



11 April 2024

Carl Blanchard  
Chair  
Takeovers Panel  
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Dear Carl

## **ANNUAL LETTER OF EXPECTATIONS FOR 2024/25**

I write to convey my strategic and performance expectations for the Takeovers Panel (the Panel) in relation to the 2024/25 financial year. You can also expect to receive a new enduring letter of expectations from the Minister of Finance/ Minister for the Public Service in due course.

### **Contributing to Government priorities**

The National/ ACT/ New Zealand First Coalition Government (the Government) has agreed a policy programme of work over the next three years which will contribute to the Government's overarching aim to improve outcomes for all New Zealanders, improve productivity and grow the economy.

We are focussed on addressing the high cost of living. We will restore discipline to Government spending by ensuring that public money is spent appropriately and will reduce core Crown expenditure as a proportion of the overall economy. We are also focussed on building for growth and enabling private enterprise. We will make regulatory change that creates the conditions for investment and improve our regulatory settings to encourage competition and attract investment.

### **Specific priorities and expectations for the Takeovers Panel**

I would like to acknowledge the Panel's continued hard work throughout 2023. The Panel has maintained high standards of governance and robust operating systems throughout the year to maintain investor confidence in New Zealand's capital markets.

During the 2024/25 financial year, my specific expectations are that the Panel:



- supports my programme of work to improve capital markets in New Zealand. This includes offering advice on how to improve the attractiveness of the NZX in respect of both new capital and debt listings
- continues to work effectively with other agencies and parties to improve confidence and participation in New Zealand's capital markets
- continues to effectively enforce the Code, and efficiently undertake the no-objection process for Code company schemes under the Companies Act 1993 and in accordance with the Panel's guidance notes
- continues to promote public understanding of takeovers law and practice and raise the public profile of the Code amongst shareholders, advisers, and acquirers
- understands the direct and indirect costs of the Panel's actions on businesses and the wider economy
- continues to work closely with the Ministry of Business, Innovation and Employment (MBIE) on a fees review and to support the smooth and effective implementation of changes to the Takeovers Act and Code where required
- provides advice on arrangements to improve the process for scheme of arrangement proceedings
- continues to ensure that the Panel has robust cybersecurity systems in place.

## **General expectations and good governance**

My general expectations are that the Panel:

- maintains a strong organisational capability with a focus on delivery, and
- demonstrates strict fiscal management and value for money.

Further information regarding governance expectations is set out in the **Annex** to this letter.

## **Preparation of accountability documents and performance measures**

As you will be aware, the Crown Entities Act 2004 mandates the requirements for the accountability documents of Crown entities. The Panel's 2023-2027 Statement of Intent sets out the Panel's strategic intentions and its contribution to New Zealand's capital markets.



Please arrange for the Panel to prepare a draft Statement of Performance Expectations and provide this by 1 May 2024 for my consideration. I look forward to being consulted in good time on this key document.

In line with the Government's expectation of demonstrating accountability for public money, I expect that you will include sufficient performance measures in your statutory accountability documents to demonstrate, and enable measurement of, the outcomes that will be achieved across all the Panel's functions with the funding the Panel receives.

**Response**

I would appreciate your response to this letter by 24 April 2024, outlining how you propose to address the expectations above.

I look forward to having a good working relationship with the Panel over the coming year.

Yours sincerely

A handwritten signature in black ink, reading 'A. Bayly'.

Hon Andrew Bayly

**Minister of Commerce and Consumer Affairs**

Copy to:     Andrew Hudson  
                  Chief Executive, Takeovers Panel  
                  Andrew Hume  
                  General Manager, Small Business, Commerce and Consumer Policy



## **Annex: General expectations and good governance**

### *Effective Board*

Ensuring the Board is, and remains, effective and high performing is essential. To assist with this, I expect the Board to employ robust and effective self-review processes. I understand that the Board regularly reviews its own performance and also periodically engages external consultants to help assess and improve Board performance.

Your input on succession planning for the Board is sought. I expect you to keep my officials at MBIE informed of your view of the competency and experience mix you need to work well as a board, along with your thoughts on upcoming appointments and any candidate attributes to target. I also expect you to assist in building capacity and diversity in public sector governance, for example, by mentoring emerging talent and including emerging talent in board activities.

### *Effective monitoring of Panel's performance by the Board and relationship with MBIE*

In addition to setting and driving a strategy that delivers on the Government's priorities, the Board is the most important monitor of the Panel's performance. I expect the Board to provide me with high-quality information and analysis (including through regular reporting to my officials at MBIE and in meetings with me) on the Panel's ongoing performance against its strategic and operational plans, implications for future performance, and risks and opportunities facing the Panel and how it is responding to them.

I also expect you to continue the constructive relationship you have developed with your monitor at MBIE.

### *No surprises*

The Government has a 'no surprises' policy. No surprises means that the Government expects a board to:

- be aware of any possible implications of their decisions and actions for wider Government policy issues;
- advise the responsible Minister of important initiatives and issues that may be of significance in their portfolio areas, controversial or discussed in the public arena or require a ministerial response, preferably ahead of time or otherwise as soon as possible; and
- inform the responsible Minister in advance of any major strategic initiatives.