.

How much impact?

Similar to the portfolio approach utilised by venture capital investors, WGIF has invested in a broad range of initiatives with high potential for impact, accepting that some might fail while others will go on to achieve significant impact. This approach is already showing results.

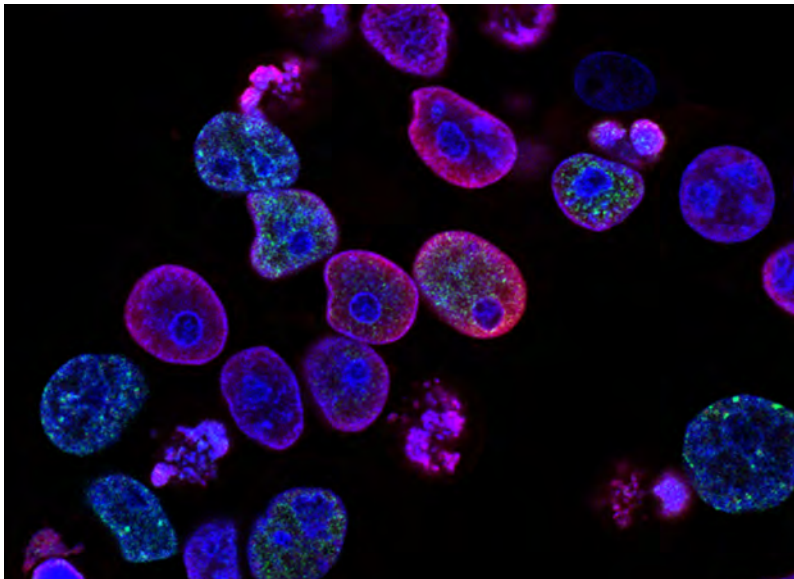
Ākina surveyed a sample of 14 of the funded partners to learn the extent of the impact they are achieving. Ākina's conservative estimate is that they are currently having an impact on **114,000 people. In addition, those working on environmental initiatives have had an impact on the environmental footprint of 110,000 people.**

One funded partner (Disease Surveillance) alone has already had an impact on a majority of New Zealanders by supporting modelling that improved our national ability to plan for and manage Covid-19. This case is representative of the potential for reach that could be achieved by a number of the Government funded partners.

Case Study: Disease Surveillance

In 2017, Professor Shaun Hendy had an idea that could contribute to minimising the impact of infectious disease on the community. WGIF backed the project, enabling the team to build capability in using a novel data source to track disease spread and to cut their teeth on the use of genomic testing data.

Years later, this expertise was invaluable during the COVID-19 pandemic. Genomic sequencing provided the basis of the modelling that guided Government's pandemic response. The experience and confidence gained from this earlier work meant the organisation was able to launch into pandemic modelling as the crisis unfolded. Disease Surveillance provided proof that the tool they had previously developed could deliver what was needed for COVID-19 modelling, and that they should be trusted to access anonymised health data.



“Funding innovation like this [WGIF] on its own isn’t disruptive, it often has to be combined with the right circumstances. There is a risk in funding... a discovery project like this. The funding needed to be combined with the crisis. We had to be ready to react, to have built up the knowledge, to test.”

- Funded Partner



What impact does reducing barriers to innovation have?

By making innovation for impact more accessible, community sector innovators are not curtailed by narrow contracts, Government innovators are not constrained by bureaucracy and business innovators can focus on both impact and business growth.

Impact of Community sector innovators

Through WGIF, community sector innovators have been able to:

- Work on innovative ideas without being limited to the narrow focus of their contracts (where contracts may be their sole revenue stream).
- Undertake creative problem-solving and address system change.
- Develop innovative tech platforms to reach more people.
- Fund expertise and resourcing to deliver new programmes.
- Harness the inherent strengths and knowledge of community to develop initiatives that matter to them and their communities.

“[As an applicant] you weren’t trying to sell [innovation] from the start. In the past you almost had to reimagine to see if you could apply but the innovative part of it is explicitly what they’re looking for.”
- Funded Partner

Case Study: The Generator

The Generator is a programme aimed at empowering people, whānau and communities to develop financial independence by establishing microbusinesses. Delivered as a partnership between charitable organisations, Emerge Aotearoa and Vaka Tautua, The Generator is innovation that builds on deep community knowledge.

WGIF has enabled The Generator to develop a mobile application and digital platform to broker seed funding and give coaching to people in hardship, allowing them to pursue opportunities to lead them to financial independence.

www.thegenerator.org.nz



“I am a live-in carer for a terminally ill person. When I was referred to The Generator I had no business skills whatsoever, relying on technology to access support. Through this journey I could see myself changing, I could see my aspirational idea to help other tamariki come alive. It gave me the confidence to make this idea happen. I was also learning about myself; as you overcome those barriers you start to grow. So many things have come from this, for my family, for community.” - Generator participant

Impact of Government innovators

Through WGIF, Government funded partners have been able to de-risk initiatives with real potential. They have:

- Leveraged their knowledge of Government.
- Identified areas where innovation could greatly increase the effectiveness of Government's efforts to deliver positive impact for large numbers of New Zealanders.
- Tested ideas quickly in a mainstream context.
- Explored cross-agency solutions, made more possible by receiving funding from outside an agency.
- Developed programmes and knowledge that deliver on Government priorities.



Reach: Government funded partners have significant potential for reaching thousands, if not millions of people, and increase the effectiveness of Government spend.

Impact of Business innovators

Mainstream investors generally focus on business growth, with impact being an ancillary benefit. WGIF start-up funded partners have been able to:

- Focus on impact, not just financial returns.
- Apply innovation, technology and systems thinking to social and environmental challenges.
- Validate and grow organisations that have business models that support the achievement of impact in a financially sustainable way, without relying on ongoing grant funding.



Business innovators have potential to grow financially sustainable models to support impact: Business funded partners have high potential to grow business models that can fund impact on an ongoing basis.

Case Study: Supergenerous

Supergenerous offers a creative solution to utilise the estimated \$1 billion in unclaimed donation tax rebates. Donors can use the platform to gift their donation tax rebates back to the charities they already support or get the refund back for themselves. When the rebate is regifted, it is a new donation for the charity, which increases the total value of the donation.

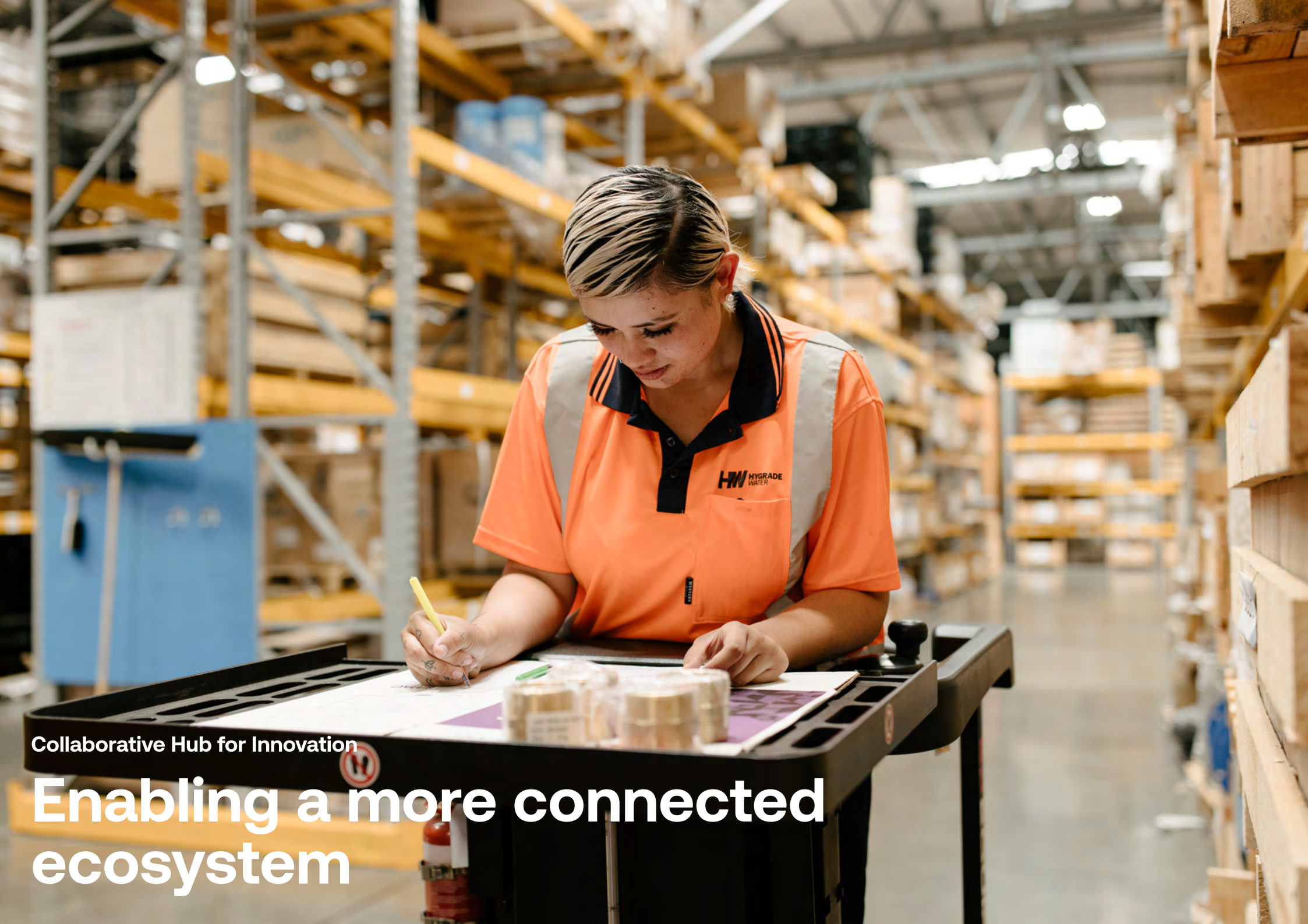
WGIF support was used to build a MVP (Minimum Viable Product) and test the market for the platform. The funding allowed them to validate their value proposition, get access to further funding to be investment ready and close their initial pre-seed capital raise from investors.

Impact is at the heart of this platform, with a start-up mentality driving towards creating a sustainable venture.

www.supergenerous.co.nz



“We are a tech for good start up and having the WGIF funding allowed us to invest in the foundational aspect of our tech stack which became the founding block of our operation today and facilitated our impact.” - Guillaume Dehan, Supergenerous



Collaborative Hub for Innovation

Enabling a more connected ecosystem

The Approach: Collaborative hub for innovation

WGIF brings together expert advisors and innovators from Westpac, across Government and throughout the innovation and impact ecosystem. It provides a platform for them to step outside silos and collaborate to address wicked problems. WGIF operates at the periphery of two institutions, allowing space for experimentation to enable opportunities to be de-risked.

WGIF partners with other ecosystem players. WGIF compliments its intake model with sponsorships like Creative HQ's GovTech Accelerator, harnessing their capability building and connection to further strengthen the innovation ecosystem.

WGIF impact

100% of surveyed partners either agreed or strongly agreed that WGIF has boosted the NZ innovation ecosystem.



WGIF provides vital credibility and connection to progress innovation

WGIF provides a valuable stamp of approval for innovators, signalling that ideas have been vetted to a high standard. This means higher levels of confidence from investors, Government officials and potential collaborators and greater momentum and impact for approved initiatives. Through its network of advisors and coaches, WGIF creates stronger referral pathways for innovators. Sponsorships also provide access to expertise that can accelerate the development of initiatives. **Half of all surveyed partners have leveraged a WGIF connection to develop their business or improve their project outcomes.**

As a result, funded partners have been able to:

- Access coaches to help refine proposals, setting them up for future success in other funding rounds.
- Use expert connections to find Government officials and other collaborators to progress initiatives.
- Leverage the WGIF brand to access funding and investment opportunities.

“Through being a funded partner of WGIF we were able to gain more credibility which allowed us to easily form relationships with organisations and professionals... that were essential for us to develop our product.” - Funded Partner

“Any win adds to the perception that our company is 'investable'. With such [a] brand name as WGIF backing us - it has been helpful to raise our profile with private and institutional investors.”

- Funded Partner



Case Study:

GovTech Accelerator

WGIF was a foundational sponsor of Creative HQ's GovTech Accelerator programme. The GovTech Accelerator is a globally unique programme that provides an opportunity for government agencies to participate in an intensive three-month accelerator targeting root-cause problems, facilitating collaboration, and upskilling participants.

WGIF has also sponsored a team each year to go through the accelerator, including:

- Sustainable Supply Chains - a business-government partnership to combine knowledge and scale the impact of sustainability through supply chains. Now launched as 'Docket'.
- UpSouth - a call-to-action platform that empowers the voices of rangatahi in Tāmaki Makaurau and the wider Aotearoa.
- Manaaki Tairāwhiti - In 2021, WGIF committed \$50,000 and partnered with a GovTech team to accelerate the impact of their work. Manaaki Tairāwhiti are catalysing positive change in the social services sector for whānau in Tairāwhiti. Through the GovTech Accelerator, they created Urungi. Urungi is a tool that enables the accurate and efficient collection and analysis of this data. With Urungi, Manaaki Tairāwhiti can collect and aggregate the challenges of the current system for whānau in real-time - enabling systemic improvements to social services with whānau voices at the heart.



WGIF showcases the benefit that comes from public and private sectors collaborating

Over many years WGIF has refined a working platform of collaboration. Participants have been able to step out of silos and focus on innovation and achieving impact. Advisors refer innovators to stakeholders in different sectors, unlocking insights into an idea, its validity, or a key market.

In the process, WGIF has demonstrated a model of collaboration to Westpac and the Government and builds the skills necessary for collective problem solving.

WGIF has helped demonstrate funder's commitment to solving social and environmental challenges and growing the innovation ecosystem. Of the partners surveyed, **84% stated that their experience with WGIF has enhanced their perception of Westpac.**

"Previously our perception of Westpac was that it was purely a bank. Now it's clear that Westpac also commits to social impact and furthering innovation in multiple sectors."
- Funded Partner



"WGIF is about the 'conditions for success' type attributes. It's almost the school for innovation and the impact is not necessarily just the organisations. The impact is its people having access to purpose, freedom, capacity to learn, and collaborate."
- Abbie Reynolds, Westpac Sustainability Advisory Panel and Director, Auckland Transport

"I have a more positive perception of the Government's ability to collaborate with the private sector towards better outcomes for NZ."
- Funded Partner



Case Study: Manurewa High School

The Manurewa High Business Academy programme is preparing students for the future of work, through a partnering approach designed for their community.

The programme integrates multiple partners across three programmes – Passport to Employment, Makerspace, and Future of Work Emergent Curriculum Design. It expands horizons, by creating powerful learning connections with passionate businesses, who offer life changing opportunities and pathways for employment, that smash barriers for young people and their communities. The programme also supports businesses by introducing motivated, talented, and skilled young people, eager to make their mark and grow to their full potential.

Through WGIF connections, Manurewa High School has shared their innovation journey with other educators. It has afforded them greater credibility in influencing policy change; the brand carries weight within the education space and offers external validation for the efficacy of their ideas.

www.manurewa.school.nz





Fund governance

About the report and fund structure

Fund Structure

Fund Governance

Investment Board – A public private partnership in action

The Fund is unique as every financial and strategic decision is made in partnership, governed by the Investment Board, made up of four voluntary government representatives and four Westpac NZ representatives. Each governing member brings a unique perspective. The Investment Board brings financial, systems thinking, leadership, governance, innovation, and entrepreneurship skills. This diversity of skills and experience makes for a robust governance model centred around partnership, shared purpose and enabling impact through financing experimentation.

Working Group – The engine room

We describe our working group as the engine room of the Fund. Like the Investment Board, The Working Group is a split of voluntary representatives from the government and Westpac NZ, with 12 members in total who make investment recommendations to the Investment Board. The working group is at the nucleus of innovation and systems thinking across government and the bank, from experience starting up successful businesses, Māori housing, digital transformation and sustainable procurement to name a few. The core functions of the group include evaluating funding applications as well as coaching and liaison support to short listed candidates as part of the Intake model.

Fund Management – Behind the curtain

The Fund is administered by a management team of two. The Fund's Director leads the strategic and financial execution of the Fund and is also the Chair of the Working Group. The Delivery Manager ensures the operations of the Fund are delivered effectively as well as manages the Funds' investments. The Fund Management team oversees the day-to-day business and makes operational, strategic, and financial recommendations to the Investment Board.



About this report

The Ākina Foundation helps organisations do business for good. We exist to increase the positive outcomes made by our clients and partners. We offer a unique range of tailored consulting and business development services that help the organisations we work with address challenges like poverty, inequality, environmental degradation and climate change. We have expertise in impact, community, enterprise, procurement and investment.

Ākina has used best practice impact measurement methodologies to guide the development of this report.

Ākina conducted an impact modelling workshop, stakeholder interviews and participant surveys. Survey respondents were a representative group of all funded partners in terms of funding quantum, funding rounds and potential scale of impact. Through impact modelling, Ākina developed indicators that align with priority outcomes to identify key areas of impact. Ākina used both qualitative and quantitative data to validate the changes described within.

The approach rests on the following Social Value principles⁵:

1. Involve stakeholders.
2. Understand what changes.
3. Value the things that matter.
4. Include what is material.
5. Do not overclaim.
6. Be transparent.

In order to report responsibly, Ākina has prioritised not overclaiming which includes considering discounting factors (attribution and contribution).

In doing so, Ākina has followed the principle of reporting only on what WGIF has control and influence over. As a result, Ākina has not claimed the long-term impact of the organisations and initiatives as being a direct result of WGIF. Ākina has however, identified how WGIF has influenced the ability of funded partners to develop their ideas faster and more effectively, which increases their capacity and will contribute in the long run to more positive impact.

Ākina has drawn on Impact Management Project³ concepts when considering how much change has been created. This report as a whole, looks back at the impact that has been delivered, rather than looking forward and predicting future change.

Ākina has not applied Social Return on Investment⁴, or a financial return on investment for the investments made. To do so would be inconsistent with the principles applied above, particularly concerning attribution and contribution. This report outlines the value and importance of funding early. As a consequence, funded partners are not yet ready to fully evidence their impact or see a return on the investments WGIF has made.

⁵ The Principles of Social Value

⁶ Impact Management Norms – Impact Frontiers

⁷ Guide to Social Return on Investment

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